

THE HOPE CHEST FOR BREAST CANCER FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015



LurieLLP.com  
O/612.377.4404  
F/612.377.1325

November 15, 2017

Ms. Barbara Hensley, Founder  
Ms. Nancy Pilhöfer, Executive Director  
The Hope Chest for Breast Cancer Foundation  
3850 Shoreline Drive South  
Wayzata, MN 55391

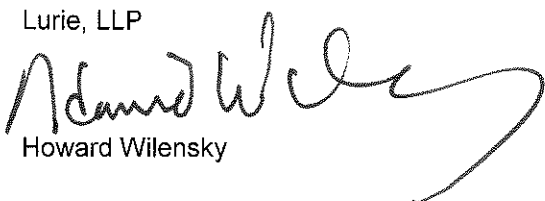
Dear Ms. Hensley and Ms. Pilhöfer:

Enclosed are 12 bound copies and 2 unbound copies of the consolidated financial statements and supplementary information of The Hope Chest for Breast Cancer Foundation as of and for the years ended December 31, 2016 and 2015.

Please review the enclosed statements before you distribute them, and call me if you have any questions.

Sincerely,

Lurie, LLP



Howard Wilensky

Enclosures (14)

## CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated statements of financial position	3
Consolidated statements of activities	4
Consolidated statements of cash flows	5
Notes to consolidated financial statements	6 – 11
SUPPLEMENTARY INFORMATION	
Consolidating statement of financial position	13
Consolidating statement of activities	14



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Hope Chest for Breast Cancer Foundation and Subsidiary  
Wayzata, Minnesota

### **Report on Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The Hope Chest for Breast Cancer Foundation and Subsidiary (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated 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 audits 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 The Hope Chest for Breast Cancer Foundation and Subsidiary as of December 31, 2016 and 2015, 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.

## Disclaimer of Opinion on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information appearing on pages 13 and 14, which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Lurie, LLP".

Lurie, LLP  
Minneapolis, Minnesota

November 15, 2017

THE HOPE CHEST FOR BREAST CANCER FOUNDATION  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,	
	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 243,445	\$ 276,449
Mutual funds	283,640	259,952
Due from related party	32,059	29,022
Accounts receivable	28,750	-
Undeposited funds	-	2,215
Inventory	35,475	28,999
Prepaid expenses	9,447	17,650
TOTAL CURRENT ASSETS	<u>632,816</u>	<u>614,287</u>
PROPERTY AND EQUIPMENT, net	<u>180,208</u>	<u>83,458</u>
	<u>\$ 813,024</u>	<u>\$ 697,745</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 33,459	\$ 46,465
Deferred rent	36,772	48,614
Grants payable to other nonprofit organizations	-	52,500
TOTAL CURRENT LIABILITIES	<u>70,231</u>	<u>147,579</u>
NET ASSETS		
Unrestricted	681,537	502,464
Temporarily restricted	61,256	47,702
TOTAL NET ASSETS	<u>742,793</u>	<u>550,166</u>
	<u>\$ 813,024</u>	<u>\$ 697,745</u>

See notes to consolidated financial statements.

THE HOPE CHEST FOR BREAST CANCER FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended December 31,

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUES</b>						
Hope Chest retail stores:						
Revenue from sales of donated items:						
Foundation	\$ 603,677	\$ -	\$ 603,677	\$ 570,022	\$ -	\$ 570,022
Bloomington Store	312,755	-	312,755	299,621	-	299,621
	<u>916,432</u>	<u>-</u>	<u>916,432</u>	<u>869,643</u>	<u>-</u>	<u>869,643</u>
Special events	53,403	-	53,403	144,480	-	144,480
Other donations	202,477	50,000	252,477	134,470	25,230	159,700
Investment income (loss)	25,163	-	25,163	(5,739)	-	(5,739)
Net assets released from restriction	36,446	(36,446)	-	18,121	(18,121)	-
	<u>1,233,921</u>	<u>13,554</u>	<u>1,247,475</u>	<u>1,160,975</u>	<u>7,109</u>	<u>1,168,084</u>
<b>EXPENSES</b>						
Costs of selling donated items:						
Foundation	513,125	-	513,125	486,371	-	486,371
Bloomington Store	280,873	-	280,873	240,294	-	240,294
Program services	137,951	-	137,951	228,504	-	228,504
Management and general	44,745	-	44,745	80,278	-	80,278
Fundraising	78,154	-	78,154	115,773	-	115,773
	<u>1,054,848</u>	<u>-</u>	<u>1,054,848</u>	<u>1,151,220</u>	<u>-</u>	<u>1,151,220</u>
<b>INCREASE IN NET ASSETS</b>	<b>179,073</b>	<b>13,554</b>	<b>192,627</b>	<b>9,755</b>	<b>7,109</b>	<b>16,864</b>
<b>NET ASSETS</b>						
Beginning of year	<u>502,464</u>	<u>47,702</u>	<u>550,166</u>	<u>492,709</u>	<u>40,593</u>	<u>533,302</u>
End of year	<u>\$ 681,537</u>	<u>\$ 61,256</u>	<u>\$ 742,793</u>	<u>\$ 502,464</u>	<u>\$ 47,702</u>	<u>\$ 550,166</u>

See notes to consolidated financial statements.

