



**REHOBOTH CHRISTIAN
SCHOOL ASSOCIATION**

**CONSOLIDATED FINANCIAL
STATEMENTS**

June 30, 2020

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**Board of Directors
Rehoboth Christian School Association
Rehoboth, New Mexico**

We have reviewed the accompanying consolidated financial statements of Rehoboth Christian School Association (a not-for-profit organization), which consist of the consolidated statement of financial position as of June 30, 2020, the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements. A review includes applying primarily analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

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.

ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

ACCOUNTANTS' CONCLUSION

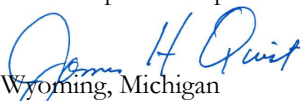
Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

REPORT ON RESTATEMENT ADJUSTMENTS TO CONSOLIDATED NET ASSETS AS OF JUNE 30, 2019

As part of our review of the consolidated financial statements as of and for the year ended June 30, 2020, we also reviewed the corrections as described in Note 13 to restate the consolidated net assets as of June 30, 2019. Based on our review, we are not aware of any material modifications that should be made to the corrections in order for them to be in accordance with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY DATA

The accompanying supplementary data is presented for purposes of additional analysis and is not a required part of the basic 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 review procedures applied in our review of the basic consolidated financial statements. We are not aware of any material modifications that should be made to the supplementary data in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary data and do not express an opinion on such data.


Wyoming, Michigan
April 26, 2021

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REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Consolidated Statement of Financial Position

June 30, 2020

ASSETS

Cash and cash equivalents	\$ 1,575,835
Accounts receivable, net of allowance of \$20,096	80,873
Prepaid expenses	32,849
Contributions receivable	1,253,918
Inventory	4,223
Property held for sale	94,407
Cash surrender value of life insurance policies	74,405
Barnabas Foundation charitable gift annuity receivable	14,562
Investments held for long-term purposes	7,828,774
Property and equipment, net of accumulated depreciation	<u>20,224,589</u>

Total Assets \$ 31,184,435

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 56,051
Accrued payroll and related liabilities	102,903
Deferred revenue	170,437
Loan payable	437,500
Present value of annuity agreements	<u>35,386</u>
Total Liabilities	<u>802,277</u>

Net Assets

Without donor restrictions	
Undesignated	(4,800,661)
Designated	4,402,546
Net investment in property and equipment	<u>20,224,589</u>
	19,826,474
With donor restrictions	
Purpose or time restrictions	2,739,386
Perpetual restrictions	<u>7,816,298</u>
Total Net Assets	<u>30,382,158</u>

Total Liabilities and Net Assets \$ 31,184,435

See accompanying notes and independent accountants' review report

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Consolidated Statement of Activities

Year Ended June 30, 2020

	Without	With Donor Restrictions		Total
	Donor Restrictions	Purpose or Time	Perpetual	
SUPPORT AND REVENUE				
Tuition and fees	\$ 3,157,041	\$ -	\$ -	\$ 3,157,041
Less: tuition grants and discounts	(1,653,664)	-	-	(1,653,664)
	<u>1,503,377</u>	<u>-</u>	<u>-</u>	<u>1,503,377</u>
Contributions	1,516,721	757,231	223,087	2,497,039
Grants	561,970	-	-	561,970
In-kind contributions	83,883	-	-	83,883
Rental	136,771	-	-	136,771
Campus programs	440,732	-	-	440,732
Investment income	9,152	239,705	-	248,857
Change in value of annuity agreements	(4,432)	-	-	(4,432)
Loss on disposal of property and equipment	(67,241)	-	-	(67,241)
Other income	74,762	-	-	74,762
Total Support and Revenue	<u>4,255,695</u>	<u>996,936</u>	<u>223,087</u>	<u>5,475,718</u>
RECLASSIFICATIONS				
Net assets released for satisfaction of purpose restrictions	407,037	(406,862)	(175)	-
EXPENSES				
Program				
Instructional	3,711,467	-	-	3,711,467
Auxiliary	814,491	-	-	814,491
Extra-curricular	290,877	-	-	290,877
Total Program	<u>4,816,835</u>	<u>-</u>	<u>-</u>	<u>4,816,835</u>
Management and general	737,684	-	-	737,684
Fund-raising	438,859	-	-	438,859
Total Expenses	<u>5,993,378</u>	<u>-</u>	<u>-</u>	<u>5,993,378</u>
Change in Net Assets	<u>(1,330,646)</u>	<u>590,074</u>	<u>222,912</u>	<u>(517,660)</u>
Net Assets, Beginning of Year				
As originally reported	21,042,676	2,485,650	7,371,492	30,899,818
Corrections - Note 13	114,444	(336,338)	221,894	-
As corrected	<u>21,157,120</u>	<u>2,149,312</u>	<u>7,593,386</u>	<u>30,899,818</u>
Net Assets, End of Year	<u>\$ 19,826,474</u>	<u>\$ 2,739,386</u>	<u>\$ 7,816,298</u>	<u>\$ 30,382,158</u>

