

Community Resources for Justice, Inc.

Financial Statements
and
Supplementary Information

Years Ended June 30, 2014 and 2013

Community Resources for Justice, Inc.

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
Years Ended June 30, 2014 and 2013

C O N T E N T S

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Functional Expenses	4-5
Statements of Cash Flows	6
Notes to Financial Statements	7-20
Supplementary Information:	
Independent Auditor's Report on Supplementary Information.....	21
Schedules of Revenues and Expenses for the State of New Hampshire.....	22-23



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Resources for Justice, Inc.
Boston, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of Community Resources for Justice, Inc. (the "Agency") which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Resources for Justice, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

McGladrey LLP

Boston, Massachusetts
December 11, 2014

Community Resources for Justice, Inc.

Statements of Financial Position

June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Cash	\$ 854,366	\$ 1,698,884
Contracts and grants receivable, net	4,844,924	3,220,363
Note receivable	52,302	63,101
Investments, at fair value	6,174,585	5,345,498
Prepaid expenses and other	438,505	259,331
Total current assets	<u>12,364,682</u>	<u>10,587,177</u>
Property and equipment, net	15,807,785	15,631,141
Assets limited as to use	30,252	16,771
Other assets	<u>280,300</u>	<u>309,069</u>
Total assets	<u><u>\$ 28,483,019</u></u>	<u><u>\$ 26,544,158</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	\$ 857,595	\$ 260,687
Accounts payable	606,613	416,533
Accrued liabilities	2,127,392	1,700,853
Deferred revenue	684,553	573,089
Total current liabilities	<u>4,276,153</u>	<u>2,951,162</u>
Long-term debt, net of current portion	9,019,606	9,875,461
Interest rate swap agreement obligation	1,208,836	1,202,154
Deposits and other liabilities	34,481	34,468
Total liabilities	<u>14,539,076</u>	<u>14,063,245</u>
Net assets:		
Unrestricted net assets	13,943,943	12,480,913
Total net assets	<u>13,943,943</u>	<u>12,480,913</u>
Total liabilities and net assets	<u><u>\$ 28,483,019</u></u>	<u><u>\$ 26,544,158</u></u>

See notes to financial statements.

Community Resources for Justice, Inc.

Statements of Activities

Years Ended June 30, 2014 and 2013

	2014	2013
Revenues and other support:		
Program services fees	\$ 37,387,174	\$ 35,445,258
Grants, gifts and contributions	248,000	393,903
Other revenues	386,092	390,506
Loss on disposal of property and equipment	-	(37,163)
Impairment of long lived assets	-	(661,056)
Total revenues and other support	<u>38,021,266</u>	<u>35,531,448</u>
Expenses:		
Program services:		
Social justice services	8,172,489	9,323,482
Community strategies - Massachusetts	16,356,295	15,048,477
Community strategies - New Hampshire	2,230,519	2,513,663
Community strategies - Connecticut	2,154,335	906,772
Crime and Justice Institute	3,248,221	2,776,215
Poem project	-	18,150
Other programs	305,716	252,390
Total program services	<u>32,467,575</u>	<u>30,839,149</u>
Fundraising	268,078	309,808
General and administrative	4,681,838	4,509,188
Total expenses	<u>37,417,491</u>	<u>35,658,145</u>
Change in net assets from operations	<u>603,775</u>	<u>(126,697)</u>
Non-operating income (expense):		
Investment income	180,915	149,547
Net realized and unrealized gain on investments	685,022	460,075
Unrealized (loss) gain on interest rate swap agreement obligation	(6,682)	686,637
Total non-operating income	<u>859,255</u>	<u>1,296,259</u>
Change in net assets	1,463,030	1,169,562
Net assets, beginning of year	<u>12,480,913</u>	<u>11,311,351</u>
Net assets, end of year	<u>\$ 13,943,943</u>	<u>\$ 12,480,913</u>

See notes to financial statements.

Community Resources for Justice, Inc.

