

COAST GUARD MUTUAL ASSISTANCE, INC.

AUDITED FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

MURRAY, JONSON, WHITE & ASSOCIATES, LTD., P.C.
Certified Public Accountants
Falls Church, Virginia

COAST GUARD MUTUAL ASSISTANCE, INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6-11
Supplementary Information - Statements of Functional Expenses	12



INDEPENDENT AUDITORS' REPORT

Board of Control Coast Guard Mutual Assistance, Inc.

We have audited the accompanying financial statements of Coast Guard Mutual Assistance, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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 general 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 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 auditors' 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 Coast Guard Mutual Assistance, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The statements of functional expenses on page 12 are presented for purposes of additional analysis and are not a required part of the basic 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.

Murray Jonson White & Associates Ltd., P.C.

Certified Public Accountants

February 12, 2016

COAST GUARD MUTUAL ASSISTANCE, INC.

STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 926,991	\$ 1,149,477
Pledges receivable - Note 3	700,000	720,000
Investments - Notes 2 and 4	25,653,500	25,111,592
Beneficial interest in perpetual trust - Note 5	1,109,630	1,229,938
Accrued dividends and interest	32,528	43,343
Loans receivable - Net - Note 6	2,240,999	2,325,257
Other receivables	44,504	7,339
Property and equipment - Net - Note 7	17,889	-
Security deposit	<u>8,544</u>	<u>-</u>
TOTAL ASSETS	\$ <u>30,734,585</u>	\$ <u>30,586,946</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 11,633	\$ 4,980
Accrued leave	57,495	58,522
Deferred rent - Note 11	<u>18,014</u>	<u>-</u>
TOTAL LIABILITIES	<u>87,142</u>	<u>63,502</u>
NET ASSETS		
Unrestricted	28,837,813	28,573,506
Temporarily restricted - Note 8	700,000	720,000
Permanently restricted - Note 5	<u>1,109,630</u>	<u>1,229,938</u>
TOTAL NET ASSETS	<u>30,647,443</u>	<u>30,523,444</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>30,734,585</u>	\$ <u>30,586,946</u>

The accompanying notes to financial statements are an integral part of this statement.

COAST GUARD MUTUAL ASSISTANCE, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31,

