

TEEN CHALLENGE OF EAST BAY, INC.
(A Nonprofit Corporation)

FINANCIAL STATEMENTS
Together with
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

Tang & Lee, LLP

Certified Public Accountants

TEEN CHALLENGE OF EAST BAY, INC.
(A Nonprofit Corporation)
FOR THE YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Teen Challenge
Teen Challenge of East Bay, Inc.
Santa Clara, California

Report on the Financial Statements

We have audited the accompanying financial statements of **Teen Challenge of East Bay, Inc.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in its net assets, 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.

Auditors' Responsibility

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 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 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 Teen Challenge of East Bay, Inc. as of December 31, 2020, and the statement of activities and 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 the Teen Challenge of East Bay, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on pages 15 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Tang & Lee, LLP

Burlingame, California
October 8, 2020

TEEN CHALLENGE OF EAST BAY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(With Comparative Totals for December 31, 2019)

ASSETS	Without donor restrictions	With donor restrictions	Total 2020	Summarized 2019
CURRENT ASSETS:				
Cash and cash equivalents	\$ 414,021	\$ -	\$ 414,021	\$ 335,543
Prepaid expenses and deposits	9,881	-	9,881	7,143
Total current assets	<u>423,902</u>	<u>-</u>	<u>423,902</u>	<u>342,686</u>
PROPERTY AND EQUIPMENT:				
Land	109,637	-	109,637	109,637
Buildings and improvements	656,560	-	656,560	611,933
Furniture and equipment	12,732	-	12,732	12,732
Vehicles	93,857	-	93,857	78,091
	<u>872,786</u>	<u>-</u>	<u>872,786</u>	<u>812,393</u>
Less accumulated depreciation	<u>(698,900)</u>	<u>-</u>	<u>(698,900)</u>	<u>(691,816)</u>
	173,886	-	173,886	120,577
Construction in progress	19,609	-	19,609	-
Total property and equipment	<u>193,495</u>	<u>-</u>	<u>193,495</u>	<u>120,577</u>
OTHER ASSETS:				
Mortgage loan fees	464	-	464	632
Deposits - long term	5,956	-	5,956	5,956
Total other assets	<u>6,420</u>	<u>-</u>	<u>6,420</u>	<u>6,588</u>
Total assets	<u>\$ 623,817</u>	<u>\$ -</u>	<u>\$ 623,817</u>	<u>\$ 469,851</u>

The accompanying notes are an integral part of the financial statements.

TEEN CHALLENGE OF EAST BAY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(Continued)
(With Comparative Totals for December 31, 2019)

LIABILITIES AND NET ASSETS	Without donor restrictions	With donor restrictions	Total 2020	Summarized 2019
CURRENT LIABILITIES:				
Accounts payable	\$ 2,744	\$ -	\$ 2,744	\$ 12,388
Accounts payable-related parties	199,831	-	199,831	159,774
Accrued expenses	1,374	-	1,374	4,113
Insurance and other payables	31,228	-	31,228	15,162
Paycheck protection program loan	18,679	-	18,679	-
Current portion of notes payable	15,211	-	15,211	15,211
Total current liabilities	269,067	-	269,067	206,648
Long-term liabilities:				
Notes payable, net of current portion	31,551	-	31,551	46,770
Total liabilities	300,618	-	300,618	253,418
COMMITMENTS AND CONTINGENCIES				
NET ASSETS:				
With donor restrictions	-	-	-	-
Without donor restrictions	323,199	-	323,199	216,433
Total net assets	323,199	-	323,199	216,433
Total liabilities and net assets	\$ 623,817	\$ -	\$ 623,817	\$ 469,851

The accompanying notes are an integral part of the financial statements.

