

SWALLOW HILL MUSIC ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

SWALLOW HILL MUSIC ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

CONTENTS

| | <u>Page</u> |
|---------------------------------|-------------|
| Independent Auditors' Report | 1 |
| Financial Statements | |
| Statement of Financial Position | 3 |
| Statement of Activities | 4 |
| Statement of Cash Flows | 5 |
| Notes to Financial Statements | 6 |
| Supplementary Information | |
| Schedule of Functional Expenses | 13 |

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Swallow Hill Music Association
Denver, Colorado

We have audited the accompanying financial statements of Swallow Hill Music Association (a nonprofit organization) which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year 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 of 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 policies used and the reasonableness of significant accounting 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 financial statements referred to above present fairly, in all material respects, the financial position of Swallow Hill Music Association as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Swallow Hill Music Association's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 29, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13 is presented for purposes of additional analysis and is 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.


TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Denver, Colorado
May 26, 2015

SWALLOW HILL MUSIC ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

| | <u>2014</u> | <u>2013</u> |
|---|---------------------|---------------------|
| <u>Assets</u> | | |
| Cash and cash equivalents - unrestricted | \$ 582,052 | \$ 405,065 |
| Cash and cash equivalents - temporarily restricted | 65,325 | 44,457 |
| Accounts receivable - unrestricted and temporarily restricted | 39,527 | 17,301 |
| Grants receivable - unrestricted and temporarily restricted | 150,928 | 126,926 |
| Prepaid expenses and deposits | 11,226 | 18,432 |
| Investments (Note 3) | 11,182 | 3,048 |
| Investment in LLC - temporarily restricted (Note 4) | 522,995 | 522,995 |
| Net property and equipment (Note 5) | 934,923 | 944,040 |
| Beneficial interest in assets held by others (Note 6) | 56,313 | 56,090 |
| | <u>\$ 2,374,471</u> | <u>\$ 2,138,354</u> |
| <u>Liabilities and net assets</u> | | |
| <u>Liabilities</u> | | |
| Accounts payable | \$ 47,821 | \$ 23,783 |
| Accrued payroll costs | 22,369 | 24,937 |
| Deferred concert and class revenue | 218,909 | 188,921 |
| Note payable (Note 7) | 350,738 | 358,384 |
| Line of credit (Note 7) | - | - |
| Copier lease obligation (Note 8) | 15,621 | - |
| Commitments (Note 9) | | |
| | <u>655,458</u> | <u>596,025</u> |
| <u>Net assets</u> | | |
| <u>Unrestricted</u> | | |
| Operating | 1,064,334 | 922,161 |
| Temporarily restricted (Note 10) | 598,366 | 564,078 |
| Permanently restricted (Note 6) | 56,313 | 56,090 |
| | <u>1,719,013</u> | <u>1,542,329</u> |
| Total net assets | <u>\$ 2,374,471</u> | <u>\$ 2,138,354</u> |
| Total liabilities and net assets | <u>\$ 2,374,471</u> | <u>\$ 2,138,354</u> |