Statement of Functional Expenses
Year Ended June 30, 2014

	Social Justice Services	Community Strategies - Massachusetts	Community Strategies - New Hampshire	Community Strategies - Connecticut	Crime and Justice Institute	Other Programs	Total Program Services	Fundraising	General and Administrative	Total
Salaries	\$ 3,896,371	\$ 9,785,535	\$ 975,166	\$ 1,416,597	\$ 1,390,706	\$ 59,382	\$ 17,523,757	\$ 140,727	\$ 2,251,474	\$ 19,915,958
Payroll taxes and benefits	951,221	2,298,946	244,185	317,607	356,210	14,704	4,182,873	35,617	585,946	4,804,436
Program operations and supplies	1,587,285	618,488	120,746	25,810	-	-	2,352,329	-	-	2,352,329
Occupancy	551,043	934,074	89,504	102,574	16,948	113,843	1,807,986	1,641	241,735	2,051,362
Program consultants	16,960	825,816	682,389	70,371	-	-	1,595,536	-	16	1,595,552
Professional fees	14,358	95,995	-	4,312	940,372	23,171	1,078,208	15,634	461,189	1,555,031
Transportation	112,137	904,621	48,298	126,041	423,003	8,695	1,622,795	4,522	158,423	1,785,740
Depreciation and amortization	451,100	295,524	10,755	5,228	5,800	60,357	828,764	468	129,248	958,480
Interest	194,209	187,786	8,465	-	-	14,632	405,092	-	267,696	672,788
Insurance	45,562	73,654	6,744	9,574	7,233	7,172	149,939	705	75,035	225,679
Communications	93,588	122,935	22,348	21,208	71,836	2,256	334,171	3,105	110,512	447,788
Administrative	182,926	167,241	13,655	45,942	25,187	1,114	436,065	32,193	191,702	659,960
Professional and organizational development	54,935	40,453	4,061	8,491	10,676	390	119,006	33,466	169,675	322,147
Miscellaneous	10,663	250	546	50	250	-	11,759	-	2,816	14,575
Advertising	487	350	2,067	-	-	-	2,904	-	206	3,110
Recruitment	9,644	4,627	1,590	530	-	-	16,391	-	36,165	52,556
Total expenses	\$ 8,172,489	\$ 16,356,295	\$ 2,230,519	\$ 2,154,335	\$ 3,248,221	\$ 305,716	\$ 32,467,575	\$ 268,078	\$ 4,681,838	\$ 37,417,491

See notes to financial statements.

Community Resources for Justice, Inc.

Statement of Functional Expenses
Year Ended June 30, 2013

	Social Justice Services	Community Strategies - Massachusetts	Community Strategies - New Hampshire	Community Strategies - Connecticut	Crime and Justice Institute	Poem Project	Other Programs	Total Program Services	Fundraising	General and Administrative	Total
Salaries	\$ 4,680,178	\$ 9,035,128	\$ 1,186,347	\$ 566,031	\$ 1,262,303	\$ -	\$ 13,507	\$ 16,743,494	\$ 144,199	\$ 2,284,660	\$ 19,172,353
Payroll taxes and benefits	1,157,822	2,190,016	301,556	135,712	324,150	1,756	3,500	4,114,512	37,740	617,447	4,769,699
Program operations and supplies	1,471,138	565,407	152,619	21,718	-	-	-	2,210,882	-	11,169	2,222,051
Occupancy	618,999	937,254	102,391	70,242	13,182	-	132,646	1,874,714	2,263	228,200	2,105,177
Program consultants	19,700	548,199	623,390	14,888	-	-	-	1,206,177	-	-	1,206,177
Professional fees	6,154	119,956	2,843	4,338	750,167	14,862	8,671	906,991	39,658	515,373	1,462,022
Transportation	131,359	819,666	52,069	49,728	190,663	715	962	1,245,162	4,463	125,585	1,375,210
Depreciation and amortization	537,796	247,738	16,385	13,796	4,768	-	66,596	887,079	657	105,797	993,533
Interest	287,809	196,628	9,883	-	-	-	18,716	513,036	-	37,207	550,243
Insurance	44,873	62,157	7,977	4,117	6,065	-	7,233	132,422	716	66,977	200,115
Communications	125,430	130,489	28,861	6,039	63,480	-	468	354,767	6,258	98,187	459,212
Administrative	186,160	168,920	18,698	14,712	20,292	810	91	409,683	28,244	161,288	599,215
Professional and organizational development	49,226	24,041	5,140	2,051	141,040	7	-	221,505	44,068	217,824	483,397
Miscellaneous	2,264	610	403	1,300	25	-	-	4,602	1,022	4,390	10,014
Advertising	-	179	560	-	-	-	-	739	15	-	754
Recruitment	4,574	2,089	4,541	2,100	80	-	-	13,384	505	35,084	48,973
Total expenses	\$ 9,323,482	\$ 15,048,477	\$ 2,513,663	\$ 906,772	\$ 2,776,215	\$ 18,150	\$ 252,390	\$ 30,839,149	\$ 309,808	\$ 4,509,188	\$ 35,658,145

See notes to financial statements.

Community Resources for Justice, Inc.