See accompanying notes and independent accountants' review report

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

	Program			Total Program	Management and General	Fund- Raising	Totals
	Instructional	Auxiliary	Extra- Curricular				
Scholarships and grants	\$ 4,167	\$ -	\$ -	\$ 4,167	\$ -	\$ -	\$ 4,167
Salaries and wages	1,891,779	254,070	84,508	2,230,357	310,077	193,067	2,733,501
Pension plan contributions	99,055	8,744	3,633	111,432	16,795	8,555	136,782
Other employee benefits	248,571	25,359	2,964	276,894	59,668	34,965	371,527
Payroll taxes	137,798	19,332	5,128	162,258	23,119	13,170	198,547
Professional fees - legal	-	-	-	-	3,292	-	3,292
Professional fees - accounting	-	-	-	-	17,510	-	17,510
Professional fees - other	20,684	57,875	28,387	106,946	2,069	2,185	111,200
Advertising and promotion	-	-	-	-	22,229	42,130	64,359
Office expenses	46,490	5,288	5,235	57,013	32,801	18,784	108,598
Information technology	44,898	9,890	3,532	58,320	8,029	8,089	74,438
Occupancy	286,775	59,959	28,590	375,324	84,230	46,644	506,198
Travel	7,560	74,004	28,718	110,282	8,270	15,472	134,024
Interest	76	17	6	99	13	13	125
Depreciation	683,887	150,637	53,797	888,321	120,284	-	1,008,605
Insurance	15,795	3,479	1,242	20,516	4,382	2,706	27,604
Educational activities and programs	157,131	-	-	157,131	600	-	157,731
Athletics	-	-	9,265	9,265	-	-	9,265
Food service	-	145,837	-	145,837	-	-	145,837
Bad debt	-	-	-	-	24,316	-	24,316
Student activities	66,801	-	35,872	102,673	-	53,079	155,752
Total Expenses	\$ 3,711,467	\$ 814,491	\$ 290,877	\$ 4,816,835	\$ 737,684	\$ 438,859	\$ 5,993,378

See accompanying notes and independent accountants' review report

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Consolidated Statement of Cash Flows

Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (517,660)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Contributions restricted for long-term purposes	(223,087)
Investment gains	(203,293)
Loss on disposal of property and equipment	67,241
Depreciation	1,021,512
Actuarial change in value of annuity agreements	2,839
Change in:	
Accounts receivable	17,165
Prepaid expenses	(4,723)
Contributions receivable	246,082
Inventory	(935)
Barnabas Foundation charitable gift annuity receivable	1,593
Accounts payable	20,781
Accrued payroll and related liabilities	23,430
Deferred revenue	(33,512)
Net Cash Provided by Operating Activities	<u>417,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(274,936)
Proceeds from sales of investments	19,776
Purchases of property and equipment	(192,441)
Net Cash Used By Investing Activities	<u>(447,601)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributions restricted for investment in endowment	223,087
Payments to annuity beneficiaries	(4,415)
Proceeds from loan payable	437,500
Net Cash Provided by Financing Activities	<u>656,172</u>
Change in Cash and Cash Equivalents	626,004
Cash and Cash Equivalents, Beginning of Period	<u>949,831</u>
Cash and Cash Equivalents, End of Period	<u>\$ 1,575,835</u>

See accompanying notes and independent accountants' review report

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

1. NATURE OF ORGANIZATION

The mission of Rehoboth Christian School Association (RCS) is to challenge its students to know the Triune God and equip them to love, serve and transform the world in His name. RCS seeks to be vigorously academic, beautifully diverse and thoroughly Christian. In existence for over 100 years, RCS offers grades K-12 and preschool to families throughout the Four Corners region. Its facilities are located on one campus in Rehoboth, New Mexico.

RCS is a nonprofit organization incorporated in New Mexico and is exempt from federal income taxes under section 501(c)(3) of the United States Internal Revenue Code (code) and comparable state law, and has been classified as a publicly supported organization that is not a private endowment under section 509(a) of the code. Contributions to RCS are tax deductible within the limits prescribed by the code.

RCS operations are financed primarily from contributions, tuition and fees. RCS also provides for the transportation and feeding of students, the latter of which is on a free and reduced fee basis. The costs for various program and extra-curricular activities are also financed by fund-raising efforts and ticket sales.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The more significant accounting policies are summarized below.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of RCS include the combined financial resources and activities of Rehoboth Development, LLC (RDLLC), a New Mexico single member limited liability corporation which exists to own and develop real estate. Because RCS owns RDLLC, its tax-exempt status applies to the activity of RDLLC as well. RDLLC's revenues are generated primarily from the sale of real estate. All inter-organization balances and transactions have been eliminated in the consolidation.

CASH AND CASH EQUIVALENTS AND CONCENTRATION OF CREDIT RISK

Cash and cash equivalents consist of checking, money market and other highly liquid investment accounts excluding endowment cash and cash equivalents. Balances in the bank accounts may at times exceed federally insured limits. RCS has not experienced any losses in these accounts and management believes it is not exposed to any significant credit risk.

ACCOUNTS RECEIVABLE

Accounts receivable, consisting primarily of unpaid tuition and fee charges, are reported net of any anticipated losses due to uncollectible accounts. RCS considers an account to be past due when items billed on the account have not been paid by the due date. All outstanding balances at June 30, 2020 are considered past due. Past due accounts are subject to internal collection efforts but remain classified as active accounts until graduation or withdrawal from the school. Total accounts receivable in collection at June 30, 2020 are \$32,003. Uncollectible accounts are recognized as additions to bad debt expense in the period it is determined the amounts could become uncollectible. The allowance for doubtful accounts is based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, payment patterns and general economic conditions. The allowance, which at June 30, 2020 is \$20,096, is maintained at a level that, in management's judgment, is adequate to absorb potential losses inherent in the receivables portfolio.

