Central Union Mission, and its Subsidiary and Affiliates

Consolidated Financial Statements (With Supplementary Information) and Independent Auditor's Report

June 30, 2017 and 2016

CohnReznick
Accounting • Tax • Advisory

Central Union Mission, and its Subsidiary and Affiliates

Index

Independent Auditor's Report

To the Board of Directors
Central Union Mission, and its Subsidiary and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Central Union Mission, and its Subsidiary and Affiliates (Mission DC Manager, LLC, Mission DC Landlord, LLC and Mission DC Master Tenant, LLC), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Union Mission, and its Subsidiary and Affiliates as of June 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Guidance

As discussed in Note 2 to the financial statements, in 2017, Central Union Mission, and its Subsidiary and Affiliates (Mission DC Manager, LLC, Mission DC Landlord, LLC and Mission DC Master Tenant, LLC), adopted new accounting guidance related to the presentation of debt issuance costs. Our report is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 30 to 37 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

CohnReznick LLP

Bethesda, Maryland
October 5, 2017

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Financial Position
June 30, 2017 and 2016

Assets

	2017	2016
Current assets		
Cash and cash equivalents	$ 324,615	$ 108,085
Accounts, grants and interest receivable, net	148,165	166,366
Short-term marketable securities	38,415	37,954
Employee advances	2,622	2,815
Prepaid expenses and other	20,077	14,211
Total current assets	533,894	329,431
Property and equipment		
Land and site improvements	483,076	483,076
Buildings and improvements	20,204,860	20,289,587
Furniture and equipment	468,735	449,109
Corporate vehicles	342,439	324,037
Tenant's construction in progress	165,937	-
	21,665,047	21,545,809
Less: Accumulated depreciation	(3,215,202)	(2,563,829)
Property and equipment, net	18,449,845	18,981,980
Other long-term assets		
Restricted reserve	117,573	154,903
Predevelopment costs	1,026,803	1,009,045
Marketable securities	876,099	988,684
Loans and note receivable, net	11,075,500	11,077,200
	13,095,975	13,229,832
Total assets	$ 32,079,714	$ 32,541,243

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Financial Position
June 30, 2017 and 2016

Liabilities and Net Assets

	2017	2016
Current liabilities		
Accounts payable and accrued expenses	$ 840,504	$ 738,520
Accrued payroll and payroll taxes	189,212	64,551
Accrued leave	56,244	56,244
Current portion of deferred rent and deferred lease incentive	7,956	7,883
Current portion of line of credit	-	1,339,316
Current portion of long-term notes payable	2,829,741	218,916
Current portion of long-term capital lease obligations	40,918	34,200
Total current liabilities	3,964,575	2,459,630
Long-term liabilities		
Line of credit, net of current portion	1,070,675	-
Notes payable, net of current portion and unamortized debt issuance costs	13,955,438	16,733,366
Long-term capital lease obligations, net of current portion	114,683	134,222
Deferred rent and deferred lease incentive, net of current portion	51,297	-
Total liabilities	19,156,668	19,327,218
Net assets		
Unrestricted		
Controlling interest	11,261,254	10,579,819
Noncontrolling interest	1,108,119	1,113,028
Temporarily restricted	553,673	1,521,178
Total net assets	12,923,046	13,214,025
Total liabilities and net assets	$ 32,079,714	$ 32,541,243

See Notes to Consolidated Financial Statements.

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Activities
Year Ended June 30, 2017

	Unrestricted	Temporarily restricted	Total
Public support and revenue			
Public support			
In-kind donations and services	$ 8,838,440	$ -	$ 8,838,440
Contributions and gifts	5,825,710	-	5,825,710
Pledges and bequests	639,054	521	639,575
Private and foundation grants	405,415	-	405,415
Revenue			
Program services	780,575	-	780,575
Investment income	20,302	-	20,302
Lease and rental income	64,681	-	64,681
Miscellaneous income	89,997	-	89,997
Gales School income			
Interest income	110,714	-	110,714
Net assets released from restrictions	968,026	(968,026)	-
Total public support and revenue	17,742,914	(967,505)	16,775,409
Expenses			
Program services			
Family ministry	8,308,714	-	8,308,714
Men's ministry	5,703,948	-	5,703,948
Partners	240,196	-	240,196
Total program services	14,252,858	-	14,252,858
Supporting services			
Management and general	815,810	-	815,810
Fundraising and development	2,082,838	-	2,082,838
Total supporting services	2,898,648	-	2,898,648
Total expenses	17,151,506	-	17,151,506
Other items			
Realized and unrealized gain (loss) on investments	85,118	-	85,118
Change in net assets	676,526	(967,505)	(290,979)
Excess of expense over revenue attributable to noncontrolling interest	(4,909)	-	(4,909)
Excess of revenue over expense (expense over revenue) attributable to the Organization	$ 681,435	$ (967,505)	$ (286,070)

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Activities
Year Ended June 30, 2016

	Unrestricted	Temporarily restricted	Total
Public support and revenue			
Public support			
In-kind donations and services	$ 9,690,940	$ -	$ 9,690,940
Contributions and gifts	5,141,898	-	5,141,898
Pledges and bequests	198,437	13,914	212,351
Private and foundation grants	352,130	45,000	397,130
Revenue			
Program services	678,891	-	678,891
Investment income	41,278	-	41,278
Lease and rental income	77,628	-	77,628
Miscellaneous income	133,299	-	133,299
Gales School income			
Interest income	110,714	-	110,714
Net assets released from restrictions	181,425	(181,425)	-
Total public support and revenue	16,606,640	(122,511)	16,484,129
Expenses			
Program services			
Family ministry	9,328,690	-	9,328,690
Men's ministry	5,708,634	-	5,708,634
Partners	197,581	-	197,581
Total program services	15,234,905	-	15,234,905
Supporting services			
Management and general	485,842	-	485,842
Fundraising and development	1,782,511	-	1,782,511
Total supporting services	2,268,353	-	2,268,353
Total expenses	17,503,258	-	17,503,258
Other items			
Realized and unrealized gain (loss) on investments	(48,271)	7,297	(40,974)
Change in net assets	(944,889)	(115,214)	(1,060,103)
Excess of expense over revenue attributable to noncontrolling interest	(14,827)	-	(14,827)
Excess of revenue over expense (expense over revenue) attributable to the Organization	$ (930,062)	$ (115,214)	$ (1,045,276)

See Notes to Consolidated Financial Statements.

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2017 and 2016

	Unrestricted Net Assets				
	Controlling	Noncontrolling	Total	Temporarily Restricted Net Assets	Total Net Assets
Balance, June 30, 2015	$ 11,509,881	$ 1,127,855	$ 12,637,736	$ 1,636,392	$ 14,274,128
Excess of expense over revenue	(930,062)	(14,827)	(944,889)	(115,214)	(1,060,103)
Balance, June 30, 2016	10,579,819	1,113,028	11,692,847	1,521,178	13,214,025
Excess of revenue over expense (expense over revenue)	681,435	(4,909)	676,526	(967,505)	(290,979)
Balance, June 30, 2017	$ 11,261,254	$ 1,108,119	$ 12,369,373	$ 553,673	$ 12,923,046

See Notes to Consolidated Financial Statements.

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Functional Expenses
Year Ended June 30, 2017

	Program Services				Supporting Services			
	Family Ministry	Men's Ministry	Partners	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total
Salaries and benefits	$ 689,917	$ 2,151,417	$ 143,157	$ 2,984,491	$ 260,343	$ 308,301	$ 568,644	$ 3,553,135
Payroll taxes	44,140	162,264	9,483	215,887	5,859	19,667	25,526	241,413
Payroll expenses	-	-	-	-	-	-	-	-
Program stipends	-	5,960	-	5,960	-	-	-	5,960
Services and processing fees	44,509	142,132	8,549	195,190	49,777	101,519	151,296	346,486
Professional expenses	466	37,817	10,230	48,513	78,553	270,609	349,162	397,675
Radio advertisement and promotion	-	-	-	-	-	249,583	249,583	249,583
Printing and production	-	-	11,519	11,519	-	687,764	687,764	699,283
Postage and shipping	116	594	4,898	5,608	597	229,859	230,456	236,064
Conferences and meetings	1,516	8,304	28	9,848	711	1,951	2,662	12,510
Transportation and lodging	8,737	34,261	763	43,761	15,672	8,351	24,023	67,784
RTW program service expenses	17,559	89,531	892	107,982	16,750	25,150	41,900	149,882
Food purchases	20,658	46,604	10	67,272	26	-	26	67,298
Charitable and medical contributions	12,693	16,173	-	28,866	-	110	110	28,976
Repairs and maintenance	57,996	99,039	1,666	158,701	4,884	4,386	9,270	167,971
Rent and occupancy costs	163,295	37,801	36,069	237,165	(2,362)	66,856	64,494	301,659
Utilities	111,020	209,788	3,318	324,126	(14)	3,317	3,303	327,429
Telephone	20,387	15,298	2,275	37,960	40,136	2,378	42,514	80,474
Insurance	29,038	75,646	2,838	107,522	(10,806)	5,534	(5,272)	102,250
Liscenses and permits	14,740	14,075	4,501	33,316	11,064	14,442	25,506	58,822
Miscellaneous	875	25,809	-	26,684	36,725	83,061	119,786	146,470
Investment fees	300	-	-	300	6,973	-	6,973	7,273
Loss on disposal	-	-	-	-	-	-	-	-
Restricted gifts	-	195	-	195	1,000	-	1,000	1,195
In-kind donations and services	7,070,752	1,767,688	-	8,838,440	-	-	-	8,838,440
Depreciation expense	-	544,762	-	544,762	195,139	-	195,139	739,901
Interest expense	-	218,790	-	218,790	104,783	-	104,783	323,573
	$ 8,308,714	$ 5,703,948	$ 240,196	$ 14,252,858	$ 815,810	$ 2,082,838	$ 2,898,648	$ 17,151,506