Statements of Cash Flows

Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 1,463,030	\$ 1,169,562
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	958,480	993,533
Loss on disposal of property and equipment	-	37,163
Impairment of long lived assets	-	661,056
Net realized and unrealized gain on investments	(685,022)	(460,075)
Unrealized loss (gain) on interest rate swap agreement	6,682	(686,637)
Change in contracts and grants receivable	(1,624,561)	153,978
Change in prepaid expenses and other	(179,174)	333,351
Change in accounts payable	190,080	(120,014)
Change in accrued liabilities	426,539	230,501
Change in deferred revenue	111,464	191,151
Change in deposits and other liabilities	13	3,688
Net cash provided by operating activities	<u>667,531</u>	<u>2,507,257</u>
Cash flows from investing activities:		
Advances on note receivable	-	(69,919)
Payments on note receivable	10,799	6,818
Purchases of assets limited to use	(9,999)	(16,667)
Purchases of investments	(748,193)	(783,824)
Proceeds from sales of investments	600,646	666,062
Purchases of property and equipment	(1,106,355)	(1,393,394)
Proceeds from sale of property and equipment	-	155,048
Net cash used in investing activities	<u>(1,253,102)</u>	<u>(1,435,876)</u>
Cash flows from financing activities:		
Payments on long-term debt	(258,947)	(1,349,529)
Proceeds from long-term debt	-	1,520,800
Financing costs incurred	-	(47,871)
Net cash (used in) provided by financing activities	<u>(258,947)</u>	<u>123,400</u>
Net change in cash	<u>(844,518)</u>	1,194,781
Cash, beginning of year	<u>1,698,884</u>	504,103
Cash, end of year	<u>\$ 854,366</u>	<u>\$ 1,698,884</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 672,432</u>	<u>\$ 556,766</u>

See notes to financial statements.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Resources for Justice, Inc. (the "Agency") operates community-based correctional, human service, residential, employment and education programs for adult males and females, juveniles and families. The Agency also develops and implements innovative programs and serves as a resource for the criminal justice community and for the general public.

A summary of the Agency's significant accounting policies follows:

Basis of Presentation

The Agency's financial statements have been prepared on the accrual basis of accounting and in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles ("GAAP") to ensure financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification ("FASB ASC").

Classification and Reporting of Net Assets

The Agency's financial statement presentation follows the recommendations of FASB ASC 958, "Financial Statements of Not-for-Profit Organizations". Under ASC 958, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. A description of the unrestricted, temporarily and permanently restricted net asset classes follows:

- Unrestricted net assets represent a portion of net assets of the Agency that is neither permanently restricted nor temporarily restricted by donor imposed stipulations. Unrestricted net assets include expendable funds available for support of the Agency as well as funds invested in property, buildings and equipment.
- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. As of June 30, 2014 and 2013, the Agency does not have temporarily restricted net assets.
- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Agency pursuant to these stipulations. As of June 30, 2014 and 2013, the Agency does not have permanently restricted net assets.

Recognition of Donor Restrictions

All donor-restricted support is initially reported at fair value as an increase in unrestricted net assets if the restrictions expire or are met in the fiscal year in which the contributions are received. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires or is met in subsequent years, temporarily restricted net assets are released to unrestricted net assets.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES...continued

Use of Estimates

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

Cash

The Agency maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Assets Limited as to Use

Assets whose use is limited are included in long term assets and consist of certain funds that have been set aside by the Board to fund a deferred compensation plan for an executive of the Agency.

Contracts and Grants Receivable

Contracts and grants receivable are reported at the original invoice amount less an estimate made for doubtful accounts based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by regularly evaluating individual contract and grantor receivables and considering the services provided and the current economic conditions. Contracts and grants receivable are written off when deemed uncollectible. Recoveries of contracts and grants receivable previously written off are recorded as revenue when received.

Property and Equipment, Depreciation and Amortization

Property and equipment acquisitions are recorded at cost. Depreciation and amortization of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

<u>Description</u>	<u>Years</u>
Buildings and improvements	20-40
Furniture and equipment	3-10
Leasehold improvements	5-20
Motor vehicles	5

Expenditures for major renewals and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred.

The Agency follows FASB ASC 410, "Asset Retirement Obligations and Environmental Obligations". This standard requires that a liability be recorded for the fair value of an asset retirement obligation specific to certain legal environmental obligations such as asbestos, medical waste removal, and lead paint removal. The recording of a liability is required if such conditions exist and the obligation can be reasonably estimated. As of June 30, 2014 and 2013, the Agency is unaware of any such obligations. The Agency will recognize a liability in the period in which it becomes aware of such liability and sufficient information is available to reasonably estimate the fair value.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES...continued

Impairment of Long-Lived Assets

Long-lived assets, which consist primarily of property, buildings, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Agency compares the carrying amounts of the assets to the undiscounted expected future cash flows over the remaining life of the asset. If this comparison indicates that there may be impairment, the amount of impairment is calculated as the difference between the carrying value and fair value. During the fiscal year ended June 30, 2014, no impairment indicators were indentified. During the fiscal year ended June 30, 2013, the Agency recognized a \$661,056 reduction in the carrying value of its property when considering this standard.

Derivative Financial Instruments

Derivative financial instruments are recognized as either assets or liabilities at their fair value on the statements of financial position with the changes in the fair value reported in revenues, gains or losses and other support on the statements of activities.

