



Consolidated Financial Statements
For the Eighteen Months Ended June 30, 2015

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Independent Auditor's Report

**To the Board of Trustees
Jubilee REACH and Affiliates
Bellevue, Washington**

We have audited the accompanying consolidated financial statements of Jubilee REACH and Affiliates (the "Organization") which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the eighteen months then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2015, and the consolidated changes in its net assets and its cash flows for the eighteen months then ended in accordance with accounting principles generally accepted in the United States of America.



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Prior Period Financial Statements

The consolidated financial statements of the Organization as of December 31, 2013, were audited by other auditors whose report dated May 12, 2014, expressed an unmodified opinion.

Other Matter

As discussed in Note 2 to the financial statements, the Organization changed its fiscal year end from December 31 to June 30, effective December 31, 2014. Therefore, the audited financial statements presented are for the eighteen months ended June 30, 2015.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of temporarily restricted net assets and schedule of revenue, support and expenses for the Heart & Home Thrift Store on pages 13 and 14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The schedule of revenue, support and expenses for the Heart & Home Thrift Store for the year ended December 31, 2013, on page 14 was subjected to the auditing procedures applied in the 2013 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2013 consolidated financial statements as a whole.

Clark Nuber PS

Certified Public Accountants
September 25, 2015

JUBILEE REACH AND AFFILIATES

Consolidated Statement of Financial Position
 June 30, 2015
 (With Comparative Totals for December 31, 2013)

	June 30, 2015	December 31, 2013
Assets		
Current Assets:		
Cash and cash equivalents	\$ 720,890	\$ 763,609
Accounts receivable	15,769	12,367
Grants receivable	33,000	76,875
Inventory	62,011	61,920
Prepaid expenses	53,384	31,334
Total Current Assets	885,054	946,105
Other assets	15,363	15,880
Property, equipment and leasehold improvements, net	1,168,359	1,261,484
Total Assets	\$ 2,068,776	\$ 2,223,469
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 70,939	\$ 28,091
Accrued liabilities	78,815	60,987
Deferred rent, current portion	21,122	21,122
Total Current Liabilities	149,754	110,200
Deferred rent	21,186	21,186
Total Liabilities	170,940	110,200
Net Assets:		
Unrestricted	1,785,041	1,964,314
Temporarily restricted	112,795	148,955
Total Net Assets	1,897,836	2,113,269
Total Liabilities and Net Assets	\$ 2,068,776	\$ 2,223,469

See accompanying notes.

JUBILEE REACH AND AFFILIATES

**Consolidated Statement of Activities
For the Eighteen Months Ended June 30, 2015
(With Comparative Totals for the Year Ended December 31, 2013)**

	Eighteen Months Ended June 30, 2015			Year Ended December 31, 2013
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue:				
Contributions-				
Individuals	\$ 600,277	\$ 133,867	\$ 734,144	\$ 477,014
Churches	224,762	89,530	314,292	322,390
Foundations and corporations	150,077	236,765	386,842	365,375
Gifts-in-kind	1,397,654		1,397,654	895,071
Special events	1,102,691		1,102,691	372,614
	<u>3,475,461</u>	<u>460,162</u>	<u>3,935,623</u>	<u>2,432,464</u>
Special events revenue-				
Auction ticket sales	76,300		76,300	23,106
Less: Cost of direct benefit to donors	(102,146)		(102,146)	(41,646)
	<u>(25,846)</u>		<u>(25,846)</u>	<u>(18,540)</u>
Other revenue and support-				
Thrift store sales and income	1,233,056		1,233,056	807,221
Interest	850		850	334
Other	6,562		6,562	5,535
	<u>1,240,468</u>		<u>1,240,468</u>	<u>813,090</u>
Net assets released from restriction	<u>496,322</u>	<u>(496,322)</u>		
Total Revenue and Support	5,186,405	(36,160)	5,150,245	3,227,014
Expenses:				
Program services	4,513,324		4,513,324	2,657,049
Resource development	622,049		622,049	216,231
Management and general	230,305		230,305	148,831
	<u>5,365,678</u>		<u>5,365,678</u>	<u>3,022,111</u>
Change in Net Assets	(179,273)	(36,160)	(215,433)	204,903
Net assets, January 1, 2014	<u>1,964,314</u>	<u>148,955</u>	<u>2,113,269</u>	<u>1,908,366</u>
Net Assets, June 30, 2015	\$ <u>1,785,041</u>	\$ <u>112,795</u>	\$ <u>1,897,836</u>	\$ <u>2,113,269</u>

See accompanying notes.