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Functional Expenses
Year Ended June 30, 2016

	Program Services				Supporting Services			
	Family Ministry	Men's Ministry	Partners	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total
Salaries and benefits	$ 922,122	$ 1,958,747	$ 86,062	$ 2,966,931	$ 94,376	$ 150,563	$ 244,939	$ 3,211,870
Payroll taxes	53,721	154,125	5,607	213,453	8,832	9,880	18,712	232,165
Payroll expenses	-	-	-	-	853	-	853	853
Program stipends	-	8,708	-	8,708	-	-	-	8,708
Services and processing fees	98,441	128,671	13,222	240,334	54,547	80,754	135,301	375,635
Professional expenses	7,470	35,193	40,039	82,702	44,930	232,403	277,333	360,035
Radio advertisement and promotion	-	-	-	-	-	164,651	164,651	164,651
Printing and production	-	3,809	10,545	14,354	-	743,620	743,620	757,974
Postage and shipping	7,277	855	3,711	11,843	362	238,964	239,326	251,169
Conferences and meetings	1,664	2,500	9	4,173	1,691	3,041	4,732	8,905
Transportation and lodging	19,302	38,202	684	58,188	6,614	10,606	17,220	75,408
RTW program service expenses	25,138	111,519	275	136,932	11,888	25,287	37,175	174,107
Food purchases	34,567	46,998	-	81,565	159	780	939	82,504
Charitable and medical contributions	8,844	20,173	72	29,089	5,008	1,563	6,571	35,660
Repairs and maintenance	51,066	110,237	1,212	162,515	2,233	1,214	3,447	165,962
Rent and occupancy costs	94,115	43,870	28,108	166,093	28,959	47,211	76,170	242,263
Utilities	125,936	236,901	1,514	364,351	2,579	1,514	4,093	368,444
Telephone	23,532	16,323	1,377	41,232	13,868	2,449	16,317	57,549
Insurance	36,747	103,650	3,704	144,101	(13,081)	7,056	(6,025)	138,076
Liscenses and permits	21,303	18,041	1,440	40,784	4,701	10,963	15,664	56,448
Miscellaneous	43,747	(10,088)	-	33,659	11,064	49,992	61,056	94,715
Investment fees	946	-	-	946	7,348	-	7,348	8,294
Loss on disposal	-	-	-	-	2,335	-	2,335	2,335
Restricted gifts	-	-	-	-	1,000	-	1,000	1,000
In-kind donations and services	7,752,752	1,938,188	-	9,690,940	-	-	-	9,690,940
Depreciation expense	-	471,087	-	471,087	152,086	-	152,086	623,173
Interest expense	-	270,925	-	270,925	43,490	-	43,490	314,415
	$ 9,328,690	$ 5,708,634	$ 197,581	$ 15,234,905	$ 485,842	$ 1,782,511	$ 2,268,353	$ 17,503,258

See Notes to Consolidated Financial Statements.

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Change in net assets	$ (290,979)	$ (1,060,103)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Depreciation	739,901	623,173
Amortization of deferred financing costs	51,813	51,813
Loss on disposal of fixed assets	-	2,335
(Gain) loss on marketable securities	(85,118)	40,974
Sale of donated securities	7,942	8,036
Bad debt	21,226	80,183
Changes in assets and liabilities		
(Increase) decrease in		
Accounts, grants, and interest receivable, net	(3,026)	(9,734)
Employee advances	193	(2,690)
Prepaid expenses	(5,866)	(5,708)
Increase (decrease) in		
Accounts payable, accrued expenses and accrued payroll	219,274	77,821
Deferred rent and deferred lease incentive	51,370	(2,522)
Net cash and cash equivalents provided by (used in) operating activities	706,730	(196,422)
Cash flows from investing activities		
Construction expenses paid	(158,566)	-
Purchases of property and equipment	(41,828)	(116,065)
Repayments (advances) on loans and note receivable	1,700	500
Net change in restricted reserve	37,330	37,237
Investment in certificate of deposit	(461)	(1,470)
Proceeds from sales of marketable securities	532,342	342,439
Purchases of marketable securities	(342,581)	(331,818)
Payments on predevelopment costs	(17,758)	(13,533)
Net cash and cash equivalents provided by (used in) investing activities	10,178	(82,710)
Cash flows from financing activities		
Repayments on notes payable	(218,916)	(218,916)
Net borrowings (repayments) on lines of credit	(268,641)	228,281
Repayments of capital lease obligations	(12,821)	(28,386)
Net cash and cash equivalents used in financing activities	(500,378)	(19,021)
Net increase (decrease) in cash and cash equivalents	216,530	(298,153)
Cash and cash equivalents, beginning of year	108,085	406,238
Cash and cash equivalents, end of year	$ 324,615	$ 108,085

Central Union Mission, and its Subsidiary and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Supplemental disclosure of cashflow information		
Cash paid for interest, net of amount capitalized	$ 271,994	$ 262,602
Significant noncash investing and financing activities:		
Equipment addition under capital lease obligation	$ 18,402	$ -
Deposit in fixed assets placed in service	$ -	$ 25,581
Disposal of fully depreciated property and equipment	$ -	$ 5,160

See Notes to Consolidated Financial Statements.

Note 1 - Organization and nature of operations

Central Union Mission (the "Mission") was founded in 1884 in Washington, D.C. and was incorporated as a non-stock, nonprofit corporation in the District of Columbia (the "City") initially in January 1887. The Mission has amended its articles of incorporation and by-laws at various times over the years. The purpose of the Mission is to glorify God through proclaiming and teaching the gospel, leading people to Christ, developing disciples, and serving the needs of hurting people throughout the Washington metropolitan area. The Mission is governed by an elected board of directors and managed by a management team.

The Mission carries out its purpose through its various family ministry programs and men's ministry programs: public outreach, temporary shelter and food, discipleship and training, and programs designed specifically for the needy, homeless, and growing Hispanic population.

Mission DC Manager, LLC, Mission DC Landlord, LLC and Mission DC Master Tenant, LLC are entities that form the basis of a combined federal historic and new markets tax credit financing structure created for the purpose of renovating a historic building at 65 Massachusetts Avenue NW, Washington, D.C. that is operated as a space to provide shelter, meals and programs for the homeless in the Washington, D.C. area. The building was leased from the City starting August 24, 2011 to the Mission and then subleased to Mission DC Manager, LLC and its affiliates on July 9, 2013. It then underwent a complete renovation and was placed into service on December 1, 2013.

Mission DC Manager, LLC was formed as a limited liability company for the purpose of benefiting, supporting and furthering the charitable activities of the consolidated entity as a whole. Mission DC Manager, LLC's sole member is Central Union Mission.

Mission DC Landlord, LLC was formed for the purpose of renovating the building and leasing it from the City. Mission DC Manager, LLC owns a 90% of membership interest in Mission DC Landlord, LLC and Mission DC Master Tenant, LLC owns the remaining 10% of membership interest.

Mission DC Master Tenant, LLC was formed for the purpose of operations. National Grange Mutual Company owns a 99.99% of membership interest and Mission DC Manager, LLC owns the remaining .01% of membership interest.

Note 2 - Significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Central Union Mission, Mission DC Manager, LLC, Mission DC Landlord, LLC and Mission DC Master Tenant, LLC, collectively, the Organization.