Investments and Investment Income

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized and realized gains and losses are included in the change in net assets.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates fair value due to the short maturity of these instruments. Rates currently available to the Agency for debt with similar terms and remaining maturities are used to estimate fair value of existing debt. The Agency uses quoted market prices for its long-term debt when traded as an asset in an active market. When quoted market prices are not available, fair value of long-term debt is estimated using an expected present value technique.

Deferred Financing Costs and Original Issue Discount

Costs incurred in connection with the bond issuance, consisting primarily of legal fees, underwriting costs and the original issue discount, are deferred and amortized over the life of the related bond payable. These costs are included in other assets on the statements of financial position. Amortization expense as of June 30, 2014 and 2013 was \$23,444 and \$17,803, respectively.

Revenue Recognition

The Agency receives significant grants from federal, state and local governments. Entitlement to the resources is generally conditional upon compliance with terms and conditions of the grant and contract agreements and applicable governmental regulations. For the years ended June 30, 2014 and 2013, grants and contracts from governmental sources accounted for 95% and 94%, respectively, of total program services fees.

Community Resources for Justice, Inc.

Notes to Financial Statements

Years Ended June 30, 2014 and 2013

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES...continued

Revenue Recognition...continued

The state program of the Agency is principally funded by the Department of Developmental Services of the Commonwealth of Massachusetts. Revenue is recorded in individual programs at the rate of reimbursement for unit rate contracts and at costs incurred for cost reimbursement contracts as certified by the Massachusetts Operational Services Division. Excess of revenue over expenses from Commonwealth of Massachusetts supported programs, up to certain defined limits, can be utilized by the Agency for expenditures in accordance with its exempt purpose, provided such expenditures are reimbursable under the Operational Services Division's regulations. Amounts in excess of these limits are subject to negotiated use or potential recoupment and are reported as liabilities.

Grants are evaluated to determine whether they constitute an exchange contract (fee for service agreements) or are granted for a specific purpose or time period. If they are exchange contracts, they are recorded as revenue as the service is performed and deferred revenue if they are received in advance of the service being performed. If they are not exchange contracts, they are treated in the same manner as contributions described below.

Program Service Fees

Revenue is recognized when services are rendered.

Contributions, Gifts and Grants

Contributions, including unconditional promises to give, are initially recognized at fair value as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk and duration involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable may be provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fundraising activity.

Contributions received with donor-imposed restrictions are reported as revenues of the temporarily restricted net asset class when they are received if the restrictions are not satisfied in the same year. A release to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met.

Contributions of land, buildings, and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, buildings and equipment with donor stipulations are reported as revenues of the temporarily restricted net asset class. The restrictions are considered to be released at the time of acquisition of such long-lived assets. Contributions of services are reported as revenues and expenses of the unrestricted net asset class at the fair value of the services received only if the services create or enhance a non-financial asset or would typically need to be purchased by the Agency if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenues and expenses of the unrestricted net asset class at the time the goods or space is received.

During the years ended June 30, 2014 and 2013, the Agency received donated legal services of approximately \$34,741 and \$130,829, respectively. A corresponding expense was also recorded for the same estimated value.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES...continued

Functional Expenses

The Agency allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are charged directly. Other expenses that are common to several functions are allocated using various statistical bases.

Tax Status

The Agency is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax.

The Agency follows FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. The Agency recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities. Management evaluated the Agency's tax positions and concluded that the Agency has no material uncertainties in income taxes.

The Agency is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for fiscal years before 2011.

The Agency will account for interest and penalties related to uncertain tax positions, if any, as part of tax expense.

Advertising Costs

The Agency expenses advertising costs as incurred.

Operating Activities

The statements of activities reflect a subtotal for the change in net assets from operations. This subtotal reflects revenue that the Agency received for operating purposes and all operating expenses. Non-operating activity reflects all other activity, including but not limited to the change in the value of swap agreements, change in value of investments, and investment income.

Reclassifications

Certain reclassifications have been made to the 2013 financial statements in order to conform to the 2014 presentation.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)", requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard will be effective for annual reporting periods beginning after December 15, 2017, and interim periods with annual periods beginning after December 15, 2018. Early implementation is not permitted. The Agency has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

2. CASH HELD IN ESCROW

Included in cash as of June 30, 2014 and 2013 is \$12,623 and \$12,620 of tenant rental deposits, respectively. A related liability is reported in the statements of financial position.