THE HOPE CHEST FOR BREAST CANCER FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 192,627	\$ 16,864
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Interest and dividend income reinvested	(6,553)	(9,760)
(Increase) decrease in fair value of mutual funds	(18,610)	15,873
Contributed services during asset development	(112,389)	-
Depreciation expense	26,263	24,629
Changes in operating assets and liabilities:		
Due from related party	(3,037)	(13,163)
Accounts receivable	(28,750)	-
Undeposited funds	2,215	1,534
Inventory	(6,476)	(15,723)
Prepaid expenses	8,203	(13,283)
Accounts payable and accrued expenses	(13,006)	16,269
Deferred rent	(11,842)	15,624
Grants payable to other nonprofit organizations	(52,500)	17,500
Net cash provided (used) by operating activities	<u>(23,855)</u>	<u>56,364</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(10,624)	(13,798)
Proceeds from sale of mutual funds	1,475	-
Net cash used by investing activities	<u>(9,149)</u>	<u>(13,798)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(33,004)</b>	<b>42,566</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>276,449</u>	<u>233,883</u>
End of year	<u>\$ 243,445</u>	<u>\$ 276,449</u>

See notes to consolidated financial statements.



THE HOPE CHEST FOR BREAST CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Activities and Summary of Significant Accounting Policies –

Nature of Activities

The Hope Chest for Breast Cancer Foundation (Foundation) began operations in 2001 as a Minnesota nonprofit organization formed to raise funds to provide the quickest access to help with the most urgent needs of financially distressed breast cancer patients and their families. Funds are raised through the sale of upscale women's clothing, and high end furniture and decorative accessories donated by the general public, manufacturers and retail businesses. The donated items are sold in resale stores. Additional support is raised through fundraising events and solicitation of financial contributions from individuals, corporations, and foundations. Support is received in the form of cash and noncash donations.

Prior to 2014, contributions to the Foundation were sold exclusively through retail stores operated by a corporation controlled by the Chief Executive Officer of the Foundation's Board of Directors (Note 7). In addition to these stores, in March of 2014 the Foundation formed The Hope Chest for Breast Cancer of Bloomington, LLC, a wholly owned subsidiary, to operate a new retail store in Bloomington, Minnesota. The Bloomington Store began operations October 23, 2014.

The new Bloomington store structure was considered necessary to expand the Foundation's mission to other markets.

Principles of Consolidation

The consolidated financial statements include The Hope Chest for Breast Cancer Foundation and The Hope Chest for Breast Cancer of Bloomington, LLC. All material intercompany transactions and balances have been eliminated in consolidation. The Hope Chest for Breast Cancer Foundation and The Hope Chest for Breast Cancer of Bloomington, LLC are collectively referred to as the Organization.

Financial Statement Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted - Resources over which the Board of Directors has discretionary control. Designated amounts, if any, represent those revenues which the Board has set aside for a particular purpose.

Temporarily Restricted - Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time.

Permanently Restricted - Those resources subject to donor imposed restrictions that they be maintained permanently by the Organization.

All gifts of cash and other assets are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

(continued)

THE HOPE CHEST FOR BREAST CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Activities and Summary of Significant Accounting Policies – (continued)

Use of Estimates

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and highly liquid financial instruments purchased with an original maturity of three months or less.

Accounts Receivable

Receivables are carried at the estimated collectible amounts, net of any allowance for doubtful accounts. Management determined that no allowance for doubtful accounts was necessary at December 31, 2016.

Receivables are a result of program disbursements made in prior years to a local hospital which were not used by the hospital and were returned to the Organization in March 2017. The hospital has indicated that additional funds may be returned to the Organization but the amount, if any, is not known.

Inventory

Inventory is valued at the estimated sales prices less reserve for discounts. The discount is estimated based on historical sales prices compared to their initial estimated fair market value.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the lesser of the useful lives of the assets or the lease term. Software includes construction in progress of a website which is due to be completed in 2017 and will be amortized over a three-year life upon placing the asset in service.