All significant transactions and balances among the entities have been eliminated in consolidation.

Basis of accounting presentation
The Organization conforms to the accounting guidance for "Financial Statements of Not-For-Profit Organizations." This guidance establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories - unrestricted, temporarily restricted and permanently restricted - according to externally donor-imposed restrictions. A description of these net asset categories follows:

- Unrestricted net assets - controlling - represent expendable resources that are used to carry out the operations of the Organization and are not subject to donor-imposed stipulations.

- Unrestricted net assets - noncontrolling - represent the aggregate balance of the limited partner equity interest in the Organization that is included in the consolidated financial statements.

- Temporarily restricted - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met by the actions of the Organization and/or the passage of time (see Note 10).

- Permanently restricted - Permanently restricted net assets are subject to donor-imposed stipulations that may be maintained permanently by the Organization.

The financial statements have been prepared on the accrual basis of accounting. Accordingly, income is recognized as earned and expenses as incurred, regardless of the timing of receipts and payments.

Cash and cash equivalents
The Organization considers all highly-liquid debt investments, certificate of deposits and money market accounts with original maturities of three months or less to be cash equivalents.

Marketable securities
The Mission follows the accounting guidance for accounting for certain investments held by not-for-profit organizations. As a result, investments in marketable securities with readily determined fair values and all investments in debt securities are reported at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. Realized gains (losses) are recorded upon the sale of the investments. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The Mission invests in a certificate of deposit, which renews every 90 days. The certificate of deposit earned interest at .03% and expired, and was renewed, on September 8, 2017. The certificate of deposit is carried at cost plus accrued interest, which approximates fair value and is included in short-term marketable securities on the accompanying consolidated statements of financial position.

Accounts receivable
Accounts and other receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts and other receivables. It is reasonably possible that management's

estimate of the allowance will change. At June 30, 2017 and 2016, the allowance for doubtful accounts was $0.

Grants and other receivables

Grants and other receivables pertain primarily to grant reimbursements. The Organization reports grants and other receivables at their net realizable value by periodically reviewing the details and aging amounts to assess their collectability. Management determined that the amounts reported as grants and other receivables were fully realizable and as such, no allowance for doubtful accounts was necessary to report grants and other receivables to their net realizable value as of June 30, 2017 and 2016, respectively.

Prepaid expenses and other assets

Prepaid expenses and other assets consist principally of service agreements, a contributed timeshare and security deposits. Management believes the deferred cost associated with prepaid expenses and other assets is recoverable.

Loans receivable

The Mission's loans receivable pertain to advances from the Kohlmeier Fund in the form of advances to worthy young Christian men and women who are not financially able to undertake or complete their higher education. The Mission does not charge interest on the promissory notes as directed by the donor or discount the loans by a present value factor given that the loans may be forgiven and treated as scholarships under certain circumstances. The loans are reported at their estimated net realizable value by management estimating an allowance for doubtful accounts and for those that may be forgiven based upon successful completion of their education and entrance into Christian service. The allowance for doubtful accounts totaled $12,150 and $6,250 as of June 30, 2017 and 2016, and such write offs of the loan were considered as charitable contributions for the years ended June 30, 2017 and 2016, and are included in charitable and medical contributions on the accompanying consolidated statements of functional expenses.

Note receivable

Note receivable is recorded at the net realizable value based on assessments made by management. An allowance is established for any note that management deems to be uncollectible based on their assessment. Management determined that the amounts reported as note receivable were fully realizable and as such, no allowance for doubtful accounts was necessary to report notes receivable to their net realizable value as of June 30, 2017 and 2016.

Predevelopment costs

The Mission incurs costs in connection with the identified undeveloped land it is considering for development and future sale as well as the costs associated with the initial stages of development. These costs include such items as market studies, purchase options, environmental study costs, legal, and architectural costs. These costs are capitalized and recorded as predevelopment project costs until such time as the project is either abandoned or becomes an approved sale with independent funding sources. Predevelopment costs are charged to operations, either at the time of a potential project is no longer considered desirable, feasible, or at the time the project has incurred excess development costs, which are charged to the future buyer. As of June 30, 2017 and 2016, predevelopment costs of $1,026,803 and $1,009,045, respectively, were incurred.

Property and equipment

The Organization capitalizes property and equipment acquisitions at cost or estimated fair value at the time of donation and depreciates these items using the straight-line method over estimated useful lives, which range from 5 to 40 years for building and improvements, 3 to 15 years for furniture and equipment, and 5 to 7 years for corporate vehicles. Depreciation expense was $739,901 and $623,173 during the years ended June 30, 2017 and 2016, respectively.

The Mission also entered into a long-term lease agreement with the City requiring the Mission to operate and maintain certain properties as a rescue mission and temporary residence for homeless persons in the City. Improvements by the Mission related to this leased site cost $18,762,681, which is included in building and improvements on the accompanying consolidated statements of financial position. The improvements were placed into service on December 1, 2013.

In connection with the new lease agreement for the new Family Ministry Center (See Note 9), the Mission has incurred tenant rehabilitation costs related to this rental space. Costs associated with the rehabilitation of the rental space are carried at cost. Tenant's construction in progress is capitalized and is included in building and improvements on the accompanying consolidated statements of financial position. The improvements are to be placed into service in 2018.

Property, furniture, and equipment purchased in excess of $1,500 are capitalized and stated at cost. Depreciation and amortization are calculated based on the straight-line basis for depreciable assets, while the site improvements and personal property related to the building located at 65 Massachusetts Avenue, Washington, D.C., are depreciated according to seven-year and 15-year useful lives, based on the method of modified accelerated cost recovery system, respectively. Repairs and maintenance costs that do not significantly extend the useful life of an asset, small items, and supplies are expensed as incurred.

Impairment of long-lived assets
The Organization reviews their real estate properties for potential impairment on an annual basis. Impairment is generally defined as events or changes in circumstances that indicate the carrying value of an asset may not be recoverable as of the date of the statements of financial position. When recovery is reviewed, if the undiscounted cash flows estimated to be generated are less than its carrying amount, management compares the carrying amount of the real estate property to its estimated fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss was incurred during the years ended June 30, 2017 and 2016.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Deferred rent
Deferred rent liability is recorded and amortized to the extent the total minimum rent payments allocated to the current period on a straight-line basis exceed or are less than the cash payments required.

Deferred lease incentive
The Mission recognizes its lease incentive on its long-term operating leases on a straight-line basis. A deferred lease liability is reflected for the difference between the actual rental payments made and the straight-line amortization of the lease over the term of the lease. During the year ended June 30, 2011, the Mission received an advance of $16,670 as an incentive to enter into a long-term operating lease for digital copiers and to buyout the remaining term on the prior copier lease. The incentive abatement was fully amortized as of June 30, 2016.

Revenue recognition
Contributions and donations are recognized in the period in which they are pledged or received, at the earliest point they are both determinable and measurable. In-kind donations and contributed services are recognized similarly at their estimated fair value at the time of donation. Program service and special events fees and sponsorships are recognized during the fiscal year in which the programs are provided to participants or special event is held.

Contributions and donations
Contributions and donations are recognized at fair value at the time of donation or earliest point they are both determinable and measurable. Contributions are earmarked as unrestricted, temporarily restricted, or permanently restricted based upon the nature and existence or lack of donor-imposed restrictions. Temporarily restricted amounts are released from restriction by the Mission meeting the donor's stipulations regarding the purpose or time period in which the contributions are to be used by the Mission.

In-kind donations and contributed services
In-kind donations and contributed services, including any donated assets, are recognized at fair value when received or provided to the Mission at the earliest point both measureable and determinable. In-kind donations and contributed services are recognized as both income and expense and allocated to the Mission's various program services. The Mission also receives substantial contributed services from board members and community volunteers which are not recognized in the accompanying financials as they do not meet the criteria for recognition under generally accepted accounting principles. The Mission relies heavily upon such support.

Functional expense allocation
The costs of providing the Organization's various programs and supporting services are summarized on a functional basis in the consolidated statements of activities and change in net assets and detailed in the consolidated statements of functional expenses. Accordingly, certain costs were allocated to the program and supporting services benefited based on an analysis made by management of the Organization. The Organization follows not-for-profit accounting procedures generally accepted in the United States of America ("GAAP"), in which joint costs of informational materials that include a fundraising appeal may be allocated. Management allocated $17,127 and $26,197 of these costs to program services during the fiscal year ended June 30, 2017 and 2016, respectively.

Income taxes
The Mission is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, except for income taxes on "unrelated business income," if any. For the years ended June 30, 2017 and 2016, the entity did not have any "unrelated business income" subject to income taxes; accordingly, no provision for income taxes for the entity has been included in the consolidated financial statements. Income tax returns filed by the Mission are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2013 remain open.

