

FINANCIAL REPORT
MISSION ROAD MINISTRIES
JUNE 30, 2011

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Carneiro, Chumney & Co., L.C.

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Mission Road Ministries
San Antonio, Texas

We have audited the accompanying Combined Statements of Financial Position of Mission Road Ministries (the Ministries) as of June 30, 2011 and 2010, and the related Combined Statements of Activities, Cash Flows, and Functional Expenses for the years then ended. These combined financial statements are the responsibility of the Ministries' management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of 200 Oblate, Incorporated, Independence Square, Inc., or Meadow Brook Apartments. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for 200 Oblate, Incorporated, Independence Square, Inc., and Meadow Brook Apartments, is based solely on the report of the other auditors.

We conducted our audits in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministries' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Ministries as of June 30, 2011 and 2010, and the results of its activities and cash flows for the years then ended, in conformity with United States generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the Ministries taken as a whole. The accompanying Schedules of Combining Data for the Statements of Financial Position and Schedules of Combining Data for the Statements of Activities are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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Individual reports for 200 Oblate, Incorporated, Independence Square Inc., and Meadow Brook Apartments have been issued on August 10, 2011 by another Certified Public Accountant, whose report addresses the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a part of the basic statements. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

Carneiro, Chumney & Co., L.C.

October 25, 2011

MISSION ROAD MINISTRIES

COMBINED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2011 AND 2010

| | 2011 | 2010 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$ 1,779,995 | \$ 958,644 |
| Cash - restricted | 100,340 | 118,726 |
| Accounts Receivable: | | |
| Contributions receivable - net of allowance | 109,050 | 187,150 |
| Tuition and expense reimbursements - net of allowance | 944,035 | 1,148,046 |
| Other | 3,565 | 4,325 |
| Investments | 6,363,039 | 5,214,531 |
| Prepaid expenses and other assets | 38,664 | 74,699 |
| Total Current Assets | 9,338,688 | 7,706,121 |
| Fixed Assets: | | |
| Land, buildings, and equipment - net of accumulated depreciation | 12,213,362 | 12,155,405 |
| Construction in progress | 39,161 | 208,718 |
| Net Fixed Assets | 12,252,523 | 12,364,123 |
| TOTAL ASSETS | \$ 21,591,211 | \$ 20,070,244 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts Payable: | | |
| Trade | \$ 278,245 | \$ 383,884 |
| Client trust funds | 12,115 | 10,014 |
| Accrued retirement plan contribution | 59,802 | 62,587 |
| Accrued salary expenses | 423,002 | 613,643 |
| Current portion of long-term debt | 11,573 | 10,554 |
| Deferred revenue | 131,600 | 94,600 |
| Total Current Liabilities | 916,337 | 1,175,282 |
| Long-term debt | 1,210,714 | 1,222,287 |
| Total Liabilities | 2,127,051 | 2,397,569 |
| Commitments and contingencies - Notes 14 and 18 | | |
| Net Assets: | | |
| Unrestricted: | | |
| General operations | 4,247,648 | 3,006,837 |
| Board-designated | 2,802,978 | 2,328,999 |
| Net investment in fixed assets (MRM, MRDC, and Unicorn) | 10,116,529 | 10,198,278 |
| Total Unrestricted | 17,167,155 | 15,534,114 |
| Restricted: | | |
| Temporarily | 1,813,279 | 1,654,835 |
| Permanently | 483,726 | 483,726 |
| Total Restricted | 2,297,005 | 2,138,561 |
| Total Net Assets | 19,464,160 | 17,672,675 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 21,591,211 | \$ 20,070,244 |

The accompanying notes are an integral part of these combined financial statements.

MISSION ROAD MINISTRIES

COMBINED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

| | 2011 | 2010 |
|---|---------------|---------------|
| Unrestricted: | | |
| Revenue, Gains, and Other Support: | | |
| Contributions: | | |
| Individuals | \$ 256,995 | \$ 465,859 |
| Corporations | 71,526 | 60,047 |
| Foundations | 276,675 | 212,630 |
| United Way allocation - net of their fundraising expenses of \$20,772 for 2011 and \$25,829 for 2010 | 685,766 | 661,851 |
| Special events - net of direct expenses of \$85,892 for 2011 and \$74,725 for 2010 | 534,552 | 602,075 |
| Governmental Support: | | |
| Nutrition program | 49,200 | 40,826 |
| Program service fees and tuition | 9,530,568 | 8,999,533 |
| Private program service fees and tuition | 2,100,917 | 2,019,543 |
| Interest and dividends | 138,753 | 119,773 |
| Rental - net of vacancies of \$46,989 for 2011 and \$51,482 for 2010 | 495,022 | 472,101 |
| Miscellaneous | 44,062 | 22,558 |
| Net investment realized and unrealized gains | 838,373 | 385,895 |
| Loss on disposal of fixed assets | (776) | (109,280) |
| Net Assets Released from Restrictions: | | |
| Camps and SOAR | 52,901 | 7,199 |
| Fixed asset purchases | 144,392 | 3,203,970 |
| Other program services | 45,155 | 103,589 |
| Total Revenue, Gains, and Other Support | 15,264,081 | 17,268,169 |
| Expenses: | | |
| Program services - habilitation and care | 12,144,174 | 11,553,132 |
| Supporting Services: | | |
| Administrative | 1,239,527 | 1,189,125 |
| Fundraising | 247,339 | 248,419 |
| Total Expenses | 13,631,040 | 12,990,676 |
| Increase in Unrestricted Net Assets | 1,633,041 | 4,277,493 |
| Temporarily Restricted: | | |
| Contributions: | | |
| Individuals | 59,408 | 44,891 |
| Corporations | 50,470 | 2,805 |
| Foundations | 180,677 | 208,000 |
| Interest and dividends | 12,681 | 10,732 |
| Net investment realized and unrealized gains | 97,656 | 64,238 |
| Net assets released from restrictions | (242,448) | (3,314,758) |
| Increase (Decrease) in Temporarily Restricted Net Assets | 158,444 | (2,984,092) |
| Permanently restricted contributions - individuals | -- | 100 |
| Increase in Total Net Assets | 1,791,485 | 1,293,501 |
| Net assets, beginning of year | 17,672,675 | 16,379,174 |
| NET ASSETS, END OF YEAR | \$ 19,464,160 | \$ 17,672,675 |

The accompanying notes are an integral part of these combined financial statements.

MISSION ROAD MINISTRIES

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

| | 2011 | 2010 |
|--|--------------|--------------|
| Cash Flows from Operating Activities: | | |
| Increase in total net assets | \$ 1,791,485 | \$ 1,293,501 |
| Adjustments to Reconcile Increase in Total Net Assets to Net Cash Provided by Operating Activities: | | |
| Bad debt | 19,791 | 36,610 |
| Depreciation | 650,216 | 532,060 |
| Loss on disposal of fixed assets | 776 | 109,280 |
| Net investment realized and unrealized gains | (936,029) | (450,133) |
| Decrease (Increase) in: | | |
| Accounts receivable | 263,080 | 62,258 |
| Prepaid expenses and other assets | 56,522 | (18,993) |
| (Decrease) Increase in: | | |
| Accounts payable | (109,757) | (526,263) |
| Accrued retirement plan contribution | (2,785) | (12,075) |
| Accrued salary expenses | (190,641) | 70,579 |
| Deferred revenue | 37,000 | 19,550 |
| Net Cash Provided by Operating Activities | 1,579,658 | 1,116,374 |
| Cash Flows from Investing Activities: | | |
| Proceeds from sales or maturity of investments | 4,555 | 52,000 |
| Purchases of investments | (217,034) | (421,942) |
| Purchase of fixed assets | (421,820) | (2,521,563) |
| Payments for construction in progress | (113,454) | (1,216,071) |
| Net Cash (Used in) Investing Activities | (747,753) | (4,107,576) |
| Cash Flows (Used in) Financing Activities – | | |
| Principal payments on long-term debt | (10,554) | (11,895) |
| Net Increase (Decrease) in Cash | 821,351 | (3,003,097) |
| Cash, beginning of year | 958,644 | 3,961,741 |
| CASH, END OF YEAR | \$ 1,779,995 | \$ 958,644 |
| Cash Paid for – | | |
| Interest | \$ 33,208 | \$ 32,811 |

The accompanying notes are an integral part of these combined financial statements.