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

PREPAID EXPENSES

Prepaid expenses at June 30, 2020 consist of expenditures for employee health insurance paid prior to the end of the fiscal year but which benefit the following fiscal year.

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recognized as income when made and reported at fair value based upon estimated future cash flows. Unconditional promises to give expected to be collected within one year are reported at net realizable value because the present value of estimated cash flows approximates net realizable value. Unconditional promises to give expected to be collected in future years are reported at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are expected to be received. This discount rate is based on yields of U.S. treasury bills corresponding to the timing of the expected collection of contributions receivable. Amortization of the discount is included in contributions revenue in the statements of activities. Management believes all contributions receivable balances are fully collectible at both June 30, 2020; there is, therefore, no allowance for doubtful promises to give.

INVENTORY

Inventory consists of cafeteria food and is stated at cost using the first-in, first-out method of inventory valuation.

PROPERTY HELD FOR SALE

Property held for sale consists of residential real estate held by RDLLC. Acquisition costs for these parcels were allocated based on the relative fair values of the parcels before development. Development costs were allocated based on the relative sales values of the parcels. Other costs for these parcels were determined using the specific identification method whenever possible.

BARNABAS ENDOWMENT CHARITABLE GIFT ANNUITY RECEIVABLE

RCS is the beneficiary of the corpus of one charitable gift annuity agreement held at Barnabas Foundation. Funds from this agreement will be transferred to RCS when it matures, which usually occurs upon the death of the grantor. RCS reports as a receivable the gift portion of the contract, which is the value of the donated asset less the present value of payments to be made over the expected remaining lifetime of the grantor. The receivable balance is adjusted each year to reflect the effect of actuarial changes to the expected remaining lifetime of the grantor.

INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments held for long-term purposes are reported at fair value, which is determined using published exchange market quotations where applicable and using estimated market value when no ready market exists. Unrealized gains and losses are included in unrestricted investment income in the consolidated statements of activities unless a donor or law temporarily or permanently restricts their use. Realized gains and losses are determined using the specific identification method. Any donated investments are reported at market value at the date of donation and thereafter carried in accordance with the above policies.

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

INVESTMENTS HELD FOR LONG-TERM PURPOSES, continued

Alternative investments consist of investments in the Barnabas Endowment and Commonfund and are carried at fair value as determined by the funds' managers, based on information provided by the funds' professional investment managers. In determining fair value, managers utilize the valuation of the underlying investment entities reflected on their respective audited financial statements. The underlying investment entities value securities and other financial instruments at market value when possible, or at fair value as determined by the respective entities' general partners or managers when no market is readily available. The estimated fair values of certain of the investments of the underlying investment entities, which include private placements and other securities for which prices are not readily available, may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

PROPERTY AND EQUIPMENT

Property and equipment is reported at cost, estimated cost or fair value. Expenditures for property and equipment in excess of \$1,000 and having estimated useful lives of three years or more are capitalized at cost when purchased. Donated items are reported at their estimated fair values as of the date the gifts are received. Depreciation is reported using the straight-line method over the estimated useful lives of the assets, which ranges from five to forty years. Depreciation expense was \$1,008,603 for the year ended June 30, 2020.

DEFERRED REVENUE

Deferred revenue results primarily from deposits received and credit balances carried forward for fall enrollment.

PRESENT VALUE OF ANNUITY AGREEMENTS

Annuity agreements provide for a fixed annual payment for the life of the donor or designated beneficiary. Under an annuity agreement a donor makes a payment to RCS and is entitled to annual payments from RCS until death. At the inception of the agreement, the excess of the amount paid by the donor over the present value of estimated annual payments is recorded as contribution revenue and the present value of the estimated payments is recorded as a liability. Contributions received from annuity agreements are classified as unrestricted revenues because donors have not specified restrictions regarding the use of these funds but have been designated to the board-designated endowment.

The present value of the annuity contracts is determined using a 5 percent discount rate and actuarial assumptions based on published life expectancy tables adopted by the Internal Revenue Service.

NET ASSETS

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

NET ASSETS WITHOUT DONOR RESTRICTIONS are net assets available for use in general operations and not subject to donor or certain grantor-imposed restrictions. The board and management have designated net assets without donor restrictions as summarized in Note 9.

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

NET ASSETS, continued

NET ASSETS WITH DONOR RESTRICTIONS are net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

SUPPORT AND REVENUE

Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions of assets other than cash and services are reported at their estimated fair value. RCS reports donations of property and equipment as contributions without donor restriction unless the donor has restricted the donated asset to a specific purpose. Contributions of cash to acquire property are reported as contributions with donor restrictions.

Tuition revenues are reported net of discounts, which are determined based on household income and the total number of children in the household.

All other revenues are recorded when earned.

CONTRIBUTED SERVICES

During the year ended June 30, 2020, 157 individuals provided approximately 7,900 hours of volunteer support to RCS for which management estimates a total value of approximately \$90,600. However, the value of these services is not reflected in the consolidated financial statements because the services do not meet the definition of donated professional services under generally accepted accounting principles. Volunteers serve as student tutors, student mentors and office assistants, perform custodial duties and assist with various work projects.