The accompanying notes are an integral part of these financial statements

SWALLOW HILL MUSIC ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

| | 2014 | | | 2013 | |
|--|--------------------|---------------------------|---------------------------|--------------------|--------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Total |
| <u>Revenue and other support</u> | | | | | |
| Ticket sales (Net of seat and sales tax) | \$3,130,684 | \$ - | \$ - | \$3,130,684 | \$2,641,367 |
| Music class tuition | 1,075,534 | - | - | 1,075,534 | 951,621 |
| SCFD | 500,135 | 26,322 | - | 526,457 | 466,870 |
| Grants and contributions | 156,438 | 54,635 | 1,500 | 212,573 | 174,052 |
| Membership dues | 175,750 | - | - | 175,750 | 178,082 |
| Food and beverage (Net of cost of sales) | 79,264 | - | - | 79,264 | 36,340 |
| Sponsorship | 62,486 | - | - | 62,486 | 15,535 |
| Studio fees | 22,316 | - | - | 22,316 | 25,133 |
| Rental income (Note 11) | 20,170 | - | - | 20,170 | 31,145 |
| Merchandise (Net of cost of sales) | 15,119 | - | - | 15,119 | 16,291 |
| Raffle income | 3,234 | - | - | 3,234 | 4,260 |
| Advertising | 2,950 | - | - | 2,950 | 1,940 |
| Investment income (Net of management fees) | (2,256) | - | 1,527 | (729) | 1,526 |
| All other | 12,196 | - | - | 12,196 | 298 |
| In-kind (Note 12) | 16,558 | - | - | 16,558 | 21,938 |
| Net assets released from restrictions (Note 13) | 49,473 | (46,669) | (2,804) | - | - |
| Total revenue and other support | <u>5,320,051</u> | <u>34,288</u> | <u>223</u> | <u>5,354,562</u> | <u>4,566,398</u> |
| <u>Expense</u> | | | | | |
| Program services | 4,485,123 | - | - | 4,485,123 | 4,006,627 |
| Supporting services | | | | | |
| Management and general | 435,848 | - | - | 435,848 | 374,993 |
| Fund-raising | 256,907 | - | - | 256,907 | 222,931 |
| Total expenses | 5,177,878 | - | - | 5,177,878 | 4,604,551 |
| Loss on sale of property | - | - | - | - | 185,005 |
| Total expense and losses | <u>5,177,878</u> | <u>-</u> | <u>-</u> | <u>5,177,878</u> | <u>4,789,556</u> |
| Change in net assets | 142,173 | 34,288 | 223 | 176,684 | (223,158) |
| Net assets, beginning of year | <u>922,161</u> | <u>564,078</u> | <u>56,090</u> | <u>1,542,329</u> | <u>1,765,487</u> |
| Net assets, end of year | <u>\$1,064,334</u> | <u>\$ 598,366</u> | <u>\$ 56,313</u> | <u>\$1,719,013</u> | <u>\$1,542,329</u> |

The accompanying notes are an integral part of these financial statements

SWALLOW HILL MUSIC ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

| | 2014 | 2013 |
|---|------------|--------------|
| <u>Cash flows from operating activities</u> | | |
| Change in net assets | \$ 176,684 | \$ (223,158) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Loss on sale of donated property | - | 185,005 |
| Donated equipment | (9,500) | (17,000) |
| Donated securities | - | (5,092) |
| Depreciation | 91,336 | 79,860 |
| Unrealized loss on investments | 300 | 99 |
| <u>Changes in operating assets and liabilities</u> | | |
| (Increase)decrease in accounts receivable | (22,226) | 1,674 |
| (Increase)decrease in grants receivable | (24,002) | (12,571) |
| (Increase)decrease in prepaid expenses | 7,206 | 9,162 |
| Increase(decrease) in accounts payable | 24,038 | 4,870 |
| Increase(decrease) in payroll accruals | (2,568) | (1,306) |
| Increase(decrease) in deferred revenue | 29,988 | 2,032 |
| Net cash provided(used) by operating activities | 271,256 | 23,575 |
| <u>Cash flows from investing activities</u> | | |
| (Purchases) of fixed assets | (57,098) | (100,507) |
| (Purchases) redemption of investments | (8,434) | 4,905 |
| Net cash provided(used) by investing activities | (65,532) | (95,602) |
| <u>Cash flows from financing activities</u> | | |
| Borrowing (repayments) on note payable | (7,646) | (7,196) |
| (Additions) to endowment | (223) | (56,090) |
| Net cash provided by financing activities | (7,869) | (63,286) |
| Net increase in cash and cash equivalents | 197,855 | (135,313) |
| Cash and cash equivalents, beginning of year | 449,522 | 584,835 |
| Cash and cash equivalents, end of year | \$ 647,377 | \$ 449,522 |
| Supplemental disclosure of information: | | |
| Cash paid during the period for interest | \$ 21,594 | \$ 22,679 |
| Noncash investing and financing transactions | | |
| Property purchased under a capital lease | \$ 15,621 | \$ - |

