

VICTORY MINISTRIES of ALASKA, INC.

**REVIEWED FINANCIAL STATEMENTS
For the Year and Three Months ended
December 31, 2021 and 2020, Respectively**

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 13
Supplementary Information:	
Schedules of Functional Expenses	14

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Victory Ministries of Alaska, Inc.
Wasilla, Alaska

We have reviewed the accompanying financial statements of Victory Ministries of Alaska, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the year and three months then ended, respectively, and the related notes to the financial statements. A review includes primarily applying analytical procedures to entity management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Victory Ministries of Alaska, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT, continued

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying supplementary information included in the Schedules of Functional Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Schedules of Functional Expenses 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 Schedules of Functional Expenses has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the Schedules of Functional Expenses. We have not audited the supplementary information and do not express an opinion on such information.

Albar & Company

Anchorage, Alaska
August 8, 2022

Victory Ministries of Alaska, Inc.
Statements of Financial Position
As of December 31, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash	\$ 985,210	\$ 580,460
Short term investments	344,454	320,520
Tax credit receivable	26,367	-
Inventory	28,009	40,651
Prepaid expenses	<u>50,039</u>	<u>40,867</u>
Total Current Assets	1,434,079	982,498
Property and equipment, net of accumulated depreciation	<u>3,987,002</u>	<u>4,093,737</u>
Total Assets	<u>\$ 5,421,081</u>	<u>\$ 5,076,235</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 145,109	\$ 110,516
Accrued payroll and related expenses	6,267	8,029
Other current liabilities	<u>9,600</u>	<u>9,400</u>
Total Current Liabilities	<u>160,976</u>	<u>127,945</u>
Total Liabilities	<u>160,976</u>	<u>127,945</u>
Net Assets:		
Without donor restrictions	4,705,264	4,510,095
With donor restrictions	<u>554,841</u>	<u>438,195</u>
Total Net Assets	<u>5,260,105</u>	<u>4,948,290</u>
Total Liabilities and Net Assets	<u>\$ 5,421,081</u>	<u>\$ 5,076,235</u>

See Independent Accountant's Review Report and the Accompanying Notes to the Financial Statements.

Victory Ministries of Alaska, Inc.

Statements of Activities

For the Year and Three Months ended December 31, 2021 and 2020, respectively

Changes in net assets without donor restrictions:

	<u>2021</u>	<u>2020</u>
Revenues and gains:		
Program revenue	\$ 897,777	\$ 82,586
Unrestricted contributions	376,172	116,871
Grant revenue	-	61,421
Employee retention credit	26,367	-
Other income	11,878	3,109
Gain on disposal of assets	11,666	11,268
Investment income, net	<u>13,865</u>	<u>2,491</u>
Total revenues and gains without donor restrictions	1,337,725	277,746
Net assets released from restrictions:		
Satisfied by payments	<u>736,609</u>	<u>150,969</u>
Total revenues, gains, and other support without donor restrictions	<u>2,074,334</u>	<u>428,715</u>
Expenses:		
Program expenses	1,533,068	121,340
General and administrative	<u>346,096</u>	<u>176,394</u>
Total expenses	<u>1,879,164</u>	<u>297,734</u>
Change in net assets without donor restrictions	<u>195,170</u>	<u>130,981</u>

Changes in net assets with donor restrictions:

Contributions	843,185	209,690
Investment return, net	10,069	6,510
Net assets released from restrictions	<u>(736,609)</u>	<u>(150,969)</u>
Change in net assets with donor restrictions	<u>116,645</u>	<u>65,231</u>
Change in net assets	311,815	196,212
Net Assets at Beginning of Year	<u>4,948,290</u>	<u>4,752,078</u>
Net Assets at End of Year	<u>\$ 5,260,105</u>	<u>\$ 4,948,290</u>

See Independent Accountant's Review Report and the Accompanying Notes to the Financial Statements.

Victory Ministries of Alaska, Inc.

Statements of Cash Flows

For the Year and Three Months ended December 31, 2021 and 2020, respectively

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 311,815	\$ 196,212
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	189,549	49,692
Loss (Gain) on disposal of property	(11,666)	(11,268)
Unrealized (gains) losses on investments	(12,855)	1,413
(Increase) decrease in:		
Accounts receivable	(26,367)	(4,537)
Inventory	12,642	(4,792)
Prepaid expenses	(9,173)	51,946
Increase (decrease) in:		
Accounts payable	34,593	(18,946)
Accrued payroll and related expenses	(1,562)	891
Deposits	-	6,800
Deferred revenue	-	25,645
Net Cash Provided by Operating Activities	<u>486,976</u>	<u>293,056</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property	13,000	17,902
Purchase of investments	-	(3,458)
Purchase of property	<u>(95,226)</u>	<u>(233,233)</u>
Net Cash (Used) for investing Activities	<u>(82,226)</u>	<u>(218,789)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	-	(19,654)
PPP loan proceeds	<u>-</u>	<u>-</u>
Net Cash (Used) by Financing Activities	<u>-</u>	<u>(19,654)</u>
NET INCREASE (DECREASE) IN CASH	404,750	54,613
Beginning Cash	<u>580,460</u>	<u>525,848</u>
Ending Cash	<u>\$ 985,210</u>	<u>\$ 580,460</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ <u>-</u>	\$ <u>-</u>
Cash paid for income taxes	\$ <u>-</u>	\$ <u>-</u>

See Independent Accountant's Review Report and the Accompanying Notes to the Financial Statements.