GIFTS IN KIND

During the year ended June 30, 2020, RCS received gifts of a bus, a backhoe and kitchen equipment with an estimated total fair value of \$81,083 and received vendor discounts and rebates totaling \$2,800.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when incurred, that is, when the purchased goods or services have been received.

The costs of program, management and fund-raising activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program, management and fund-raising activities benefitting from those expenditures.

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued

FUNCTIONAL ALLOCATION OF EXPENSES, continued

Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. At RCS the methods used to allocate costs among program and support functions vary depending upon the nature of the expense category. Compensation related expenses are allocated based on proportional estimates of paid time spent in each functional area of performance. Occupancy and depreciation costs are allocated to each functional area based on proportional estimates of facility and equipment usage. Other expenses are allocated based on the guidelines defining the nature of the program, management or fund-raising expenses and the associated estimates of time and effort.

ADVERTISING

RCS expenses advertising costs as they are incurred. Advertising costs totaled \$7,298 for the year ended June 30, 2020.

LIQUIDITY AND AVAILABILITY

RCS has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure as detailed below. The amounts shown below are net of financial assets required to meet donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. Because annual fund designated net assets and student activity funds designated net assets are intended to be utilized to cover expenses during the subsequent fiscal year, these designated net assets do not reduce financial assets available to meet cash needs for general expenditures within one year of the financial position date.

	<u>June 30, 2020</u>
Cash and cash equivalents	\$ 1,575,835
Accounts receivable	80,873
Contributions receivable expected to be received within one year	503,918
Annual distribution from scholarship endowment (estimated)	75,000
Less:	
Designated net assets without donor restrictions net of endowment	(213,177)
Net assets with donor restrictions net of endowments	<u>(1,255,974)</u>
	<u>\$ 766,475</u>

RCS maintains bank checking, money market and other highly liquid investment accounts for liquidity management. Board designated net assets could be made available if necessary.

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

3. CONTRIBUTIONS RECEIVABLE

At June 30, 2020 RCS had \$1,253,918 of unconditional promises to give, the net realizable value of which approximates the present value of estimated future cash flows at June 30, 2020. See Note 2 for a description of the accounting policies for contributions receivable. These promises to give are due to be collected through 2024 and are reported as contributions receivable in the accompanying consolidated statements of financial position.

Promises to give are expected to be collected as follows:

Amounts due in:	
2020	\$ 503,918
2021	300,000
2022	250,000
2023	100,000
2024	100,000
	1,253,918

4. INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments held for long-term purposes are reported at fair value and consist of the following:

	June 30, 2020		
	Fair Value	Carrying Value	Unrealized Gain
Bank money market fund	\$ 561,904	\$ 561,904	\$ -
Barnabas endowment fund	1,693,591	1,374,519	319,072
Commonfund			
Equity index fund	2,134,619	1,530,295	604,324
High quality bond fund	699,709	653,326	46,383
Multi-strategy bond fund	713,412	648,787	64,625
Multi-strategy equity fund	2,025,539	1,276,416	749,123
	\$ 7,828,774	\$ 6,045,247	\$ 1,783,527

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

4. INVESTMENTS HELD FOR LONG-TERM PURPOSES, continued

Investment income consists of the following:

	Year Ended June 30, 2020		
	Other	Held for Long Term Purposes	Total
Dividends and interest	\$ 4,999	\$ 60,342	\$ 65,341
Realized gains	-	54,765	54,765
Unrealized gains	-	148,527	148,527
Investment management fees	-	(19,776)	(19,776)
	<u>\$ 4,999</u>	<u>\$ 243,858</u>	<u>\$ 248,857</u>

RCS accounts for investments under fair value accounting standards. Fair value is defined as the 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.

The financial accounting standards have established a hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Under the standards, three levels of inputs that may be used to measure fair value are:

LEVEL 1 - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that RCS has the ability to access.

LEVEL 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

LEVEL 3 - Level 3 inputs are unobservable inputs including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. RCS's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Investments of RCS are held and managed by the Barnabas Foundation and Commonfund as detailed above. Because valuations for Barnabas and Commonfund investment funds entail utilizing both Level 1 and Level 2 measurement inputs and because these entities provide only monthly valuation and liquidity, management has concluded that the overall classification for fair value measurement is Level 2.

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

5. ENDOWMENT

The RCS endowment consists of contributed land, 53 individual and one general fund established for student scholarships, two funds for the general operation of RCS and one fund for facilities. One of the funds for general operations is board-designated; all other funds consist of donor-restricted contributions specified for perpetual investment. Total endowments at June 30, 2020 consist of the following:

Land	\$ 1,831,440
Board-designated for general operations	4,189,367
Facilities	2,491,724
General operations	2,142,751
Scholarship	<u>2,833,796</u>
	<u>\$ 13,489,078</u>

As required by generally accepted accounting principles, net assets associated with endowment funds, including any funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. RCS's endowment is funded both by board-designated allocations as well as donor-restricted contributions.