TEEN CHALLENGE OF EAST BAY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN ITS NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for December 31, 2019)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total 2020</u>	<u>Summarized 2019</u>
SUPPORT AND REVENUE:				
General contributions	\$ 342,042	\$ -	\$ 342,042	\$ 437,581
Non-cash donations	10,535	-	10,535	-
Special events contributions	32,839	-	32,839	93,297
Special events direct benefits cost	(1,891)	-	(1,891)	(3,870)
Total support	<u>383,525</u>	<u>-</u>	<u>383,525</u>	<u>527,008</u>
Interest income and miscellaneous income	11,868	-	11,868	3,760
Program fees	142,174	-	142,174	87,099
Sale of assets and donated items	117,560	-	117,560	129,506
Total revenue	<u>271,602</u>	<u>-</u>	<u>271,602</u>	<u>220,365</u>
Total support and revenue	<u>655,127</u>	<u>-</u>	<u>655,127</u>	<u>747,373</u>
EXPENSES:				
Program services	441,815	-	441,815	510,448
Supporting services -				
General and administrative	65,755	-	65,755	67,343
Fundraising	40,791	-	40,791	50,669
Total supporting services	<u>106,546</u>	<u>-</u>	<u>106,546</u>	<u>118,012</u>
Total expenses	<u>548,361</u>	<u>-</u>	<u>548,361</u>	<u>628,460</u>
Changes in net assets- increase/(decrease)	106,766	-	106,766	118,913
NET ASSETS, beginning of year	<u>216,433</u>	<u>-</u>	<u>216,433</u>	<u>97,520</u>
NET ASSETS, end of year	<u>\$ 323,199</u>	<u>\$ -</u>	<u>\$ 323,199</u>	<u>\$ 216,433</u>

The accompanying notes are an integral part of the financial statements.

TEEN CHALLENGE OF EAST BAY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals for December 31, 2019)

	Total 2020	Summarized 2019
Cash flows from operating activities:		
Increase (Decrease) in net assets	\$ 106,766	\$ 118,913
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	7,720	5,181
Changes (increase)/decrease in assets and liabilities:		
Prepaid expenses and deposits	(2,738)	(5,068)
Mortgage loan fee	168	168
Accounts payables and accrued expenses	27,674	(28,613)
Insurance and other payables	16,066	4,309
	155,656	94,890
Net cash flows provided by operating activities		
Cash flows for investing activities:		
Acquisition of property and equipment	(66,903)	-
Disposal of property and equipment	5,874	2,072
Construction in progress	(19,609)	-
	(80,638)	2,072
Net cash flows used by investing activities		
Cash flows for financing activities:		
Paycheck protection program loan	18,679	-
(Debt reduction)/increase on long-term debt	(15,219)	(14,341)
	3,460	(14,341)
Net cash flows used in financing activities		
Net increase in cash	78,478	82,621
Cash, beginning of year	335,543	252,922
Cash, end of year	414,021	335,543
Supplementary information:		
Interest paid during the year	\$3,293	\$4,170

The accompanying notes are an integral part of the financial statements.

TEEN CHALLENGE OF EAST BAY, INC.
Notes to Financial Statements
December 31, 2020

NOTE 1 Nature of Organization

David Wilkerson started Teen Challenge in 1958 as a home to help drug addicts and gang members in New York City to grow stronger in their relationship with God. Teen Challenge has expanded to more than 240 centers throughout the United States and over 1,200 centers in other countries since then.

Teen Challenge Oakland (East Bay) started in 1967. The East Bay program offers a variety of program opportunities to the community, including:

- (1) evangelism and outreach ministry centering on street meetings, jail and prison services, hotlines, substance abuse prevention, counseling and literature distribution,
- (2) crisis intervention and referral programs, which provide a short-term place to stay for individuals with life-controlling problems,
- (3) intermediate range programs focusing on Bible study and character development,
- (4) long-term residential programs designed to provide both spiritual development and vocational training, and
- (5) re-entry programs to assist individuals in the process of reintegration into society, employment, and Christian fellowship.

Teen Challenge of East Bay, Inc. (TCEB) owns facilities in Oakland, California.