The accompanying notes are an integral part of these financial statements

SWALLOW HILL MUSIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 1 - NATURE OF ACTIVITIES

Swallow Hill Music Association was incorporated in 1979, as a non-profit corporation in the state of Colorado. Swallow Hill Music Association has been granted tax-exempt status from the Internal Revenue Service in accordance with section 501(c)(3) of the Internal Revenue Code. Swallow Hill Music Association exists to serve as a local, regional and national resource for the teaching, presentation and preservation of roots, folk and acoustic music, and to make enjoyment of and participation in live performance and dancing a vital part of our community's cultural life. The Organization is funded primarily by ticket sales, music class tuition, and grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Presentation of Certain Taxes

The Organization collects various taxes from customers and remits these amounts to applicable taxing authorities. The Organization's accounting policy is to exclude these taxes from revenues and cost of sales.

5. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities, as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

6. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization's federal return for organizations exempt from income tax (Form 990) is subject to examination by the IRS, generally for three years after filing.

9. Functional Reporting of Expenses

For the year ended December 31, 2014, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

10. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

11. Subsequent Events

Management has evaluated subsequent events through May 26, 2015, the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

At year-end, investments are stated at their fair values (level 1 inputs) and consist of:

| <u>Description</u> | <u>Cost</u> | <u>Fair Value</u> | <u>Unrealized Appreciation (Depreciation)</u> |
|--------------------|-----------------|-------------------|---|
| Money market | \$ 9,719 | \$ 9,719 | \$ - |
| Equities | <u>-</u> | <u>1,463</u> | <u>1,463</u> |
| Total | <u>\$ 9,719</u> | <u>\$ 11,182</u> | <u>\$ 1,463</u> |

Investment income is summarized as follows:

| <u>Description</u> | |
|-------------------------------------|-----------------|
| Interest and dividend income | \$ 70 |
| Change in unrealized gains (losses) | <u>(300)</u> |
| Net investment return | <u>\$ (230)</u> |

NOTE 4 - INVESTMENT IN LLC

On October 24, 2011, the Estate of Jeffery M. Quinlan transferred all membership interests in a Colorado limited liability company (LLC) to the Organization. The donated property, located in Colorado Springs, Colorado, consisted of a vacant, 5.0 acre parcel of land. On November 5, 2011, the land appraised for \$708,000. The property was sold September 3, 2013 for \$678,030. After an unexpected lien of \$122,515 previously undisclosed by the Estate, as well as closing costs, commissions, and fees of \$32,520, the LLC received \$522,995.

Investment in LLC –temporarily restricted

The proceeds will remain in the LLC's bank account until the LLC is dissolved. It was the intention of the donor that the proceeds be restricted for capital improvements.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

| <u>Description</u> | <u>Amount</u> |
|------------------------------------|-------------------|
| Land | \$ 115,192 |
| Building and improvements | 1,130,649 |
| Furniture, fixtures, and equipment | <u>300,328</u> |
| Total | 1,546,169 |
| Less: accumulated depreciation | <u>(611,246)</u> |
| Net property and equipment | <u>\$ 934,923</u> |

Depreciation expense for the year was \$91,336.

NOTE 6 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 2013, the Organization established an endowment fund with the Community First Foundation for operational purposes. The Foundation has variance power over the funds. Under the terms of the endowment, the contributions are held in perpetuity. Amounts appropriated for expenditure are calculated using five percent of the average of the net fair market values of three preceding calendar years. At year-end, the fund had a fair value of \$56,313.

