

**SOVEREIGN GRACE MINISTRIES, INC.**

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**AUGUST 31, 2009 AND 2008**

# Sovereign Grace Ministries, Inc.

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## Independent Auditor's Report

Board of Directors  
**Sovereign Grace Ministries, Inc.**  
Gaithersburg, Maryland

We have audited the accompanying Statements of Financial Position of **Sovereign Grace Ministries, Inc.** as of August 31, 2009 and 2008, and the related Statements of Activities and Changes in Net Assets, and Cash Flows for the years then ended. These financial statements are the responsibility of **Sovereign Grace Ministries, Inc.**'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Sovereign Grace Ministries, Inc.** as of August 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Rockville, Maryland  
November 30, 2009

<i>August 31,</i>	<b>2009</b>	2008
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 227,262	\$ 532,122
Investments	1,484,981	1,321,252
Accounts receivable	32,284	58,824
Notes receivable	21,648	8,312
Prepaid expenses	91,928	72,567
Inventory	328,271	302,154
<b>Total current assets</b>	<b>2,186,374</b>	<b>2,295,231</b>
<b>Property and equipment</b>		
Land	768,170	768,170
Buildings	2,713,665	2,689,870
Furniture, fixtures and equipment	855,268	857,056
<b>Total</b>	<b>4,337,103</b>	<b>4,315,096</b>
Less: Accumulated depreciation and amortization	(1,059,002)	(1,002,349)
<b>Net property and equipment</b>	<b>3,278,101</b>	<b>3,312,747</b>
<b>Other assets</b>		
Deposits and other assets	1,705	1,705
Notes receivable	140,404	51,514
<b>Total assets</b>	<b>\$ 5,606,584</b>	<b>\$ 5,661,197</b>

# Sovereign Grace Ministries, Inc.

## Statements of Financial Position

	2009	2008
<b>Liabilities and Unrestricted Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 181,334	\$ 260,769
Deferred revenue	14,003	13,150
<b>Total liabilities</b>	<b>195,337</b>	<b>273,919</b>
<b>Unrestricted net assets</b>		
Board designated	740,000	740,000
Undesignated	4,671,247	4,647,278
<b>Total unrestricted net assets</b>	<b>5,411,247</b>	<b>5,387,278</b>
<b>Total liabilities and unrestricted net assets</b>	<b>\$ 5,606,584</b>	<b>\$ 5,661,197</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## Sovereign Grace Ministries, Inc.

### Statements of Activities and Changes in Net Assets

<i>Years Ended August 31,</i>	<b>2009</b>	<b>2008</b>
<b>Change in unrestricted net assets</b>		
Support and revenue		
Contributions - churches	\$ 3,502,414	\$ 3,540,660
Contributions - other	1,564,607	1,987,532
Sales	895,086	1,141,701
Tuition and fees	191,955	210,035
Conference receipts	733,940	755,530
Investment (loss) income	(128,454)	86,676
Other income	483,359	559,261
<b>Total revenue</b>	<b>7,242,907</b>	<b>8,281,395</b>
Expenses		
Program services		
Church missions - domestic	2,408,584	2,521,005
Church missions - international	904,298	1,059,562
Pastors college	778,149	881,549
Conferences	770,158	895,838
Resources	1,559,061	1,840,869
<b>Total program services</b>	<b>6,420,250</b>	<b>7,198,823</b>
Supporting services		
Development	215,253	286,994
General and administrative	583,435	660,078
<b>Total supporting services</b>	<b>798,688</b>	<b>947,072</b>
<b>Total expenses</b>	<b>7,218,938</b>	<b>8,145,895</b>
<b>Change in unrestricted net assets</b>	<b>23,969</b>	<b>135,500</b>
<b>Unrestricted net assets at beginning of year</b>	<b>5,387,278</b>	<b>5,251,778</b>
<b>Unrestricted net assets at end of year</b>	<b>\$ 5,411,247</b>	<b>\$ 5,387,278</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## Sovereign Grace Ministries, Inc.