The Board has interpreted the New Mexico Uniform Prudent Management of Institutional Funds Act (NM-PMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2020, there were no such donor stipulations. As a result of this interpretation, RCS retains in perpetuity:

- (1) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts including promises to give at fair value) donated to the endowment and
- (2) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by RCS in a manner consistent with the standard of prudence prescribed by NM-PMIFA. RCS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the fund;
- (2) the purposes of the organization and the donor-restricted endowment fund;
- (3) general economic conditions;
- (4) the possible effect of inflation and deflation;
- (5) the expected total return from income and the appreciation of investments;
- (6) other resources of the organization;
- (7) the investment policies of the organization.

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

5. ENDOWMENT, continued

ENDOWMENT NET ASSET COMPOSITION BY TYPE OF FUND

	June 30, 2020			Total
	Board- Designated	Purpose Restrictions	Perpetual Restrictions	
Board-designated funds	\$ 4,189,367	\$ -	\$ -	\$ 4,189,367
Donor-restricted funds	-	1,483,413	5,984,858	7,468,271
	\$ 4,189,367	\$ 1,483,413	\$ 5,984,858	\$ 11,657,638

CHANGES IN ENDOWMENT NET ASSETS

	Board- Designated	Purpose Restrictions	Perpetual Restrictions	Total
Endowment net assets				
June 30, 2019	\$ 4,213,984	\$ 1,247,525	\$ 5,761,946	\$ 11,223,455
Investment return				
Investment income	1,947	58,395	-	60,342
Realized gains	6,474	48,291	-	54,765
Unrealized (losses) gains	(866)	149,393	-	148,527
Management fees	(3,402)	(16,374)	-	(19,776)
Total investment return	4,153	239,705	-	243,858
Net rental income	13,817	-	-	13,817
Contributions	-	-	223,087	223,087
Appropriation of endowment assets for expenditure	(36,552)	(3,817)	(175)	(40,544)
Other changes				
Life insurance premiums	(1,603)	-	-	(1,603)
Annuity value	(4,432)	-	-	(4,432)
Endowment net assets, June 30, 2020	\$ 4,189,367	\$ 1,483,413	\$ 5,984,858	\$ 11,657,638

FUNDS WITH DEFICIENCIES

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). RCS has interpreted NM-PMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2020, funds with original gift values of \$5,985,033 had fair values of \$7,289,893 and thus there were no deficiencies reported in net assets with donor restrictions.

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

5. ENDOWMENT, continued

RETURN OBJECTIVES AND RISK PARAMETERS

The investment objectives of RCS are:

- (1) to preserve the long-term real purchasing power of endowment fund assets,
- (2) to realize an appropriate level of investment income and
- (3) to invest endowment funds in a manner which is consistent with the needs and circumstances of donors and beneficiaries.

The long-term investment goal is to provide a long-term rate of return on an annualized basis of four percent in excess of the rate of inflation as measured by the Consumer Price Index. Actual returns in any given year may vary from this amount.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, RCS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). RCS targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

RCS appropriates for distribution each year 4 percent of the average fair value of the endowment as of the end of the three most recent Februarys previous to the fiscal year for which the distribution is to be made. In establishing this policy, RCS considered the long-term expected return on its endowment. Accordingly, over the long term, RCS expects the current spending policy to be consistent with RCS's objective to maintain the purchasing power of the endowment assets held for donor-specified purposes as well as to provide additional real growth through new gifts and investment return.

During the year ended June 30, 2020, \$74,265 was appropriated from the scholarship endowment based on the formula described above.

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2020:

Land and land improvements	\$ 6,334,606
Buildings	24,302,303
Computers	537,617
Furniture	766,936
Maintenance equipment	200,198
Vehicles	397,764
Construction in progress	1,246
	<hr/>
	32,540,670
Less accumulated depreciation	<hr/>
	(12,316,081)
	<hr/>
	\$ 20,224,589
	<hr/>

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

7. LOAN PAYABLE

Loan payable consists of a federal Paycheck Protection Program loan dated April 2020, unsecured with a fixed interest rate of 1.0 percent per annum and requiring eighteen monthly payments of \$70,062 beginning August 2021. The loan was forgiven in November 2020.

RCS had a \$300,000 bank line of credit, dated August 2019 with a maturity date of August 2020, secured by bank cash accounts and with a fixed rate of interest of 2.3 percent per annum. RCS did not utilize the line during the year ended June 30, 2020. The line was renewed in August 2020 with the same terms.

8. LEASES

RCS leases a portion of one its buildings to the U.S. Postal Service, which has the option of terminating the lease at any time with a ninety-day notice. Prior to September 2019, RCS received monthly rent payments of \$617. Effective September 2019, the annual lease terms are as follows:

<u>Period</u>	<u>Amount</u>
September 2019 - August 2024	\$6,800/year
September 2024 - August 2029	\$7,140/year
September 2029 - August 2034	\$7,500/year

RCS leases several residential properties to its staff members on a year-to-year basis and several other spaces are rented to apartment tenants, guests and other entities on a month-to-month basis.

Total gross rental revenue for the year ended June 30, 2020 was \$156,093. Rental revenue is reported net of the expenses for the rental properties held by the endowment fund on the statement of activities.