MISSION ROAD MINISTRIES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2011

| | Program Services | | Supporting Services | | Total |
|--|-----------------------|------------------|---------------------|--|----------------------|
| | Habilitation and Care | Admin-istrative | Fund-raising | | |
| EXPENSES | | | | | |
| Salaries | \$ 6,894,268 | 854,607 | 188,561 | | \$ 7,937,436 |
| Employee health and welfare | 566,543 | 74,728 | 11,922 | | 653,193 |
| Employee retirement | 131,282 | 23,810 | 5,685 | | 160,777 |
| Payroll taxes | 552,591 | 63,584 | 13,865 | | 630,040 |
| Workers' compensation insurance | 128,067 | 2,735 | 674 | | 131,476 |
| Total Salary Expenses | 8,272,751 | 1,019,464 | 220,707 | | 9,512,922 |
| Professional fees - accounting, legal, and other | 93,495 | 89,013 | 4,238 | | 186,746 |
| Professional fees - program | 883,765 | -- | -- | | 883,765 |
| Training | 298,382 | -- | -- | | 298,382 |
| Supplies | 648,623 | 31,579 | 3,483 | | 683,685 |
| Telephone | 77,570 | 5,425 | 830 | | 83,825 |
| Postage and shipping | 6,942 | 7,803 | 2,255 | | 17,000 |
| Occupancy | 292,231 | 3,499 | -- | | 295,730 |
| Utilities | 328,121 | 8,209 | -- | | 336,330 |
| Equipment rental | 186 | -- | -- | | 186 |
| Equipment maintenance | 41,174 | 19,102 | 309 | | 60,585 |
| Director and officer insurance | -- | 13,914 | -- | | 13,914 |
| Corporate insurance | 103,522 | 4,430 | -- | | 107,952 |
| Printing and publications | 7,156 | 10,451 | 12,080 | | 29,687 |
| Transportation | 228,387 | 1,247 | 30 | | 229,664 |
| Meetings/conferences | 10,076 | 612 | 2,105 | | 12,793 |
| Specific assistance to individuals | 130,889 | -- | -- | | 130,889 |
| Membership dues | 8,988 | 1,145 | -- | | 10,133 |
| Interest | 33,208 | -- | -- | | 33,208 |
| Miscellaneous | 17,536 | 88 | -- | | 17,624 |
| Bad debt | 19,111 | 680 | -- | | 19,791 |
| Public relations/charitable contributions | 2,645 | 1,767 | 216 | | 4,628 |
| Bank fees | 9,206 | 1,093 | 1,086 | | 11,385 |
| Total Expenses before Depreciation | 11,513,964 | 1,219,521 | 247,339 | | 12,980,824 |
| Depreciation | 630,210 | 20,006 | -- | | 650,216 |
| TOTAL EXPENSES | \$ 12,144,174 | 1,239,527 | 247,339 | | \$ 13,631,040 |

The accompanying notes are an integral part of these combined financial statements.

MISSION ROAD MINISTRIES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2010

| | Program Services | Supporting Services | | Total |
|--|--------------------------|---------------------|------------------|---------------------|
| | Habilitation and Care | Admin- istrative | Fund- raising | |
| EXPENSES | | | | |
| Salaries | \$ 6,553,191 | 783,239 | 184,460 | \$ 7,520,890 |
| Employee health and welfare | 558,855 | 85,535 | 8,918 | 653,308 |
| Employee retirement | 144,756 | 25,908 | 6,210 | 176,874 |
| Payroll taxes | 519,514 | 57,761 | 13,815 | 591,090 |
| Workers' compensation insurance | 129,984 | 3,611 | 658 | 134,253 |
| Total Salary Expenses | 7,906,300 | 956,054 | 214,061 | 9,076,415 |
| Professional fees - accounting, legal, and other | 86,106 | 87,669 | -- | 173,775 |
| Professional fees - program | 791,180 | -- | -- | 791,180 |
| Training | 281,677 | -- | -- | 281,677 |
| Supplies | 740,201 | 23,387 | 5,622 | 769,210 |
| Telephone | 80,286 | 6,449 | 827 | 87,562 |
| Postage and shipping | 8,981 | 8,517 | 3,125 | 20,623 |
| Occupancy | 301,316 | 1,889 | -- | 303,205 |
| Utilities | 275,177 | 8,469 | -- | 283,646 |
| Equipment rental | 202 | -- | -- | 202 |
| Equipment maintenance | 37,209 | 13,546 | 311 | 51,066 |
| Director and officer insurance | -- | 16,099 | -- | 16,099 |
| Corporate insurance | 114,569 | 4,514 | -- | 119,083 |
| Printing and publications | 7,065 | 5,385 | 16,360 | 28,810 |
| Transportation | 201,707 | 713 | -- | 202,420 |
| Meetings/conferences | 10,914 | 1,141 | 2,409 | 14,464 |
| Specific assistance to individuals | 134,206 | -- | -- | 134,206 |
| Membership dues | 10,554 | 495 | 2,120 | 13,169 |
| Interest | 32,811 | -- | -- | 32,811 |
| Miscellaneous | 10,780 | 146 | -- | 10,926 |
| Bad debt | 9,040 | 27,570 | -- | 36,610 |
| Public relations/charitable contributions | 4,988 | 500 | -- | 5,488 |
| Bank fees | 2,385 | -- | 3,584 | 5,969 |
| Total Expenses before Depreciation | 11,047,654 | 1,162,543 | 248,419 | 12,458,616 |
| Depreciation | 505,478 | 26,582 | -- | 532,060 |
| TOTAL EXPENSES | \$11,553,132 | 1,189,125 | 248,419 | \$12,990,676 |

The accompanying notes are an integral part of these combined financial statements.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 1: Reporting Entity

In 2000, Mission Road Ministries (MRM), a 501(c)(3) nonprofit organization, was formed to assist other 501(c)(3) nonprofit agencies. These nonprofit agencies provide a continuum of care for persons with intellectual and other developmental disabilities. The agencies currently assisted are Mission Road Developmental Center, Inc. (MRDC), Unicorn Centers, Inc. (Unicorn), and three Housing and Urban Development (HUD) subsidized apartments: 200 Oblate, Incorporated d/b/a Murray Manor (200 Oblate), Independence Square, Inc. (Independence Square), and Meadow Brook Apartments (Meadow Brook). MRM's mission is to provide quality care and training for this special population so that each individual may achieve their potential for independence, productivity, self-reliance, and integration into the community. This is accomplished by coordinating complementary services provided by the five (5) operating agencies (see Note 15). MRM is also affiliated with the Clifford Craig Bledsoe Memorial Foundation (the Bledsoe Foundation) through common members of the Board of Directors (the Board) of MRDC and MRM.

Founded in 1947, MRDC provides a continuum of care for children and adults with intellectual and other developmental disabilities. Services are provided in the person's residence (in-home services), at the MRDC Day Services facility, or in MRDC's residential program consisting of six campus cottages located on its 20-acre campus, and thirteen (13) community group homes in various locations within San Antonio, Texas. Of the 13 community group homes, two were purchased in 2010, with one home beginning client services in 2010 and the other in 2011.

Unicorn provides a variety of services to persons with intellectual and other developmental disabilities. These services are all directed toward helping them develop job skills, life skills, and access to community services and activities. These services currently include Extended Employment, Supported Employment, Site-based Habilitation, and Community Support Services, and are provided at its central location situated in northwest San Antonio, Texas, and through employers in the community.

200 Oblate, Independence Square, and Meadow Brook are three HUD subsidized apartment projects designed to provide affordable supervised housing for persons with intellectual and other developmental disabilities. With minimal support provided, these individuals work and live as independently as possible.

The MRM combined financial statements also include the Bledsoe Foundation. The Bledsoe Foundation was created in a Trust Indenture on July 3, 1967, for the sole purpose of providing support to MRDC. In November 2005, the Bledsoe Foundation elected trustees to occupy unfilled trustee positions. In January 2007, additional trustees and a new chairperson were elected. With these actions, a majority of trustees serving on the Bledsoe Foundation also serve as common members of the Board of MRDC and MRM.

Note 2: Summary of Significant Accounting Policies

Principles of Combination

The combined financial statements include MRM, MRDC, Unicorn, 200 Oblate, Independence Square, Meadow Brook, and the Bledsoe Foundation. These entities share common directors and management. All significant inter-organizational accounts and transactions have been eliminated in combination.

Financial Statement Presentation

The Not-for-Profit Entities Revenue Recognition topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 requires reporting financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 2: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The combined financial statements have been prepared on the accrual basis of accounting. The financial statements accordingly reflect all significant receivables, payables, and other liabilities.