The Mission and its Subsidiary and Affiliates adopted provisions related to the subsequent recognition and measurement of tax positions. This guidance requires recognition and the financial statement impact of a tax position when it is more-likely-than-not that the position will be sustained upon examination. The Mission did not identify any uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements.

Mission DC Manager, LLC was formed as a limited liability company. Accordingly, income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Mission DC Landlord, LLC and Mission DC Master Tenant, LLC have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through and are reported by their owners on their respective income tax returns. The District of Columbia does not recognize pass-through entities, and therefore, income earned in the District of Columbia by these two entities is subject to tax with a minimum tax liability of $250. There was no income earned during the years ended June 30, 2017, and 2016. Mission DC Landlord, LLC and Mission DC Master Tenant, LLC's federal tax status as a pass-through entity is based on their legal status as a limited liability company. Accordingly, Mission DC Landlord, LLC and Mission DC Master Tenant, LLC are not required to take any tax positions in order to qualify as a pass-through entity. Mission DC Landlord, LLC and Mission DC Master Tenant, LLC are required to file and do file tax returns with the Internal Revenue Service. Accordingly, these financial statements do not reflect a provision for income taxes and Mission DC Landlord, LLC and Mission DC Master Tenant, LLC have no other tax positions which must be considered for disclosure.

Income tax returns filed by Mission DC Manager, LLC, Mission DC Landlord, LLC and Mission DC Master Tenant, LLC are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2013 remain open.

Use of estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Reclassifications have been made to certain prior year balances to conform to the current year presentation. Such reclassifications were made for comparative purposes only and do not restate the prior year's consolidated financial statements.

Change in accounting principle

During 2017, Mission adopted the provisions of Accounting Standards Update 2015- 03, *Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"), which modifies the presentation of debt issuance costs and the related amortization. The change in accounting under ASU 2015-03 improves the reporting of debt issuance costs by no longer reporting them as assets. It also improves the reporting of the related amortization by including it as a component of interest expense. ASU 2015-03 has been adopted by Mission on a retrospective basis. As a result, total assets as well as mortgage payable for the year ended June 30, 2016 have been reduced by the effect of the reclassification of debt issuance costs, net of accumulated amortization of $812,652.

Note 3 - Marketable securities

The Mission reports its investments in equity securities with readily determinable fair values and all debt securities at fair value in the accompanying consolidated financial statements, with any realized and unrealized gains or losses included as a component of investment income. Certain money market funds are included in the Mission's investment portfolio and reported as components of marketable securities given the Mission's ability and intent to reinvest these funds. Additionally, investment advisory fees totaled $7,273 and $8,294 during the fiscal year ended June 30, 2017 and 2016, respectively. The Mission's marketable securities consist of the following as of June 30, 2017 and 2016:

	2017	2016
Certificate of deposit (cost)	$ 38,415	$ 37,954
Diversifying assets	-	28,624
Equities	533,707	576,589
Fixed income	342,392	383,471
	$ 914,514	$ 1,026,638

The following schedule summarizes the investment return and its classification in the consolidated statements of activities for the year ended June 30, 2017 and 2016:

	2017	2016
Interest and dividend income on marketable securities, net of fees	$ 20,302	$ 41,278
Net realized and unrealized gains/(losses)	85,118	(40,974)
Total income/(loss) related to marketable securities	$ 105,420	$ 304

Note 4 - Fair Value Measurements

The Organization has adopted the Fair Value Measurements accounting guidance of the Accounting Standards Codification. The guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels. The following summarizes the three levels of inputs and hierarchy of fair value the Organization uses when measuring fair value:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access;

- Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as interest rates and yield curves that are observable at commonly quoted intervals; and

- Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents the financial assets that the Organization measured at fair value on a recurring basis as of June 30, 2017:

	Level 1	Level 2	Level 3
Diversifying assets	$ -	$ -	$ -
Equities	533,707	-	-
Fixed income	342,392	-	-
	$ 876,099	$ -	$ -

The following table presents the financial assets that the Organization measured at fair value on a recurring basis as of June 30, 2016:

	Level 1	Level 2	Level 3
Diversifying assets	$ 28,624	$ -	$ -
Equities	576,589	-	-
Fixed income	383,471	-	-
	$ 988,684	$ -	$ -

Note 5 - Grants and other receivables

Grants and other receivables are also reported at their net realizable value based upon the Mission's assessment of their collectability and consist of the following as of June 30:

	2017	2016
John Dickson Home Foundation grant	$ -	$ 45,000
Interest receivable	18,344	18,380
Ready to Work program receivable	118,772	102,986
Other program services receivable	11,049	-
	$ 148,165	$ 166,366

Note 6 - Loans receivable

Kohlmeier loan receivable

The Mission's loans receivable pertain solely to advances from the Kohlmeier Fund for educational loans and scholarship advances for worthy Christian young men and women. The Mission does not charge interest on the promissory notes as directed by the donor or discount the loans by a present value factor given that the loans may be forgiven and treated as scholarships under certain circumstances. The loans are reported at their estimated net realizable value by management estimating an allowance for doubtful accounts and for those that may be forgiven based upon successful completion of their education and entrance into Christian service. As of June 30, 2017 and 2016, the balance of loans receivable was $12,650 and $8,450, net of allowance for doubtful accounts in the amounts of $12,150 and $6,250, respectively.

Chase NMTC Mission Investment Fund, LLC note receivable
The Mission has a note receivable of $11,075,000 from a third party that was issued as part of the New Market Tax Credit financing for the leasehold improvements of the property leased from the City at 65 Massachusetts Avenue, Washington, D.C. The loan matures December 10, 2027. The loan bears interest at 1% per annum and the Mission receives quarterly installments of interest-only of $27,688 through September 10, 2020. Beginning September 10, 2020 through maturity, interest and principal payments of $174,949 are due from the borrower in consecutive quarterly installments. The borrower provided a fund pledge agreement pledging their interest in the related community development entity. The note receivable is considered to be collectible by management as of June 30, 2017. As of June 30, 2014, $11,075,000 was advanced and remains outstanding as of June 30, 2017 and 2016. During the years ended June 30, 2017 and 2016, interest income of $110,714 and $110,714 was recognized and $18,344 and $18,380 remains receivable as of June 30, 2017 and 2016, respectively, and is included in accounts, grants and interest receivable, net on the accompanying consolidated statements of financial position.

Note 7 - Restricted reserves

Mission DC Landlord, LLC is required to fund an interest reserve in the amount of $262,500, commencing on the Closing Date, as defined in the credit agreement dated July 9, 2013 with City First Capital 32, LLC. Mission DC Landlord, LLC will use amounts in the reserve to fund its quarterly interest payments. As of June 30, 2017 and 2016, this reserve was funded in the amount of $117,573 and $154,903, respectively, and was included in restricted reserve on the accompanying consolidated statements of financial position.

Note 8 - Mortgage and notes payable

The Organization has two secured credit facilities totaling $4,800,000 with a regional financial institution. The credit facilities are secured by approximately 219.36 acres owned by the Mission at Camp Bennett in Montgomery County, Maryland including 69.74 acres zoned for single family residential building lots held for sale. The two credit facilities are as follows:

Line of credit
The Mission maintains a $1,500,000 line of credit used to provide working capital and fund development of various construction projects of the Mission. The line of credit is subject to the Mission maintaining its primary bank relationship with the lender and is also subject to various restricted loan covenants. The line of credit is currently secured by the acreage at Camp Bennett. The line of credit is due upon demand and interest accrues at a variable interest rate of LIBOR plus 2% with no floor, which was 2.77% at June 30, 2017. During the years ended June 30, 2017 and 2016, interest expense of $34,654 and $31,190 was incurred and paid. The line of credit matures on July 7, 2018 and had an outstanding balance of $1,070,675 and $1,339,316 as of June 30, 2017 and 2016, respectively. It is management's intention to seek a renewal from the current financial institution.

Construction loan

The Mission had an unsecured construction loan of $3,300,000 with the regional financial institution that was used to refinance the development and reconstruction of the Gales School property as the Mission's new homeless shelter. The loan was modified on April 5, 2015 into a permanent loan. The loan is secured by approximately 219.36 acres owned by the Mission at Camp Bennett in Montgomery County, Maryland including 69.74 acres zoned by the Mission zoned for single family residential building lots to any lender. The loan requires monthly interest payments at a variable interest rate of LIBOR plus 2%, which was 2.77% as of June 30, 2017. The loan requires monthly principal payments from October through June of $24,324, which commenced on October 6, 2015. During the years ended June 30, 2017 and 2016, interest expense of $98,969 and $93,562 was incurred and paid. Included in interest expense is amortization of debt issuance costs of $17,757 for both years ended June 30, 2017 and 2016. The loan has an outstanding balance of $2,846,018 and $3,064,934 as of June 30, 2017 and 2016, respectively, and matures on May 6, 2018. Management plans to sell the single family residential building lots to pay off this loan. It is management's intention to seek an extension from the current financial institution, if the potential sale of property in Note 15 does not happen prior to the maturity date.