JUBILEE REACH AND AFFILIATES

**Consolidated Statement of Functional Expenses
For the Eighteen Months Ended June 30, 2015
(With Comparative Totals for the Year Ended December 31, 2013)**

	Eighteen Months Ended June 30, 2015				Year Ended December 31, 2013
	Program Services	Resource Development	Management and General	Total	Total
Wages, taxes and benefits	\$ 2,115,533	\$ 393,260	\$ 169,553	\$ 2,678,346	\$ 1,418,337
Services - contract	19,646			19,646	13,832
Services - professional	4,823	4,823	27,324	36,970	4,500
Business and promotional	12,983	136,983		149,966	53,143
Cost of goods sold	1,202,582			1,202,582	806,614
Depreciation and amortization	86,221	4,196	8,393	98,810	66,741
Fees - credit card and other	33,661	422	844	34,927	24,301
Insurance	30,937	689	1,879	33,505	20,558
Occupancy	314,356			314,356	259,244
Office supplies and expenses	5,708	4,510	11,212	21,430	9,943
Community collaboration	62,465			62,465	38,155
Other expenses	275,411	71,770	2,464	349,645	6,434
Repairs and maintenance	19,139	1,126	2,252	22,517	11,621
Specific assistance to individuals	74,278			74,278	67,671
Program supplies	87,976			87,976	106,924
Taxes	7,138			7,138	4,282
Telephone and internet	8,575	2,381	2,607	13,563	9,617
Transportation	51,261			51,261	29,679
Utilities	73,692	1,889	3,777	79,358	52,416
Vehicle expenses	26,939			26,939	18,099
Total Expenses	\$ 4,513,324	\$ 622,049	\$ 230,305	\$ 5,365,678	\$ 3,022,111

See accompanying notes.

JUBILEE REACH AND AFFILIATES

**Consolidated Statement of Cash Flows
For the Eighteen Months Ended June 30, 2015
(With Comparative Totals for the Year Ended December 31, 2013)**

	Eighteen Months Ended June 30, 2015	Year Ended December 31, 2013
Cash Flows From Operating Activities:		
Change in net assets	\$ (215,433)	\$ 204,903
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities-		
Noncash changes:		
Depreciation and amortization	98,810	66,741
Amortization of deferred rent liability	64	(15,062)
Change in operating assets and liabilities:		
Accounts receivable	(3,402)	(6,751)
Grants receivable	43,875	(76,875)
Inventory	(91)	(6,344)
Prepaid expenses	(22,050)	7,644
Accounts payable	42,848	(7,834)
Accrued expenses	17,828	20,954
Net Cash (Used) Provided by Operating Activities	(37,551)	187,376
Cash Flows From Investing Activities:		
Purchase of property, equipment and leasehold improvements	(5,168)	(4,728)
Net Cash Used by Investing Activities	(5,168)	(4,728)
Net Change in Cash and Cash Equivalents	(42,719)	182,648
Cash and cash equivalents, January 1, 2014	763,609	580,961
Cash and Cash Equivalents, June 30, 2015	\$ 720,890	\$ 763,609

See accompanying notes.

JUBILEE REACH AND AFFILIATES

Notes to Consolidated Financial Statements For the Eighteen Months Ended June 30, 2015

Note 1 - Organization

Jubilee REACH was incorporated on December 12, 2005. The purpose of Jubilee REACH is to provide Relationship, Education, Assistance, Community and Hospitality to youth and families on the margins. Jubilee REACH partners with the City of Bellevue, its churches, service organizations, School District, businesses and leaders. Jubilee REACH supports and affirms youth education, sustains healthy families and builds relational communities through our programs and services. Jubilee REACH operates a Community Center, a Thrift Store and Jubilee REACH Athletics and Activities.

