

THE JUNIOR LEAGUE OF ATLANTA, INC.
Financial Statements and Supplementary Information
May 31, 2017 and 2016

With Independent Auditor's Report Thereon

Independent Auditor's Report

The Board of Directors
The Junior League of Atlanta, Inc.:

Report on the Financial Statements

I have audited the accompanying financial statements of the Junior League of Atlanta, Inc. (“the League”) which comprise the statement of financial position as of May 31, 2017 and the related statements of activities, cash flows, and functional expenses 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.

Auditor’s Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the League as of May 31, 2017, 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 Summarized Comparative Information

I have previously audited the Junior League of Atlanta, Inc.'s 2016 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated July 12, 2016. In my opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of community programs and program fund-raisers 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



July 11, 2017

THE JUNIOR LEAGUE OF ATLANTA, INC.

Statements of Financial Position

May 31, 2017 and 2016

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 1,816,543	661,367
Investments (note 3)	3,723,667	4,793,254
Accounts receivable	13,176	4,669
Prepaid expenses	22,852	82,578
Inventory	19,462	210,123
Building and equipment, net (note 2)	<u>58,415</u>	<u>183,010</u>
 Total assets	 \$ <u>5,654,115</u>	 <u>5,935,001</u>
 <u>Liabilities and Net Assets</u>		
Liabilities - accounts payable and accrued liabilities	\$ <u>64,766</u>	<u>52,287</u>
Net assets:		
Unrestricted:		
Designated funds (note 5)	5,471,353	5,855,214
Undesignated	<u>90,496</u>	<u>-</u>
Total unrestricted	5,561,849	5,855,214
Temporarily restricted (note 5)	-	-
Permanently restricted (note 5)	<u>27,500</u>	<u>27,500</u>
Total net assets	5,589,349	5,882,714
Commitments (note 6)	<u> </u>	<u> </u>
 Total liabilities and net assets	 \$ <u>5,654,115</u>	 <u>5,935,001</u>

See accompanying notes to financial statements.

THE JUNIOR LEAGUE OF ATLANTA, INC.

Statement of Activities

Year ended May 31, 2017
(with comparative totals for 2016)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2017 total</u>	<u>2016 total</u>
Revenues, gains, and other support:					
Membership and other:					
Membership dues and fees, net of AJLI national dues of \$122,857 for 2017 and \$122,857 in 2016	\$ 451,888	—	—	451,888	454,685
Interest and dividends	110,296	70	—	110,366	83,977
Unrealized/realized gains (losses) on investments	412,496	—	—	412,496	(182,440)
Contributions	318,871	—	—	318,871	308,843
Other	41,969	—	—	41,969	57,520
Total membership and other	<u>1,335,520</u>	<u>70</u>	<u>—</u>	<u>1,335,590</u>	<u>722,585</u>
Fund-raisers:					
Cookbooks	13,591	—	—	13,591	7,237
Less cost of sales	<u>(5,527)</u>	<u>—</u>	<u>—</u>	<u>(5,527)</u>	<u>(4,399)</u>
Total Cookbooks	<u>8,064</u>	<u>—</u>	<u>—</u>	<u>8,064</u>	<u>2,838</u>
Nearly New Shop revenue	395,152	—	—	395,152	919,276
Less cost of sales	<u>(687,052)</u>	<u>—</u>	<u>—</u>	<u>(687,052)</u>	<u>(728,964)</u>
Total Nearly New Shop, net	<u>(291,900)</u>	<u>—</u>	<u>—</u>	<u>(291,900)</u>	<u>190,312</u>
Tour of Kitchens revenue	341,227	—	—	341,227	302,365
Less cost of sales	<u>(202,651)</u>	<u>—</u>	<u>—</u>	<u>(202,651)</u>	<u>(174,064)</u>
Total Tour of Kitchens, net	<u>138,576</u>	<u>—</u>	<u>—</u>	<u>138,576</u>	<u>128,301</u>
Shamrock'n Roll Road Race	100,913	—	—	100,913	126,140
Less cost of sales	<u>(58,871)</u>	<u>—</u>	<u>—</u>	<u>(58,871)</u>	<u>(69,669)</u>
Total Shamrock'n Roll Road Race, net	<u>42,042</u>	<u>—</u>	<u>—</u>	<u>42,042</u>	<u>56,471</u>
Centennial	309,145	—	—	309,145	—
Less cost of sales/expenses	<u>(686,569)</u>	<u>—</u>	<u>—</u>	<u>(686,569)</u>	<u>—</u>
Total Centennial, net	<u>(377,424)</u>	<u>—</u>	<u>—</u>	<u>(377,424)</u>	<u>—</u>
Total fund-raisers, net	<u>(480,642)</u>	<u>—</u>	<u>—</u>	<u>(480,642)</u>	<u>377,922</u>
Net assets released from restrictions	<u>70</u>	<u>(70)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues, gains, and other support	<u>854,948</u>	<u>—</u>	<u>—</u>	<u>854,948</u>	<u>1,100,507</u>