Net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations and account for operating activities of the organizations. Unrestricted net assets may be designated for specific purposes by action of the Board.

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

Permanently Restricted Net Assets – Net assets that are limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the organizations. While the resources must be maintained permanently, the income from the assets may be used for expenditures.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered cash equivalents for cash flow purposes (see Notes 3 and 4).

Contributions Receivable

Contributions are recognized when the donor makes a promise to give to MRM that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets and released in the fiscal year in which the restriction is satisfied. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions (see Note 7).

Accounts Receivable

Accounts receivable primarily consist of tuition reimbursements from various individuals, organizations, and governmental agencies (see Notes 3 and 8).

Allowance for Doubtful Accounts

Management analyzes aging of accounts receivable at least quarterly. Accounts receivable are considered delinquent when they are over 60 days old. Payment trends by delinquent accounts are considered by management when estimating the allowance for doubtful accounts. Accounts determined to be uncollectible by management are charged to the allowance for doubtful accounts (see Notes 7 and 8).

Investments

Investments are carried at fair value at quoted market prices (see Notes 5 and 6).

Depreciable Assets

Depreciable assets are stated at cost when purchased, or at fair value on the date of donation when donated to MRM. For the years ended June 30, 2011 and 2010, expenditures for assets over \$1,000 were capitalized for all entities. Depreciation is provided over the estimated useful life of each class of depreciable asset, and is computed using the straight-line method (see Note 9).

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 2: Summary of Significant Accounting Policies (Continued)

Depreciable Assets (Continued)

Depreciation is based on the following estimated useful lives:

| | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 5 - 50 |
| Equipment | 3 - 15 |
| Furniture | 5 - 15 |
| Vehicles | 3 - 7 |
| Website | 3 |

Deferred Revenue

Deferred revenue represents program revenue attributable to events that have not yet occurred.

Program Revenue

Program revenue is considered earned as services are provided to clients.

Federal Income Taxes

MRM and affiliates are exempt from federal income taxes pursuant to provisions of Internal Revenue Code (IRC) Section 501(c)(3). MRM adopted the provisions of FASB ASC topic 740-10-25, *Income Taxes – Overall – Recognition*, which require recognition and disclosure of uncertain tax positions in the financial statements and footnotes. Management of MRM believes it has no material uncertain tax positions and, accordingly, it will not recognize any related liabilities.

Functional Expenses

Professional administrative expenses are centralized under MRM to eliminate some redundancy at the affiliate level. MRM charges its affiliates a management fee to perform this function. The MRDC and Unicorn total annual management fee expenditures have been allocated to various MRDC and Unicorn expense accounts based on the actual administrative expense account activities of MRM.

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies.

Fair Value of Financial Instruments

The Fair Value Measurements and Disclosures Topic of the FASB ASC, 820-10, defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets that MRM has the ability to access.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 2: Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

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

Estimates and Assumptions

The preparation of financial statements in conformity with United States generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 3: Concentration of Credit and Business Risk

Financial instruments which potentially subject MRM to a concentration of credit risk consist principally of cash, accounts receivable, and revenue.

MRM maintains multiple bank accounts in San Antonio, Texas. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for interest-bearing accounts, and without limit for non-interest-bearing transaction accounts. At various times during the year, there were balances in the banks that were over the FDIC limit. Balances at June 30, 2011 and 2010 exceeded federally uninsured limits by \$549 and \$309,708, respectively.

Accounts receivable for tuition and expense reimbursements are comprised primarily of amounts due from governmental agencies (see Note 8). MRM received \$9,579,768 representing 63% of total revenue, gains and other support, and \$9,040,359 or 63% of total revenue, gains, and other support from governmental agencies for the years ended June 30, 2011 and 2010, respectively.

200 Oblate's sole asset is a 16-unit apartment project. 200 Oblate's operations are concentrated in the leasing of these units to individuals who qualify under the Section 8 and Section 811 guidelines. The operations of 200 Oblate are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the relative cost, including the additional administrative burden to comply with a change.

Independence Square's sole asset is a 9-unit apartment project. Independence Square's operations are concentrated in the leasing of these units to individuals who qualify under the Section 8 and Section 202 guidelines. The operations of the corporation are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 3: Concentration of Credit and Business Risk (Continued)

The sole asset of Meadow Brook is an 18-unit apartment project. Meadow Brook's operations are concentrated in the leasing of these units to individuals who qualify under the Section 8 and Section 811 guidelines. The operations of Meadow Brook are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

A capital advance in the amount of \$1,399,000 was funded by HUD for the total construction and administration of the project. The capital advance bears no interest, and repayment is not required while the housing remains available for very low-income persons with disabilities, in strict compliance with Section 811 of the National Housing Act, for a period of 40 years. It is MRDC's intention to adhere to these policies for the required time period. The capital advance is reflected as temporarily restricted net assets in these financial statements (see Note 12).

Note 4: Restricted Cash – Apartment Projects

Under the terms of the HUD Regulatory Agreement, projects are required to set aside specified amounts for the replacement of property and other project expenditures as approved by HUD. Restricted funds totaling \$88,649 and \$106,139 at June 30, 2011 and 2010, respectively, are held in separate accounts and generally are not available for operating purposes.

The projects are also required to fund a residual receipts account based upon HUD's calculation of surplus cash. Restricted funds totaling \$11,691 and \$12,587 at June 30, 2011 and 2010, respectively, are held in a separate account and generally are not available for operating purposes unless approved by HUD.

Note 5: Investments

Major investment categories at market value at June 30 were as follows:

| | <u>2011</u> | <u>2010</u> |
|----------------------------|-------------------------|-------------------------|
| Money market funds | \$ 443,532 | \$ 388,154 |
| Mutual Funds by Class: | | |
| Corporate bonds | 372,246 | 427,199 |
| Fixed income funds | 1,575,339 | 1,311,846 |
| Government bonds | 3,750 | 97,291 |
| International equity funds | 937,419 | 599,767 |
| Realty and specialty funds | 1,356,498 | 1,067,802 |
| United States equity funds | <u>1,674,255</u> | <u>1,322,472</u> |
| Total Investments | \$ <u>6,363,039</u> | \$ <u>5,214,531</u> |

Included in net assets at June 30, 2011 and 2010 are approximately \$1,241,280 and \$283,396, respectively, of accumulated unrealized gains on investments.

Note 6: Fair Values of Financial Instruments

The reporting entity uses fair value measurements to record fair value adjustments to certain assets and liabilities to determine fair value disclosures. For additional information on how MRM measures fair value, refer to Note 2: Summary of Significant Accounting Policies.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 6: Fair Values of Financial Instruments (Continued)

The following descriptions of the valuation methods and assumptions were used by MRM in estimating the fair value disclosures for investments. There have been no changes in methodologies used at June 30, 2011 and 2010:

Bond funds, core equity funds, emerging market funds, international equity funds, quantitative equity funds, realty funds, small and mid-cap funds, and world allocation funds are valued at the fair value of shares held by MRM at quoted market prices at fiscal year-end.

The following tables set forth by level, within the fair value hierarchy, MRM's assets at fair value as of June 30:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--|---------------------|----------------|----------------|---------------------|
| 2011: | | | | |
| Money market funds | \$ 443,532 | -- | -- | \$ 443,532 |
| Corporate bonds | 372,246 | -- | -- | 372,246 |
| Fixed income funds | 1,575,339 | -- | -- | 1,575,339 |
| Government bonds | 3,750 | -- | -- | 3,750 |
| International and United States equity funds | 2,611,674 | -- | -- | 2,611,674 |
| Realty and specialty funds | <u>1,356,498</u> | <u>--</u> | <u>--</u> | <u>1,356,498</u> |
| Total Assets at Fair Value | <u>\$ 6,363,039</u> | <u>--</u> | <u>--</u> | <u>\$ 6,363,039</u> |
| 2010: | | | | |
| Money market funds | \$ 388,154 | -- | -- | \$ 388,154 |
| Corporate bonds | 427,199 | -- | -- | 427,199 |
| Fixed income funds | 1,311,846 | -- | -- | 1,311,846 |
| Government bonds | 97,291 | -- | -- | 97,291 |
| International and United States equity funds | 1,922,239 | -- | -- | 1,922,239 |
| Realty and specialty funds | <u>1,067,802</u> | <u>--</u> | <u>--</u> | <u>1,067,802</u> |
| Total Assets at Fair Value | <u>\$ 5,214,531</u> | <u>--</u> | <u>--</u> | <u>\$ 5,214,531</u> |