3. CONTRACTS AND GRANTS RECEIVABLE

The following is a summary of contracts and grants receivable as of June 30:

	<u>2014</u>	<u>2013</u>
Contracts and grants receivable, gross	\$ 4,857,823	\$ 3,233,298
Less - allowance for doubtful accounts	<u>(12,899)</u>	<u>(12,935)</u>
Contracts and grants receivable, net	<u>\$ 4,844,924</u>	<u>\$ 3,220,363</u>

Contracts and grants receivable from government agencies and third-party payors as of June 30 are as follows:

	<u>2014</u>	<u>2013</u>
State and federal agencies	97%	99%
Other	<u>3%</u>	<u>1%</u>
	<u>100%</u>	<u>100%</u>

4. NOTE RECEIVABLE

On October 20, 2012, the Agency entered in a demand note agreement with an individual for \$69,919 with a 4% fixed interest rate. The note calls for monthly principal and interest payments of \$1,094 until the note is called or paid in full. As of June 30, 2014 and 2013, there was a balance outstanding of \$ 52,302 and \$63,101, respectively. The note is secured by an open-end mortgage deed, security agreement and assignment of leases on the property known as 11 Amy Lane, Simsbury, Connecticut.

5. INVESTMENTS

The following is a summary of investments at fair value as of June 30:

	<u>2014</u>	<u>2013</u>
Fixed income mutual funds	\$ 1,299,440	\$ 1,541,827
Domestic equity mutual funds	2,908,001	2,391,143
International equity mutual funds	990,608	791,032
Domestic equities	897,141	515,350
Money market funds	<u>79,395</u>	<u>106,146</u>
	<u>\$ 6,174,585</u>	<u>\$ 5,345,498</u>

As of June 30, 2014 and 2013, the Agency incurred investment fees of \$33,585 and \$30,245, respectively, directly to an investment manager.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

6. FAIR VALUE MEASUREMENTS

Under the FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Agency uses the market approach method. Based on this approach, the Agency often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Agency utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Agency is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2 - Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data. Level 2 can also include investments carried at the per share net asset value ("NAV") with redemption periods of ninety days or less.

Level 3 - Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data. Level 3 can also include investments carried at the per share NAV with redemption periods of more than ninety days.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, the inputs are based on the lowest level of input that is significant to the fair value measurement.

The Agency has various processes and controls in place to ensure that fair value is reasonably estimated.

While the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the years ended June 30, 2014 and 2013, there were no changes to the Agency's valuation techniques that had, or are expected to have, a material impact on its statements of financial position or results of operations.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

6. FAIR VALUE MEASUREMENTS...continued

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Mutual Funds, Money Market Funds, Exchange Traded Funds and Equity Securities

The fair value of mutual funds, money market funds, exchange traded funds, and equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Derivative Instruments

Derivatives are fair valued according to their classification as over-the-counter ("OTC"). OTC derivatives consist of interest rate swaps. These derivatives are fair valued using an option adjusted discounted cash flow model using third party services and are considered Level 2 under the fair value hierarchy. Observable market inputs include yield curves such as the LIBOR swap curve.

The following table summarized the valuation of the Agency's assets and liabilities measured at fair value on a recurring basis, by level, within the fair value hierarchy as of June 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2014</u>				
Investments:				
Fixed income mutual funds	\$ 1,299,440	\$ -	\$ -	\$ 1,299,440
Domestic equity mutual funds	2,908,001	-	-	2,908,001
International equity mutual funds	990,608	-	-	990,608
Domestic equities	897,141	-	-	897,141
Money market funds	-	79,395	-	79,395
	<u>\$ 6,095,190</u>	<u>\$ 79,395</u>	<u>\$ -</u>	<u>\$ 6,174,585</u>
Assets limited to use:				
Exchange traded funds	<u>\$ 30,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,252</u>
Liabilities:				
Interest rate swap agreement obligation	<u>\$ -</u>	<u>\$ 1,208,836</u>	<u>\$ -</u>	<u>\$ 1,208,836</u>

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

6. FAIR VALUE MEASUREMENTS...continued

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2013</u>				
Investments:				
Fixed income mutual funds	\$ 1,541,827	\$ -	\$ -	\$ 1,541,827
Domestic equity mutual funds	2,391,143	-	-	2,391,143
International equity mutual funds	791,032	-	-	791,032
Domestic equities	515,350	-	-	515,350
Money market funds	<u>-</u>	<u>106,146</u>	<u>-</u>	<u>106,146</u>
	<u>\$ 5,239,352</u>	<u>\$ 106,146</u>	<u>\$ -</u>	<u>\$ 5,345,498</u>
Assets limited to use:				
Exchange traded funds	<u>\$ 16,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,771</u>
Liabilities:				
Interest rate swap agreement obligation	<u>\$ -</u>	<u>\$ 1,202,154</u>	<u>\$ -</u>	<u>\$ 1,202,154</u>

7. PROPERTY AND EQUIPMENT

As of June 30, property and equipment consisted of the following:

	<u>2014</u>	<u>2013</u>
Land	\$ 2,230,699	\$ 2,230,699
Building and improvements	22,967,137	21,925,331
Furniture and equipment	1,076,730	948,936
Construction in progress	<u>111,942</u>	<u>176,100</u>
	26,386,508	25,281,066
Less - accumulated depreciation and amortization	<u>(10,578,723)</u>	<u>(9,649,925)</u>
Property and equipment, net	<u>\$ 15,807,785</u>	<u>\$ 15,631,141</u>

The total amount of depreciation expense was \$935,036 and \$975,730 during the years ended June 30, 2014, and 2013, respectively.