Victory Ministries of Alaska, Inc.

Notes to the Financial Statements

For the Year and Three Months ended December 31, 2021 and 2020, respectively

Note 1 - Description of the Organization

Organization. Victory Ministries of Alaska, Inc. (VMI), formerly Victory Ministries, Inc. is a non-profit corporation organized under the laws of the State of Alaska in 1992. The major sources of support are camping program fees, and unrestricted and donor-restricted contributions. A Board of Directors governs the organization.

Mission. The vision statement of VMI is "Victory in Christ through Christian camping in Alaska." The mission statement is "Victory Ministries exists to evangelize and disciple children, youth and adults in Alaska for Jesus Christ through Christian camping." Camping is our primary reason for being. We facilitate retreats and conferences, etc., to further the camping ministry, and to live out Matthew 28:19-20 throughout the year.

Activities. Its major activities consist of operating two Bible camps located in the Fairbanks, Alaska (LIWA) and Sutton, Alaska (Victory Bible Camp) areas.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation. The financial statements of VMI have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (US GAAP), which require VMI to report information regarding its financial position and activities according to the following net asset classifications:

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 the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

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 VMI or by the passage of time. Other donor restrictions may be perpetual in nature, whereby 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.

Measure of Operations. The statements of activities report all changes in net assets, including changes in net assets from operating activities.

Cash and Equivalents. VMI considers demand deposits and all highly liquid investments purchased with a maturity of three months or less to be cash or cash equivalents.

Victory Ministries of Alaska, Inc.
Notes to the Financial Statements
For the Year and Three Months ended December 31, 2021 and 2020, respectively

Note 2 - Summary of Significant Accounting Policies, continued

Accounts Receivable. Accounts receivable consist primarily of amounts due from groups for camp attendance. Management does not believe that any of the receivables are at risk of not being collected and accordingly does not believe an allowance for doubtful accounts is necessary. Management on a regular basis reviews receivables and when an account is deemed uncollectible, it is written off directly to bad debt expense.

Inventory. Inventory consists of food and supplies used in operations and items for resale in the camp stores. It is carried on the cost basis, first in, first out.

Property and Equipment. Property and equipment is recorded at cost. Additions with a cost or fair value of less than \$500 are expensed. Maintenance and repairs, including replacement of minor items, are expensed as incurred. Depreciation is provided using the straight-line method over their estimated useful lives of 5 to 40 years.

Deferred Revenue. Deferred revenue consists of deposits made by individuals or groups for future horse or dog training programs received before the fiscal year end that are intended for use in the following fiscal period.

Contributions and Grant Revenues. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Grant revenue is recognized when expenditures are incurred that meet the requirements of each grant. Donor restricted contributions whose restrictions are satisfied in the same period of the contributions received are classified as unrestricted contributions.

New Accounting Pronouncement. On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. VMI has adjusted the presentation of these statements accordingly.

Income Tax Status. VMI is a nonprofit religious organization exempt from federal income taxes under the provisions of Section 501(c) (3) of the Internal Revenue Code, except on net income derived from unrelated business income, if any. Accordingly, no provision for income taxes is provided in these financial statements.

Victory Ministries of Alaska, Inc.
Notes to the Financial Statements
For the Year and Three Months ended December 31, 2021 and 2020, respectively

Note 2 - Summary of Significant Accounting Policies, continued

Functional Expenses. The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between program and general and administrative expenses. Management on an equitable basis determines such allocations.

The functional expenses that are allocated, include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Insurance	Estimated benefit
Office expense	Specific cost
Professional fees	Specific cost
Staff expense	Estimated benefit
Travel and meals	Estimated benefit
Utilities	Specific cost

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

Management Review. Management has evaluated events occurring after December 31, 2021 through August 8, 2022, the date the financial statements were available to be issued, for events that should be disclosed to prevent the financial statements from being materially misleading. The reader should reference Note 11 regarding the property tax dispute for the latest information available on that issue.

Note 3 - Concentration of Credit Risk

Financial instruments that potentially subject VMI to concentrations of credit risk consist principally of temporary cash investments. VMI cash deposited in one bank exceeds the FDIC insured amount by \$735,210 and \$330,460 at December 31, 2021 and 2020 and for periods throughout the year.