Participants in the long-term residential programs of Teen Challenge are provided training and development opportunities designed to enhance both their spiritual lives and their employment opportunities. Participants in the program have been pre-qualified and selected for the program based upon their readiness and ability to make some significant life changes.

Teen Challenge of East Bay, Inc. (TCEB) assists participants in finding employment in the local community. In return, participants agree to contribute back 85% of their net earnings to the Organization. These monies are then used to offset some of their costs associated with the program, including housing, food, and program expenses.

TCEB is a California non-profit corporation that was incorporated in California under their official name of "Teen Challenge of East Bay, Inc."

On September 1, 2003, the Organization opened a thrift store ministry in the Concord area of Contra Costa County.

NOTE 2 Summary of Significant Accounting Policies

a. **Basis of Presentation**

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with FASB ASC 958-605-20, *Accounting for Contributions Received and Contributions Made*, and FASB ASC 958, *Financial Statements of Not-For-Profit Organizations*. The financial statements report separately classifies amounts of net assets:

TEEN CHALLENGE OF EAST BAY, INC.
Notes to Financial Statements (Continued)
December 31, 2020

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of TCEB. These net assets may be used at the discretion of TCEB's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of TCEB or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

b. **Revenue and Expenses**

Without donor restricted contributions are recognized when cash is received or ownership of donated assets is transferred to TCEB.

With donor restricted contributions are recognized as contribution income in the statement of activities when cash or ownership of donated assets is transferred to TCEB. These contributions are subsequently transferred to the net assets without donor restrictions to cover expenses that are incurred to satisfy those restrictions.

TCEB believes that motivation for giving results when God moves the hearts of individuals. Therefore, it views any faith promises received as an expression of a desire to give based on God's future provision. Therefore, faith promises received by TCEB are recognized as neither contributions nor conditional promises in the financial statements, since all conditions rest with the donor and the donor reserves the right to modify the promise.

c. **Property and Equipment**

Land, buildings, and equipment valued at \$1,000 or more are capitalized and recorded at cost purchased or at fair market value at the date of gift if donated.

Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

	<u>Life in Years</u>
Buildings and improvements	20 to 40
Furniture and equipment	5
Vehicles	5

d. **Loan Fees**

Mortgage loan fees are amortized ratably over the life of the loans.

TEEN CHALLENGE OF EAST BAY, INC.
Notes to Financial Statements (Continued)
December 31, 2020

e. **Donated Goods and Services**

Donated goods and services are recorded at their fair market value at the date of gift or service.

f. **Cash and Cash Equivalents Definition**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term. Highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

g. **Use of Volunteers**

A large number of people have contributed significant amount of time to the activities of TCEB. The financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria of FASB ASC 958. If these activities could be valued in the accompanying financial statements, their inclusion would significantly increase the percent of expenses attributable to direct program expenditures.

h. **Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

i. **Income Taxes Status**

TCEB is exempt from federal and state income taxes under Sections 501(c)(3) of the Internal Revenue Code (IRC), 2370d of the California. Furthermore, TCEB is not classified as a private foundation.

The Financial Accounting Standards Board (FASB) FASB Interpretation No.48, *Accounting for Uncertainty in Income Taxes*, (Fin 48) which was subsequently included in the FASB Codification as ASC 740, prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management of TCEB has evaluated its uncertain tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. TCEB's tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years by California taxing authorities.

j. **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized in the Statement of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to their natural expenditure classification. Certain costs common to several functions have been allocated among the programs and supporting services benefited. General and administrative and fundraising expenses are those not directly identifiable with any specific function but which provide for the overall support and direction of TCEB.

TEEN CHALLENGE OF EAST BAY, INC.
Notes to Financial Statements (Continued)
December 31, 2020

k. **Investments**

Investments are comprised of a series of private bonds and donated equity securities. TCEB reports investments at fair value. Realized and unrealized gains and losses are included in the statement of activities.

l. **Fair Value of Financial Instruments**

TCEB's financial instruments include cash and cash equivalents, receivable, prepaid, deposits, accounts payables, and notes payables. The carrying amount of these items approximates fair value because of the nature and short maturity of these instruments.

m. **Comparative Financial Information**

The financial statements are presented with prior year summarized comparative totals which do not include detail by net asset classification. 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 2018 consolidated financial statements, from which the comparative totals were derived.

