

**THE CHURCH OF ELEVEN22, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**THE CHURCH OF ELEVEN22, INC.  
FINANCIAL STATEMENTS  
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## INDEPENDENT AUDITORS' REPORT

To the Elder Board,  
The Church of Eleven22, Inc.:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Church of Eleven22, Inc., which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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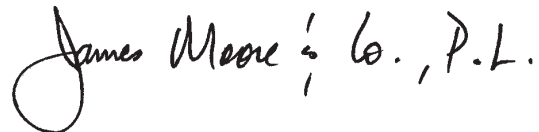
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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Church of Eleven22, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial "J" and a stylized "M".

Gainesville, Florida  
May 3, 2016

**THE CHURCH OF ELEVEN22, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 3,955,625
Prepaid expenses and other current assets	149,945
Total current assets	<u>4,105,570</u>
<b>Property and equipment, net</b>	9,081,666
<b>Debt issuance costs, net</b>	51,300
<b>Total Assets</b>	<u><u>\$ 13,238,536</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Current portion of notes payable	\$ 996,018
Accounts payable and accrued expenses	1,592,705
Total current liabilities	<u>2,588,723</u>
<b>Long-term liabilities</b>	
Notes payable, less current portion	3,832,115
Accrued loss on interest rate swap	6,769
Total long-term liabilities	<u>3,838,884</u>
Total liabilities	<u>6,427,607</u>
<b>Net assets</b>	
Unrestricted	
Undesignated	1,658,406
Invested in property and equipment, net of related debt	4,361,835
Temporarily restricted	790,688
Total net assets	<u>6,810,929</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 13,238,536</u></u>

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

**THE CHURCH OF ELEVEN22, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenue</b>			
Tithes and offerings	\$ 7,820,265	\$ -	\$ 7,820,265
Capital campaign contributions	-	706,421	706,421
Ministry income	84,544	399,477	484,021
Product sales	613,194	-	613,194
Interest income	2,533	-	2,533
Net assets released from restrictions:			
Mission trips	401,899	(401,899)	-
Capital additions and mortgage payments	1,048,540	(1,048,540)	-
Total support and revenue	<u>9,970,975</u>	<u>(344,541)</u>	<u>9,626,434</u>
<b>Expenses</b>			
Administrative	1,158,281	-	1,158,281
Communications	174,040	-	174,040
Multi-site development	321,991	-	321,991
Staffing	2,900,861	-	2,900,861
Operations and facilities	854,870	-	854,870
Care, outreach and partner support	770,858	-	770,858
Discipleship ministries	65,533	-	65,533
Information technology	160,389	-	160,389
NewGen	208,283	-	208,283
Worship	393,798	-	393,798
Cost of sales	49,249	-	49,249
Production	153,908	-	153,908
Mission trips	405,688	-	405,688
Total expenses	<u>7,617,749</u>	<u>-</u>	<u>7,617,749</u>
<b>Change in net assets from operations</b>	<u>2,353,226</u>	<u>(344,541)</u>	<u>2,008,685</u>
<b>Other changes</b>			
Gain on disposal of property and equipment	7,000	-	7,000
<b>Change in net assets</b>	<u>2,360,226</u>	<u>(344,541)</u>	<u>2,015,685</u>
<b>Net assets, beginning of year</b>	3,660,015	1,135,229	4,795,244
<b>Net assets, end of year</b>	<u><u>\$ 6,020,241</u></u>	<u><u>\$ 790,688</u></u>	<u><u>\$ 6,810,929</u></u>

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

**THE CHURCH OF ELEVEN22, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 2,015,685
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Amortization of debt issuance costs	16,121
Depreciation	474,504
Change in value of interest rate swap	(7,598)
Changes in:	
Prepaid expenses and other current assets	17,668
Accounts payable and accrued expenses	<u>1,254,304</u>
Net cash provided by operating activities	<u>3,770,684</u>
<b>Cash flows from investing activities</b>	
Purchases of property and equipment	<u>(4,577,186)</u>
<b>Cash flows from financing activities</b>	
Borrowings on notes payable	3,115,000
Principal payments on notes payable	<u>(1,096,867)</u>
Net cash provided by financing activities	<u>2,018,133</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,211,631</u>
<b>Cash and cash equivalents, beginning of year</b>	2,743,994
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 3,955,625</u></u>
<b>Supplemental disclosure of cash flow information</b>	
Cash paid for interest	\$ 93,469

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

**THE CHURCH OF ELEVEN22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

(1) **Summary of Significant Accounting Policies:**

The financial statements of The Church of Eleven22, Inc. (the “Church”) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

(a) **Nature of operations**—The Church is a religious organization located in Jacksonville, Florida, with the majority of its contributions obtained from members living in the Jacksonville area. The Church was incorporated on October 11, 2011, and began operations and worship services in September 2012.