As of June 30, 2017 and 2016, the outstanding principal balance of the unsecured construction loan, net of unamortized debt issuance costs is $2,829,741 and $3,030,900, respectively.

	2017	2016
Secured construction loan payable	$ 2,846,018	$ 3,064,934
Unamortized debt issuance costs	(16,277)	(34,034)
Net	$ 2,829,741	$ 3,030,900

City First Bank of D.C. - Loan A

On July 9, 2013, City First Bank of D.C. provided Mission DC Landlord, LLC loan financing in the amount of $11,075,000, which is secured by the Gales School building improvements at Massachusetts Avenue NW, Washington, D.C. as pledged collateral. Beginning on September 1, 2013 interest-only payments are due in quarterly installments until November 30, 2020. The interest rate for the loan is 1.019%. On December 1, 2020, loan payments of principal and interest are due in quarterly installments until the maturity date at December 1, 2042.

As of June 30, 2017 and 2016, $11,075,000 of principal has been advanced and remains outstanding. During the years ended June 30, 2017 and 2016, interest expense of $139,475 and $139,651 was incurred, which includes amortization of debt issuance costs of $26,797 for the years ended June 30, 2017 and 2016. As of June 30, 2017 and 2016, $9,405 remains payable and is included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.

City First Bank of D.C. - Loan B

On July 9, 2013, City First Bank of D.C. provided Mission DC Landlord, LLC loan financing in the amount of $3,625,000. Beginning on September 1, 2013 interest-only payments are due in quarterly installments until November 30, 2020. The interest rate for the loan is 1.019%. On December 1, 2020, loan payments of principal and interest are due in quarterly installments until the maturity date at December 1, 2042.

As of June 30, 2017 and 2016, $3,625,000 of principal has been advanced and remains outstanding. During the years ended June 30, 2017 and 2016, interest expense of $44,140 and $44,198 was incurred, which includes amortization of debt issuance costs of $7,259 for the years ended June 30, 2017 and 2016. As of June 30, 2017 and 2016, $2,844 and $3,078, respectively, remains payable and is included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position.

As of June 30, 2017 and 2016, the outstanding principal balance of the unsecured construction loan, net of unamortized debt issuance costs is $13,955,438 and $13,921,382, respectively.

	2017	2016
Mortgage notes payable	$ 14,700,000	$ 14,700,000
Unamortized debt issuance costs	(744,562)	(778,618)
Net	$ 13,955,438	$ 13,921,382

The following is a summary of future principal payments required under all mortgage and notes payable for the years ending June 30:

2018	$ 2,846,018
2019	1,070,675
2020	147,361
2021	593,207
2022	599,274
Thereafter	13,360,158
Total	$ 18,616,693

Unsecured note

The Mission entered into an Affordable Housing Program Agreement with Branch Banking and Trust Company ("BB&T"), as a member of Federal Home Loan Bank of Atlanta, whereas BB&T provided a $500,000 direct subsidy to the Mission for use by an affiliate to finance affordable housing for very low, low and moderate income households. The note is unsecured. As of June 30, 2017 and 2016, the balance was $500,000 and is included in temporarily restricted net assets on the accompanying consolidated statements of changes in net assets. The Mission shall repay to BB&T that portion of the subsidy payment plus interest as determined at BB&T's discretion if the affiliate is found to be noncompliant with the policies of the Affordable Housing Program Agreement.

Note 9 - Lease commitments

Capital lease

The Mission entered into lease agreements for vehicles and trailer, classified as capital leases, with lease terms through December 2020. Depreciation of the asset under the capital leases is included in depreciation expense.

The asset acquired under the capital leases is included in property and equipment as follows at June 30:

	2017	2016
Leased corporate vehicles	$ 230,066	$ 211,664
Less: Accumulated depreciation	(90,341)	(52,916)
	$ 139,725	$ 158,748

The following is a summary of the future minimum payments required under the capital lease agreement as of June 30, 2017:

2018	$ 40,918
2019	40,918
2020	38,059
2021	46,450
2022	-
Total future minimum payments	166,345
Less: Amount representing interest	(10,744)
Present value of future minium lease at June 30, 2017	$ 155,601

Interest expense of $6,336 and $5,814, respectively, was incurred and paid during the years ended June 30, 2017 and 2016.

In connection with these capital leases, the Mission is responsible for other charges and reimbursements on the rental vehicles and trailer. As of June 30, 2017 and 2016, the Mission incurred $5,067 and $7,505, respectively, of such costs and is included with rent and occupancy costs on the accompanying consolidated statements of functional expenses.

Operating leases

The Mission leases digital copiers and mailing system under several non-cancelable operating lease agreements that expire at various times through the year ending 2022. The leases require monthly payments at various times through the years ending June 30, 2022. The leases require monthly payments totaling $16,868 as of June 30, 2017. For the years ended June 30, 2017 and 2016, rent expense of $83,333 and $70,910, respectively, was incurred.

The Mission leased a distribution facility in Washington, D.C. with East Blade Investors, LLP for its Family Ministry Center, formerly known as Food Plus Center. For the year ended June 30, 2016, rent expense of $72,693 was incurred. The lease expired on March 31, 2016.

On August 19, 2016, the Mission entered into a new lease with East Blade Investors, LLP for rental property at 3194-B Bladensburg Road, NE, Washington, DC to be used as the new Family Ministry Center. The term of the new lease is five years and four months commencing on October 1, 2016 through January 31, 2022. The monthly lease payments for this property will be $12,083, increasing at 3% per annum. The Mission is entitled to occupy the property free of any payment for installments of rent during the first two months (October 1, 2016 through November 30, 2016) and shall be responsible for 50% of rent for the succeeding four months (December 1, 2016 through March 30, 2017) of the term of the lease, resulting in a combination of deferred rent abatement and deferred rent of $59,253. For the year ended June 30, 2017, rent expense of $124,649 was incurred.

As of June 30, 2017, future minimum lease commitments under the non-cancelable operating lease agreements are as follows for the years ending June 30:

2018	$ 204,821
2019	193,604
2020	171,967
2021	170,243
2022	104,615
	$ 845,250

Office lease
Effective July 1, 2013, the Mission entered into a five-year lease agreement with 2600 12th Street Partners LLC to lease 3,000 square feet of office space. The lease currently calls for monthly payments of $6,250 with increases of 3.00% per annum. Additionally, the Mission leases a basement space of 900 square feet, which is subject to the same lease term and calls for monthly payments of $900 with increases of 3.00% per annum.

As of June 30, 2017 and 2016, rent expense of $88,609 and $91,154, respectively, was incurred and future minimum lease commitments under the non-cancelable office lease agreement are as follows for the year ended June 30:

2018	$ 96,595
	$ 96,595

On October 4, 2017, the Mission entered into a lease agreement with Jemal's Calvert Kenilworth L.L.C. to move its administrative office from the current location to this new space in 2018 (see Note 19).

Ground lease
In August 2011, the Mission entered into a 40-year ground lease with the District of Columbia to lease the Gales School property. The lease has an original term of 40 years beginning September 2011 with an option for the Mission to extend the lease for an additional 25 years. Under the terms of the lease, the Mission is required to operate and maintain a 150-bed homeless shelter as the permitted use of the property over the 40-year term and 25-year renewal. The annual base rent is $1 per year. For the years ended June 30, 2017 and 2016, rent expense of $1 was incurred.

The Mission is also responsible for all improvements necessary to bring the facility up to code for occupancy. The Mission incurred the total initial construction cost of $19,250,710, which was capitalized as incurred by the Mission during the year ended June 30, 2014. Such costs are amortized over 40 years in accordance with Mission's capitalization and depreciation policy. In conjunction with the lease agreement and given the risk associated with improving and maintaining the property, the Mission created a limited liability company, Mission DC Manager, LLC, and assigned the leasing rights, with the approval of the District of Columbia, to the limited liability company. The limited liability company's sole member is the Mission and its sole purpose is the furtherance of the Mission's exempt purpose. The ground lease may be terminated by either party should the Mission not obtain government approvals for the building plans and related improvements to bring the property up to code for accessibility and use or may be terminated by the District should the Mission otherwise fail to perform on its obligations under the lease. The lease income and the lease obligations among the Mission and its Subsidiary and Affiliates are eliminated.