Jubilee REACH is the sole member of Jubilee REACH Heart & Home Value Center, LLC (the Thrift Store) and Club Jubilee, LLC. Club Jubilee, LLC (Jubilee REACH Athletics and Activities) operates the programs run on-site in the Bellevue School District middle and elementary schools. Both LLC's operate in Bellevue, Washington.

Jubilee REACH and Affiliates (the Organization) derives approximately 76 percent of its revenue from contributions and 24 percent from Thrift Store operations.

The Organization provides over 30 programs to serve the needs of the community in collaborative partnership with the school district, local government, businesses, churches and other service organizations. The Organization's core programs include:

Community Center - Community Center provides families with the opportunity to develop key relationships needed to have positive and productive lives. Offerings include English as a Second Language classes, financial literacy, tutoring, art and technology support programs, as well as food and health services.

Thrift Store - The Thrift Store builds community, capacity and hope through missional business opportunities. Local business owners mentor staff with training to increase their business skills. The Jubilee Jobs program builds relationships with the community for job placement. Sales of donated household furniture, goods and clothing allow for profits to fund programs for the Community Center and Club Jubilee and help those families in transition.

Jubilee REACH Athletics and Activities - Jubilee REACH Athletics and Activities provides school enrichment and sports programs run on-site in Bellevue middle and elementary schools, giving students the resources they need to achieve character, education and personal goals. Each student receives a personal connection through adult mentors and tutors who engage them in homework assistance, music, computer, art and life skills programs.

Note 2 - Significant Accounting Policies

Change in Fiscal Year End - The Organization elected to change its fiscal year end from December 31 to June 30, effective December 31, 2014. Therefore, these financial statements present activity as of and for the eighteen months ended June 30, 2015, with comparative summaries for the year ended December 31, 2013.

Basis of Accounting - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America (U.S. GAAP). The consolidated financial statements include the accounts of Jubilee REACH, the Thrift Store and Club Jubilee, LLC.

JUBILEE REACH AND AFFILIATES

Notes to Consolidated Financial Statements For the Eighteen Months Ended June 30, 2015

Note 2 - Continued

For the purposes of financial reporting, the Organization classifies net assets, revenues, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization and/or passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. There were no permanently restricted net assets at June 30, 2015, or December 31, 2013.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets, including restrictions fulfilled in the same time period in which the restricted contribution is received.

Revenue Recognition - The Organization's revenue consists primarily of contributions, including gifts in-kind, and revenue from Thrift Store sales. Contributions are recognized as revenue at the time a cash or noncash gift is received or pledged. Revenue from Thrift Store sales is recognized as earned.

Gifts-in-Kind - The Organization receives gifts-in-kind consisting of both goods and services. The Organization estimates the fair value of donated goods received based on net revenue generated from the sale of the donated goods. Using this method, management estimates that the fair value of all goods donated to the Organization throughout the period is equal to the revenue realized by the sale of the goods, plus the ending inventory and less the beginning inventory.

The Organization builds relationships and trust so it can hear the real needs of people on the margins in the community. The Organization trains volunteers with the necessary skills, time and passion to lead programs to meet those needs, or it partners with other service organizations. Utilization of volunteers to serve the expressed needs of people on the margins provide a hand-up, not a hand-out, to those in need. The personal time these volunteers contribute to the Organization is generally not recognized as contribution revenue, as it does not meet the criteria for recognition in accordance with U.S. GAAP.

Conditional Promises to Give - The Organization recognizes revenue for conditional promises to give when the conditions included in the promise have been substantially met. During the eighteen months ended June 30, 2015, the Organization received a grant totaling \$33,000 subject to conditions that the Organization meet certain matching requirements. The Organization expects to satisfy those conditions and recognize the grant revenue during the year ended June 30, 2016.

Cash and Cash Equivalents - For purposes of reporting cash flows, the Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization holds deposits at financial institutions in excess of federally insured limits at times during the period. The Organization has not experienced any losses in such accounts and believes it is not exposed to a significant credit risk on cash and cash equivalents.

JUBILEE REACH AND AFFILIATES

Notes to Consolidated Financial Statements For the Eighteen Months Ended June 30, 2015

Note 2 - Continued

Accounts and Grants Receivable - Accounts and grants receivable is stated at the amount management expects to collect from outstanding balances. Management considers all outstanding balances to be collectible; therefore, it has not established a provision for uncollectible accounts. Receivables are determined to be past due based on contractual terms. Uncollectible accounts are written off when management determines they will not be collected.