Note 7: Contributions Receivable

Contributions receivable at June 30 were as follows:

| | <u>2011</u> | <u>2010</u> |
|---------------------------------------|-------------------|-------------------|
| Receivables due in less than one year | \$ 99,550 | \$ 110,000 |
| Receivables due in next five years ** | 9,500 | 102,150 |
| Less: Allowance for doubtful accounts | <u>--</u> | <u>(25,000)</u> |
| Net Contributions Receivable | <u>\$ 109,050</u> | <u>\$ 187,150</u> |

**A discount on contributions receivable is not considered material to these financial statements.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 8: Accounts Receivable

Tuition revenue is received from individual families and from organizations on behalf of joint clients, all of which are located in San Antonio, Texas. Accounts receivable consisted of the following at June 30:

| | <u>2011</u> | <u>2010</u> |
|---------------------------------------|-------------------|---------------------|
| Government agency fees | \$ 796,408 | \$ 976,578 |
| Tuition and job coaching | 123,898 | 134,963 |
| Workshop contracts | 50,132 | 51,512 |
| Other | <u>849</u> | <u>190</u> |
| Total Accounts Receivable | 971,287 | 1,163,243 |
| Less: Allowance for doubtful accounts | <u>(27,252)</u> | <u>(15,197)</u> |
| Net Accounts Receivable | \$ <u>944,035</u> | \$ <u>1,148,046</u> |

Note 9: Land, Buildings, and Equipment

At June 30, the carrying values of land, buildings, and equipment were as follows:

| | <u>2011</u> | <u>2010</u> |
|--------------------------------|----------------------|----------------------|
| Land and land improvements | \$ 724,886 | \$ 721,286 |
| Buildings and improvements | 14,897,165 | 14,288,258 |
| Construction in progress | 39,161 | 208,718 |
| Equipment | 430,788 | 403,669 |
| Furniture and fixtures | 127,427 | 133,016 |
| Vehicles | 815,274 | 763,895 |
| Website | 26,300 | 26,300 |
| Total Fixed Assets | 17,061,001 | 16,545,142 |
| Less: Accumulated depreciation | <u>(4,808,478)</u> | <u>(4,181,019)</u> |
| Net Fixed Assets | \$ <u>12,252,523</u> | \$ <u>12,364,123</u> |

Note 10: Long-Term Debt

Long-term debt as of June 30 consisted of the following:

| | <u>2011</u> | <u>2010</u> |
|--|---------------------|---------------------|
| Independence Square mortgage note payable to HUD, payable in monthly installments of \$3,654 including interest at 9.25%, through August 2023. | \$ 354,087 | \$ 364,641 |
| 200 Oblate mortgage note payable to HUD, interest at 7.0% should the mortgagor default on the note. If there is no default on the loan by September 4, 2036, the entire note will be forgiven. | <u>868,200</u> | <u>868,200</u> |
| | 1,222,287 | 1,232,841 |
| Less: Current portion of long-term debt | <u>(11,573)</u> | <u>(10,554)</u> |
| Net Long-Term Debt | \$ <u>1,210,714</u> | \$ <u>1,222,287</u> |

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 10: Long-Term Debt (Continued)

A summary of maturities of long-term debt follows for fiscal years ending June 30:

| | |
|------------|---------------------|
| 2012 | \$ 11,573 |
| 2013 | 12,690 |
| 2014 | 13,915 |
| 2015 | 15,258 |
| 2016 | 16,731 |
| Thereafter | <u>1,152,120</u> |
| | <u>\$ 1,222,287</u> |

Note 11: Funds Held for Others

MRDC and the apartment projects administer cash trust accounts for their clients. MRDC's funds totaled \$95,842 and \$65,680 at June 30, 2011 and 2010, respectively, and are not reflected in the financial statements. The apartment client trust funds are reflected in the financial statements.

Note 12: Restricted Net Assets

Temporarily Restricted

Temporarily restricted net assets consisted of the following at June 30:

| | <u>2011</u> | <u>2010</u> |
|---|---------------------|---------------------|
| Automatic doors | \$ 8,835 | \$ 16,494 |
| Classroom | -- | 46 |
| Dumpster pad | -- | 10,000 |
| Employment skills computers | 613 | 3,000 |
| Endowment earnings | 127,800 | 39,351 |
| Exercise equipment | 1,270 | 1,575 |
| Fixed asset additions and improvements | 89,071 | -- |
| Forklift | 3,565 | 5,086 |
| Future program expenses | 67,330 | 99,066 |
| Meadow Brook HUD capital advance | 1,399,000 | 1,399,000 |
| MRDC benefit | 115,795 | 81,217 |
| Software | <u>--</u> | <u>--</u> |
| Total Temporarily Restricted Net Assets | <u>\$ 1,813,279</u> | <u>\$ 1,654,835</u> |

Permanently Restricted

Permanently restricted net assets consisted of the following at June 30:

| | | |
|---|-------------------|-------------------|
| Endowment to provide operating income | \$ 395,332 | \$ 395,332 |
| Mockingbird property (included in fixed assets) | <u>88,394</u> | <u>88,394</u> |
| Total Permanently Restricted Net Assets | <u>\$ 483,726</u> | <u>\$ 483,726</u> |

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 13: Net Assets Released from Restrictions

Net assets were released from temporary donor restrictions by incurring expenses satisfying the restricted purposes, or by occurrence of other events specified by donors as follows:

| | <u>2011</u> | <u>2010</u> |
|------------------------------------|-------------------|---------------------|
| Purpose Restrictions Accomplished: | | |
| Camps and SOAR | \$ 52,901 | \$ 7,199 |
| Equipment | 305 | -- |
| Fixed asset purchases | 144,392 | 3,203,970 |
| Other program services | 34,804 | 95,928 |
| Software | 7,659 | 7,661 |
| Supported employment computers | <u>2,387</u> | <u>--</u> |
| Total Restrictions Released | \$ <u>242,448</u> | \$ <u>3,314,758</u> |

Note 14: Leases

In April 1992, MRDC signed a letter of agreement with a local church for the rental of a home located at 460 Kopplow Street, to be used as a group home for MRDC. Under the terms of the agreement, MRDC paid \$450 per month in rent; a total of \$5,400 per year. The lease term was for one year at a time with an automatic one-year renewal. The agreement required MRDC to incur the cost of routine maintenance and repairs, utilities, and insurance. The MRM Executive Committee met June 25, 2009 to approve the purchase of the Kopplow Street house. This was ratified at the MRM July 29, 2009 Board meeting, and the house was subsequently purchased August 20, 2009.

MRDC obtained a storage unit for recordkeeping. Terms of the lease began November 2008 and expired in November 2009, with an option to lease on a month-to-month basis, with future minimum rental commitments totaling \$227 per month at the lessor's option. Rent expense for the years ended June 30, 2011 and 2010 totaled \$2,727 and \$2,724, respectively.

Note 15: Affiliate Organizations and Related Party Information

General

Two of the officers of MRM are members of the Board of Directors of 200 Oblate, Independence Square, and Meadow Brook for 2011 and 2010. One officer of MRM was a member of the Board of Unicorn for 2011 and 2010, and a member of the Board of MRDC for only 2010. MRM provides centralized focus and ongoing coordinated oversight of MRDC and other affiliates, as well as cost benefits, as a result of common management.

Unicorn

Total tuition and job coaching revenue billed to MRDC by Unicorn was \$190,062 and \$177,755 for the years ended June 30, 2011 and 2010, respectively. Unicorn paid MRM \$198,000 and \$186,000 in management fees for the years ended June 30, 2011 and 2010, respectively. Unicorn paid MRDC no interest during fiscal year 2011, as the note was paid off in 2010, and paid \$9,844 in interest expense during fiscal year 2010. MRM made a contribution of approximately \$9,600 and \$20,000 to Unicorn in 2011 and 2010, respectively.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 15: Affiliate Organizations and Related Party Information (Continued)

Unicorn (Continued)

The following MRM amounts were owed by/to Unicorn at June 30:

| | <u>2011</u> | <u>2010</u> |
|-------------------------------------|-------------|-------------|
| Affiliate accounts receivable - MRM | \$ 50 | \$ -- |
| Affiliate accounts payable - MRM | \$ 17,677 | \$ 23,798 |

Mission Road Development Center

MRDC paid MRM \$1,050,199 and \$979,368 in management fees for June 30, 2011 and 2010, respectively. MRM made contributions of approximately \$400,000 and \$465,000 to MRDC in 2011 and 2010, respectively. The following affiliate amounts were owed by/to MRDC at June 30:

| | <u>2011</u> | <u>2010</u> |
|-------------------------------------|-------------------|-------------------|
| Affiliate Accounts Receivable: | | |
| 200 Oblate | \$ 404 | \$ -- |
| Independence Square | 7,026 | 3,606 |
| Meadow Brook | 464 | -- |
| MRM | 211,417 | 281,121 |
| Unicorn | <u>3,850</u> | <u>3,270</u> |
| Total Affiliate Accounts Receivable | \$ <u>223,161</u> | \$ <u>287,997</u> |
| Affiliate Accounts Payable: | | |
| MRM | \$ 98,498 | \$ 115,650 |
| Unicorn | <u>18,092</u> | <u>15,428</u> |
| Total Affiliate Accounts Payable | \$ <u>116,590</u> | \$ <u>131,078</u> |

Other

MRM and its affiliates share pooled corporate insurance policies. The annual premiums for these insurance policies are paid proportionately by MRM and its affiliates.