Note 10 - Net assets

Unrestricted net assets consist to two categories: 1) undesignated: funds that are currently available to support the Organization's daily operations and 2) board designated: funds restricted by the Board of Directors for specific purposes. As of June 30, 2017 and 2016, there were no board designated net assets.

Temporarily restricted net assets as of June 30, 2017 and 2016 are $553,673 and $1,521,178, respectively, which consist of the implied time restrictions on pledge and bequest receivables and funds earmarked for educational assistance and scholarship programs. During the years ended June 30, 2017 and 2016, temporarily restricted net assets of $968,026 and $181,425 were released from restriction, respectively. Temporary restricted net assets are available for the following purposes or time restrictions:

	2017	2016
Kohlmeier loan funds	$ 39,238	$ 42,264
Thorp Vaglio Lauren	14,435	13,914
Gospel Mission House	-	920,000
Affordable Housing Program funds	500,000	500,000
Grant receivable	-	45,000
	$ 553,673	$ 1,521,178

As of June 30, 2017 and 2016, the Organization has no permanently restricted net assets.

Note 11 - Developer fee

On July 9, 2013, the Mission has entered into a development agreement with Mission DC Landlord, LLC, a related party, to construct, rehabilitate, improve, maintain, operate, lease and otherwise deal with renovation of the Gales School project. As a fee for those services, the Mission will be paid a fee equal to 20% of the qualified rehabilitation expense incurred. During the year ended June 30, 2017 and 2016, $2,623,061 was earned and the balance remains payable from Mission DC Landlord, LLC as of June 30, 2017 and 2016, respectively. The balance was eliminated on the accompanying consolidated statements of financial position and the associated depreciation expense on the buildings and improvements was eliminated on the accompanying consolidated statements of activities.

Note 12 - Lease and rental income

During the years ended June 30, 2017 and 2016, the Mission rented a portion of its land at Camp Bennett to an unrelated third party farm on a year-to-year lease in the amount of $5,800. The income is included in lease and rental income on the accompanying consolidated statements of activities. The lease arrangement is renewed on an annual basis.

The Mission also rented the space at Camp Bennett to various organizations and earned rental income of $58,881 and $71,828 for the years ended June 30, 2017 and 2016, respectively.

Note 13 - Fundraising and development expenses

In accordance with generally accepted accounting principles for nonprofit organizations, the Mission expenses fundraising and advertising costs when incurred. As such, fundraising and advertising expense is generally recognized when the fundraising event occurs or advertisement occurs. Fundraising and advertising costs totaled $2,082,838 and $1,782,511 during the fiscal years ended June 30, 2017 and 2016, respectively.

Note 14 - Retirement plan

The Mission provides a SIMPLE IRA retirement plan for employees meeting certain minimum eligibility requirements. Employees meeting the eligibility requirements may make tax-deferred contributions up to statutory limits as set by the IRS. The Mission makes matching contributions up to 3% of eligible compensation as defined by the plan. Retirement plan expense associated with matching contributions was $36,532 and $30,691 for the fiscal years ended June 30, 2017 and 2016, respectively.

Note 15 - Commitments and contingencies

Sales contingencies

The Mission has incurred substantial predevelopment costs to subdivide a portion of its property at Camp Bennett in Montgomery County, Maryland into residential building lots. On August 22, 2017 and September 5, 2017, respectively, the Mission received two offers for the sale of 69.74 acres of land in Brookville, Maryland that is part of Camp Bennett with total 219.36 acres of land, zoned for residential building lots for development and sale. These offers are currently under the review, selection and negotiation process by management and the governing board. These lots are part of the security for the credit facility and the proceeds from any sale would first be directed to reduce the existing balances on the credit facility and on the construction loan described in Note 8.

Disputes and disagreements

The Mission is, from time-to-time, involved in various legal actions, claims or disputes arising from the normal course of business that, in the opinion of management will not have a significant impact upon the Mission's financial condition or operations. As of June 30, 2017 and 2016, the Mission was unaware of any significant pending or threatened litigation, claims or assessments. As such, no liabilities were accrued for such contingencies on the accompanying financial statements. No assurances can be given regarding any unasserted claims.

Note 16 - Concentration of credit risk

The Organization maintains its cash and cash equivalents in several accounts in several banks. At times, these balances may exceed the federal insurance limits; however, the Mission has not experienced any losses with respect to its balances in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). Management believes that no significant concentration of credit risk exists with respect to these balances at June 30, 2017 and 2016.

Note 17 - Gospel Rescue Ministries

The Gospel Rescue Ministries of Washington, D.C. Inc. entered into an agreement on October 21, 2013 with the Mission, agreeing to transfer its Fulton House (subsequently named as Gospel Mission House after the transfer) at 512 I Street, N.W., Washington, D.C. and Lambert House at 1733 T Street, S.E., Washington, D.C., and other certain assets, as defined by the agreement, to the Mission, free and clear of all liens, claims, encumbrances, and interests, as contributions. On the transfer date, the fair values of the properties, building and land, were $920,000 for the property at 512 I Street, N.W., Washington, D.C. and $725,000 for the property at 1733 T Street, S.E., Washington, D.C.

The Gospel Rescue Ministries of Washington, D.C. Inc., the donor of Gospel Mission House restricted the Mission's right to dispose of Gospel Mission House, for a period of three years after the transfer. The contribution of Gospel Mission House, in the amount of $920,000, was released from restriction in 2017.

Note 18 - Ready to Work program

The Ready to Work program is a work/training program conducted by the Mission for homeless and unemployed men and women who are ready to help themselves out of homelessness toward self-sufficiency. Program participants provide cleaning services for several business districts in the City and are contracted through the Mission. Program revenues during the years ended June 30, 2017 and 2016 were $704,866 and $671,132, respectively, and are included in program service revenue on the accompanying consolidated statements of activities. As of June 30, 2017 and 2016, $118,772 and $102,986, respectively, remains receivable.

Note 19 - Subsequent events

Events that occur after the consolidated statements of financial position date, but before the consolidated 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 consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through October 5, 2017 (the date the financial statements were available to be issued), and concluded that the following subsequent event has occurred and requires disclosure:

On September 12, 2017, the Mission renewed the certificate of deposit which earns interest at .03% and matures on December 12, 2017.

On October 4, 2017, the Mission entered into a 10-year lease agreement with Jemal's Calvert Kenilworth L.L.C. to lease approximately 3,976 square feet of office space and is moving its administrative office from the current location to this new space in 2018. The new lease calls for monthly payments of $5,647 with increases of 4% per annum.

Supplementary Information

Central Union Mission, and its Subsidiary and Affiliates

Supplementary Information

Consolidating Statements of Financial Position
June 30, 2017

	Central Union Mission	Mission DC Manager, LLC	Mission DC Landlord, LLC	Mission DC Master Tenant, LLC	Total	Eliminations	Consolidated
Current assets							
Cash and cash equivalents	$ 228,611	$ -	$ 47,686	$ 48,318	$ 324,615	$ -	$ 324,615
Accounts, grants and interest receivable, net	148,165	-	-	-	148,165	-	148,165
Intercompany receivable	2,876,886	-	-	12,792	2,889,678	(2,889,678)	-
Short-term marketable securities	38,415	-	-	-	38,415	-	38,415
Employee advances	2,622	-	-	-	2,622	-	2,622
Prepaid expenses and other	20,077	-	-	-	20,077	-	20,077
Total current assets	3,314,776	-	47,686	61,110	3,423,572	(2,889,678)	533,894
Property and equipment							
Land and site improvements	483,076	-	-	-	483,076	-	483,076
Buildings and improvements	3,721,598	-	19,106,323	-	22,827,921	(2,623,061)	20,204,860
Furniture and equipment	258,554	-	210,181	-	468,735	-	468,735
Corporate vehicles	342,439	-	-	-	342,439	-	342,439
Tenant's construction in progress	165,937	-	-	-	165,937	-	165,937
	4,971,604	-	19,316,504	-	24,288,108	(2,623,061)	21,665,047
Less: Accumulated depreciation	(1,541,053)	-	(1,915,157)	-	(3,456,210)	241,008	(3,215,202)
Property and equipment, net	3,430,551	-	17,401,347	-	20,831,898	(2,382,053)	18,449,845
Other long-term assets							
Restricted reserve	-	-	117,573	-	117,573	-	117,573
Predevelopment costs	1,026,803	-	-	-	1,026,803	-	1,026,803
Marketable securities	876,099	-	-	-	876,099	-	876,099
Investments in subsidiary and affiliates	1,132,913	1,133,028	28,086	1,146,009	3,440,036	(3,440,036)	-
Loans and note receivable, net	11,075,500	-	-	-	11,075,500	-	11,075,500
Total other long-term assets	14,111,315	1,133,028	145,659	1,146,009	16,536,011	(3,440,036)	13,095,975
Total assets	$ 20,856,642	$ 1,133,028	$ 17,594,692	$ 1,207,119	$ 40,791,481	$ (8,711,767)	$ 32,079,714