Victory Ministries of Alaska, Inc.
Notes to the Financial Statements
For the Year and Three Months ended December 31, 2021 and 2020, respectively

Note 4 - Property and Equipment

Property and equipment consist of the following at December 31:	<u>2021</u>	<u>2020</u>
Construction in process	\$ 1,596,387	\$ 1,552,828
Land, buildings and improvements	5,798,928	5,786,959
Heavy equipment	241,868	241,868
Operating equipment, furniture and fixtures	391,305	362,686
Horses	47,752	49,752
Vehicles	<u>133,869</u>	<u>134,369</u>
	8,210,109	8,128,462
Less: accumulated depreciation	<u>(4,223,107)</u>	<u>(4,034,725)</u>
Property and Equipment, net	<u>\$ 3,987,002</u>	<u>\$ 4,093,737</u>

Depreciation expense was \$189,549 and \$49,692 for the year and the three months ended December 31, 2021 and 2020, respectively.

Note 5 - Net Assets

Net assets were as follows at December 31:

Subject to expenditure for specified purposes:	<u>2021</u>	<u>2020</u>
Camp and horseback riding scholarships	\$ 172,266	\$ 150,234
Missionary wages support	219,216	198,712
LIWA Dining Hall improvements	118,110	84,740
Miscellaneous capital improvements	<u>45,249</u>	<u>4,509</u>
Total Net Assets with Donor Restrictions	<u>\$ 554,841</u>	<u>\$ 438,195</u>

Net assets without donor restrictions:

Board designated reserve fund	\$ 200,000	\$ 150,000
Board designated Legacy Endowment	25,655	25,655
Board designated programs	14,252	21,800
Undesignated	<u>4,465,357</u>	<u>4,312,640</u>
Total Net Assets without Donor Restrictions	<u>\$ 4,705,264</u>	<u>\$ 4,510,095</u>

Victory Ministries of Alaska, Inc.

Notes to the Financial Statements

For the Year and Three Months ended December 31, 2021 and 2020, respectively

Note 6 – Donor Restricted Net Assets Released from Restrictions

Donor restricted net assets released from restrictions during the year and the three months ended December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Camp and horseback riding scholarships	\$ 48,291	\$ -
Missionary wages support	505,381	99,212
LIWA Dining Hall capital improvements	60,307	50,642
Miscellaneous capital improvements	10,130	1,115
PPP funds used for payroll costs	<u>112,500</u>	<u>-</u>
Total	<u>\$ 736,609</u>	<u>\$ 150,969</u>

Note 7 - Availability and Liquidity

VMI's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 985,210	\$ 580,460
Short term investments	344,454	320,520
Accounts receivable	<u>-</u>	<u>-</u>
Total financial assets	<u>1,329,664</u>	<u>900,980</u>
Less amounts not available for general expenditures		
Within one year:		
Deferred revenue	-	-
Net assets with donor restrictions	<u>(554,841)</u>	<u>(438,195)</u>
	<u>(554,841)</u>	<u>(438,195)</u>
Financial assets available to meet general expenditures		
Over the next twelve months	<u>\$ 774,823</u>	<u>\$ 462,785</u>

It is VMI's goal is to maintain minimum financial assets available of \$300,000 on a current basis.

Note 8 - Investments at Fair Value

In accordance with FASB ASC 820-10-50-9, the Company reports fair value on investments based on the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Victory Ministries of Alaska, Inc.
Notes to the Financial Statements
For the Year and Three Months ended December 31, 2021 and 2020, respectively

Note 8 - Investments at Fair Value, continued

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to their fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Money Market Account: Principal plus accrued interest.

Debt Securities: Daily prices quoted in public markets.

Investments through Community Foundation: Most recent audited financial statements of community foundation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Company's investments at fair values as of December 31, 2021 and 2020.

Victory Ministries of Alaska, Inc.

Notes to the Financial Statements

For the Year and Three Months ended December 31, 2021 and 2020, respectively

Note 8 - Investments at Fair Value, continued

Assets at Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market account	\$ 100,500	\$ -	\$ -	\$ 100,500
Debt Securities	112,607	-	-	112,607
Investments through Community foundation	<u>-</u>	<u>-</u>	<u>131,347</u>	<u>131,347</u>
Total assets at fair value	\$ <u>213,107</u>	\$ <u>-</u>	\$ <u>131,347</u>	\$ <u>344,454</u>

Assets at Fair Value as of December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market account	\$ 100,640	\$ -	\$ -	\$ 100,640
Debt Securities	102,580	-	-	102,580
Investments through Community foundation	<u>-</u>	<u>-</u>	<u>117,300</u>	<u>117,300</u>
Total assets at fair value	\$ <u>203,220</u>	\$ <u>-</u>	\$ <u>117,300</u>	\$ <u>320,520</u>

Note 9 - Donated Services, Materials, Property and Facilities

VMI receives significant donated services from a variety of unpaid volunteers. In accordance with FASB ASC 958-605-50-1, no financial recognition of those services is presented in these financial statements.