NOTE 3 Note Payable

On October 6, 2003, TCEB was able to refinance the note in the amount of \$207,500 from the Assemblies of God Financial Solutions through Northern California and Nevada District Council, Inc. The note is secured by the Oakland facility and calls for monthly payments of \$1,543 per month. The interest rate is 6% per year, and the term of the note is over 20 years (240 months). The outstanding balance on December 31, 2020 was \$46,762.

Summaries of long-term debts secured by real properties at December 31, 2020 are presented below:

<u>Lender</u>	<u>Monthly Payments</u>	<u>Interest Rate</u>	<u>Balance</u>
AG Financial Solutions	1,543	6.00%	\$46,762

As of December 31, 2020, the principal which is required to be paid over the next five years for all mortgages, is as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2021	\$ 16,149
2022	17,145
2023	<u>13,468</u>
Total	46,762
Current portion	<u>(15,211)</u>
Long-term portion	<u>\$ 31,551</u>

TEEN CHALLENGE OF EAST BAY, INC.
Notes to Financial Statements (Continued)
December 31, 2020

NOTE 4 Special Events

During 2020, TCEB conducted events to acknowledge supporter about current operations and to expose potential new donors to TCEB. Support received from these events and the costs for the direct benefits provided are summarized by each event. All costs related to publicity, travel, related salaries, and administration of the event have been included in fund raising expenses.

NOTE 5 Commitments

- a) For the thrift store in the Concord area of Contra Costa County, TCEB continues to rent a space from current landlord on a month-to-month basis. The monthly rental is \$6,560.
- b) TCEB also had numerous short-term monthly leases for storages and equipment.

NOTE 6 Employee Retirement Plan

TCEB has a 403(b) tax-deferred annuity retirement plan, which is funded by contributions from both TCEB and its employees. In 2020, TCEB has not made any pension contribution to any officers. TCEB has no liability for the administration or payment of benefits of the plan and, accordingly, the present value of the related vested benefits is not reflected on these financial statements.

NOTE 7 Related Party Transactions

1. There are intercompany transactions among TCSB, TCEB, TCNV and TCSV. These transactions are accounts receivable, accounts payable, note receivable, administration income and expense. All these intercompany transactions would be eliminated in the consolidated financial statements. As of December 31, 2020, TCEB has incurred accounts payable in the amount of \$199,831 with TCSB.
2. TCEB purchased services from companies that are affiliated with or owned by members directly or indirectly. TCEB has one mortgage notes payable with the AG Financial Solutions that is affiliated with members of Teen Challenge USA, and they all are members of the Assemblies of God. The total amount financed with the institution, as of December 31, 2020, was \$46,762 (see Note 3).

Note 8 Paycheck Protection Program Loan

TCEB has applied Paycheck Protection Program (PPP) administered by Small Business Administration of Federal government. The program is to provide economic relief to small businesses and non-profit entities adversely affected by the pandemic nationwide. TCEB had received the relief in the amount of \$18,679 and has been using it for the operation. However, the Organization has not written off the total loan until 2021.

Note 9 Subsequent Events

The management of TCEB has reviewed the results of operations and evaluated subsequent events for the period of time from its year ended December 31, 2020 through October 8, 2021, the date the financial

TEEN CHALLENGE OF EAST BAY, INC.
Notes to Financial Statements (Continued)
December 31, 2020

statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements. However, the following events have occurred and the nature of which would require disclosure.