	2015				2014			
	<u>Unre- restricted</u>	<u>Tempor- arily Restricted</u>	<u>Perman- ently Restricted</u>	<u>Total</u>	<u>Unre- restricted</u>	<u>Tempor- arily Restricted</u>	<u>Perman- ently Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT								
Contributions								
Annual campaign collections	\$ 1,272,816	\$ 700,000	\$ -	\$ 1,972,816	\$ 1,260,077	\$ 720,000	\$ -	\$ 1,980,077
Other donations and miscellaneous income	94,540	-	-	94,540	174,146	-	-	174,146
Grants repaid/collection agency payments	<u>13,202</u>	<u>-</u>	<u>-</u>	<u>13,202</u>	<u>5,168</u>	<u>-</u>	<u>-</u>	<u>5,168</u>
	<u>1,380,558</u>	<u>700,000</u>	<u>-</u>	<u>2,080,558</u>	<u>1,439,391</u>	<u>720,000</u>	<u>-</u>	<u>2,159,391</u>
Investments								
Interest and dividends	651,906	-	-	651,906	660,188	-	-	660,188
Realized and unrealized gains (losses)	(455,282)	-	-	(455,282)	932,498	-	-	932,498
Gain (loss) on beneficial interest in perpetual trust - Net	-	-	(120,308)	(120,308)	-	-	(17,249)	(17,249)
Investment management fees paid	<u>(101,532)</u>	<u>-</u>	<u>-</u>	<u>(101,532)</u>	<u>(96,669)</u>	<u>-</u>	<u>-</u>	<u>(96,669)</u>
	<u>95,092</u>	<u>-</u>	<u>(120,308)</u>	<u>(25,216)</u>	<u>1,496,017</u>	<u>-</u>	<u>(17,249)</u>	<u>1,478,768</u>
Donated facilities - Note 9	<u>118,594</u>	<u>-</u>	<u>-</u>	<u>118,594</u>	<u>137,500</u>	<u>-</u>	<u>-</u>	<u>137,500</u>
Net assets released from restrictions - Note 8	<u>720,000</u>	<u>(720,000)</u>	<u>-</u>	<u>-</u>	<u>735,000</u>	<u>(735,000)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	<u>2,314,244</u>	<u>(20,000)</u>	<u>(120,308)</u>	<u>2,173,936</u>	<u>3,807,908</u>	<u>(15,000)</u>	<u>(17,249)</u>	<u>3,775,659</u>
EXPENSES								
Program expenses	1,516,052	-	-	1,516,052	1,241,001	-	-	1,241,001
Supporting services								
General and administrative	379,660	-	-	379,660	353,253	-	-	353,253
Fund-raising	<u>154,225</u>	<u>-</u>	<u>-</u>	<u>154,225</u>	<u>146,534</u>	<u>-</u>	<u>-</u>	<u>146,534</u>
TOTAL EXPENSES	<u>2,049,937</u>	<u>-</u>	<u>-</u>	<u>2,049,937</u>	<u>1,740,788</u>	<u>-</u>	<u>-</u>	<u>1,740,788</u>
CHANGE IN NET ASSETS	264,307	(20,000)	(120,308)	123,999	2,067,120	(15,000)	(17,249)	2,034,871
NET ASSETS AT BEGINNING OF YEAR	<u>28,573,506</u>	<u>720,000</u>	<u>1,229,938</u>	<u>30,523,444</u>	<u>26,506,386</u>	<u>735,000</u>	<u>1,247,187</u>	<u>28,488,573</u>
NET ASSETS AT END OF YEAR	<u>\$ 28,837,813</u>	<u>\$ 700,000</u>	<u>\$ 1,109,630</u>	<u>\$ 30,647,443</u>	<u>\$ 28,573,506</u>	<u>\$ 720,000</u>	<u>\$ 1,229,938</u>	<u>\$ 30,523,444</u>

The accompanying notes to financial statements are an integral part of this statement.

COAST GUARD MUTUAL ASSISTANCE, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 123,999	\$ 2,034,871
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	1,179	-
Provision for doubtful accounts	-	(10,000)
Realized and unrealized (gains) losses on investments	455,282	(932,498)
Changes in operating assets and liabilities		
(Increase) decrease in beneficial interest in perpetual trust	120,308	17,249
(Increase) decrease in accrued dividends and interest	10,815	12,537
(Increase) decrease in pledges receivable	20,000	15,000
(Increase) decrease in loans receivable	84,258	274,464
(Increase) decrease in other receivables	(37,165)	(1,209)
(Increase) decrease in rent deposit	(8,544)	-
Increase (decrease) in accounts payable	6,653	(4,888)
Increase (decrease) in accrued leave	(1,027)	(448)
Increase (decrease) in deferred rent	<u>18,014</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>793,772</u>	<u>1,405,078</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(19,068)	-
Purchases of investments	(16,929,239)	(15,490,723)
Proceeds from sale of investments	<u>15,932,049</u>	<u>13,975,667</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,016,258)</u>	<u>(1,515,056)</u>
Increase (decrease) in cash and cash equivalents	(222,486)	(109,978)
Cash and cash equivalents at beginning of period	<u>1,149,477</u>	<u>1,259,455</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ <u>926,991</u>	\$ <u>1,149,477</u>

The accompanying notes to financial statements
are an integral part of this statement.

COAST GUARD MUTUAL ASSISTANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coast Guard Mutual Assistance, Inc. (CGMA) is a non-profit charitable organization operating since 1924 to provide financial aid to all active-duty and retired Coast Guard personnel, commissioned officers of the Public Health Service serving with the Coast Guard, civilian employees of the Coast Guard, and members of the Selected Reserve and Auxiliary. Financial assistance may be in the form of an outright grant or an interest-free loan for housing assistance, post-secondary educational purposes, general assistance, medical and dental assistance, debt management, or emergency assistance. The organization consists of a headquarters located in Arlington, Virginia and over 130 field offices located at Coast Guard installations throughout the country. CGMA incorporated in Virginia in 1998.