The Bledsoe Foundation, whose sole purpose is to support MRDC, is affiliated with MRM through a common Board of Trustees.

200 Oblate pays a management fee of \$32 per tenant unit (24 units) per month to Suzanne Smith Management Company (the Management Company). The total management fee for the years ended June 30, 2011 and 2010, was \$9,216. All payroll and related activities (payroll taxes, workers' compensation insurance, employee benefits, and other) of 200 Oblate are transacted through the Management Company, and totaled \$81,708 and \$77,097 for the years ended 2011 and 2010, respectively.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 15: Affiliate Organizations and Related Party Information (Continued)

Other (Continued)

In 1984, the Management Company signed a management agreement to provide management services for Independence Square. The fee for these services is seven and one-half percent (7.5%) of gross collections received each month. Total fees earned by the Management Company during the years ended June 30, 2011 and 2010 were \$12,415 and \$12,178, respectively. All payroll and related activities (payroll taxes, workers' compensation insurance, employee benefits, and other) of Independence Square are transacted through the Management Company, and totaled \$60,185 and \$64,491 for the years ended 2011 and 2010, respectively. Amounts due to MRM from Independence Square totaled \$27,586 for 2011 and 2010.

Meadow Brook pays a management fee of \$34 per unit (18 units) per month to the Management Company. The total management fee for the years ended June 30, 2011 and 2010 was \$7,437. All payroll and related activities (payroll taxes, workers' compensation insurance, employee benefits, and other) of Meadow Brook are transacted through the Management Company, and totaled \$51,544 and \$69,790 for the years ended 2011 and 2010, respectively.

Note 16: Retirement Benefit Plans

MRM established a defined contribution retirement plan during fiscal year 2007 to replace a terminated defined benefit plan. This plan covers all MRM full-time and non-excluded class employees, and employees of affiliates, who have attained age 21 and have completed three months of service. MRM and affiliates pension contributions for the years ended June 30, 2011 and 2010 was \$149,817 and \$140,906, respectively.

In addition to the new defined contribution plan, MRDC sponsors a deferred annuity program for its employees, including affiliate employees. The program is administered by Mutual of America Life Insurance Company. The program is voluntary and is funded entirely through employee payroll deductions.

Note 17: Endowment Funds

General Information

MRM maintains various endowment funds established for a variety of purposes. These endowments include both donor-restricted endowment contributions and funds designated by the Board to function as endowments. The donor-restricted endowment funds fall under the provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the state of Texas with an effective date of September 1, 2007. This policy defines MRM's interpretation of the provisions of this law as they relate to the prudent management of its endowment fund.

Background

In July, 2006, the Uniform Law Commission (ULC) approved UPMIFA as a modernized version of the Uniform Management of Institutional Funds Act of 1972 (UMIFA), which governed the investment and management of donor-restricted endowment funds by not-for-profit organizations. The major change of the new law is that UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund when there are no explicit donor stipulations. These guidelines require MRM to determine what constitutes prudent spending based upon consideration of the donor's intent that the endowment fund continues permanently, the purpose of the fund, and relevant economic factors. UPMIFA emphasizes the perpetuation of the purchasing power of the fund, not just the original dollars contributed to the fund. Although the UPMIFA does not require that a specified amount be set aside as principal, the UPMIFA assumes that an organization will preserve "principal" by maintaining the purchasing power of amounts contributed, and will spend "income" by making distributions using a reasonable spending rate.

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 17: Endowment Funds (Continued)

Endowment "Principal" Interpretation

MRM has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, MRM classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment (the "Principal"). The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by MRM in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment Investment Objectives

Endowment investments are managed by professional money manager(s) under the direction of the Endowment Committee of the Board of MRM. Funds are invested in a manner that seeks to produce results that meet or exceed the performance of generally recognized market indices while assuming a moderate level of investment risk.

To satisfy this performance objective, MRM relies on an absolute return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). MRM 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.

Endowment "Income" Appropriation (Spending Policy)

As unanimously approved by the Board at the December 9, 2004 regularly scheduled meeting, MRM is able to spend up to 80% of the annual income from the endowment, excluding capital gains, not to exceed 4% of assets of the endowment in any one calendar year. However, all earnings are reinvested until appropriated for expenditure.

In accordance with the UPMIFA, in all its endowment spending activity, MRM considers the following factors in making a determination to appropriate (spend) or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of MRM and the donor-restricted endowment fund
3. General economic and investment market 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 MRM, and
7. The investment policies of MRM

Endowment Net Asset Composition by Type of Fund as of June 30, 2011

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|-------------------------------------|-------------------------|-----------------------------------|-----------------------------------|-------------------------|
| Donor-restricted endowment funds | \$ -- | 127,800 | 395,332 | \$ 523,132 |
| Donor-restricted endowment property | -- | -- | 88,394 | 88,394 |
| Board-designated endowment funds | <u>2,802,978</u> | <u>---</u> | <u>---</u> | <u>2,802,978</u> |
| Total Net Assets | \$ <u>2,802,978</u> | <u>127,800</u> | <u>483,726</u> | \$ <u>3,414,504</u> |

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 17: Endowment Funds (Continued)

Changes in Endowment Net Assets for the Year Ended June 30, 2011

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Endowment net assets, beginning of year | \$ 2,328,999 | 39,351 | 483,726 | \$ 2,852,076 |
| Investment Return: | | | | |
| Interest and dividends | 65,076 | 12,146 | -- | 77,222 |
| Net income (realized and unrealized) | <u>419,630</u> | <u>78,317</u> | <u>--</u> | <u>497,947</u> |
| Total Investment Return | 484,706 | 90,463 | -- | 575,169 |
| Contributions | -- | -- | -- | -- |
| Appropriations of endowment net assets for expenditure | <u>(10,727)</u> | <u>(2,014)</u> | <u>--</u> | <u>(12,741)</u> |
| Endowment Net Assets, End of Year | \$ <u>2,802,978</u> | <u>127,800</u> | <u>483,726</u> | \$ <u>3,414,504</u> |

Total Net Asset Composition for the Year Ended June 30, 2011

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--------------------------|----------------------|-----------------------------------|-----------------------------------|----------------------|
| Endowment net assets | \$ 2,802,978 | 127,800 | 483,726 | \$ 3,414,504 |
| Non-endowment net assets | <u>14,364,177</u> | <u>1,685,479</u> | <u>--</u> | <u>16,049,656</u> |
| Total Net Assets | \$ <u>17,167,155</u> | <u>1,813,279</u> | <u>483,726</u> | \$ <u>19,464,160</u> |

Endowment Net Asset Composition by Type of Fund as of June 30, 2010

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---------------------------------------|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Donor-restricted endowment net assets | \$ -- | 39,351 | 395,332 | \$ 434,683 |
| Donor-restricted endowment property | -- | -- | 88,394 | 88,394 |
| Board-designated endowment net assets | <u>2,328,999</u> | <u>--</u> | <u>--</u> | <u>2,328,999</u> |
| Total Net Assets | \$ <u>2,328,999</u> | <u>39,351</u> | <u>483,726</u> | \$ <u>2,852,076</u> |

MISSION ROAD MINISTRIES

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 17: Endowment Funds (Continued)