Many people have been affected by pandemic COVID-19 starting in the month of March throughout the country. The shelter-in-place orders were declared on March 17. The activities have been gradually suspended. As a result, TCEB had to find alternate sources of fundraising. Thrift Stores were closed for more than five months but have now reopened. Staffs were unable to conduct Door to Door fundraising and some other fundraising activities as well. Staffs are now doing a little Door to Door as restrictions are loosened. And some suspended fundraising activities are added back as regulations allow. The overall ministry and student life have not changed and continue on. Currently, the office was allowed to access. As of today, many activities have been somewhat held back and the impact of this pandemic on TCEB's results of operation, financial position, and liquidity in the coming year has not been determined as of today.

Note 10 Fair Value Measurements

TCEB measure fair value in accordance with Statement of Financial Accounting Standards No. 157, Fair Value Measurements, (FAS 157) which was subsequently included In the FASB Codification as ASC 820. ASC 820 which applies to all financial instruments that are being measured and reported on a fair value basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that priorities the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or Liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discontinued cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions.

TCEB's financial assets measured at fair value have been categorized based upon a fair value hierarchy. The following page presents information about TCEB's assets and liabilities measured at fair value as of December 31, 2020.

Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance as of December 31, 2020
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TEEN CHALLENGE OF EAST BAY, INC.
Notes to Financial Statements (Continued)
December 31, 2020

Cash and cash equivalents	\$ 414,021			\$ 414,021
Prepaid expenses and deposits	9,881			9,881
Property and equipment		\$ 193,495		193,495
Mortgage loan fees		464		464
Deposits – long term		5,956		5,956
Total	423,902	199,915	-0-	623,817
Accounts payable	2,744			2,744
Accounts payable-related parties	199,831			199,831
Accrued expenses	1,374			1,374
Insurance and other payables	31,228			31,228
Paycheck protection program loan	18,679			18,679
Notes payable		46,762		46,762
Total	\$ 253,856	\$ 46,762	-0-	\$ 300,618

Note 10 Availability and Liquidity

This presentation is required by the newly adopted ASU 2016-14 which is effective for annual financial statements issued for fiscal years beginning after December 15, 2018. The following represents TCEB's financial assets as of December 31, 2020:

Financial assets at year end:		
Cash	\$ 414,021	
Total financial assets	414,021	
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	
	-	
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 414,021</u>	

TCEB's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in certificates of deposit over one-year. As of December 31, 2020, the management believes that TCEB has sufficient fund to meet the current year obligation.

TEEN CHALLENGE OF EAST BAY, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Nature	Program expenses	General and Administration	Fundraising	Total 2020
Salaries and wages	\$ 62,271	\$ 2,384	\$ 14,736	\$ 79,391
Employee benefits	20,815	-	-	20,815
Payroll taxes	4,463	-	-	4,463
Hiring Costs	339	-	-	339
Per Diem Expense	16,452	-	-	16,452
Payroll Reimburements	29,826	-	-	29,826
Bank Service Charges	2,729	-	969	3,698
Permits & Licenses	12	-	210	222
Corporation Costs	1,976	-	-	1,976
Accounting Fees	600	-	-	600
Property Taxes	4,964	-	-	4,964
General Supplies	15,815	-	48	15,863
Telephones	13,249	-	-	13,249
Postage and Delivery	4,513	-	3,440	7,952
Utilities	66,850	-	-	66,850
Rent	65,868	-	-	65,868
Building Repair&Maintenance	5,666	-	-	5,666
Liability Insurance	13,120	-	-	13,120
Equipment	6,531	-	-	6,531
Printing and Reproduction	6,348	-	4,054	10,402
Travel	65,086	-	3,964	69,050
Interest Expense	3,293	-	-	3,293
Depreciation, depletion, and amortization	7,503	-	385	7,888
Affiliates	2,475	-	-	2,475
Dues and Subscriptions	51	-	-	51
Loss, Theft, Disposal	1,405	-	-	1,405
Promotions & Advertising	4,242	-	614	4,857
Training	689	-	-	689
Professional Services	14,664	-	-	14,664
Administration Expenses	-	63,371	-	63,371
Other expenses	-	-	12,371	12,371
Total	\$ 441,815	\$ 65,755	\$ 40,791	\$ 548,361