As of June 30, 2014, construction in progress represented costs incurred in connection with the original purchase, construction, renovations of, alteration of, and the installation of furnishings and equipment to various Agency locations. These projects are expected to be completed by April 2015, and will cost approximately \$2,510,000 to complete.

As of June 30, 2013, construction in progress represented costs incurred in connection with the original purchase, installation of furnishings and equipment, and land improvements. These projects were completed during the year ended June 30, 2014 and placed into service.

8. LINE OF CREDIT

The Agency entered into a demand line of credit agreement with a bank for up to \$1,200,000, which expires in June 2015 with an option to renew annually.

The line is secured by mortgage and lease assignments on three buildings and other business assets of the Agency. Interest is charged on outstanding balances at the LIBOR advantage rate or the bank's prime rate plus 2.50% (2.66% and 3.69% as of June 30, 2014 and 2013, respectively). There was no outstanding balance as of June 30, 2014 and 2013. The line includes certain financial and operating covenants.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

9. LONG-TERM DEBT

MDFA Bonds

On November 3, 2005, the Agency entered into a thirty-year bond agreement aggregating \$7,500,000, and funded by the Massachusetts Development Finance Agency ("MDFA") through a bank, the Trustee, with a variable interest rate (2.48% and 2.51% as of June 30, 2014 and 2013, respectively). Proceeds were used for repayment of debt, construction of, renovation of, alteration of as well as installation of furnishings and equipment to the Agency's various properties.

On March 1, 2010, the Agency, MDFA and Trustee amended the bond agreement. The amendment converts the interest rate from a *Weekly Rate* to the *Bank Purchase Rate* effective April 1, 2010. The *Bank Purchase Rate* means a rate of interest equal to 68% of the sum of the Adjusted LIBOR Rate, as determined for each LIBOR Interest Period, plus 3.50%. At the end of five years from the date of closing, there will be a mandatory tender, following which the bonds may be remarketed in any other mode permissible under the bond indenture or in the Bank Purchase Mode with the tax-effective percentage and the spread adjusted as may be necessary to remarket.

Under the amended terms of the bonds, annual installments of principal will continue to be due on December 1 each year. The annual principal installments started at \$130,000 in 2008 and escalate each year to \$480,000 in 2035. Under the terms of the amendment, interest payments are due on the first of each month commencing May 1, 2010. The Agency's letter of credit issued by RBS Citizens, N.A. was cancelled effective with this amendment.

Concurrent with the issuance of the MDFA bonds, the Agency entered into an interest rate cap agreement. During 2007, this agreement was sold and replaced with an interest rate swap agreement.

The notes payable to RBS Citizens, N.A. include certain financial and operating covenants and are secured by certain Agency real estate and business assets.

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

	<u>2014</u>	<u>2013</u>
Massachusetts Development Finance Agency (MDFA) Bonds (See above)	\$ 6,640,000	\$ 6,800,000
4.9% mortgage note payable to RBS Citizens, N. A. in monthly installments of \$2,113 to May 2016. This note is secured by a mortgage on one piece of real property.	229,225	242,826
4.3% mortgage note payable to RBS Citizens, N. A. in monthly installments of \$2,109 to June 2016. This note is secured by a mortgage on one piece of real property.	304,858	316,774
3.75 % mortgage note payable to RBS Citizens, N. A. in monthly installments of \$5,372 to June 2017. This note is secured by a mortgage on one piece of real property.	848,627	880,179
4.12% mortgage note payable to RBS Citizens, N. A. in monthly installments of \$1,598 through September 3, 2011, followed by 54 consecutive payments of \$1,255 beginning on October 3, 2011 through March 3, 2016, followed by the final lump sum payment on April 3, 2016.	<u>186,711</u>	<u>193,920</u>
Balance Forward	\$ 8,209,421	\$ 8,433,699