### Statements of Cash Flows

<i>Years Ended August 31,</i>	<b>2009</b>	<b>2008</b>
<b>Cash flows from operating activities</b>		
Change in unrestricted net assets	\$ 23,969	\$ 135,500
<b>Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities</b>		
Depreciation and amortization	76,720	162,632
Unrealized and realized losses on investments	162,649	8,045
Forgiveness of notes receivable to member churches	50,000	-
<b>(Increase) decrease in</b>		
Accounts receivable	26,540	(25,564)
Prepaid expenses	(19,361)	(11,493)
Inventory	(26,117)	(75,234)
<b>(Decrease) increase in</b>		
Accounts payable and accrued expenses	(79,435)	16,418
Deferred revenue	853	(16,849)
<b>Net cash provided by operating activities</b>	<b>215,818</b>	<b>193,455</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(1,319,955)	(1,264,391)
Proceeds from sales of investments	993,577	672,613
Purchase of property and equipment	(42,074)	(707,404)
Loans made to member churches	(188,000)	(100,000)
Proceeds from collections of loans	35,774	40,174
<b>Net cash used by investing activities</b>	<b>(520,678)</b>	<b>(1,359,008)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(304,860)</b>	<b>(1,165,553)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>532,122</b>	<b>1,697,675</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 227,262</b>	<b>\$ 532,122</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Sovereign Grace Ministries, Inc.

## Notes to Financial Statements

- 1. Organization and significant accounting policies** **Organization:** Sovereign Grace Ministries, Inc. (SGM) is a Maryland nonprofit corporation. SGM is an association of churches and an integrated auxiliary of Covenant Life Church, Inc. (CLC) and is operated exclusively for religious, charitable and educational purposes dedicated to planting and supporting local churches with a passion for the gospel of Jesus Christ through conferences, training and resources.

**Basis of presentation:** As of and for the years ended August 31, 2009 and 2008, all net assets of SGM are considered unrestricted in that they are not subject to any donor-imposed stipulations.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents:** Cash and cash equivalents consist of demand deposit accounts, money market funds and highly liquid debt instruments. The Organization maintains cash balances which may exceed Federally insured limits. The Organization does not believe that this results in any significant credit risk.

**Investments:** Investments consist of certificates of deposits and publicly traded securities which are stated at fair value.

**Accounts receivable:** The face amount of accounts receivable is reduced by an allowance for doubtful accounts, if needed. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portion thereof that are deemed to be uncollectible or that require an excessive collection cost are written off to the allowance for doubtful accounts. Management believes that all accounts receivable are collectible, therefore, there is no provision for doubtful accounts in the accompanying financial statements.

**Notes receivable:** Interest income is recognized on a daily basis based on the contractual interest rates of the individual notes receivable. SGM evaluates the notes receivable for impairment. A loan is impaired when it is probable that all amounts due under the note agreement will not be collected according to the contractual terms. If any impairment is identified, an allowance for credit loss is established. The allowance is the difference between the present value of expected future cash flows discounted at the loan's effective interest rate and the recorded investment in the note, including

# Sovereign Grace Ministries, Inc.

## Notes to Financial Statements

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accrued interest. All notes are unsecured. SGM considers all notes to be fully collectible and no allowance for credit loss necessary.

**Inventory:** Inventory consists of books and CDs held for resale to members of related churches and the general public. Inventory is valued at the lower of cost or market, with cost determined on a weighted average basis.

**Property and equipment:** Property and equipment are capitalized at cost and are being depreciated using the straight-line method over their estimated useful lives of three to forty years.

SGM paid \$1,890,190 to CLC for its equity interest in its 17,125 square feet of buildings and improvements placed in service by CLC beginning August 1, 2002. An agreement was established between SGM and CLC under which SGM is given use of the building for successive terms of ninety-nine years and CLC provides all services, maintenance and repairs required for the upkeep of the property. SGM reimburses CLC for its share of these expenses at a mutually agreed-upon rate, determined annually. The capitalized cost of the buildings is the amount paid by SGM for building improvements and its equity interest in the buildings.

**Change in accounting estimate:** At the beginning of fiscal year 2009 SGM prospectively revised its depreciation assumptions attributable to townhouses it had purchased. This change had the effect of reducing 2009 depreciation expense by approximately \$20,000.

**Unrestricted net assets:** The Board of Directors has designated \$740,000 of unrestricted net assets to establish a contingency operating reserve. At August 31, 2009 and 2008, \$700,000 is appropriated for the general operations of SGM and \$40,000 is appropriated for the Pastors College.

### **Revenue recognition:**

**Contributions** - The Organization recognizes all contributions, including unconditional promises to give, as support when received. Contributions restricted as to their use are recognized as temporarily restricted revenue until these funds have been disbursed or committed as the donor intended.

# Sovereign Grace Ministries, Inc.

## Notes to Financial Statements

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.

**Sales of inventory** - Sale of books, CD's and media are recorded as revenue at the time the item is shipped or downloaded.

**Tuition, fees and event receipts** - Amounts received for tuition for the upcoming school year or registration for future events are recognized as revenue when the event occurs or ratably over the school year.