Central Union Mission, and its Subsidiary and Affiliates

Supplementary Information

Consolidating Statements of Financial Position
June 30, 2017

	Central Union Mission	Mission DC Manager, LLC	Mission DC Landlord, LLC	Mission DC Master Tenant, LLC	Total	Eliminations	Consolidated
Current liabilities							
Accounts payable and accrued expenses	$ 828,255	$ -	$ 12,249	$ -	$ 840,504	$ -	$ 840,504
Accrued payroll and payroll taxes	189,212	-	-	-	189,212	-	189,212
Accrued leave	56,244	-	-	-	56,244	-	56,244
Current portion of deferred rent and deferred lease incentive	7,956	-	-	-	7,956	-	7,956
Intercompany payable	-	12,961	2,904,803	-	2,917,764	(2,917,764)	-
Line of credit	-	-	-	-	-	-	-
Current portion of long-term notes payable	-	-	-	-	-	-	-
Long-term note payable, net of unamortized debt issuance costs	2,829,741	-	-	-	2,829,741	-	2,829,741
Current portion of long-term capital lease obligations	40,918	-	-	-	40,918	-	40,918
Total current liabilities	3,952,326	12,961	2,917,052	-	6,882,339	(2,917,764)	3,964,575
Long-term liabilities							
Line of credit, net of current portion	1,070,675	-	-	-	1,070,675	-	1,070,675
Notes payable, net of current portion and unamortized debt issuance costs	-	-	13,955,438	-	13,955,438	-	13,955,438
Long-term capital lease obligations, net of current portion	114,683	-	-	-	114,683	-	114,683
Deferred rent and deferred lease incentive, net of current portion	51,297	-	-	-	51,297	-	51,297
Total liabilities	5,188,981	12,961	16,872,490	-	22,074,432	(2,917,764)	19,156,668
Net assets							
Unrestricted							
Controlling interest	15,113,988	1,120,067	722,202	-	16,956,257	(5,695,003)	11,261,254
Noncontrolling interest	-	-	-	1,207,119	1,207,119	(99,000)	1,108,119
Temporarily restricted	553,673	-	-	-	553,673	-	553,673
Total net assets	15,667,661	1,120,067	722,202	1,207,119	18,717,049	(5,794,003)	12,923,046
Total liabilities and net assets	$ 20,856,642	$ 1,133,028	$ 17,594,692	$ 1,207,119	$ 40,791,481	$ (8,711,767)	$ 32,079,714

Central Union Mission, and its Subsidiary and Affiliates

Supplementary Information

Consolidating Statements of Financial Position
June 30, 2016

	Central Union Mission	Mission DC Manager, LLC	Mission DC Landlord, LLC	Mission DC Master Tenant, LLC	Total	Eliminations	Consolidated
Current assets							
Cash and cash equivalents	$ 55,425	$ -	$ 10,779	$ 41,881	$ 108,085	$ -	$ 108,085
Accounts, grants and interest receivable, net	166,366	-	-	-	166,366	-	166,366
Intercompany receivable	3,036,886	-	-	15,517	3,052,403	(3,052,403)	-
Short-term marketable securities	37,954	-	-	-	37,954	-	37,954
Employee advances	2,815	-	-	-	2,815	-	2,815
Prepaid expenses and other	14,211	-	-	-	14,211	-	14,211
Total current assets	3,313,657	-	10,779	57,398	3,381,834	(3,052,403)	329,431
Property and equipment							
Land and site improvements	483,076	-	-	-	483,076	-	483,076
Buildings and improvements	3,717,798	-	19,106,323	-	22,824,121	(2,534,534)	20,289,587
Furniture and equipment	238,928	-	210,181	-	449,109	-	449,109
Corporate vehicles	324,037	-	-	-	324,037	-	324,037
Tenant's construction in progress	-	-	-	-	-	-	-
	4,763,839	-	19,316,504	-	24,080,343	(2,534,534)	21,545,809
Less: Accumulated depreciation	(1,345,914)	-	(1,385,816)	-	(2,731,730)	167,901	(2,563,829)
Property and equipment, net	3,417,925	-	17,930,688	-	21,348,613	(2,366,633)	18,981,980
Other long-term assets							
Restricted reserve	-	-	154,903	-	154,903	-	154,903
Predevelopment costs	1,009,045	-	-	-	1,009,045	-	1,009,045
Marketable securities	988,684	-	-	-	988,684	-	988,684
Investments in subsidiary and affiliates	1,132,913	1,133,028	20,453	1,121,630	3,408,024	(3,408,024)	-
Loans and note receivable, net	11,077,200	-	-	-	11,077,200	-	11,077,200
Total other long-term assets	14,207,842	1,133,028	175,356	1,121,630	16,637,856	(3,408,024)	13,229,832
Total assets	$ 20,939,424	$ 1,133,028	$ 18,116,823	$ 1,179,028	$ 41,368,303	$ (8,827,060)	$ 32,541,243

Central Union Mission, and its Subsidiary and Affiliates

Supplementary Information

Consolidating Statements of Financial Position
June 30, 2016

	Central Union Mission	Mission DC Manager, LLC	Mission DC Landlord, LLC	Mission DC Master Tenant, LLC	Total	Eliminations	Consolidated
Current liabilities							
Accounts payable and accrued expenses	$ 722,362	$ -	$ 16,158	$ -	$ 738,520	$ -	$ 738,520
Accrued payroll and payroll taxes	64,551	-	-	-	64,551	-	64,551
Accrued leave	56,244	-	-	-	56,244	-	56,244
Current portion of deferred rent and deferred lease incentive	7,883	-	-	-	7,883	-	7,883
Intercompany payable	-	8,053	3,064,803	-	3,072,856	(3,072,856)	-
Line of credit	1,339,316	-	-	-	1,339,316	-	1,339,316
Current portion of long-term notes payable	218,916	-	-	-	218,916	-	218,916
Long-term note payable, net of unamortized debt issuance costs	-	-	-	-	-	-	-
Current portion of long-term capital lease obligations	34,200	-	-	-	34,200	-	34,200
Total current liabilities	2,443,472	8,053	3,080,961	-	5,532,486	(3,072,856)	2,459,630
Long-term liabilities							
Line of credit, net of current portion	-	-	-	-	-	-	-
Notes payable, net of current portion and unamortized debt issuance costs	2,811,984	-	13,921,382	-	16,733,366	-	16,733,366
Long-term capital lease obligations, net of current portion	134,222	-	-	-	134,222	-	134,222
Deferred rent and deferred lease incentive, net of current portion	-	-	-	-	-	-	-
Total liabilities	5,389,678	8,053	17,002,343	-	22,400,074	(3,072,856)	19,327,218
Net assets							
Unrestricted							
Controlling interest	14,028,568	1,124,975	1,114,480	-	16,268,023	(5,688,204)	10,579,819
Noncontrolling interest	-	-	-	1,179,028	1,179,028	(66,000)	1,113,028
Temporarily restricted	1,521,178	-	-	-	1,521,178	-	1,521,178
Total net assets	15,549,746	1,124,975	1,114,480	1,179,028	18,968,229	(5,754,204)	13,214,025
Total liabilities and net assets	$ 20,939,424	$ 1,133,028	$ 18,116,823	$ 1,179,028	$ 41,368,303	$ (8,827,060)	$ 32,541,243

See Independent Auditor's Report.