The following represents the RCS investment in rental property at June 30, 2020:

Buildings and improvements	\$ 1,730,522
Less: accumulated depreciation	<u>(1,673,594)</u>
	<u>\$ 56,929</u>

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

9. DESIGNATED NET ASSETS

Designated net assets as of and for the year ended June 30, 2020 are as follows:

	June 30, 2019	Additions	Expenditures	June 30, 2020
All school program	\$ 15,559	\$ 1,950	\$ 17,509	\$ -
Band	7,863	12,875	4,624	16,114
Camp Dunamis	(198)	419	221	-
Campus maintenance and shop	3,189	-	-	3,189
Capital projects - electrical	235,208	-	161,561	73,647
Chaplaincy	3,994	-	1,552	2,442
Choir	6,960	8,093	-	15,053
Class of 2028 - 4th Grade Class	-	7,713	3,844	3,869
Class of 2027 - 5th Grade Class	602	-	417	185
Class of 2026 - 6th Grade Class	(397)	409	12	-
Class of 2025 - 7th Grade Class	236	-	-	236
Class of 2024 - 8th Grade Class	(145)	2,927	593	2,189
Class of 2023 - 9th Grade Class	2,928	-	-	2,928
Class of 2022 - 10th Grade Class	2,161	-	-	2,161
Class of 2021 - 11th Grade Class	2,177	-	-	2,177
Class of 2020 - 12th Grade Class	955	2,495	1,800	1,650
Destination Rehoboth	13,500	12,015	21,170	4,345
Elementary box tops and printer cartridge recycling	863	374	-	1,237
Elementary school program	509	2,352	1,710	1,151
Elementary-middle school fundraising	3,006	173	220	2,959
Endowment - board designated	4,213,984	(24,415)	200	4,189,369
Food service	2,057	-	361	1,696
Groups and guests	-	32,021	32,021	-
High Desert Horizons - 6th Grade	2,423	-	410	2,013
High school advanced placement	-	1,252	1,252	-
High school drama club	66	-	-	66
High school program	909	514	1,422	1
High school student council	2,292	725	455	2,562
Honor society	738	80	731	87
Library	1,617	1,350	1,901	1,066
Memorabilia gift revenue	-	5,277	5,277	-
Middle school				
Drama club	-	312	312	-
Events	202	1,669	1,871	-
Program	4,061	-	454	3,607

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

9. DESIGNATED NET ASSETS, continued

	June 30, 2019	Additions	Expenditures	June 30, 2020
Playground equipment	5,725	-	5,725	-
Prepaid sponsorships	1,099	-	-	1,099
REAP/Greenhouse	2,000	-	-	2,000
Ropes course	5,883	3,250	2,621	6,512
Scholarships - Smile Like Jesse	-	740	1,111	(371)
SCRIP gift cards	-	134	134	-
Sports				
Athletic sponsorships	333	2,365	1,018	1,680
Baseball	247	1,731	1,280	698
Booster club	1,936	-	1,936	-
Boys basketball	2,401	5,121	4,240	3,282
Boys soccer	-	800	15	785
Cheer team	896	180	-	1,076
Concession stand	2,609	29,738	29,792	2,555
Cross country	1,042	2,314	1,872	1,484
District 1 A-AAA	76	-	50	26
Girls basketball	-	10,845	8,037	2,808
Girls soccer	6,432	861	1,432	5,861
Sports and fitness center equipment fund	156	37	-	193
Softball	1,318	1,275	1,469	1,124
Sports teams	3,451	8,271	8,143	3,579
Track	-	3,155	-	3,155
Volleyball	3,339	2,975	2,857	3,457
Summer camp	10,832	-	2,117	8,715
Transportation fund	17,385	-	3,975	13,410
Vending machines	635	-	150	485
Volunteer projects and housing	1,100	-	-	1,100
Yearbook	1,984	82	832	1,234
Zuni/Rehoboth Project	-	600	-	600
	<u>\$ 4,598,198</u>	<u>\$ 145,054</u>	<u>\$ 340,706</u>	<u>\$ 4,402,546</u>

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

10. NET ASSETS WITH DONOR RESTRICTIONS

Changes in net assets with donor restrictions as of and for the year ended June 30, 2020 are as follows:

	June 30, 2019	Contributions and Investment Income	Released From Restrictions	June 30, 2020
All school program	\$ -	\$ 50	\$ 50	\$ -
Athletic sponsorships	-	19,230	19,230	-
Band	-	13,190	13,190	-
Bus replacement	-	368,572	-	368,572
Camp Dunamis	-	500	500	-
Campus maintenance	-	1,900	-	1,900
Capital projects	-	10,368	10,368	-
Choir	30,040	15,206	17,290	27,956
Contribution receivable	900,000	-	300,000	600,000
Elementary school program	1,500	725	2,225	-
Elementary and middle school	-	734	734	-
Endowments				
Facilities	267,244	2,585	-	269,829
General	403,463	41,796	(70,272)	515,531
Tuition assistance	576,818	195,324	74,090	698,052
Faith formation	-	1,050	350	700
Food service	-	56,696	40,950	15,746
High Desert Horizons	-	8,750	90	8,660
High school program	-	2,637	2,637	-
Library gifts	107	50	157	-
Middle school program	2,170	293	2,463	-
Playground equipment	-	550	550	-
Pre-K project	1,226	1,500	546	2,180
Land acquisition and expenses	9,871	120,000	995	128,876
Scholarships				
Beauty Out of Ashes	-	500	500	-
Harrison Lauber	500	2,400	2,400	500
Harvey	800	-	-	800
Jubilee	2,970	72,147	33,615	41,502
Landavazo	500	-	500	-
Lighthouse	5,300	2,000	2,000	5,300
Post-graduate nursing	12,267	-	-	12,267
Visscher/Olson	1,410	700	2,110	-
Sports teams	-	2,650	2,650	-
Student sponsorships	45,261	30,847	40,026	36,082