- (a). Financial Statement Presentation - CGMA 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.
- (b). Cash and Cash Equivalents - For purposes of the statement of cash flows the organization considers substantially all highly liquid investments (with the exception of certificates of deposit) with a maturity of three months or less when purchased to be cash equivalents. Short-term, highly liquid instruments purchased for its investment accounts and handled by investment managers are treated as investments rather than cash equivalents.
- (c). Promises to Give - Contributions result primarily from annual fund raising campaigns among active-duty and retired Coast Guard personnel, including civilians, auxiliaries, and reservists. Contributions are recognized when the donor makes a promise to give to CGMA that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the existence and/or nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. CGMA estimates the amount of pledges receivable based upon historical experience.
- (d). Investments - All investments in debt and equity securities are carried at fair value, with gains and losses included in a statement of activities. Gains and losses on investments reflected in the accompanying statement of activities include gains and losses realized upon sales and unrealized gains and losses resulting from fluctuations in market values of investments. Gains and losses upon sales are calculated using the first-in first-out method.
- (e). Property and Equipment - Property and equipment are recorded at cost, less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for maintenance and repairs are charged against income as incurred; betterments which increase the value or materially extend the life of the related assets are capitalized. CGMA capitalizes property and equipment with a cost of over \$500 and an estimated life of three years or more.

COAST GUARD MUTUAL ASSISTANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued

- (f). Estimates - The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Significant items subject to such estimates and assumptions include the carrying amount of loans and pledges receivable and their related allowances for doubtful accounts and bad debt expense, and the value of donated services and facilities. Accordingly, upon settlement, actual results may differ from estimated amounts.
- (g). CGMA is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. With few exceptions, CGMA is no longer subject to examinations by tax authorities for years prior to 2012.
- (h). Functional Allocation of Expenses - Expenses have been summarized by program and supporting services in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject CGMA to concentration of credit risk consist principally of temporary cash investments, investments, and loans receivable. CGMA places its temporary cash investments with high credit quality financial institutions. With respect to investments, CGMA limits its credit risk by diversifying its investments.

NOTE 3 - PLEDGES RECEIVABLE

CGMA recognizes uncollected pledges as receivables. At December 31, 2015 and 2014, CGMA had uncollected pledges totaling an estimated \$700,000 and \$720,000, respectively, all due in less than one year. CGMA estimates the amount of pledges receivable each year based upon historical experience; therefore, no separate allowance for uncollectible pledges is reported.

COAST GUARD MUTUAL ASSISTANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 4 - INVESTMENTS

Investments were recorded at fair value as of June 30, 2015 and 2014 based on the following level of hierarchy. Level 1 inputs include quoted market prices in active markets for identical assets. Level 2 inputs include quoted market prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there isn't sufficient activity, and or where price quotations vary substantially either over time or among market makers, or where little information is released publicly.

Valuation of investments on December 31, 2015 was comprised of the following:

	Quoted Prices in Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Money Market Funds	\$ 450,909	\$ -	\$ 450,909
Equities	17,977,621	-	17,977,621
Fixed Income Securities	547,944	5,232,056	5,780,000
Alternative Investments	<u>1,444,970</u>	<u>-</u>	<u>1,444,970</u>
TOTAL	\$ <u>20,421,444</u>	\$ <u>5,232,056</u>	\$ <u>25,653,500</u>

Valuation of investments on December 31, 2014 was comprised of the following:

	Quoted Prices in Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Money Market Funds	\$ 1,830,215	\$ -	\$ 1,830,215
Equities	16,877,125	-	16,877,125
Fixed Income Securities	1,282,655	3,366,766	4,649,421
Alternative Investments	<u>1,754,831</u>	<u>-</u>	<u>1,754,831</u>
TOTAL	\$ <u>21,744,826</u>	\$ <u>3,366,766</u>	\$ <u>25,111,592</u>