Grants Payable to Other Nonprofit Organizations

The Organization contributed \$78,500 and \$165,000 in 2016 and 2015, respectively, to hospital and clinic programs providing assistance to breast cancer patients and their families, of which \$0 and \$52,500 was accrued at December 31, 2016 and 2015, respectively.

Deferred Rent

The Foundation's lease includes escalating rental payments. Rent expense is recognized in equal annual amounts over the term of the lease. Deferred rent from the escalating rental payments was \$3,411 and \$4,434 at December 31, 2016 and 2015, respectively. The Foundation's lease also provided for \$55,000 of tenant improvement reimbursements, which were received in 2015. The reimbursements are amortized over the life of the lease and are included in deferred rent. The deferred tenant improvements totaled \$33,361 and \$44,180 at December 31, 2016 and 2015, respectively.

(continued)

THE HOPE CHEST FOR BREAST CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Activities and Summary of Significant Accounting Policies – (continued)

Income Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable state regulations. The Foundation is classified as an organization that is not a private foundation under the Internal Revenue Code and contributions by donors are tax deductible.

The Bloomington store received notice from the Internal Revenue Service (IRS) that their tax exemption was revoked. The store has provided the IRS with information it believes is necessary to rectify the matter but has not yet received such notification from the IRS. It is reasonably possible that the IRS may not reinstate the exemption. The impact on the Organization in the event the exemption is not reinstated has not been determined but could be material.

The Foundation is subject to routine audits by taxing jurisdictions; however, other than the matter above, there are currently no audits for any tax periods in progress. Management believes the Foundation is no longer subject to income tax examinations for years prior to 2012.

Contributed Services

Contributed professional services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Management and general expenses include \$11,856 and \$23,843 for 2016 and 2015, respectively, for contributed professional services. The Foundation also received \$112,389 of contributed services during the development of a website, which is currently included in the software category of fixed assets.

In addition, a substantial number of unpaid volunteers made significant contributions of their time that do not meet the recognition criteria described above. Accordingly, the value of that donated time is not reflected in the consolidated financial statements.

Donated Materials and Facilities

Donated materials are recorded at the estimated fair value when received and when such value can be objectively and accurately determined. The Organization received donated materials for program purposes, management and general, and fundraising purposes totaling \$42,208 and \$49,028 (including facility usage estimated at \$18,000 from a related party – Note 7) for 2016 and 2015, respectively, which are recorded in both revenues and expenses.

2. Property and Equipment -

Property and equipment consisted of the following:

	December 31, 2016			December 31,
	Bloomington	Hope Chest	Total	2015
				Total
Leasehold Improvements	\$ 68,019	\$ 6,220	\$ 74,239	\$ 74,239
Computer	9,583	9,228	18,811	15,918
Equipment	30,478	-	30,478	30,478
Software and website in progress	-	126,935	126,935	14,546
Vehicle	7,731	-	7,731	-
Total	115,811	142,383	258,194	135,181
Less accumulated depreciation	53,025	24,961	77,986	51,723
Property and equipment, net	\$ 62,786	\$ 117,422	\$ 180,208	\$ 83,458

THE HOPE CHEST FOR BREAST CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. Fair Value Measurements –

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

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

Management of the Organization has utilized level 1 within the fair value hierarchy to determine the fair value of the mutual funds.

THE HOPE CHEST FOR BREAST CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Net Assets –

Designated

The Organization has designated \$100,000 of unrestricted net assets as an operating reserve.

Temporarily Restricted

Details of the temporarily restricted net asset are as follows:

	<u>Grant Writer</u>	<u>Social Media</u>	<u>Merchandise Director</u>	<u>Total</u>
December 31, 2014	\$ 26,843	\$ 13,750	\$ -	\$ 40,593
Contributions	-	-	25,230	25,230
Utilization	<u>(2,872)</u>	<u>(13,750)</u>	<u>(1,499)</u>	<u>(18,121)</u>
December 31, 2015	23,971	-	23,731	47,702
Contributions	-	-	50,000	50,000
Utilization	-	-	<u>(36,446)</u>	<u>(36,446)</u>
December 31, 2016	<u>\$ 23,971</u>	<u>\$ -</u>	<u>\$ 37,285</u>	<u>\$ 61,256</u>

5. Special Events –

The Organization conducts special events including the annual Fillies Race for Hope. Details of the special events are as follows:

	<u>Years Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Revenues	<u>\$ 263,413</u>	\$ 272,489
Expenses	<u>210,010</u>	<u>128,009</u>
	<u>\$ 53,403</u>	<u>\$ 144,480</u>

6. Functional Allocation of Expenses –

The costs of providing the various programs were summarized on a functional basis in the statements of activities. Accordingly, certain costs were allocated among the programs and supporting services benefited, management and general expenses, and fundraising based upon the best estimates of management.