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

10. NET ASSETS WITH DONOR RESTRICTIONS, continued

	June 30, 2019	Contributions and Investment Income	Released From Restrictions	June 30, 2020
Summer staff	-	13,061	10,772	2,289
Track	-	1,000	270	730
Transportation	-	2,025	2,025	-
Volunteer projects and housing	-	1,650	1,264	386
Zuni-Rehoboth project	-	6,250	4,722	1,528
	<u>\$ 2,261,447</u>	<u>\$ 996,936</u>	<u>\$ 518,997</u>	<u>\$ 2,739,386</u>

11. PENSION PLAN

RCS participates in a defined benefit pension plan covering all employees working more than 1,000 hours per year. Under the terms of the plan, both RCS and each eligible employee contribute a total of 4 percent of compensation to the Christian School Pension Plan, a multi-employer plan that is managed by Christian Schools International. Total contributions to this plan by RCS for the year ended June 30, 2020 were \$107,162. A separate actuarial present value of RCS's position is not available with respect to this plan. However, for informational purposes, the most recent information available regarding the actuarial present value of accumulated benefits and net assets available for benefits (assuming a 7.5 percent rate of return) for the Christian School Pension Plan is as follows:

Actuarial present value of accumulated plan benefits as of August 31, 2019	<u>\$ 741,571,385</u>
Net assets available for benefits as of August 31, 2019	<u>\$ 733,476,561</u>

The following changes were effective October 2018:

- No new employees were eligible to become participants in the plan after August 31, 2018;
- A hard freeze of the plan effective August 31, 2019;
- Participants in the plan will retain the participants' benefits earned as of August 31, 2019 but will not earn any additional benefits after August 31, 2019;
- Each participating employer will continue to make contributions to the plan after August 31, 2019 to pay plan expenses and fund its respective participants' earned benefits as of that date; RCS's share of the annual contribution amount for the plan year beginning September 1, 2020 is \$151,749;
- Any school choosing to withdraw from the plan must pay its share of the unfunded liability; the projected share of withdrawal liability that has been attributed to RCS is \$7,269,522 as of August 31, 2020;

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Notes to Consolidated Financial Statements

June 30, 2020

11. PENSION PLAN, continued

In order to provide an employee retirement plan subsequent to August 31, 2019, RCS joined other Christian schools to form Christian Schools Retirement Investment Consortium, Inc. to negotiate and enter into service agreements with third-party administrators, investment providers and other parties as needed to provide services necessary to establish and maintain a RCS-sponsored 403(b) plan. For the year ended June 30, 2020, for employees who did not participate in the Christian School Pension Plan, RCS provided a matching contribution of 50 percent of the employee's contributions up to the equivalent of 5 percent of compensation for each qualified employee who contributed to the plan via elective salary and wage deductions. For the year ended June 30, 2020, for employees who did participate in the Christian School Pension Plan, RCS provided a matching contribution of 50 percent of the employee's contributions up to the equivalent of 1 percent of compensation for each qualified employee who contributed to the plan via elective salary and wage deductions. Contributions made by RCS during the year ended June 30, 2020 totaled \$29,620.

12. CONCENTRATION

For the year ended June 30, 2020, the top five donors provided 37 percent of total contributions.

13. PRIOR YEAR CORRECTIONS

Net assets as of June 30, 2019 have been retroactively restated to reflect the correction of errors made in previously issued consolidated financial statements as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose or Time Restrictions	Perpetual Restrictions	
Net assets, June 30, 2019				
As previously reported	\$ 21,042,676	\$ 2,485,650	\$ 7,371,492	\$ 30,899,818
Correct classification of funds transferred to the facilities endowment to be perpetual rather than with purpose or time restrictions	-	(221,894)	221,894	-
Correct reporting of designated net assets rather than as net assets with donor restrictions	114,444	(114,444)	-	-
As corrected	\$ 21,157,120	\$ 2,149,312	\$ 7,593,386	\$ 30,899,818

14. SUBSEQUENT EVENTS

Management has evaluated for potential recognition or disclosure in these financial statements subsequent events and transactions occurring through April 26, 2021, the date these financial statements were available to be issued.