Note 10 - Donor Restricted Contributions Received

VMI's support comes primarily from individuals, organizations and businesses and are dependent on voluntary contributions. Individuals on staff generally raise their own individual support from others outside of the Organization, which is tracked by individual staff member. Other donors may restrict their contributions to various other capital project or specified purposes authorized by the board of directors.

During FY 2021 the VMI applied for, and received, a Payroll Protection Program loan under the CARES Act in the amount of \$112,500. Under this program, funds expended for payroll costs and certain other expenses are eligible for loan forgiveness. VMI used the funds for the specified purposes during the twenty-four week period beginning with the receipt of the funds and management filed an application for forgiveness of this loan in accordance with federal regulations in September 2021. Under ASC Subtopic 958-605, VMI has included these funds on the Statement of Activities as Contributions Received with Donor Restrictions.

Victory Ministries of Alaska, Inc.

Notes to the Financial Statements

For the Year and Three Months ended December 31, 2021 and 2020, respectively

Note 11 – Real Property Tax Dispute

The Fairbanks North Star Borough currently contends that certain residential properties on the LIWA campus in the Borough are taxable and not eligible for non-profit exemption from real estate tax assessments. VMI paid, under protest, \$81,266 and (\$1,107) in 2021 and 2020, respectively, in taxes assessed over several prior years. The Organization is actively pursuing this issue through legal counsel and the outcome at this time is uncertain. The Fairbanks North Star Borough appealed a lower court decision to the Alaska Supreme Court, which was heard by them in December, 2021. No decision has been received from the court as of the date these financial statements were issued. At this point, the board of directors anticipates having to pay the 2022 real estate taxes when they become due. If VMI finally prevails, presumably, these funds will be reimbursed, but it is also possible that the Organization will be subject to this tax going forward.

Note 12 – COVID-19 Pandemic

Because of the World Pandemic, known as Covid-19, VMI was impacted severely. The continuing related financial impact and duration of the Pandemic on its finances and operations is not reasonably estimable at this time.

Victory Ministries of Alaska, Inc.

Schedules of Functional Expenses

For the Year and Three Months ended December 31, 2021 and 2020, respectively

	<u>2021</u>			
	Total	Program	General and Administrative	Facilities
Salaries and benefits	\$ 757,806	\$ 568,159	\$ 189,647	\$ -
Office expenses	30,573	4,239	26,334	-
Insurance	59,517	59,517	-	-
Maintenance and repair	79,014	75,224	-	3,790
Transportation	40,457	40,457	-	-
Program materials and speakers	57,850	57,850	-	-
Animal care	55,487	55,487	-	-
Technology	6,107	6,107	-	-
Staff expense	5,207	5,207	-	-
Property taxes	81,266	-	-	81,266
Utilities	167,536	143,241	1,392	22,903
Professional fees	128,723	-	128,723	-
Operating supplies	149,670	149,670	-	-
Telephone	11,302	11,302	-	-
Cost of goods sold	59,100	59,100	-	-
Depreciation	189,549	132,095	-	57,454
Facilities	<u>-</u>	<u>165,413</u>	<u>-</u>	<u>(165,413)</u>
Total functional expenses	<u>\$ 1,879,164</u>	<u>\$ 1,533,068</u>	<u>\$ 346,096</u>	<u>\$ -</u>

	<u>2020</u>			
	Total	Program	General and Administrative	Facilities
Salaries and benefits	\$ 129,361	\$ 8,683	\$ 120,678	\$ -
Office expenses	7,525	-	7,525	-
Insurance	14,790	-	14,790	-
Maintenance and repair	2,656	-	-	2,656
Transportation	4,979	4,979	-	-
Program materials and speakers	7,451	7,451	-	-
Animal care	12,548	12,548	-	-
Staff expense	1,033	1,033	-	-
Property taxes	(1,107)	-	-	(1,107)
Utilities	21,485	-	265	21,220
Professional fees	33,136	-	33,136	-
Operating supplies	7,653	7,653	-	-
Telephone	3,056	3,056	-	-
Cost of goods sold	3,476	3,476	-	-
Depreciation	49,692	-	-	49,692
Facilities	<u>-</u>	<u>72,461</u>	<u>-</u>	<u>(72,461)</u>
Total functional expenses	<u>\$ 297,734</u>	<u>\$ 121,340</u>	<u>\$ 176,394</u>	<u>\$ -</u>

See Independent Accountant's Review Report