(Continued)

THE JUNIOR LEAGUE OF ATLANTA, INC.

Statement of Activities

	<u>Unrestricted</u>	Temporarily <u>restricted</u>	Permanently <u>restricted</u>	<u>2017</u> <u>total</u>	<u>2016</u> <u>total</u>
Expenses:					
Program services:					
Community programs	\$ 170,200	—	—	170,200	274,366
Research, training and education	721,726	—	—	721,726	805,014
Supporting services	<u>256,387</u>	<u>—</u>	<u>—</u>	<u>256,387</u>	<u>200,930</u>
Total expenses	<u>1,148,313</u>	<u>—</u>	<u>—</u>	<u>1,148,313</u>	<u>1,280,310</u>
 Change in net assets	 (293,365)	 —	 —	 (293,365)	 (179,803)
Net assets at beginning of year	<u>5,855,214</u>	<u>—</u>	<u>27,500</u>	<u>5,882,714</u>	<u>6,062,517</u>
Net assets at end of year	<u>\$ 5,561,849</u>	<u>—</u>	<u>27,500</u>	<u>5,589,349</u>	<u>5,882,714</u>

See accompanying notes to financial statements.

THE JUNIOR LEAGUE OF ATLANTA, INC.

Statement of Functional Expenses

Year ended May 31, 2017

	<u>Community Programs</u>	<u>Personnel Costs</u>	<u>Occupancy</u>	<u>Supplies</u>	<u>Meetings & Conferences</u>	<u>Postage & Printing</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>
Program Services:									
Headquarters	\$ -	199,342	41,605	7,994	11,916	642	50,806	8,985	321,290
Board of Directors	19,242	-	-	9,826	39,370	2,329	6,656	-	77,423
Advocacy & Initiatives Council	-	-	-	6,121	20,794	1,797	1,340	-	30,052
Community Council	150,758	-	-	2,133	3,607	112	-	-	156,610
Development Council	-	-	-	4,829	4,899	2,489	16,068	-	28,285
Internal Operations	-	-	-	1,600	-	1,245	-	-	2,845
Marketing & Communications Council	-	-	-	3,546	16,252	123,459	49,648	-	192,905
Membership Council	-	-	-	2,052	29,310	1,662	-	-	33,024
Sustainer Council	-	-	-	144	353	446	83	-	1,026
Training Council	200	-	-	11,129	36,795	342	-	-	48,466
Total - Program Services	<u>170,200</u>	<u>199,342</u>	<u>41,605</u>	<u>49,374</u>	<u>163,296</u>	<u>134,523</u>	<u>124,601</u>	<u>8,985</u>	<u>891,926</u>
Supporting Services:									
Management and General	-	65,936	28,661	5,507	8,208	444	35,000	6,190	149,946
Fund Raising	-	41,402	22,189	4,264	6,354	343	27,097	4,792	106,441
Total - Supporting Services	<u>-</u>	<u>107,338</u>	<u>50,850</u>	<u>9,771</u>	<u>14,562</u>	<u>787</u>	<u>62,097</u>	<u>10,982</u>	<u>256,387</u>
	<u>\$ 170,200</u>	<u>306,680</u>	<u>92,455</u>	<u>59,145</u>	<u>177,858</u>	<u>135,310</u>	<u>186,698</u>	<u>19,967</u>	<u>1,148,313</u>

See accompanying notes to financial statements

THE JUNIOR LEAGUE OF ATLANTA, INC.