In August 2015, the Church opened a retail thrift store called Hope’s Closet for the purpose of serving the community by providing affordable donated and new merchandise in a dignified retail setting, as well as to support and promote the ministry partners of the church. All proceeds from Hope’s Closet fund ministry activities of the Church.

(b) **Basis of presentation and revenue recognition**—The Church’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. The Church records all revenues and gains that are spent in the year as unrestricted revenue. Any amounts not spent are recorded as either temporarily restricted or permanently restricted revenue if donor restrictions exist. When a 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.

Accordingly, net assets of the Church and changes therein are classified and reported as follows:

*Unrestricted net assets* – Net assets that are not subject to donor-imposed restrictions.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Church and/or the passage of time.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that will not be met by either actions of the Church and/or the passage of time.

See Note 7 for balances of temporarily restricted net assets at December 31, 2015. No permanently restricted assets were held at December 31, 2015, and accordingly, these financial statements do not reflect any activity related to this class of net assets.

Contributions of clothing, household goods and other items to Hope’s Closet are recognized as product sales when, and if, sold. Inventories of and items in Hope’s Closet are not included as assets in the statement of financial position.

(c) **Cash and cash equivalents**—For purposes of reporting cash flows, cash and cash equivalents includes only investments with original maturities of three months or less.



**THE CHURCH OF ELEVEN22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Property and equipment**—Acquisitions of property and equipment in excess of \$1,200 are generally capitalized. Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. The cost of property and equipment is being charged to operations using the straight-line method of depreciation over estimated useful lives ranging from five to forty years.

(e) **Debt issuance costs**—Debt issuance costs are capitalized and amortized over the terms of the related debt agreements on a straight-line basis, which approximates, and is not materially different from, the effective interest method of amortization. Accumulated amortization of debt issuance costs as of December 31, 2015, was \$42,766.

(f) **Derivative instruments**—The Church entered into an interest rate swap agreement with a regional bank in order to manage its exposure to the variable interest rate related to its outstanding notes payable. The Church does not enter into financial instruments for trading or speculative purposes. The interest rate swap is recognized in the statement of financial position at fair value based upon a valuation performed by the regional bank. The value of the interest rate swap is based on the mathematical approximation of the market values derived from proprietary models as of a given date. These valuation models rely on certain assumptions and result in a significant estimate. It is reasonably possible that a change in the estimate could occur in the near term.

(g) **Contributed services**—The Church receives a substantial amount of services donated by its members in carrying out the Church's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under generally accepted accounting principles.

(h) **Donated assets**—Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Noncash donations to Hope's Closet have not been reflected in the financial statements.

(i) **Pledges**—In addition to general contributions, the Church has conducted two capital campaigns that incorporate pledge cards for the amounts individuals intend to donate towards these campaigns. Since the pledges do not meet the criteria for revenue recognition under generally accepted accounting principles, they are not reflected as contributions in the statement of activities until the pledges are collected. Uncollected pledges are not legally enforceable against donors, and no receivable balance has been recorded.

(j) **Functional allocation of expenses**—The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(k) **Income taxes**—The Church is a non-profit corporation statutorily exempt from federal income taxes under the Internal Revenue Code, section 501(c)(3). Under Section 501(a), the Church is exempt from the requirement to file an annual information return.

(l) **Use of 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.

**THE CHURCH OF ELEVEN22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Subsequent events**—The Church has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 3, 2016, the date the financial statements were available to be issued, and determined that no significant events occurred during that time period that impacted or required disclosure in the financial statements.

(2) **Property and Equipment:**

Property and equipment is summarized below as of December 31, 2015:

Audio visual and lighting equipment	\$ 925,333
Equipment	250,517
Furniture and fixtures	141,041
Leasehold improvements	5,095,355
Construction in progress	1,538,853
Building	<u>2,446,549</u>
	10,397,648
Less: Accumulated depreciation	<u>(1,315,982)</u>
Total property and equipment	<u>\$ 9,081,666</u>

Depreciation expense totaled \$474,504 for the year ended December 31, 2015.

(3) **Retirement Plan:**

The Church sponsors a defined contribution retirement plan allowed under Internal Revenue Code section 403(b). The Church matches employee contributions up to 4% of an eligible participant's compensation. Total retirement plan expense for the year ended December 31, 2015 was \$44,170.