Inventory - Inventory of merchandise held for sale in the Thrift Store consists of clothing, furniture, electronics, household and other items. Nearly all items have been donated. Management has estimated the fair value of the inventory based on a turnover rate of approximately 12 times per year.

Property, Equipment and Leasehold Improvements - Property, equipment and leasehold improvements are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 3 to 25 years. The Organization capitalizes all property, equipment and leasehold improvements with a cost in excess of \$1,000 and a useful life longer than one year. Repairs and maintenance are expensed as incurred.

Other Assets - Other assets consist primarily of a long-term lease deposit for the Thrift Store and software, net of accumulated amortization. Other assets are valued at cost.

Federal Income Tax - The Internal Revenue Service has determined that Jubilee REACH is exempt from federal income tax as an entity described in Internal Revenue Code (IRC) Section 501(c)(3). In addition, Jubilee REACH qualifies for the charitable contribution deduction under Section 170 and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the IRC. Accordingly, no provision has been made for federal income tax in the consolidated financial statements.

The Thrift Store and Club Jubilee, LLC, are considered by the IRS to be disregarded entities for federal tax purposes. As such, their revenues and expenses are included in the federal tax filings of Jubilee REACH. Thrift Store merchandise consists primarily of items that were donated; therefore, sales of such merchandise are exempt from federal income tax in accordance with Section 513(c)(3) of the IRC.

The Organization files income tax returns with the U.S. government.

Functional Allocation of Expenses - The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based upon the benefits derived or space utilized. Direct expenses are charged to the various functions as incurred. Expenses related to facilities are allocated based on the approximate amount of space utilized. Salaries and wages are allocated based on the approximate amount of time each individual spends on the programs, resource development and general and administrative duties.

Use of Estimates - The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

JUBILEE REACH AND AFFILIATES

Notes to Consolidated Financial Statements For the Eighteen Months Ended June 30, 2015

Note 2 - Continued

Prior Year Summarized Information - For comparative purposes, the consolidated financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Financial Statement Reclassifications - Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current period presentation. Such reclassifications have no effect on the consolidated change in net assets or net asset balances as previously reported.

Subsequent Events - The Organization has evaluated subsequent events through September 25, 2015, the date on which the consolidated financial statements were available to be issued.

Note 3 - Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements consisted of the following as of:

	June 30, 2015	December 31, 2013
Depreciable property, equipment and leasehold improvements:		
Building and improvements	\$ 918,010	\$ 918,010
Furniture and equipment	173,337	168,514
Vehicles	13,781	13,781
Leasehold improvements	50,938	50,938
	1,156,066	1,151,243
Less accumulated depreciation	(509,249)	(411,301)
	646,817	739,942
Land	521,542	521,542
Property, Equipment and Leasehold Improvements, Net	<u>\$ 1,168,359</u>	<u>\$ 1,261,484</u>

Depreciation and amortization expense totaled \$98,810 for the eighteen months ended June 30, 2015, and \$66,741 for the year ended December 31, 2013.

JUBILEE REACH AND AFFILIATES

Notes to Consolidated Financial Statements For the Eighteen Months Ended June 30, 2015

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes as of:

	June 30, 2015	December 31, 2013
Japanese library	\$ 32,424	\$ 24,723
Rainier Athletes	30,212	3,285
Thrift Store	26,970	
Jubilee REACH Athletics and Activities	14,383	563
Scholarships	4,394	4,394
Development	2,888	102,901
Community Care	1,200	1,306
Other program purposes	324	1,476
Medical clinic		10,307
Total Temporarily Restricted Net Assets	<u>\$ 112,795</u>	<u>\$ 148,955</u>

Temporarily restricted net assets released during the eighteen months ended June 30, 2015, were for ongoing programs and totaled \$496,322.