Statements of Cash Flows

Years ended May 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ (293,365)	(179,803)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	36,485	41,319
Net unrealized/realized (gains) losses on investments	(412,496)	182,440
Loss on disposal of equipment	88,676	-
(Increase) in accounts receivable	(8,507)	(243)
Decrease (increase) in prepaid expenses	59,726	(31,007)
Decrease (increase) in inventory	190,661	(107,445)
Increase in accounts payable	<u>12,479</u>	<u>4,254</u>
Net cash (used in) operating activities	<u>(326,341)</u>	<u>(90,485)</u>
Cash flows from investing activities:		
Purchase of investments	(667,372)	(946,807)
Proceeds from sale of investments	2,149,454	1,027,843
Purchase of equipment	<u>(565)</u>	<u>-</u>
Net cash provided by investing activities	<u>1,481,517</u>	<u>81,036</u>
Net increase (decrease) in cash and cash equivalents	1,155,176	(9,449)
Cash and cash equivalents at beginning of year	<u>661,367</u>	<u>670,816</u>
Cash and cash equivalents at end of year	\$ <u>1,816,543</u>	<u>661,367</u>

See accompanying notes to financial statements.

THE JUNIOR LEAGUE OF ATLANTA, INC.

Notes to Financial Statements

May 31, 2017 and 2016

(1) Summary of Significant Accounting Policies

(a) Organization

The Junior League of Atlanta, Inc. (the "League") is an organization of women committed to promoting voluntarism and improving the community through effective action and leadership of trained volunteers.

(b) Accrual Basis

The financial statements of the League have been prepared on the accrual basis of accounting.

(c) Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly net assets of the League and changes therein are classified as unrestricted, temporarily restricted and permanently restricted.

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the League and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that are maintained permanently by the League.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of short term, interest bearing, highly liquid investments with original maturities of three months or less.

(e) JLA Sustainer Fund (Quasi-Endowment)

The JLA Sustainer (quasi-endowment) fund was set up by the Board of Directors of The Junior League of Atlanta, Inc. on March 10, 1982 upon the conditions that the Trustees have discretion over the investing, reinvesting, and distribution of any income or corpus in the JLA Sustainer (quasi-endowment) fund. The fund became a separate legal entity, a Georgia charitable trust, as of April 24, 1992. Prior to that date, the fund did not exist as a separate legal entity, but was a component fund of the League.

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THE JUNIOR LEAGUE OF ATLANTA, INC.

Notes to Financial Statements

(f) Investments

Investments include common stocks, bonds, carried at fair value. Investments traded on national securities exchanges are valued at their closing market prices as of the end of the fiscal year. Interest income derived from investments is recognized in the period earned.

(g) Land, Building, and Equipment

Land, building, and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation expense is recorded on the straight-line method over the estimated useful lives of the assets (ten to thirty years for building improvements, three to ten years for office furniture and equipment). Amortization expense is recorded on the straight-line method over the shorter of useful life or lease term for leasehold improvements.

(h) Revenues

Membership dues and fees, which are nonrefundable, are recorded as revenue in the year assessed.

Revenues from the Nearly New Shop are generated from the sale of donated and consigned items (mostly clothing). Donated items have been reflected as revenue in the accompanying financial statements at their estimated fair value at date of receipt. In-kind contributions for the Nearly New Shop, fund-raisers and general operations were \$190,071 and \$452,822 for the years ended May 31, 2017 and 2016, respectively. The Nearly New Shop discontinued operations in April 2017.

(i) Inventory

Inventory represents unsold cookbooks, 100th Anniversary commemorative products, and stationery which are stated at the lower of cost or net realizable value.

(j) Tax Status

The League is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (the "IRC"), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the League are tax deductible to donors under Section 170 of the IRC. The League is not classified as a private foundation.

(Continued)

THE JUNIOR LEAGUE OF ATLANTA, INC.

Notes to Financial Statements

(k) Comparative Data

The statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. 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 financial statements for the year ended May 31, 2016 from which the summarized information was derived.

(l) Use of Estimates

Management of the League has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from these estimates.