(4) **Concentration of Credit Risk:**

The Church has demand deposits with a regional bank at December 31, 2015, with bank balances amounting to \$3,846,909. The Church has no policy requiring collateral to support these deposits, although amounts held by the bank are federally insured up to FDIC limits. At December 31, 2015, uninsured cash balances totaled \$3,596,909. The Church does not believe it is exposed to any significant credit risk on cash and cash equivalents.

(5) **Notes Payable:**

Notes payable consist of the following at December 31, 2015:

Note payable to a financial institution with a variable interest rate of 2.25% above LIBOR (2.67% at December 31, 2015) that matures in May 2017. The note is secured by equipment and leasehold improvements.	\$ 513,133
Note payable to a financial institution with a variable interest rate of 2.75% above LIBOR (3.17% at December 31, 2015) that matures in January 2018. The note is secured by equipment and leasehold improvements.	1,200,000

**THE CHURCH OF ELEVEN22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

(5) **Notes Payable:** (Continued)

Note payable to a financial institution with a fixed interest rate of 3.70% that matures in August 2020. The note is secured by real property and leasehold improvements.	\$ 1,615,000
Note payable to a financial institution with a fixed interest rate of 3.50% that matures in March 2018. The note is secured by all non-real property assets.	1,500,000
	4,828,133
Less: Current portion of notes payable	(996,018)
Notes payable, less current portion	\$ 3,832,115

Maturities on notes payable for the next five years and thereafter are as follows:

Year Ending December 31,	Amount
2016	\$ 996,018
2017	1,750,154
2018	695,748
2019	80,748
2020	1,305,465
Thereafter	-
Total	\$ 4,828,133

The Church is subject to compliance with certain restrictive covenants, including maintaining a minimum fixed charge coverage ratio, a minimum interest coverage ratio, minimum debt service coverage ratio and not exceeding a maximum ratio of debt to tangible net assets. The Church was in compliance with these covenants at December 31, 2015.

To minimize the effect of changes in the variable rate component of the notes payable, the Church entered into an interest rate swap agreement in October 2013, which became effective in April 2014. Under the terms of the interest rate swap, the Church pays interest at a fixed rate of 4.1% and receives interest at the 1-month LIBOR plus 2.75%. The notional amount of the interest rate swap at the beginning date in April 2014 was \$1,920,000, and decreases subsequent to that date in a manner that mirrors the amortization of the related note payable. The interest rate swap contract matures in January 2018. The accrued loss on the interest rate swap contract at December 31, 2015, was \$6,769 and is included as a liability in the accompanying statement of financial position. The change in the accrued loss on the interest rate swap during the year ended December 31, 2015, totaled a positive \$7,598, and is included in development expense in the accompanying statement of activities.

(6) **Fair Value Measurements:**

The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

**THE CHURCH OF ELEVEN22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

(6) **Fair Value Measurements:** (Continued)

Level 2 – Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

*Interest rate swap agreement* – The Church’s interest rate swap is not exchange traded and therefore quoted market prices are not readily available for it. The fair value of the interest rate swap is derived using models that use primarily market observable inputs, such as interest rate yield curves and credit curves but also incorporate significant assumptions that are unobservable. The impacts of the derivative liabilities for the Church’s and the counterparties’ non-performance risk to the derivative trades is considered when measuring the fair value of derivative liabilities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Church believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table summarizes the liabilities of the Church for which fair values are determined on a recurring basis:

	<b>Fair Value Measurements</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>December 31, 2015:</b>				
Interest rate swap agreement	\$ -	\$ -	\$ 6,769	\$ 6,769
Total liabilities at fair value	\$ -	\$ -	\$ 6,769	\$ 6,769

The table below summarizes the changes in the fair value of the Level 3 liabilities measured at fair value for the year ended December 31, 2015:

<b>Interest Rate Swap Agreement</b>	
Balance at December 31, 2014	\$ (14,367)
Unrealized gain included in changes in net assets	7,598
Balance at December 31, 2015	\$ (6,769)
Change in unrealized gains for the year included in changes in net assets for liabilities held at the reporting date	\$ 7,598

**THE CHURCH OF ELEVEN22, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

(7) **Restrictions on Net Assets:**

Temporarily restricted net assets are available for the following purposes at December 31, 2015:

Missions	\$	59,093
Capital campaign – Upon This Rock		195,390
Capital campaign – Restore		536,205
		\$ 790,688

The temporarily restricted net assets from the two capital campaigns may be used for either property and equipment expenditures or debt repayments associated with those capital projects.