**Functional allocation of expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income taxes:** SGM is a nonprofit organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC), and is classified as an organization which is not a private foundation.

**Reclassifications:** Certain 2008 balances have been reclassified to conform with the 2009 presentation.

**Subsequent events:** Management has evaluated subsequent events for disclosure in these financial statements through November 30, 2009, which is the date the financial statements are available to be issued.

2. **Investments** Investments are presented in the financial statements at fair market value. The following is a summary of the investments as of August 31:

	<u>2009</u>	<u>2008</u>
Equities	\$ 267,934	\$ 459,592
Certificates of deposit	1,217,047	861,660
<b>Total</b>	<b>\$ 1,484,981</b>	<b>\$ 1,321,252</b>

## Sovereign Grace Ministries, Inc.

### Notes to Financial Statements

Investment (loss) income for the years ended August 31 consisted of the following:

	2009	2008
Interest and dividends	\$ 34,195	\$ 94,721
Unrealized and realized losses	(162,649)	(8,045)
<b>Total</b>	<b>\$ (128,454)</b>	<b>\$ 86,676</b>

### 3. Fair value

The Organization values its investments at fair value in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The fair value of investments as of August 31, 2009 is as follows:

		<b>Fair Value Measurements at Reporting Date Using</b>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Equities	\$ 267,934	\$ 267,934	\$ -	\$ -
Certificates of deposit	1,217,047	-	1,217,047	-
<b>Total</b>	<b>\$ 1,484,981</b>	<b>\$ 267,934</b>	<b>\$ 1,217,047</b>	<b>\$ -</b>

## Sovereign Grace Ministries, Inc.

### Notes to Financial Statements

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Level 2 values were developed utilizing the current interest rates for certificates of deposit with similar time to maturity, discounting the future payments to present value at year end.

Losses (realized and unrealized) included in change in net assets for the year ended August 31, 2009 are reported in investment loss as follows:

Total realized losses included in change in net assets	\$	(85,114)
Total unrealized losses relating to assets still held at reporting date	\$	(77,535)

## Sovereign Grace Ministries, Inc.

### Notes to Financial Statements

**4. Notes  
receivable**

Notes receivable consisted of the following at August 31:

	2009	2008
Note from a member church dated September 2007, in the original amount of \$100,000 with an original maturity date of August 2017. Interest accrued at 5.0%. An addendum dated October 2008 increased the balance to \$159,826 with interest accrued at 2.40%. A second addendum dated September 2009 extended the maturity date to August 2019 with interest accrued at 3.68%. In August 2009, Sovereign Grace Ministries forgave \$30,000 of the note receivable. The note is unsecured.	\$ 100,254	\$ 59,826
Note from a member church dated October 2008, in the original amount of \$55,000 with an original maturity on October 2013. An addendum dated September 2009 reduced the length of the note to a maturity date of September 2012. In August 2009, Sovereign Grace Ministries forgave \$20,000 of the note receivable. The note is unsecured and interest accrues at 5.0% per annum.	28,798	-
Note from a member church dated September 2009, in the original amount of \$33,000 with a maturity date of December 2015. The note is unsecured. Interest accrues at 3.50%.	33,000	-
<b>Total</b>	<b>162,052</b>	59,826
Less: Current portion	<b>(21,648)</b>	(8,312)
<b>Long-term portion</b>	<b>\$ 140,404</b>	\$ 51,514

## Sovereign Grace Ministries, Inc.

### Notes to Financial Statements

- 5. Related party transactions** SGM is affiliated with Covenant Life Church (CLC), and operates as an integrated auxiliary of the Church for the purpose of establishing and supporting local churches, training leaders and proclaiming the Word of God through church planting, conferences, the Pastors College, books, music and audio products.

At August 31, 2009 and 2008, SGM owed the Church \$128 and \$377, respectively, which are included in accounts payable and accrued expenses on the Statements of Financial Position. The Church owed SGM \$1,632 and \$21, which is included in accounts receivable in the accompanying financial statements.