(2) Building and Equipment

Building and equipment at May 31, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Office furniture and equipment	\$ 264,844	311,682
Leasehold improvements	860,865	1,180,131
	<u>1,125,709</u>	<u>1,491,813</u>
Less accumulated depreciation and amortization	1,067,294	1,308,803
	\$ <u><u>58,415</u></u>	<u><u>183,010</u></u>

The accompanying financial statements do not reflect the land and building used as headquarters by the League. These facilities were conditionally contributed to the League subject to the grantor specifically reserving the option to repurchase the site at the depreciated value of League improvements at the date of transfer, if for any reason the property ceases to be used for the purpose of League headquarters.

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THE JUNIOR LEAGUE OF ATLANTA, INC.

Notes to Financial Statements

(3) Investments

Investments consist of the following at May 31, 2017 and 2016:

	<u>Fair Value</u>	
	<u>2017</u>	<u>2016</u>
Cash for investment – money market funds	\$ 154,507	165,540
Mutual funds – taxable fixed income	950,306	1,533,930
Mutual funds – high yield– fixed income	130,968	168,269
Equities – U.S. large cap	1,216,067	1,550,750
Equities – mutual funds - U. S. mid cap	283,910	330,480
Equities – I shares - U. S. small cap	146,248	177,761
Equities - mutual funds -International	423,217	488,634
Equities - REITs	49,446	80,565
Equities – mutual funds - large cap	52,622	-
Equities – mutual funds – emerging markets	142,059	143,010
Community Foundation – unitized pool	174,317	154,315
	<u>\$ 3,723,667</u>	<u>4,793,254</u>

(4) Fair Value Measurements

The League follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 820, *Fair Value Measurements and Disclosures*, for financial assets and liabilities. Under ASC 820, fair value is based on 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. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Other significant observable inputs not quoted on active markets, but corroborated by market data.
- Level 3: Significant unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

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THE JUNIOR LEAGUE OF ATLANTA, INC.

Notes to Financial Statements

The following table summarized the League's financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of May 31, 2017 and 2016:

As of May 31, 2017:	Total	Level 1	Level 2	Level 3
Publically traded securities	\$ 3,549,350	3,549,350	-	-
The Community Foundation Unitized Pool	<u>174,317</u>	<u>-</u>	<u>-</u>	<u>174,317</u>
Total	\$ <u>3,723,667</u>	<u>3,549,350</u>	<u>-</u>	<u>174,317</u>
As of May 31, 2016:				
Publically traded securities	\$ 4,638,939	4,638,939	-	-
The Community Foundation Unitized Pool	<u>154,315</u>	<u>-</u>	<u>-</u>	<u>154,315</u>
Total	\$ <u>4,793,254</u>	<u>4,638,939</u>	<u>-</u>	<u>154,315</u>

During 2017 and 2016, the fair value of investments classified as Level 3 in the fair value hierarchy changed as follows:

	<u>2017</u> Community Fdn. Unitized Pool
Balance at June 1, 2016	\$ 154,315
Unrealized appreciation	21,620
Net transfers out	-
Grants paid	-
Management fees	<u>(1,618)</u>
Balance at May 31, 2017	\$ <u>174,317</u>

(Continued)

THE JUNIOR LEAGUE OF ATLANTA, INC.

Notes to Financial Statements

	<u>2016</u> Community Fdn. Unitized Pool
Balance at June 1, 2015	\$ 177,357
Unrealized appreciation/(loss)	(6,677)
Net transfers	(13,403)
Grants paid	(1,000)
Management fees	<u>(1,962)</u>
Balance at May 31, 2016	\$ <u>154,315</u>

(5) Net Assets

Unrestricted net assets consist of the following balances at May 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Board-designated:		
Planned maintenance	\$ 284,874	337,068
Earned income for next year's budget	1,325,675	1,056,783
Operating funds for next year's expense	1,086,783	1,122,650
Program reserves	164,000	163,359
Centennial fund	2,732	1,279,968
CFGA Centennial fund	956,445	-
CFGA donor advised fund	102,849	91,042
CFGA empowerment fund	71,468	63,273
JLA sustainer (quasi-endowment) fund (note 1)	1,427,387	1,260,691
Non-cash assets	<u>49,140</u>	<u>480,380</u>
Total board-designated	5,471,353	5,855,214
Undesignated	<u>90,496</u>	<u>-</u>
Total unrestricted	\$ <u>5,561,849</u>	<u>5,855,214</u>

Temporarily restricted net assets are investment earnings from the permanently restricted fund restricted for major building maintenance and repairs.