(8) **Lease Commitment:**

The Church is obligated under a non-cancelable operating lease for the building space it occupies that extends to August of 2017 and a non-cancelable operating lease for the Hope’s Closet building space it occupies that extends until 2025. The building lease has two five year renewal options and also contains a purchase option for the building for \$7,800,000. The Hope’s Closet building lease has a purchase option for \$2,920,422. This purchase option can only be exercised if the building purchase space has been purchased first. The future minimum lease payments under the non-cancelable operating leases are as follows:

Years Ending December 31	Amount
2016	\$ 568,014
2017	455,194
2018	229,554
2019	247,104
2020	247,104
Thereafter	1,288,170
	\$ 3,035,140

**SUPPLEMENTARY INFORMATION**

**THE CHURCH OF ELEVEN22, INC.**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

<u>ASSETS</u>	<u>Church of Eleven22</u>	<u>Hope's Closet</u>	<u>Total</u>
<b>Current assets</b>			
Cash and cash equivalents	\$ 3,732,860	\$ 222,765	\$ 3,955,625
Prepaid expenses and other current assets	123,665	26,280	149,945
Total current assets	<u>3,856,525</u>	<u>249,045</u>	<u>4,105,570</u>
<b>Property and equipment, net</b>	8,938,668	142,998	9,081,666
<b>Debt issuance costs, net</b>	51,300	-	51,300
<b>Total Assets</b>	<u><u>\$ 12,846,493</u></u>	<u><u>\$ 392,043</u></u>	<u><u>\$ 13,238,536</u></u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>  			
<b>Current liabilities</b>			
Current portion of notes payable	\$ 916,018	\$ 80,000	\$ 996,018
Accounts payable and accrued expenses	1,551,417	41,288	1,592,705
Total current liabilities	<u>2,467,435</u>	<u>121,288</u>	<u>2,588,723</u>
<b>Long-term liabilities</b>			
Notes payable, less current portion	3,712,115	120,000	3,832,115
Accrued loss on interest rate swap	6,769	-	6,769
Total long-term liabilities	<u>3,718,884</u>	<u>120,000</u>	<u>3,838,884</u>
Total liabilities	<u>6,186,319</u>	<u>241,288</u>	<u>6,427,607</u>
<b>Net assets</b>			
Unrestricted			
Undesignated	1,507,651	150,755	1,658,406
Invested in property and equipment, net of related debt	4,361,835	-	4,361,835
Temporarily restricted	790,688	-	790,688
Total net assets	<u>6,660,174</u>	<u>150,755</u>	<u>6,810,929</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 12,846,493</u></u>	<u><u>\$ 392,043</u></u>	<u><u>\$ 13,238,536</u></u>

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

## SCHEDULE II

**THE CHURCH OF ELEVEN22, INC.  
DETAILED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Church of Eleven22</u>	<u>Hope's Closet</u>	<u>Total</u>
<b>Support and revenue</b>			
Tithes and offerings	\$ 7,820,265	\$ -	\$ 7,820,265
Capital campaign contributions	706,421	-	706,421
Ministry income	484,021	-	484,021
Product sales	24,257	588,937	613,194
Interest income	2,533	-	2,533
Total support and revenue	<u>9,037,497</u>	<u>588,937</u>	<u>9,626,434</u>
<b>Expenses</b>			
Administrative	1,117,307	40,974	1,158,281
Communications	174,040	-	174,040
Multi-site Development	321,991	-	321,991
Staffing	2,772,023	128,838	2,900,861
Operations and Facilities	635,749	219,121	854,870
Care, Outreach and Partner Support	770,858	-	770,858
Discipleship Ministries	65,533	-	65,533
Information technology	160,389	-	160,389
NewGen	208,283	-	208,283
Worship	393,798	-	393,798
Cost of sales	-	49,249	49,249
Production	153,908	-	153,908
Mission Trips	405,688	-	405,688
Total expenses	<u>7,179,567</u>	<u>438,182</u>	<u>7,617,749</u>
<b>Change in net assets from operations</b>	<u>1,857,930</u>	<u>150,755</u>	<u>2,008,685</u>
<b>Other changes</b>			
Gain on disposal of property and equipment	7,000	-	7,000
<b>Change in net assets</b>	<u>1,864,930</u>	<u>150,755</u>	<u>2,015,685</u>
<b>Net assets, beginning of year</b>	4,795,244	-	4,795,244
<b>Net assets, end of year</b>	<u><u>\$ 6,660,174</u></u>	<u><u>\$ 150,755</u></u>	<u><u>\$ 6,810,929</u></u>

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