Changes in Endowment Net Assets for the Year Ended June 30, 2010

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|-------------------------|-----------------------------------|-----------------------------------|-------------------------|
| Endowment net assets, beginning of year | \$ 2,328,999 | -- | 483,626 | \$ 2,812,625 |
| Investment Return: | | | | |
| Interest and dividends | -- | 10,557 | -- | 10,557 |
| Net income (realized and unrealized) | <u> --</u> | <u>39,351</u> | <u> --</u> | <u>39,351</u> |
| Total Investment Return | -- | 49,908 | -- | 49,908 |
| Contributions | -- | -- | 100 | 100 |
| Appropriations of endowment net assets for expenditure | <u> --</u> | <u>(10,557)</u> | <u> --</u> | <u>(10,557)</u> |
| Endowment Net Assets, End of Year | \$ <u>2,328,999</u> | <u>39,351</u> | <u>483,726</u> | \$ <u>2,852,076</u> |

Total Net Asset Composition for the Year Ended June 30, 2010

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--------------------------|--------------------------|-----------------------------------|-----------------------------------|--------------------------|
| Endowment net assets | \$ 2,328,999 | 39,351 | 483,726 | \$ 2,852,076 |
| Non-endowment net assets | <u>13,205,115</u> | <u>1,615,484</u> | <u> --</u> | <u>14,820,599</u> |
| Total Net Assets | \$ <u>15,534,114</u> | <u>1,654,835</u> | <u>483,726</u> | \$ <u>17,672,675</u> |

Note 18: Contingent Liabilities and Subsequent Event

MRDC has a pending claim, dated May 2, 2008 by the Texas Department of Aging and Disability Services, for recoupment of fees billed by MRDC for services provided. The items in question relate to the form and written explanations of the services provided. MRDC is represented by legal counsel and is proceeding through the administrative review process as required by that state agency. The outcome is uncertain since the administrative review process has not proceeded as of the date of this report. Accordingly, no provision for any estimated loss is reflected in these financial statements. MRDC received a proposed settlement agreement subsequent to year-end. Management and legal counsel are in the process of reviewing this proposed agreement.

SUPPLEMENTARY INFORMATION

MISSION ROAD MINISTRIES

SCHEDULE OF COMBINING DATA FOR THE STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011

| | Mission Road Ministries Financial Position | Mission Road Developmental Center | Unicorn Centers, Inc. | 200 Oblate, Incorporated | Indepen- dence Square, Inc. | Meadow Brook Apartments | Bledsoe Foundation | Combining Eliminating Entries | Combined Mission Road Ministries |
|---|--|--|--------------------------|--------------------------------|-----------------------------------|-------------------------------|-----------------------|-------------------------------------|---|
| ASSETS | | | | | | | | | |
| Current Assets: | | | | | | | | | |
| Cash | \$ 74,361 | 1,222,265 | 456,149 | 13,458 | 4,362 | 9,400 | -- | -- | \$ 1,779,995 |
| Cash - restricted | -- | -- | -- | 58,024 | 5,006 | 37,310 | -- | -- | 100,340 |
| Accounts Receivable: | | | | | | | | | |
| Contributions receivable (net) | 30,250 | 78,800 | -- | -- | -- | -- | -- | -- | 109,050 |
| Tuition and expense reimbursements (net) | -- | 752,642 | 191,393 | -- | -- | -- | -- | -- | 944,035 |
| Affiliate | 143,761 | 223,161 | 18,142 | -- | -- | -- | -- | (385,064) | -- |
| Other | -- | 1,237 | -- | 627 | 1,701 | -- | -- | -- | 3,565 |
| Investments, at market | 4,519,716 | 1,214,440 | 513,088 | -- | -- | -- | 115,795 | -- | 6,363,039 |
| Prepaid expenses and other assets | 462 | 22,627 | 2,901 | 5,159 | 4,065 | 3,450 | -- | -- | 38,664 |
| Total Current Assets | 4,768,550 | 3,515,172 | 1,181,673 | 77,268 | 15,134 | 50,160 | 115,795 | (385,064) | 9,338,688 |
| Fixed Assets: | | | | | | | | | |
| Land, buildings, and equipment | 93,687 | 11,593,029 | 2,448,782 | 923,754 | 528,422 | 1,434,166 | -- | -- | 17,021,840 |
| Construction in progress | -- | 39,161 | -- | -- | -- | -- | -- | -- | 39,161 |
| Less: Accumulated depreciation | (67,366) | (3,411,002) | (491,368) | (299,559) | (269,787) | (269,396) | -- | -- | (4,808,478) |
| Net Fixed Assets | 26,321 | 8,221,188 | 1,957,414 | 624,195 | 258,635 | 1,164,770 | -- | -- | 12,252,523 |
| TOTAL ASSETS | \$ 4,794,871 | 11,736,360 | 3,139,087 | 701,463 | 273,769 | 1,214,930 | 115,795 | (385,064) | \$ 21,591,211 |
| LIABILITIES AND NET ASSETS | | | | | | | | | |
| Current Liabilities | | | | | | | | | |
| Accounts Payable: | | | | | | | | | |
| Trade | \$ 10,927 | 157,074 | 41,672 | 15,465 | 47,460 | 5,647 | -- | -- | \$ 278,245 |
| Client trust funds | -- | -- | -- | 4,600 | 4,065 | 3,450 | -- | -- | 12,115 |
| Affiliate | 211,467 | 116,590 | 21,527 | 404 | 34,612 | 464 | -- | (385,064) | -- |
| Accrued retirement plan contribution | -- | 49,802 | 10,000 | -- | -- | -- | -- | -- | 59,802 |
| Accrued salary expenses | 114,662 | 246,659 | 61,681 | -- | -- | -- | -- | -- | 423,002 |
| Current portion of long-term debt | -- | -- | -- | -- | 11,573 | -- | -- | -- | 11,573 |
| Deferred revenue | 73,100 | 35,000 | 23,500 | -- | -- | -- | -- | -- | 131,600 |
| Total Current Liabilities | 410,156 | 605,125 | 158,380 | 20,469 | 97,710 | 9,561 | -- | (385,064) | 916,337 |
| Long-term debt | -- | -- | -- | 868,200 | 342,514 | -- | -- | -- | 1,210,714 |
| Total Liabilities | 410,156 | 605,125 | 158,380 | 888,669 | 440,224 | 9,561 | -- | (385,064) | 2,127,051 |
| Net Assets: | | | | | | | | | |
| Unrestricted: | | | | | | | | | |
| General operations | 1,032,284 | 2,757,456 | 1,005,200 | (187,206) | (166,455) | (193,631) | -- | -- | 4,247,648 |
| Board-designated | 2,802,978 | -- | -- | -- | -- | -- | -- | -- | 2,802,978 |
| Net investment in fixed assets | 26,321 | 8,132,794 | 1,957,414 | -- | -- | -- | -- | -- | 10,116,529 |
| Total Unrestricted | 3,861,583 | 10,890,250 | 2,962,614 | (187,206) | (166,455) | (193,631) | -- | -- | 17,167,155 |
| Restricted: | | | | | | | | | |
| Temporarily | 127,800 | 152,591 | 18,093 | -- | -- | 1,399,000 | 115,795 | -- | 1,813,279 |
| Permanently | 395,332 | 88,394 | -- | -- | -- | -- | -- | -- | 483,726 |
| Total Restricted | 523,132 | 240,985 | 18,093 | -- | -- | 1,399,000 | 115,795 | -- | 2,297,005 |
| Total Net Assets | 4,384,715 | 11,131,235 | 2,980,707 | (187,206) | (166,455) | 1,205,369 | 115,795 | -- | 19,464,160 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 4,794,871 | 11,736,360 | 3,139,087 | 701,463 | 273,769 | 1,214,930 | 115,795 | (385,064) | \$ 21,591,211 |