Note 5 - Gifts-in-Kind

The Organization received the following gifts-in-kind during the eighteen months ended June 30, 2015, and the year ended December 31, 2013:

	June 30, 2015	December 31, 2013
Thrift Store merchandise	\$ 1,204,818	\$ 810,766
Food and other goods	170,336	84,305
Festival of Trees	22,500	
Total Gifts-in-Kind	<u>\$ 1,397,654</u>	<u>\$ 895,071</u>

JUBILEE REACH AND AFFILIATES

Notes to Consolidated Financial Statements For the Eighteen Months Ended June 30, 2015

Note 6 - Operating Leases

The Thrift Store leases facilities space under an operating lease. The lease expired December 31, 2014, and contained a renewal option for an additional five years. The Organization elected to renew the lease, which now expires on December 31, 2019. Jubilee REACH also leases warehouse space under an operating lease that expires February 28, 2017.

Rent expense recognized for the Thrift Store and warehouse leases totaled \$314,356 and \$54,000, respectively, for the eighteen months ended June 30, 2015. Rent expense recognized for the Thrift Store and warehouse leases totaled \$201,460 and \$36,000, respectively, for the year ended December 31, 2013.

Future minimum lease payments under these leases, not including common area maintenance charges, are as follows:

For the Years Ending June 30,

2016	\$	216,930
2017		223,437
2018		230,140
2019		237,045
2020		<u>120,274</u>
Total	\$	<u>1,027,826</u>

SUPPLEMENTARY INFORMATION

JUBILEE REACH AND AFFILIATES

**Consolidated Schedule of Temporarily Restricted Net Assets
For the Eighteen Months Ended June 30, 2015**

Program Name	Temporarily Restricted Net Assets January 1, 2014	Contributions	Direct Expenses and Other Releases	Temporarily Restricted Net Assets Increase (Decrease)	Temporarily Restricted Net Assets June 30, 2015
Japanese library	\$ 24,723	\$ 8,704	\$ 1,003	\$ 7,701	\$ 32,424
Rainier Athletes	3,284	42,075	15,147	26,928	30,212
Thrift Store		30,388	3,418	26,970	26,970
Jubilee REACH Athletics and Activities-					
Athletics and Activities		136,093	136,093		
Mentoring		45,001	45,001		
Robotics, cross country, golf and science	563	20,170	6,350	13,820	14,383
Scholarships-					
Camp scholarships	2,539				2,539
Buckmaster scholarship fund	1,855				1,855
Development-					
Development grants	75,415	84,000	156,527	(72,527)	2,888
Community care salary	15,143		15,143	(15,143)	
English as a second language	12,344	26,377	38,721	(12,344)	
Community care-					
Microloans	1,200				1,200
Community care support	106	35,371	35,477	(106)	
Other program purposes-					
Other	900	5,852	6,428	(576)	324
Foundation Punto	576	16,181	16,757	(576)	
Medical clinic	10,307		10,307	(10,307)	
Community kitchen		9,950	9,950		
Total	\$ 148,955	\$ 460,162	\$ 496,322	\$ (36,160)	\$ 112,795

See independent auditor's report.

JUBILEE REACH AND AFFILIATES

**Schedule of Revenue, Support and Expenses For the Heart & Home Thrift Store
For the Eighteen Months Ended June 30, 2015
(With Comparative Totals for the Year Ended December 31, 2013)**

	Eighteen Months Ended June 30, 2015	Year Ended December 31, 2013
Revenue and Support:		
Sales and other income	\$ 1,249,061	\$ 833,074
Gifts In-kind	<u>1,204,818</u>	<u>810,766</u>
Total Revenue and Support	2,453,879	1,643,840
Operating Expenses:		
Cost of goods sold	1,202,584	806,614
Wages, taxes and benefits	556,305	310,989
Rent	368,356	232,230
NNN insurance, tax and repair	55,098	
Utilities	41,588	25,351
Credit card fees	26,488	19,511
Vehicles	26,939	9,820
Depreciation	15,402	13,085
Miscellaneous	16,090	7,248
Office supplies and expense	25,952	11,017
Taxes and licenses	7,138	4,209
Telephone	2,690	1,061
Insurance	<u>5,684</u>	
Total Operating Expenses	<u>2,350,314</u>	<u>1,441,135</u>
Excess of Revenue and Support Over Expenses	<u><u>\$ 103,565</u></u>	<u><u>\$ 202,705</u></u>

See independent auditor's report.