Changes in endowment net assets as of December 31, 2014 are as follows:

| | <u>Amount</u> |
|----------------------------|------------------|
| Balance, beginning of year | \$ 56,090 |
| Contributions | 1,500 |
| Disbursements | (2,804) |
| Investment income | 2,902 |
| Net appreciation | (805) |
| Less: management fees | <u>(570)</u> |
| Total investment return | 1,527 |
| Balance, end of year | <u>\$ 56,313</u> |

NOTE 7 - NOTE PAYABLE

On January 31, 2011, the Organization refinanced a note totaling \$372,991. The note accrues interest at 6% annually, with interest only payments through August 12, 2011; and monthly payments (principal plus interest) of \$2,436 through July 2016. There is a balloon payment of \$340,146 due July 2016. The note is secured by deed of trust on the real property.

Principal payments for the note are as follows:

| <u>Year</u> | <u>Amount</u> |
|------------------|-------------------|
| 2015 | \$ 8,257 |
| 2016 and balloon | <u>342,481</u> |
| Total | <u>\$ 350,738</u> |

Line of Credit

The Organization established a \$100,000 line of credit secured by the building. Interest currently accrues at a variable rate of 6.25% per annum, based on a year of 360 days. There was no balance at year end.

NOTE 8 - COPIER LEASE OBLIGATION

The Organization has acquired a photocopier under a capital leasing arrangement. The future minimum lease payments are:

| <u>Year</u> | <u>Amount</u> |
|---|------------------|
| 2015 | \$ 3,624 |
| 2016 | 3,624 |
| 2017 | 3,624 |
| 2018 | 3,624 |
| 2019 | <u>3,624</u> |
| Total | 18,120 |
| Less: amount representing interest | <u>(2,499)</u> |
| Present value of capital lease obligation | <u>\$ 15,621</u> |

NOTE 9 - COMMITMENTS

The Organization has entered into a two year lease for its first satellite location. The lease began January 1, 2014 and ends January 31, 2015. After the lease terminates, the Organization will continue to lease on a month to month basis. Under the terms of this agreement, the Organization is obligated for future lease payments of:

| <u>Year</u> | <u>Amount</u> |
|-------------|-----------------|
| 2015 | <u>\$ 1,500</u> |

The Organization also entered into a one year lease for an additional satellite location, commencing February 1, 2015 and ending January 31, 2016. Monthly payments are \$334.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose:

| <u>Description</u> | <u>Amount</u> |
|--|-------------------|
| Capital improvements | \$ 522,995 |
| Outreach | 27,500 |
| Scholarships | 21,776 |
| Bequest restricted to capital improvements and purchases | 18,549 |
| Discretionary portion of SCFD | <u>7,546</u> |
| Total | <u>\$ 598,366</u> |

NOTE 11 - RENTAL INCOME

The Organization leased space to a tenant from January 1, 2014 through December 31, 2014. Monthly rent was \$1,100. The Organization also leased space for various other activities during the year.

NOTE 12 - IN-KIND CONTRIBUTIONS

During the year, in-kind contributions were received as follows:

| <u>Description</u> | <u>Amount</u> |
|--------------------|------------------|
| Donated motorhome | \$ 9,500 |
| Donated legal | 3,833 |
| Donated materials | <u>3,225</u> |
| Total | <u>\$ 16,558</u> |

The Organization also received over \$4,000 volunteer hours from ticket takers, ushers, and other nonprofessional services that are not recorded in the financial statements.

NOTE 13 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released by satisfying program restrictions as follows:

| <u>Description</u> | <u>Amount</u> |
|-------------------------------------|------------------|
| SCFD-discretionary portion | \$ 25,122 |
| Scholarship | 21,547 |
| Appropriated endowment disbursement | <u>2,804</u> |
| Total | <u>\$ 49,473</u> |

NOTE 14 - CONCENTRATION OF CREDIT RISK

The Organization places most of its cash with one financial institution. Amounts over \$250,000 are not insured by the FDIC or related entity.

NOTE 15 - INTEREST IN LIMITED LIABILITY COMPANY (LLC)

The Organization was assigned a 1/3 minority interest in a limited liability company (LLC) that contains only a sole piece of property consisting of a parcel of land. Management has not been able to establish a value, and since the fair value of the property is not determinable, no amounts have been included in the financial statements.