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

9. LONG-TERM DEBT...continued

MDFA Bonds...continued

	<u>2014</u>	<u>2013</u>
Balance Forward	\$ 8,209,421	\$ 8,433,699
3.75% mortgage note payable to RBS Citizens, N. A. in monthly installments of \$3,257 to June 2017 with a balloon payment of \$448,262 due in full on June 30, 2017. This note is secured by all mortgaged properties.	512,297	531,504
5.40% mortgage note payable to RBS Citizens, N. A. in monthly installments of \$1,505 to May 2015. This note is secured by a mortgage on one piece of real property.	228,604	233,988
6.5% mortgage payable to Pioneer Savings Bank, fixed for five years, adjustable September 1, 2015 but in no event less than 6.50% per annum, in monthly installments of \$1,301 to August 1, 2020 with a balloon payment of \$157,361 due in full on August 1, 2020. This mortgage is secured by one piece of real property.	155,368	160,706
4.4% mortgage payable to RBS Citizens, N. A. in monthly installments of \$1,056, with a balloon payment due in full on September 15, 2015. This note is secured by one piece of real property.	175,261	180,001
3.96% mortgage payable to RBS Citizens, N. A. in monthly installments of \$2,833, with a balloon payment due in full on April 8, 2019. This note is secured by three pieces of real property.	<u>596,250</u>	<u>596,250</u>
	9,877,201	10,136,148
Less - current portion	<u>857,595</u>	<u>260,687</u>
Long term debt, net of current portion	<u>\$ 9,019,606</u>	<u>\$ 9,875,461</u>

As of June 30, 2014 and 2013, the carrying value of long-term debt approximates fair value.

The aggregate maturities, including balloon payments, required on long-term debt as of June 30, are as follows:

2015	\$ 857,595
2016	1,108,830
2017	1,460,522
2018	218,596
2019	773,693
Thereafter	<u>5,457,965</u>
	<u>\$ 9,877,201</u>

The total amount of interest cost incurred amounted to \$672,788 and \$550,243 during the years ended June 30, 2014 and 2013, respectively.

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

10. INTEREST RATE SWAP AGREEMENT

The Agency maintains an interest rate risk management strategy that uses derivative instruments to minimize significant, unanticipated net asset fluctuations caused by interest rate volatility. The Agency's specific goal is to lower the cost of its borrowed funds.

During the year ended June 30, 2007, the Agency entered into an interest rate swap agreement with RBS Citizens, N.A. The agreement had a fixed rate of 3.98% with a notional amount of \$7,500,000 and matures on December 1, 2035. In April 2010, the Agency entered into a new swap agreement and terminated the former swap agreement when restructuring the MDFA bonds, which converted existing SIFMA-based fixed rate swap to a Libor-based fixed rate swap.

The new interest rate swap agreement is with RBS Citizens, N. A. and has a fixed rate of 3.55% with a notional amount of \$6,640,000 and \$6,800,000 as of June 30, 2014 and 2013, respectively.

Effect of the Interest Rate Swap in Cash Flow Hedging Relationships on the Statements of Financial Position as of June 30, 2014 and 2013			
Derivative	Statements of Financial Position Location	Fair Value 2014	Fair Value 2013
Interest rate contract	Interest rate swap agreement obligation	\$ 1,208,836	\$ 1,202,154

Effect of Interest Rate Swap on the Statements of Activities for the Years Ended June 30, 2014 and 2013			
Derivative	Statements of Activities Location	Amount Gain (Loss) Recognized in Non-operating Income (Expense)	
		2014	2013
Interest rate contract	Unrealized gain (loss) on interest rate swap agreement obligation	\$ (6,682)	\$ 686,637

11. RENTAL INCOME

The Agency leases certain office and residential space in four buildings primarily used for Agency operations. Rental income for the years ended June 30, 2014 and 2013 was \$342,104 and \$341,714, respectively.

The following is a schedule by years of the future minimum lease revenue under the non-cancelable leases as of June 30:

2015	\$ 262,924
2016	181,205
2017	<u>82,500</u>
	<u>\$ 526,629</u>

Community Resources for Justice, Inc.

Notes to Financial Statements
Years Ended June 30, 2014 and 2013

12. BENEFIT PLANS

The Agency maintains a 401(k) tax deferred plan and a 401(k) Roth retirement plan. All employees, with the exception of Co-Op students, Interns and Temporary employees who have at least thirty (30) days of continuous service are eligible to participate. Eligible employees' participation begins on the first of the month following thirty days of employment. Employees who are 21 years of age or older are eligible for an Agency match after six months of continuous employment. The plan includes a provision for loans to participants. Each eligible participant may contribute up to the federal allowed maximum, in addition to the federal limit for the catch-up provisions. The Agency will match 100% for the employees' first 3% and 50% for the next 2% of employees' contributions. The Agency may make additional proportionate contributions at its discretion. The Agency contributed \$287,505 and \$279,124 to the plan during the years ended June 30, 2014 and 2013, respectively, which is included in payroll taxes and benefits in the accompanying statements of functional expenses. A favorable determination has been received from the Internal Revenue Service regarding the plan's tax-exempt status.