7. Related Party Transactions and Balances –

The Foundation has a management agreement with a corporation controlled by the Foundation's founder and member of the board of directors. The management agreement requires the corporation to purchase such items of clothing, furniture, household furnishings and accessories that are donated to the Foundation which meet specified standards. The corporation operates the retail stores where the donated property is sold. The management agreement requires the management company to pay the Foundation an amount equal to the sales less reasonable compensation for services provided by the management company. The amount earned by the Foundation may not be less than 15% of all gross sales from the retail stores.

The balance due from related party represents amounts owed to the Foundation by the related corporation. The balance at December 31, 2016 and 2015 was noninterest bearing and due on demand.

THE HOPE CHEST FOR BREAST CANCER FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. Operating Lease –

The Foundation leases facilities for the Bloomington store under an operating lease. As of January 1, 2017, the lease has been extended to a 40-month term expiring on April 30, 2020 with monthly payments of \$5,987. Future minimum lease payments are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2017	\$ 71,844
2018	71,844
2019	71,844
2020	23,948
Total	<u>\$ 239,480</u>

9. Subsequent Events –

Management has evaluated subsequent events through November 15, 2017, the date the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**The Hope Chest for Breast Cancer Foundation**

**Consolidating Statement of Financial Position**

December 31, 2016

	<u>THE FOUNDATION</u>	<u>BLOOMINGTON</u>	<u>ELIMINATING</u>	<u>TOTAL</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 210,118	\$ 33,327	\$ -	\$ 243,445
Mutual funds	283,640	-	-	283,640
Due from related party	45,015	519	(13,475)	32,059
Accounts receivable	28,750	-	-	28,750
Due from Bloomington Store	150,000	-	(150,000)	-
Inventory	-	35,475	-	35,475
Prepaid expenses	1,265	8,182	-	9,447
Investments (accumulated loss funded) in Bloomington Store	(77,055)	-	77,055	-
<b>TOTAL CURRENT ASSETS</b>	<u>641,733</u>	<u>77,503</u>	<u>(86,420)</u>	<u>632,816</u>
<b>PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$77,986</b>	<u>117,422</u>	<u>62,786</u>	<u>-</u>	<u>180,208</u>
<b>TOTAL ASSETS</b>	<u>\$ 759,155</u>	<u>\$ 140,289</u>	<u>\$ (86,420)</u>	<u>\$ 813,024</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 16,362	\$ 30,572	\$ (13,475)	\$ 33,459
Deferred rent	-	36,772	-	36,772
Due to the Foundation	-	150,000	(150,000)	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>16,362</u>	<u>217,344</u>	<u>(163,475)</u>	<u>70,231</u>
<b>NET ASSETS</b>				
Unrestricted	681,537	(77,055)	77,055	681,537
Temporarily restricted	61,256	-	-	61,256
<b>TOTAL NET ASSETS</b>	<u>742,793</u>	<u>(77,055)</u>	<u>77,055</u>	<u>742,793</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 759,155</u>	<u>\$ 140,289</u>	<u>\$ (86,420)</u>	<u>\$ 813,024</u>

See Independent Auditor's Report.



**The Hope Chest for Breast Cancer Foundation**

**Consolidating Statement of Activities**

Year ended December 31, 2016

	<u>THE FOUNDATION</u>	<u>BLOOMINGTON</u>	<u>ELIMINATING</u>	<u>TOTAL</u>
<b>SUPPORT AND REVENUES</b>				
Revenue from sale of donated items	\$ 603,677	\$ 312,755	\$ -	\$ 916,432
Special events	53,403	-	-	53,403
Other donations	301,519	-	(49,042)	252,477
Investment income	25,163	-	-	25,163
	<u>983,762</u>	<u>312,755</u>	<u>(49,042)</u>	<u>1,247,475</u>
<b>EXPENSES</b>				
Costs of selling donated items	513,125	329,915	(49,042)	793,998
Program services	137,951	-	-	137,951
Management and general	44,745	-	-	44,745
Fundraising	78,154	-	-	78,154
	<u>773,975</u>	<u>329,915</u>	<u>(49,042)</u>	<u>1,054,848</u>
Equity in income of Bloomington store	<u>17,160</u>	<u>-</u>	<u>(17,160)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>192,627</b>	<b>(17,160)</b>	<b>17,160</b>	<b>192,627</b>
<b>NET ASSETS</b>				
Beginning of Year	550,166	(59,895)	59,895	550,166
End of Year	<u>\$ 742,793</u>	<u>\$ (77,055)</u>	<u>\$ 77,055</u>	<u>\$ 742,793</u>

See Independent Auditor's Report.