SGM made the following payments to the Church during the years ended August 31:

	2009	2008
Gifts to the Church	\$ 55,700	\$ 32,600
Payments for Pastor services provided by the Church	158,408	166,292
Reimbursed expenses paid on behalf of SGM by the Church	37,956	40,919
Building operating expenses paid to the Church	66,840	66,604
<b>Total</b>	<b>\$ 318,904</b>	<b>\$ 306,415</b>

The Church made the following payments to SGM during the years ended August 31:

	2009	2008
Contributions made by CLC	\$ 732,467	\$ 723,672
Purchase of materials from SGM	17,974	19,220
Payments for services provided to the Church	221,673	236,936
Expenses paid on behalf of the Church	31,281	98,702
<b>Total</b>	<b>\$ 1,003,395</b>	<b>\$ 1,078,530</b>

## Sovereign Grace Ministries, Inc.

### Notes to Financial Statements

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#### **6. Retirement plan**

SGM maintains a retirement plan that is qualified under Section 403(b) of the Internal Revenue Code. The plan covers all full time employees. SGM will match each participant's salary deferred contribution to the plan based upon a formula outlined in the plan document, up to a maximum employer contribution of 4% of compensation. Employees vest immediately in all employer contributions to the plan. Retirement plan expense for the years ended August 31, 2009 and 2008 was \$60,495 and \$65,045, respectively.

For the pastoral staff who are not participating in the social security system, SGM also provides an amount equal to what would have been the normal employer social security and Medicare contribution (currently 7.65% of salary), which is then to be used to purchase any combination of life insurance, disability insurance, and retirement investments.

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## Independent Auditor's Report on Other Financial Information

Board of Directors  
**Sovereign Grace Ministries, Inc.**  
Gaithersburg, Maryland

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying other financial information included on pages 15 and 16 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Aronson + Company". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rockville, Maryland  
November 30, 2009

# Sovereign Grace Ministries, Inc.

## Schedule of Revenue and Expenses by Fund

Year Ended August 31, 2009

	Program Services						Supporting Services			Combined Total
	Church Missions Domestic	Church Missions International	Pastors College	Conferences	Resources	Total	Development	General and Administrative	Total	
<b>Revenues</b>										
Contributions- churches	\$ 5,000	\$ 43,449	\$ -	\$ -	\$ -	\$ 48,449	\$ 3,453,965	\$ -	\$ 3,453,965	\$ 3,502,414
Contributions- other	83,978	35,143	16,100	-	-	135,221	1,429,386	-	1,429,386	1,564,607
Sales	-	-	-	-	895,086	895,086	-	-	-	895,086
Tuition and fees	-	-	191,955	-	-	191,955	-	-	-	191,955
Conference receipts	-	-	-	733,940	-	733,940	-	-	-	733,940
Investment loss	-	-	(61,460)	-	-	(61,460)	-	(66,994)	(66,994)	(128,454)
Other income	2,850	-	189,070	25,917	248,020	465,857	-	17,502	17,502	483,359
<b>Total revenues</b>	<b>91,828</b>	<b>78,592</b>	<b>335,665</b>	<b>759,857</b>	<b>1,143,106</b>	<b>2,409,048</b>	<b>4,883,351</b>	<b>(49,492)</b>	<b>4,833,859</b>	<b>7,242,907</b>
<b>Expenses</b>										
Compensation and benefits	1,353,684	340,928	404,544	302,684	658,001	3,059,841	5,483	552,467	557,950	3,617,791
Education and training	55,929	5,786	14,954	259	1,134	78,062	1,648	5,600	7,248	85,310
Cost of goods sold	-	-	-	-	459,932	459,932	-	-	-	459,932
Gifts and grants	695,758	352,003	63,054	64,551	3,276	1,178,642	-	5,355	5,355	1,183,997
Travel and hospitality	149,975	138,104	43,147	89,414	9,380	430,020	392	27,394	27,786	457,806
Office expense	40,922	6,673	16,268	91,954	76,123	231,940	47,326	50,035	97,361	329,301
Insurance	-	8,495	2,584	-	3,766	14,845	-	25,338	25,338	40,183
Promotion	1,802	-	-	45,755	28,081	75,638	132,760	1,000	133,760	209,398
Information technology	6,419	4,215	570	17,924	60,674	89,802	7,687	97,648	105,335	195,137
Sound, video and lighting	-	-	382	-	8,994	9,376	-	-	-	9,376
Building maintenance and utilities	-	-	105,946	87,180	-	193,126	-	89,283	89,283	282,409
Building occupancy	12,820	1,250	6,046	1,129	1,189	22,434	-	1,481	1,481	23,915
Other expense	16,697	4,385	21,692	20,804	129,261	192,839	19,078	35,746	54,824	247,663
Depreciation expense	-	-	34,136	-	13,809	47,945	-	28,775	28,775	76,720
Allocation - General expenses	74,578	42,459	64,826	48,504	105,441	335,808	879	(336,687)	(335,808)	-
<b>Total expenses</b>	<b>2,408,584</b>	<b>904,298</b>	<b>778,149</b>	<b>770,158</b>	<b>1,559,061</b>	<b>6,420,250</b>	<b>215,253</b>	<b>583,435</b>	<b>798,688</b>	<b>7,218,938</b>
<b>Excess of revenue over expense</b>	<b>\$ (2,316,756)</b>	<b>\$ (825,706)</b>	<b>\$ (442,484)</b>	<b>\$ (10,301)</b>	<b>\$ (415,955)</b>	<b>\$ (4,011,202)</b>	<b>\$ 4,668,098</b>	<b>\$ (632,927)</b>	<b>\$ 4,035,171</b>	<b>\$ 23,969</b>

See Independent Auditor's Report on Other Financial Information.