NOTE 16 - CONTINGENT RECEIVABLE

Generally Accepted Accounting Principles require promises to give to be recognized as revenue in the period the promise is received, unless there is uncertainty about whether the Organization will be able to meet any donor imposed conditions. In 2014, the Organization received a five-year pledge from an individual donor in the amount of \$125,000. At December 31, 2014, the outstanding amount totaled \$100,000. Management and the Board have evaluated this pledge and have determined certain conditions may exist about the possibility of meeting donor imposed restrictions. In accordance with the donor documents, the Organization and the donor will review the outreach efforts on a yearly basis to evaluate implementation and impact. If this review proves to be satisfactory, the Organization will recognize the following year's proportion (\$25,000 per year) of the five-year gift with the understanding that the Organization intends to provide the same level of outreach efforts in the following year.

SUPPLEMENTARY INFORMATION

SWALLOW HILL MUSIC ASSOCIATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

| | 2014 | | | 2013 | |
|----------------------------|---------------------|------------------------------|-------------------|---------------------|---------------------|
| | Program Services | Supporting Services | | Total | Total |
| | | Management And General | Fund- raising | | |
| Salaries | \$ 948,058 | \$ 301,655 | \$ 186,738 | \$ 1,436,451 | \$ 1,236,682 |
| Payroll taxes and benefits | 125,122 | 34,454 | 21,760 | 181,336 | 185,623 |
| Contract - performers | 1,403,606 | - | - | 1,403,606 | 1,191,683 |
| Facility rental | 806,514 | - | - | 806,514 | 803,754 |
| Contract - other | 434,930 | - | - | 434,930 | 272,553 |
| Advertising | 185,921 | - | - | 185,921 | 118,259 |
| Merchant and bank fees | 112,966 | - | - | 112,966 | 107,306 |
| Professional consulting | 111,815 | - | - | 111,815 | 119,055 |
| Supplies | 42,378 | 13,484 | 8,347 | 64,209 | 49,944 |
| Printing | 53,803 | - | 5,978 | 59,781 | 58,070 |
| Equipment and software | 42,524 | 2,715 | - | 45,239 | 34,827 |
| Insurance | 24,421 | 7,770 | 4,811 | 37,002 | 29,855 |
| Dues and licenses | 34,160 | - | - | 34,160 | 27,547 |
| Utilities | 19,512 | 6,208 | 3,843 | 29,563 | 34,464 |
| Accounting and legal | - | 25,717 | - | 25,717 | 16,201 |
| Repair and maintenance | 16,321 | 5,193 | 3,215 | 24,729 | 21,062 |
| Interest | 14,252 | 4,535 | 2,807 | 21,594 | 22,679 |
| Meals and entertainment | 14,059 | 4,473 | 2,770 | 21,302 | 16,210 |
| Telephone | 11,360 | 3,615 | 2,237 | 17,212 | 14,260 |
| Travel | 10,218 | 1,148 | 115 | 11,481 | 18,375 |
| Postage | 7,319 | 2,329 | 1,441 | 11,089 | 20,418 |
| Property taxes | - | 1,800 | - | 1,800 | 9,908 |
| Conferences and workshops | 645 | - | - | 645 | 7,528 |
| Contract - teachers | - | - | - | - | 105,155 |
| Other | 4,937 | 1,571 | 972 | 7,480 | 3,273 |
| | <u>4,424,841</u> | <u>416,667</u> | <u>245,034</u> | <u>5,086,542</u> | <u>4,524,691</u> |
| Depreciation | 60,282 | 19,181 | 11,873 | 91,336 | 79,860 |
| Total expenses | <u>\$ 4,485,123</u> | <u>\$ 435,848</u> | <u>\$ 256,907</u> | <u>\$ 5,177,878</u> | <u>\$ 4,604,551</u> |

The accompanying notes are an integral part of these financial statements