MISSION ROAD MINISTRIES

SCHEDULE OF COMBINING DATA FOR THE STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010

| | Mission Road Ministries Financial Position | Mission Road Developmental Center | Unicorn Centers, Inc. | 200 Oblate, Incorporated | Indepen- dence Square, Inc. | Meadow Brook Apartments | Bledsoe Foundation | Combining Eliminating Entries | Combined Mission Road Ministries |
|---|--|--|--------------------------|--------------------------------|-----------------------------------|-------------------------------|-----------------------|-------------------------------------|---|
| ASSETS | | | | | | | | | |
| Current Assets: | | | | | | | | | |
| Cash | \$ 83,018 | 732,111 | 135,489 | 1,593 | 400 | 6,033 | -- | -- | \$ 958,644 |
| Cash - restricted | -- | -- | -- | 68,468 | 17,466 | 32,792 | -- | -- | 118,726 |
| Accounts Receivable: | | | | | | | | | |
| Contributions receivable (net) | 38,700 | 148,450 | -- | -- | -- | -- | -- | -- | 187,150 |
| Tuition and expense reimbursements (net) | -- | 911,006 | 237,040 | -- | -- | -- | -- | -- | 1,148,046 |
| Affiliate | 173,853 | 287,997 | 15,428 | -- | -- | -- | -- | (477,278) | -- |
| Other | -- | 2,500 | -- | 271 | 1,554 | -- | -- | -- | 4,325 |
| Investments, at market | 3,755,273 | 1,017,745 | 360,296 | -- | -- | -- | 81,217 | -- | 5,214,531 |
| Prepaid expenses and other assets | 4,447 | 49,199 | 10,480 | 4,008 | 3,348 | 3,217 | -- | -- | 74,699 |
| Total Current Assets | 4,055,291 | 3,149,008 | 758,733 | 74,340 | 22,768 | 42,042 | 81,217 | (477,278) | 7,706,121 |
| Fixed Assets: | | | | | | | | | |
| Land, buildings, and equipment | 93,687 | 10,975,850 | 2,417,911 | 901,347 | 523,996 | 1,423,633 | -- | -- | 16,336,424 |
| Construction in progress | -- | 208,718 | -- | -- | -- | -- | -- | -- | 208,718 |
| Less: Accumulated depreciation | (47,360) | (2,968,909) | (393,225) | (280,352) | (260,201) | (230,972) | -- | -- | (4,181,019) |
| Net Fixed Assets | 46,327 | 8,215,659 | 2,024,686 | 620,995 | 263,795 | 1,192,661 | -- | -- | 12,364,123 |
| TOTAL ASSETS | \$ 4,101,618 | 11,364,667 | 2,783,419 | 695,335 | 286,563 | 1,234,703 | 81,217 | (477,278) | \$ 20,070,244 |
| LIABILITIES AND NET ASSETS | | | | | | | | | |
| Current Liabilities: | | | | | | | | | |
| Accounts Payable: | | | | | | | | | |
| Trade | \$ 51,581 | 247,597 | 31,130 | 4,286 | 46,300 | 2,990 | -- | -- | \$ 383,884 |
| Client trust funds | -- | -- | -- | 3,449 | 3,348 | 3,217 | -- | -- | 10,014 |
| Affiliate | 281,122 | 131,078 | 27,068 | 2,743 | 31,192 | 4,075 | -- | (477,278) | -- |
| Accrued retirement plan contribution | -- | 49,087 | 13,500 | -- | -- | -- | -- | -- | 62,587 |
| Accrued salary expenses | 144,515 | 383,158 | 85,970 | -- | -- | -- | -- | -- | 613,643 |
| Current portion of long-term debt | -- | -- | -- | -- | 10,554 | -- | -- | -- | 10,554 |
| Deferred revenue | 34,600 | 50,000 | 10,000 | -- | -- | -- | -- | -- | 94,600 |
| Total Current Liabilities | 511,818 | 860,920 | 167,668 | 10,478 | 91,394 | 10,282 | -- | (477,278) | 1,175,282 |
| Long-term debt | -- | -- | -- | 868,200 | 354,087 | -- | -- | -- | 1,222,287 |
| Total Liabilities | 511,818 | 860,920 | 167,668 | 878,678 | 445,481 | 10,282 | -- | (477,278) | 2,397,569 |
| Net Assets: | | | | | | | | | |
| Unrestricted: | | | | | | | | | |
| General operations | 779,791 | 2,189,022 | 554,864 | (183,343) | (158,918) | (174,579) | -- | -- | 3,006,837 |
| Board-designated | 2,328,999 | -- | -- | -- | -- | -- | -- | -- | 2,328,999 |
| Net investment in fixed assets | 46,327 | 8,127,265 | 2,024,686 | -- | -- | -- | -- | -- | 10,198,278 |
| Total Unrestricted | 3,155,117 | 10,316,287 | 2,579,550 | (183,343) | (158,918) | (174,579) | -- | -- | 15,534,114 |
| Restricted: | | | | | | | | | |
| Temporarily | 39,351 | 99,066 | 36,201 | -- | -- | 1,399,000 | 81,217 | -- | 1,654,835 |
| Permanently | 395,332 | 88,394 | -- | -- | -- | -- | -- | -- | 483,726 |
| Total Restricted | 434,683 | 187,460 | 36,201 | -- | -- | 1,399,000 | 81,217 | -- | 2,138,561 |
| Total Net Assets | 3,589,800 | 10,503,747 | 2,615,751 | (183,343) | (158,918) | 1,224,421 | 81,217 | -- | 17,672,675 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 4,101,618 | 11,364,667 | 2,783,419 | 695,335 | 286,563 | 1,234,703 | 81,217 | (477,278) | \$ 20,070,244 |

MISSION ROAD MINISTRIES
SCHEDULE OF COMBINING DATA FOR THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

| | Mission Road Ministries Activities | Mission Road Developmental Center | Unicorn Centers, Inc | 200 Oblate, Incor- porated | Indepen- dence Square, Inc. | Meadow Brook Apart- ments | Bledsoe Found- ation | Combining Eliminating Entries | Combined Mission Road Ministries |
|---|---|--|----------------------------|-------------------------------------|--------------------------------------|------------------------------------|----------------------------|-------------------------------------|---|
| Unrestricted: | | | | | | | | | |
| Revenue, Gains, and Other Support: | | | | | | | | | |
| Affiliate revenue | \$ -- | -- | 188,434 | -- | -- | -- | -- | (188,434) | \$ -- |
| Affiliate contributions | -- | 298,371 | 9,619 | -- | -- | -- | -- | (307,990) | -- |
| Contributions: | | | | | | | | | |
| Individuals | 166,140 | 8,154 | 82,701 | -- | -- | -- | -- | -- | 256,995 |
| Corporations | 13,754 | 46,242 | 11,530 | -- | -- | -- | -- | -- | 71,526 |
| Foundations | 22,800 | 115,800 | 138,075 | -- | -- | -- | -- | -- | 276,675 |
| United Way allocation - net | 6,871 | 563,649 | 107,830 | -- | 7,416 | -- | -- | -- | 685,766 |
| Special events - net | 371,635 | 10,070 | 154,847 | -- | -- | -- | -- | (2,000) | 534,552 |
| Governmental Support: | | | | | | | | | |
| Nutrition program | -- | 49,200 | -- | -- | -- | -- | -- | -- | 49,200 |
| Program service fees and tuition | -- | 9,179,819 | 350,749 | -- | -- | -- | -- | -- | 9,530,568 |
| Private program service fees and tuition | -- | 941,276 | 1,159,641 | -- | -- | -- | -- | -- | 2,100,917 |
| Interest and dividends | 92,783 | 34,035 | 11,854 | 32 | 5 | 44 | -- | -- | 138,753 |
| Rental income - net of vacancies | -- | -- | -- | 181,250 | 166,755 | 147,017 | -- | -- | 495,022 |
| Miscellaneous | 25,016 | 13,666 | 659 | 2,303 | 1,510 | 908 | -- | -- | 44,062 |
| Chaplain fees - Affiliate | -- | 15,000 | -- | -- | -- | -- | -- | (15,000) | -- |
| Net investment realized and unrealized gains | 598,294 | 169,027 | 71,052 | -- | -- | -- | -- | -- | 838,373 |
| (Loss) on disposal of fixed assets | -- | -- | (776) | -- | -- | -- | -- | -- | (776) |
| Net Assets Released from Restrictions: | | | | | | | | | |
| Camps and SOAR | -- | 159,911 | -- | -- | -- | -- | -- | (107,010) | 52,901 |
| Fixed asset purchases | -- | 144,392 | -- | -- | -- | -- | -- | -- | 144,392 |
| Other program services | 2,014 | 7,866 | 32,944 | -- | -- | -- | 2,331 | -- | 45,155 |
| Total Revenue, Gains, and Other Support | 1,299,307 | 11,756,478 | 2,319,159 | 183,585 | 175,686 | 147,969 | 2,331 | (620,434) | 15,264,081 |
| Expenses: | | | | | | | | | |
| Affiliate expenses | 415,000 | 188,434 | -- | -- | -- | -- | -- | (603,434) | -- |
| Program services - Habilitation and Care | -- | 9,943,882 | 1,716,344 | 174,883 | 167,436 | 156,298 | 2,331 | (17,000) | 12,144,174 |
| Supporting Services: | | | | | | | | | |
| Administrative | (47,747) | 1,050,199 | 198,000 | 12,565 | 15,787 | 10,723 | -- | -- | 1,239,527 |
| Fundraising | 225,588 | -- | 21,751 | -- | -- | -- | -- | -- | 247,339 |
| Total Expenses | 592,841 | 11,182,515 | 1,936,095 | 187,448 | 183,223 | 167,021 | 2,331 | (620,434) | 13,631,040 |
| Increase (Decrease) in Unrestricted Net Assets | 706,466 | 573,963 | 383,064 | (3,863) | (7,537) | (19,052) | -- | -- | 1,633,041 |
| Temporarily Restricted: | | | | | | | | | |
| Contributions: | | | | | | | | | |
| Individuals | -- | 42,373 | -- | -- | -- | -- | 17,035 | -- | 59,408 |
| Corporations | -- | 50,000 | 470 | -- | -- | -- | -- | -- | 50,470 |
| Foundations | -- | 166,311 | 14,366 | -- | -- | -- | -- | -- | 180,677 |
| Affiliate | -- | 107,010 | -- | -- | -- | -- | -- | (107,010) | -- |
| Interest and dividends | 12,146 | -- | -- | -- | -- | -- | 535 | -- | 12,681 |
| Net investment realized and unrealized gain | 78,317 | -- | -- | -- | -- | -- | 19,339 | -- | 97,656 |
| Net assets released from restrictions | (2,014) | (312,169) | (32,944) | -- | -- | -- | (2,331) | 107,010 | (242,448) |
| Increase (Decrease) in Temporarily Restricted Net Assets | 88,449 | 53,525 | (18,108) | -- | -- | -- | 34,578 | -- | 158,444 |
| Permanently restricted contributions - individuals | | | | | | | | | |
| Increase (Decrease) in Net Assets | 794,915 | 627,488 | 364,956 | (3,863) | (7,537) | (19,052) | 34,578 | -- | 1,791,485 |
| Net assets, beginning of year | 3,589,800 | 10,503,747 | 2,615,751 | (183,343) | (158,918) | 1,224,421 | 81,217 | -- | 17,672,675 |
| NET ASSETS, END OF YEAR | \$ 4,384,715 | 11,131,235 | 2,980,707 | (187,206) | (166,455) | 1,205,369 | 115,795 | -- | \$ 19,464,160 |