# Sovereign Grace Ministries, Inc.

## Schedule of Revenue and Expenses by Fund

Year Ended August 31, 2008

	Program Services						Supporting Services			Combined Total
	Church Missions Domestic	Church Missions International	Pastors College	Conferences	Resources	Total	Development	General and Administrative	Total	
<b>Revenues</b>										
Contributions- churches	\$ -	\$ 43,949	\$ -	\$ -	\$ -	\$ 43,949	\$ 3,496,711	\$ -	\$ 3,496,711	\$ 3,540,660
Contributions- other	62,112	171,549	41,250	-	-	274,911	1,712,621	-	1,712,621	1,987,532
Sales	-	-	-	-	1,141,701	1,141,701	-	-	-	1,141,701
Tuition and fees	-	-	210,035	-	-	210,035	-	-	-	210,035
Conference receipts	-	-	85,855	669,675	-	755,530	-	-	-	755,530
Investment income	-	-	3,868	-	-	3,868	-	82,808	82,808	86,676
Other income	6,700	-	146,499	154,982	228,609	536,790	-	22,471	22,471	559,261
<b>Total revenues</b>	<b>68,812</b>	<b>215,498</b>	<b>487,507</b>	<b>824,657</b>	<b>1,370,310</b>	<b>2,966,784</b>	<b>5,209,332</b>	<b>105,279</b>	<b>5,314,611</b>	<b>8,281,395</b>
<b>Expenses</b>										
Compensation and benefits	1,513,051	304,216	379,051	459,757	649,549	3,305,624	36,620	578,189	614,809	3,920,433
Education and training	21,308	2,031	12,657	4,461	12,283	52,740	5,566	8,999	14,565	67,305
Cost of goods sold	-	-	5,177	-	579,278	584,455	-	-	-	584,455
Gifts and grants	602,617	544,422	81,253	30,856	30,646	1,289,794	125	11,363	11,488	1,301,282
Travel and hospitality	141,706	136,613	128,658	131,076	22,706	560,759	340	37,739	38,079	598,838
Office expense	49,223	901	18,596	53,867	107,343	229,930	48,259	43,324	91,583	321,513
Insurance	-	8,686	-	-	3,766	12,452	-	27,685	27,685	40,137
Promotion	20,630	3,003	752	49,808	84,380	158,573	160,138	1,677	161,815	320,388
Information technology	21,808	1,866	5,405	2,720	76,818	108,617	10,059	101,733	111,792	220,409
Sound, video, and lighting	-	-	186	17,235	8,900	26,321	-	-	-	26,321
Building maintenance and utilities	-	-	110,128	48,234	-	158,362	-	97,586	97,586	255,948
Building occupancy	7,535	-	17,259	7,508	38,740	71,042	-	17,111	17,111	88,153
Other expense	7,348	6,322	21,228	25,200	120,655	180,753	20,700	36,628	57,328	238,081
Depreciation expense	-	-	47,514	-	13,809	61,323	-	101,309	101,309	162,632
Allocation - General expenses	135,779	51,502	53,685	65,116	91,996	398,078	5,187	(403,265)	(398,078)	-
<b>Total expenses</b>	<b>2,521,005</b>	<b>1,059,562</b>	<b>881,549</b>	<b>895,838</b>	<b>1,840,869</b>	<b>7,198,823</b>	<b>286,994</b>	<b>660,078</b>	<b>947,072</b>	<b>8,145,895</b>
<b>Excess of revenue over expense</b>	<b>\$ (2,452,193)</b>	<b>\$ (844,064)</b>	<b>\$ (394,042)</b>	<b>\$ (71,181)</b>	<b>\$ (470,559)</b>	<b>\$ (4,232,039)</b>	<b>\$ 4,922,338</b>	<b>\$ (554,799)</b>	<b>\$ 4,367,539</b>	<b>\$ 135,500</b>

See Independent Auditor's Report on Other Financial Information.