Permanently restricted net assets consist of endowment funds restricted for major building maintenance and repairs.

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THE JUNIOR LEAGUE OF ATLANTA, INC.

Notes to Financial Statements

(6) Employee Benefit Plan

The League offers eligible full-time employees the option of investing in a tax-deferred IRA. After one year of service, the League contributes a match up to 3% of an employee's pay. Expenditures for employer contributions were \$7,850 and 7,996 for the years ended May 31, 2017, and 2016, respectively.

(7) Subsequent Events

Subsequent events have been evaluated through July 11, 2017, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

THE JUNIOR LEAGUE OF ATLANTA, INC.

Schedule of Community Programs

Year ended May 31, 2017

Atlanta Botanical Gardens	\$	1,400	
Atlanta Children's Shelter, Inc.		2,500	
Atlanta Community Food Bank		136,000	(1)
Atlanta Legal Aid		127,000	(1)
Atlanta Speech School		1,884	
Atlanta Women's Club		1,500	
Atlanta Women's Foundation		1,500	
Center for Puppetry Arts		7,100	
Chastain Horse Park, Ltd.		16,500	
Children's Healthcare of Atlanta, Egleston		115,400	(1)
Cristo Rey		617	
CVI		2,243	
Estrellitas		4,301	
Everybody Wins! Atlanta		3,000	
Families First		316	
Focus		2,401	
GAIN		1,150	
Georgia Radio Reading Services		1,550	
Girl Scouts of Greater Atlanta		2,045	
Girls on the Run		3,000	
Grady Health Foundation		5,400	
Habitat for Humanity		4,500	
Homemade by JLA		4,753	
Journey to Literacy		7,801	
Junior League of Albany		250	
Kate's Club		6,950	
Kids in the Kitchen		1,000	
Literacy Action		3,500	
Mashunte Holmes		500	
Meals on Wheels		1,000	
Miles Intermediate School		200	
Moving in The Spirit		700	
Open Hand Project		13,000	
PADV		346	
Rainbows		4,236	
Ronald McDonald House		20,024	
Trees Atlanta		1,000	
United Way		875	
Visiting Nurse Health Systems		18,500	
Voices for Georgia's Children		1,500	
Wellspring Living		32	
Whitefoord		1,000	
YouthSpark		707	
YWCA		3,517	
Zoo Atlanta		7,572	
	\$	<u>540,270</u>	

(1) - Contributions to these community programs are included in the cost of sale/expenses of the Centennial Fund-raiser.

See accompanying independent auditor's report.

THE JUNIOR LEAGUE OF ATLANTA, INC.

Schedule of Program Fund-Raisers

Year ended May 31, 2017

	Cookbooks	Nearly New Shop	Tour of Kitchens	Shamrock'n Roll Road Race	Centennial	2017 total
Revenues:						
Event fees, sales, other	\$ 13,591	387,839	165,991	48,812	264,425	880,658
Member fines and fees	-	2,375	-	-	-	2,375
Contributions	-	-	43,578	33,879	24,408	101,865
In-kind contributions	-	4,938	131,658	18,222	20,312	175,130
Gross revenue	<u>13,591</u>	<u>395,152</u>	<u>341,227</u>	<u>100,913</u>	<u>309,145</u>	<u>1,160,028</u>
Expenses:						
Cost of sales, printing, and production	4,555	157,398	-	14,141	15,096	191,190
Other expenses	612	59,668	202,651	44,327	302,151	609,409
Payroll and related costs	-	163,038	-	-	-	163,038
Contributions	-	-	-	-	368,400	368,400
Depreciation	-	16,518	-	-	-	16,518
Rent and common area maintenance	360	140,808	-	403	922	142,493
Discontinued operations	-	149,622	-	-	-	149,622
Total expenses	<u>5,527</u>	<u>687,052</u>	<u>202,651</u>	<u>58,871</u>	<u>686,569</u>	<u>1,640,670</u>
Excess of gross revenue over expenses	\$ <u>8,064</u>	<u>(291,900)</u>	<u>138,576</u>	<u>42,042</u>	<u>(377,424)</u>	<u>(480,642)</u>

(1)

(1) - The Nearly New Shop discontinued operations in April 2017.

See accompanying independent auditor's report.