The COVID-19 pandemic has cast uncertainty over virtually everything. While the long-term effects of the pandemic could negatively affect RCS's financial position, cash flows and results of activities, any such effects cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Consolidating Statement of Financial Position

June 30, 2020

	Rehoboth Christian School	Rehoboth Development, LLC	Eliminations	Totals
ASSETS				
Cash and cash equivalents	\$ 1,575,835	\$ -	\$ -	\$ 1,575,835
Accounts receivable, net of allowance of \$20,096	80,873	-	-	80,873
Prepaid expenses	32,849	-	-	32,849
Contributions receivable	1,253,918	-	-	1,253,918
Inventory	4,223	-	-	4,223
Note receivable from Rehoboth Christian School	79,576	-	(79,576)	-
Property held for sale	-	94,407	-	94,407
Cash surrender value of life insurance policies	74,405	-	-	74,405
Barnabas Foundation charitable gift annuity receivable	14,562	-	-	14,562
Investments held for long-term purposes	7,828,774	-	-	7,828,774
Property and equipment, net of accumulated depreciation	20,224,589	-	-	20,224,589
Total Assets	\$ 31,169,604	\$ 94,407	\$ (79,576)	\$ 31,184,435
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 56,051	\$ -	\$ -	\$ 56,051
Accrued payroll and related liabilities	102,903	-	-	102,903
Deferred revenue	170,437	-	-	170,437
Loan payable	437,500	-	-	437,500
Note payable to Rehoboth Development, LLC	-	79,576	(79,576)	-
Present value of annuity agreements	35,386	-	-	35,386
Total Liabilities	802,277	79,576	(79,576)	802,277
Net Assets				
Without donor restrictions				
Undesignated	(4,815,492)	14,831	-	(4,800,661)
Designated	4,402,546	-	-	4,402,546
Net investment in property and equipment	20,224,589	-	-	20,224,589
	19,811,643	14,831	-	19,826,474
With donor restrictions				
Purpose or time restrictions	2,739,386	-	-	2,739,386
Perpetual restrictions	7,816,298	-	-	7,816,298
	10,555,684	-	-	10,555,684
Total Net Assets	30,367,327	14,831	-	30,382,158
Total Liabilities and Net Assets	\$ 31,169,604	\$ 94,407	\$ (79,576)	\$ 31,184,435

See notes to consolidated financial statements and independent accountants' review report

REHOBOTH CHRISTIAN SCHOOL ASSOCIATION

Consolidating Statement of Activities

Year Ended June 30, 2020

	Rehoboth Christian School			Total	Rehoboth Development, LLC	Eliminations	Totals
	Without Donor Restrictions	With Donor Restrictions Purpose or Time	Perpetual				
SUPPORT AND REVENUE							
Tuition and fees	\$ 3,157,041	\$ -	\$ -	\$ 3,157,041	\$ -	\$ -	\$ 3,157,041
Less: tuition grants and discounts	(1,653,664)	-	-	(1,653,664)	-	-	(1,653,664)
	<u>1,503,377</u>	<u>-</u>	<u>-</u>	<u>1,503,377</u>	<u>-</u>	<u>-</u>	<u>1,503,377</u>
Contributions	1,516,721	757,231	223,087	2,497,039	-	-	2,497,039
Grants	561,970	-	-	561,970	-	-	561,970
In-kind contributions	83,883	-	-	83,883	-	-	83,883
Rental	136,771	-	-	136,771	-	-	136,771
Campus programs	440,732	-	-	440,732	-	-	440,732
Investment income	9,152	239,705	-	248,857	-	-	248,857
Change in value of annuity agreements	(4,432)	-	-	(4,432)	-	-	(4,432)
Loss on disposal of property and equipment	(67,241)	-	-	(67,241)	-	-	(67,241)
Other income	74,762	-	-	74,762	-	-	74,762
Total Support and Revenue	<u>4,255,695</u>	<u>996,936</u>	<u>223,087</u>	<u>5,475,718</u>	<u>-</u>	<u>-</u>	<u>5,475,718</u>
RECLASSIFICATIONS							
Net assets released for satisfaction of purpose restrictions	407,037	(406,862)	(175)	-	-	-	-
EXPENSES							
Instructional	3,711,467	-	-	3,711,467	-	-	3,711,467
Auxiliary	814,491	-	-	814,491	-	-	814,491
Extra-curricular	290,877	-	-	290,877	-	-	290,877
Total Program	<u>4,816,835</u>	<u>-</u>	<u>-</u>	<u>4,816,835</u>	<u>-</u>	<u>-</u>	<u>4,816,835</u>
Management and general	737,684	-	-	737,684	-	-	737,684
Fund-raising	438,859	-	-	438,859	-	-	438,859
Total Expenses	<u>5,993,378</u>	<u>-</u>	<u>-</u>	<u>5,993,378</u>	<u>-</u>	<u>-</u>	<u>5,993,378</u>
Change in Net Assets	<u>(1,330,646)</u>	<u>590,074</u>	<u>222,912</u>	<u>(517,660)</u>	<u>-</u>	<u>-</u>	<u>(517,660)</u>
Net Assets, Beginning of Year							
As originally reported	20,948,269	2,485,650	7,371,492	30,805,411	94,407	-	30,899,818
Corrections - Note 13	194,020	(336,338)	221,894	79,576	(79,576)	-	-
As corrected	<u>21,142,289</u>	<u>2,149,312</u>	<u>7,593,386</u>	<u>30,884,987</u>	<u>14,831</u>	<u>-</u>	<u>30,899,818</u>
Net Assets, End of Year	<u>\$ 19,811,643</u>	<u>\$ 2,739,386</u>	<u>\$ 7,816,298</u>	<u>\$ 30,367,327</u>	<u>\$ 14,831</u>	<u>\$ -</u>	<u>\$ 30,382,158</u>

See notes to consolidated financial statements and independent accountants' review report