COAST GUARD MUTUAL ASSISTANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 - BENEFICIAL INTEREST IN PERPETUAL TRUST

In 2012 CGMA received an irrevocable right to receive income earned from a perpetual trust. CGMA does not own or control the trust's assets; however, CGMA recognized as its asset the beneficial interest in the trust assets. The fair value of a beneficial interest in a perpetual trust held by a third party generally can be measured using the fair value of the trust assets. CGMA recorded its beneficial interest in the perpetual trust at the fair value of its share of the trust's assets. The fair value of CGMA's interest in the trust is re-measured annually at December 31 with the gain or loss recognized in the statement of activities. Contribution revenue and the fair value gain or loss is classified as permanently restricted.

In 2014 CGMA recognized a permanently restricted contribution of \$745,035 to record its beneficial interest in a perpetual trust based on the fair value of trust assets. In 2015 and 2014 CGMA recognized investment income of \$64,000 and 61,000 for distributions received from the trust and gains (losses) of (\$56,308) and \$43,751 for the change in fair value of its interest at December 31, 2015 and 2014, respectively.

There is no market in which a beneficial interest in a charitable trust trades; therefore, no observable exit price exists for the beneficial interest.

Level 3 inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations where there is little, if any, observable market activity for the asset at the measurement date. Following is a reconciliation of the activity of assets measured at fair value based on significant unobservable inputs for the years ended December 31,:

<u>Significant Unobservable Inputs (Level 3)</u>	<u>2015</u>	<u>2014</u>
Beneficial Interest in Perpetual Trust, beginning of year	\$ 1,229,938	\$ 1,247,187
Contributions	-	-
Distributions	(64,000)	(61,000)
Change in value of beneficial interest	<u>(56,308)</u>	<u>43,751</u>
Beneficial Interest in Perpetual Trust, end of year	\$ <u>1,109,630</u>	\$ <u>1,229,938</u>

NOTE 6 - LOANS RECEIVABLE

At December 31, 2015 and 2014, CGMA had uncollateralized loans receivable totaling \$2,370,999 and \$2,455,257, respectively, all to present or former members of the Coast Guard family. CGMA loans bear no interest. Some of the loans are converted into grants and, thereby, expensed if it becomes apparent that the individual is in financial need and is unable to repay. Loans outstanding at December 31, 2015 and 2014 are shown net of an allowance for doubtful accounts of \$130,000. The allowance is calculated based on prior history of loan repayments. Loans are reviewed monthly to determine if any are past due or delinquent.

COAST GUARD MUTUAL ASSISTANCE, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 6 - LOANS RECEIVABLE: Continued

Program expenses do not include \$2,749,592 and \$2,782,546 respectively, in interest-free loans made by the organization during the years ended December 31, 2015 and 2014, and revenues do not include \$2,686,496 and \$2,899,346 respectively, in repayments on loans received during the same periods. In accordance with generally accepted accounting principles, loans made and repayments of loans affect the calculation of the loan balance on the statement of financial position and are not shown as income or expenses.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31,:

	<u>2015</u>	<u>2014</u>
Furniture, Fixtures & Equipment	\$ 19,068	\$ -
Software Redevelopment	197,990	197,990
Computer Software	<u>514,050</u>	<u>514,050</u>
 TOTAL PROPERTY AND EQUIPMENT	 731,108	 712,040
 Less: Accumulated Depreciation	 <u>(713,219)</u>	 <u>(712,040)</u>
 NET PROPERTY AND EQUIPMENT	 \$ <u>17,889</u>	 \$ <u>-</u>

Depreciation expense was \$1,179 and \$0 for the years ended December 31, 2015 and 2014, respectively.

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Funds Pledged for the Next Calendar Year	\$ <u>700,000</u>	\$ <u>720,000</u>

Net assets were released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events.