MISSION ROAD MINISTRIES

SCHEDULE OF COMBINING DATA FOR THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

| | Mission Road Ministries Activities | Mission Road Developmental Center | Unicorn Centers, Inc. | 200 Oblate, Incor- porated | Indepen- dence Square, Inc. | Meadow Brook Apart- ments | Bledsoe Found- ation | Combining Eliminating Entries | Combined Mission Road Ministries |
|---|---|--|-----------------------------|-------------------------------------|--------------------------------------|------------------------------------|----------------------------|-------------------------------------|---|
| Unrestricted: | | | | | | | | | |
| Revenue, Gains, and Other Support: | | | | | | | | | |
| Affiliate revenue | \$ -- | 9,844 | 177,755 | -- | -- | -- | -- | (187,599) | \$ -- |
| Affiliate contributions | -- | 329,707 | 19,828 | -- | -- | -- | -- | (349,535) | -- |
| Contributions: | | | | | | | | | |
| Individuals | 87,277 | 13,956 | 364,626 | -- | -- | -- | -- | -- | 465,859 |
| Corporations | 13,980 | 5,736 | 40,331 | -- | -- | -- | -- | -- | 60,047 |
| Foundations | 40,500 | 69,500 | 154,630 | -- | -- | -- | -- | (52,000) | 212,630 |
| United Way allocation - net | 2,267 | 547,372 | 105,012 | -- | 7,200 | -- | -- | -- | 661,851 |
| Special events - net | 459,601 | 13,079 | 130,395 | -- | -- | -- | -- | (1,000) | 602,075 |
| Governmental Support: | | | | | | | | | |
| Nutrition program | -- | 40,826 | -- | -- | -- | -- | -- | -- | 40,826 |
| Program service fees and tuition | -- | 8,670,954 | 328,579 | -- | -- | -- | -- | -- | 8,999,533 |
| Private program service fees and tuition | -- | 881,767 | 1,137,776 | -- | -- | -- | -- | -- | 2,019,543 |
| Interest and dividends | 81,077 | 37,615 | 1,001 | 36 | 16 | 28 | -- | -- | 119,773 |
| Rental income - net of vacancies | -- | -- | -- | 161,753 | 164,507 | 145,841 | -- | -- | 472,101 |
| Miscellaneous | -- | 16,817 | 264 | 1,253 | 1,297 | 2,927 | -- | -- | 22,558 |
| Chaplain fees - Affiliate | -- | 15,000 | -- | -- | -- | -- | -- | (15,000) | -- |
| Net investment realized and unrealized gains (losses) | 302,215 | 97,512 | (13,832) | -- | -- | -- | -- | -- | 385,895 |
| (Loss) on disposal of fixed assets | -- | (109,280) | -- | -- | -- | -- | -- | -- | (109,280) |
| Net Assets Released from Restrictions: | | | | | | | | | |
| Camps and SOAR | -- | 142,664 | -- | -- | -- | -- | -- | (135,465) | 7,199 |
| Fixed asset purchases | -- | 3,151,970 | -- | -- | -- | -- | 52,000 | -- | 3,203,970 |
| Other program services | 45,098 | 50,830 | 7,661 | -- | -- | -- | -- | -- | 103,589 |
| Total Revenue, Gains, and Other Support | 1,032,015 | 13,985,869 | 2,454,026 | 163,042 | 173,020 | 148,796 | 52,000 | (740,599) | 17,268,169 |
| Expenses: | | | | | | | | | |
| Affiliate expenses | 485,000 | 178,755 | 9,844 | -- | -- | -- | -- | (673,599) | -- |
| Program services - Habilitation and Care | -- | 9,313,134 | 1,751,715 | 159,481 | 167,276 | 176,526 | 52,000 | (67,000) | 11,553,132 |
| Supporting Services: | | | | | | | | | |
| Administrative | (16,763) | 979,368 | 186,000 | 13,027 | 16,127 | 11,366 | -- | -- | 1,189,125 |
| Fundraising | 228,407 | -- | 20,012 | -- | -- | -- | -- | -- | 248,419 |
| Total Expenses | 696,644 | 10,471,257 | 1,967,571 | 172,508 | 183,403 | 187,892 | 52,000 | (740,599) | 12,990,676 |
| Increase (Decrease) in Unrestricted Net Assets | 335,371 | 3,514,612 | 486,455 | (9,466) | (10,383) | (39,096) | -- | -- | 4,277,493 |
| Temporarily Restricted: | | | | | | | | | |
| Contributions: | | | | | | | | | |
| Individuals | -- | 44,891 | -- | -- | -- | -- | -- | -- | 44,891 |
| Corporations | -- | 2,805 | -- | -- | -- | -- | -- | -- | 2,805 |
| Foundations | -- | 198,000 | 10,000 | -- | -- | -- | -- | -- | 208,000 |
| Affiliate | -- | 135,465 | -- | -- | -- | -- | -- | (135,465) | -- |
| Interest and dividends | 9,539 | -- | -- | -- | -- | -- | 1,193 | -- | 10,732 |
| Net investment realized and unrealized gain | 35,559 | -- | -- | -- | -- | -- | 28,679 | -- | 64,238 |
| Net assets released from restrictions | (45,098) | (3,345,464) | (7,661) | -- | -- | -- | (52,000) | 135,465 | (3,314,758) |
| Increase (Decrease) in Temporarily Restricted Net Assets | -- | (2,964,303) | 2,339 | -- | -- | -- | (22,128) | -- | (2,984,092) |
| Permanently restricted contributions - individuals | | | | | | | | | |
| | 100 | -- | -- | -- | -- | -- | -- | -- | 100 |
| Increase (Decrease) in Net Assets | 335,471 | 550,309 | 488,794 | (9,466) | (10,383) | (39,096) | (22,128) | -- | 1,293,501 |
| Net assets, beginning of year | 3,254,329 | 9,953,438 | 2,126,957 | (173,877) | (148,535) | 1,263,517 | 103,345 | -- | 16,379,174 |
| NET ASSETS, END OF YEAR | \$ 3,589,800 | 10,503,747 | 2,615,751 | (183,343) | (158,918) | 1,224,421 | 81,217 | -- | \$ 17,672,675 |