Central Union Mission, and its Subsidiary and Affiliates

Supplementary Information

Consolidating Statements of Activities
Year Ended June 30, 2016

	Central Union Mission	Mission DC Manager, LLC	Mission DC Landlord, LLC	Mission DC Master Tenant, LLC	Total	Eliminations	Consolidated
Public support and revenue							
Public support							
In-kind donations and services	$ 8,838,440	$ -	$ -	$ -	$ 8,838,440	$ -	$ 8,838,440
Contributions and gifts	5,825,710	-	-	-	5,825,710	-	5,825,710
Pledges and bequests	639,575	-	-	-	639,575	-	639,575
Private and foundation grants	405,415	-	-	-	405,415	-	405,415
Revenue							
Program services	780,575	-	-	-	780,575	-	780,575
Investment income	20,302	-	-	-	20,302	-	20,302
Lease and rental income	64,681	-	302,000	335,000	701,681	(637,000)	64,681
Miscellaneous income	89,791	-	206	-	89,997	-	89,997
Gales School income							
Interest income	110,714	-	-	-	110,714	-	110,714
Total public support and revenue	16,775,203	-	302,206	335,000	17,412,409	(637,000)	16,775,409
Expenses							
Program services							
Family ministry	8,308,714	-	-	-	8,308,714	-	8,308,714
Men's ministry	5,310,268	4,908	718,863	306,909	6,340,948	(637,000)	5,703,948
Partners	240,196	-	-	-	240,196	-	240,196
Total program services	13,859,178	4,908	718,863	306,909	14,889,858	(637,000)	14,252,858
Supporting services							
Management and general	800,390	-	-	-	800,390	15,420	815,810
Fundraising and development	2,082,838	-	-	-	2,082,838	-	2,082,838
Total supporting services	2,883,228	-	-	-	2,883,228	15,420	2,898,648
Total expenses	16,742,406	4,908	718,863	306,909	17,773,086	(621,580)	17,151,506
Other items							
Realized and unrealized gain (loss) on investments	85,118	-	-	-	85,118	-	85,118
					-		
Change in net assets	117,915	(4,908)	(416,657)	28,091	(275,559)	(15,420)	(290,979)
Excess of revenue over expense (expense over revenue) attributable to noncontrolling interest	-	-	-	28,091	28,091	(33,000)	(4,909)
Excess of revenue over expense (expense over revenue) attributable to the Organization	$ 117,915	$ (4,908)	$ (416,657)	$ -	$ (303,650)	$ 17,580	$ (286,070)

See Independent Auditor's Report.

Central Union Mission, and its Subsidiary and Affiliates

Supplementary Information

Consolidating Statements of Activities
Year Ended June 30, 2016

	Central Union Mission	Mission DC Manager, LLC	Mission DC Landlord, LLC	Mission DC Master Tenant, LLC	Total	Eliminations	Consolidated
Public support and revenue							
Public support							
In-kind donations and services	$ 9,690,940	$ -	$ -	$ -	$ 9,690,940	$ -	$ 9,690,940
Contributions and gifts	5,141,898	-	-	-	5,141,898	-	5,141,898
Pledges and bequests	212,351	-	-	-	212,351	-	212,351
Private and foundation grants	397,130	-	-	-	397,130	-	397,130
Revenue							
Program services	678,891	-	-	-	678,891	-	678,891
Investment income	41,278	-	-	-	41,278	-	41,278
Lease and rental income	77,628	-	302,000	335,000	714,628	(637,000)	77,628
Miscellaneous income	133,036	-	263	-	133,299	-	133,299
Gales School income							
Interest income	110,714	-	-	-	110,714	-	110,714
Total public support and revenue	16,483,866	-	302,263	335,000	17,121,129	(637,000)	16,484,129
Expenses							
Program services							
Family ministry	9,328,690	-	-	-	9,328,690	-	9,328,690
Men's ministry	5,343,763	6,028	679,016	316,827	6,345,634	(637,000)	5,708,634
Partners	197,581	-	-	-	197,581	-	197,581
Total program services	14,870,034	6,028	679,016	316,827	15,871,905	(637,000)	15,234,905
Supporting services							
Management and general	550,830	-	-	-	550,830	(64,988)	485,842
Fundraising and development	1,782,511	-	-	-	1,782,511	-	1,782,511
Total supporting services	2,333,341	-	-	-	2,333,341	(64,988)	2,268,353
Total expenses	17,203,375	6,028	679,016	316,827	18,205,246	(701,988)	17,503,258
Other items							
Realized and unrealized gain (loss) on investments	(40,974)	-	-	-	(40,974)	-	(40,974)
Change in net assets	(760,483)	(6,028)	(376,753)	18,173	(1,125,091)	64,988	(1,060,103)
Excess of revenue over expense (expense over revenue) attributable to noncontrolling interest	-	-	-	18,173	18,173	(33,000)	(14,827)
Excess of revenue over expense (expense over revenue) attributable to the Organization	$ (760,483)	$ (6,028)	$ (376,753)	$ -	$ (1,143,264)	$ 97,988	$ (1,045,276)

See Independent Auditor's Report.

Central Union Mission, and its Subsidiary and Affiliates

Supplementary Information

Consolidating Statements of Changes in Net Assets (Net Deficit)
Years Ended June 30, 2017 and 2016

	Unrestricted Net Assets						
Central Union Mission	Controlling	Noncontrolling	Total	Temporarily Restricted Net Assets	Total Net Assets Prior to Consolidating Eliminations	Eliminations	Total Net Assets
Balance, June 30, 2015	$ 14,673,837	$ -	$ 14,673,837	$ 1,636,392	$ 16,310,229	$ (2,161,609)	$ 14,148,620
Change in net assets, June 30, 2016	(645,269)	-	(645,269)	(115,214)	(760,483)	335,000	(425,483)
Balance, June 30, 2016	14,028,568	-	14,028,568	1,521,178	15,549,746	(1,826,609)	13,723,137
Change in net assets, June 30, 2017	1,085,420	-	1,085,420	(967,505)	117,915	335,000	452,915
Balance, June 30, 2017	$ 15,113,988	$ -	$ 15,113,988	$ 553,673	$ 15,667,661	$ (1,491,609)	$ 14,176,052

	Unrestricted Net Assets						
Mission DC Manager, LLC	Controlling	Noncontrolling	Total	Temporarily Restricted Net Assets	Total Net Assets Prior to Consolidating Eliminations	Eliminations	Total Net Assets (Total Net Deficit)
Balance, June 30, 2015	$ 1,131,003	$ -	$ 1,131,003	$ -	$ 1,131,003	$ (1,133,028)	$ (2,025)
Change in net assets, June 30, 2016	(6,028)	-	(6,028)	-	(6,028)	-	(6,028)
Balance, June 30, 2016	1,124,975	-	1,124,975	-	1,124,975	(1,133,028)	(8,053)
Change in net assets, June 30, 2017	(4,908)	-	(4,908)	-	(4,908)	-	(4,908)
Balance, June 30, 2017	$ 1,120,067	$ -	$ 1,120,067	$ -	$ 1,120,067	$ (1,133,028)	$ (12,961)

Central Union Mission, and its Subsidiary and Affiliates

Supplementary Information

Consolidating Statements of Changes in Net Assets (Net Deficit)
Years Ended June 30, 2017 and 2016

Mission DC Landlord, LLC	Unrestricted Net Assets: Controlling	Unrestricted Net Assets: Noncontrolling	Unrestricted Net Assets: Total	Temporarily Restricted Net Assets	Total Net Assets Prior to Consolidating Eliminations	Eliminations	Total Net Assets (Total Net Deficit)
Balance, June 30, 2015	$ 1,466,233	$ -	$ 1,466,233	$ -	$ 1,466,233	$ (2,466,555)	$ (1,000,322)
Contributions	25,000	-	25,000	-	25,000	(25,000)	-
Change in net assets, June 30, 2016	(376,753)	-	(376,753)	-	(376,753)	(237,012)	(613,765)
Balance, June 30, 2016	1,114,480	-	1,114,480	-	1,114,480	(2,728,567)	(1,614,087)
Contributions	24,379	-	24,379	-	24,379	(24,379)	-
Change in net assets, June 30, 2017	(416,657)	-	(416,657)	-	(416,657)	(317,420)	(734,077)
Balance, June 30, 2017	$ 722,202	$ -	$ 722,202	$ -	$ 722,202	$ (3,070,366)	$ (2,348,164)

Mission DC Master Tenant, LLC	Unrestricted Net Assets: Controlling	Unrestricted Net Assets: Noncontrolling	Unrestricted Net Assets: Total	Temporarily Restricted Net Assets	Total Net Assets Prior to Consolidating Eliminations	Eliminations	Total Net Assets
Balance, June 30, 2015	$ -	$ 1,160,855	$ 1,160,855	$ -	$ 1,160,855	$ (33,000)	$ 1,127,855
Change in net assets, June 30, 2016	-	18,173	18,173	-	18,173	(33,000)	(14,827)
Balance, June 30, 2016	-	1,179,028	1,179,028	-	1,179,028	(66,000)	1,113,028
Change in net assets, June 30, 2017	-	28,091	28,091	-	28,091	(33,000)	(4,909)
Balance, June 30, 2017	$ -	$ 1,207,119	$ 1,207,119	$ -	$ 1,207,119	$ (99,000)	$ 1,108,119

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