Restriction accomplished:

	<u>2015</u>	<u>2014</u>
Expiration of Time Restriction	\$ <u>720,000</u>	\$ <u>735,000</u>
 TOTAL	 \$ <u>720,000</u>	 \$ <u>735,000</u>

COAST GUARD MUTUAL ASSISTANCE, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 9 - CONTRIBUTED SERVICES AND FACILITIES

Some property and equipment used by CGMA in its operations is the property of the U.S. Coast Guard. The organization also receives substantial benefit from services donated by members of the Coast Guard, including administrative and fundraising assistance. CGMA occupies space leased by the Coast Guard which is provided to CGMA at no charge. The value of donated facilities was estimated at \$118,594 and \$137,500 during the years ended December 31, 2015 and 2014, respectively. These donated facilities are recorded in the financial statements as revenue and rent expense. As of November 1, 2015, CGMA no longer occupied space leased by the Coast Guard.

NOTE 10 - RETIREMENT PLAN

CGMA provides a salary deferral arrangement which is qualified under Section 403(b) of the Internal Revenue Code. All employees are eligible to participate in the plan. CGMA matches 100% of employee contributions up to 5% of the employee's annual compensation. CGMA matching contributions for the years ended December 31, 2015 and 2014 were \$25,300 and \$23,506, respectively.

NOTE 11 - OPERATING LEASE

In September of 2015, CGMA entered in to a lease for office space for a term of 10 years and 9 months. No rent payments are due for the first nine months of the lease. Under the terms of the lease agreement, monthly payments of \$8,544 begin in August 2016 and escalate 2.75% annually. CGMA recognizes rent expense on a straight-line basis. The difference in the amount of rent paid and the amount of rent expense recognized in the financial statements is recorded as deferred rent on the statement of financial position and totaled \$18,014 at December 31, 2015.

At December 31, 2015, CGMA was obligated under terms of non-cancelable leases for the following minimum lease payments:

2016	\$ 42,720
2017	103,703
2018	106,553
2019	109,480
2020	112,491
Thereafter	<u>686,929</u>
TOTAL	\$ <u>1,161,876</u>

NOTE 12 - SUBSEQUENT EVENTS

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the organization through February 12, 2016, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statement or disclosure in the notes to the financial statements.

COAST GUARD MUTUAL ASSISTANCE, INC.

**SUPPLEMENTARY INFORMATION
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2015**

With Summarized Totals for the Year Ended December 31, 2014

	2015				2014
	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>	<u>Total Expenses</u>
Grants					
SEG grants	\$ 575,842	\$ -	\$ -	\$ 575,842	\$ 377,662
Personal grants	116,969	-	-	116,969	93,130
Salaries and Benefits	442,503	258,127	36,875	737,505	687,378
Facilities Rental - Notes 9 and 11	81,964	47,813	6,831	136,608	137,500
Bad Debt Expense (Net of Collections)	121,378	-	-	121,378	127,108
Printing and Mailing	-	4,375	96,422	100,797	97,502
Layette Program	32,594	-	-	32,594	36,815
Computer and Equipment Maintenance	33,873	3,030	-	36,903	31,788
Legal and Audit	-	23,514	-	23,514	27,214
Loans Converted to Grants	25,976	-	-	25,976	20,556
Bank Fees	-	25,702	-	25,702	20,426
Tutor.com	22,412	-	-	22,412	-
Education Loans 3% Refund	22,233	-	-	22,233	20,424
Special Programs	17,780	-	-	17,780	16,386
Financial Counseling Fees	16,520	-	-	16,520	15,797
Miscellaneous Expenses	4,866	6,770	2,700	14,336	9,154
State Registration Fees	-	-	9,337	9,337	8,752
Insurance/Bonding	-	4,438	-	4,438	4,334
Outreach Program	1,142	-	-	1,142	4,073
Office Supplies	-	4,712	-	4,712	3,027
Credit Card Processing Fees	-	-	2,060	2,060	1,762
Depreciation	-	1,179	-	1,179	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	\$ 1,516,052	\$ 379,660	\$ 154,225	\$ 2,049,937	\$ 1,740,788

The accompanying notes to financial statements are an integral part of this statement