In addition, the Organization has a 457(b) deferred compensation plan for a key individual which was established during the year ended June 30, 2012. The plan is to be funded by the Organization annually up to a maximum contribution of \$10,000. The Organization had contributed a total of \$26,666 and \$16,667 as of June 30, 2014 and 2013, respectively, which is recorded as assets limited to use on the statements of financial position, plus unrealized gains of \$3,482 and \$104 as of June 30, 2014 and 2013, respectively. The Organization made excess deposits during 2013 to catch up as no deposits were made during 2012. The Organization's related liability of \$30,252 and \$16,771 as of June 30, 2014 and 2013, respectively, is included in other liabilities.

13. OPERATING LEASES

The Agency leases various program sites, equipment and vehicles. Future minimum lease payments due under these agreements are as follows as of June 30:

	<u>Total</u>	<u>Real Estate</u>	<u>Equipment</u>	<u>Vehicles</u>
2015	\$ 1,056,909	\$ 609,051	\$ 58,008	\$ 389,850
2016	619,121	337,373	42,879	238,869
2017	344,018	192,037	38,505	113,476
2018	185,438	167,146	8,782	9,510
2019	159,046	159,046	-	-
Thereafter	<u>1,048,767</u>	<u>1,048,767</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,413,299</u>	<u>\$ 2,513,420</u>	<u>\$ 148,174</u>	<u>\$ 751,705</u>

The above leases provide for annual escalation charges for property taxes and operating expenses as stipulated in the lease agreements.

Total real estate lease/rent expense for the Agency was \$692,264 and \$650,878, respectively, for the years ended June 30, 2014 and 2013. Total vehicle lease expense for the Agency was \$402,132 and \$351,550 for the years ended June 30, 2014 and 2013, respectively. Total equipment lease expense was \$99,997 and \$89,342 for the years ended June 30, 2014 and 2013, respectively.

Community Resources for Justice, Inc.

Notes to Financial Statements

Years Ended June 30, 2014 and 2013

14. IMPAIRMENT OF LONG LIVED ASSETS

During June 2013, the Agency was notified that the contract for a property in Somerville would not be renewed. Accordingly, the Agency evaluated the ongoing value of the property. Based on this evaluation, the Agency determined that assets with a carrying amount of approximately \$1.5 million were impaired and wrote them down by approximately \$661 thousand to their estimated fair value. The estimated fair value was based on an appraisal done on the property. The Agency identified no impairments of long lived assets during the year ended June 30, 2014.

15. SUBSEQUENT EVENTS

The Agency evaluated subsequent events through December 11, 2014, when the financial statements were issued.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Community Resources for Justice, Inc.
Boston, Massachusetts

We have audited the financial statements of Community Resources for Justice, Inc. as of and for the years ended June 30, 2014 and 2013, and have issued our report thereon which contains an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Boston, Massachusetts
December 11, 2014

Community Resources for Justice, Inc.

Schedule of Revenues and Expenses for the State of New Hampshire
Year Ended June 30, 2014

	Pathways of the River Valley	Monadnock Developmental Services	Moore Center Services	One Sky Services	Community Support Services	Community Bridges Services	Total
Revenues:							
Program service fees	\$ 445,420	\$ 835,268	\$ 462,578	\$ 205,756	\$ 55,748	\$ 170,451	\$ 2,175,221
Expenses:							
Salaries	137,402	387,645	166,526	65,124	3,735	130,826	891,258
Payroll taxes and benefits	35,188	96,469	42,919	16,805	969	32,661	225,011
Program operations and supplies	13,900	66,232	24,788	8,684	469	4,931	119,004
Occupancy	19,498	25,181	23,513	-	-	6,069	74,261
Program consultants	152,438	228,967	165,649	96,016	38,517	801	682,388
Transportation	6,799	11,189	7,677	839	209	5,102	31,815
Depreciation and amortization	8,082	-	-	-	-	2,673	10,755
Interest	5,269	-	-	-	-	3,196	8,465
Insurance	1,342	2,389	812	316	18	705	5,582
Communications	2,016	3,708	4,378	-	-	818	10,920
Administrative	1,414	80	159	4	-	949	2,606
Professional and organizational development	251	-	90	326	-	93	760
Recruitment	583	-	-	-	-	16	599
Advertising	41	-	-	-	-	-	41
Miscellaneous	-	542	-	-	-	-	542
Overhead allocation	86,896	192,644	96,106	41,782	10,289	25,237	452,954
Total expenses	471,119	1,015,046	532,617	229,896	54,206	214,077	2,516,961
Excess (deficiency) of revenues over expenses	\$ (25,699)	\$ (179,778)	\$ (70,039)	\$ (24,140)	\$ 1,542	\$ (43,626)	\$ (341,740)

Community Resources for Justice, Inc.

Schedule of Revenues and Expenses for the State of New Hampshire
Year Ended June 30, 2013

	Pathways of the River Valley	Monadnock Developmental Services	Moore Center Services	One Sky Services	Community Support Services	Northern Human Services	Community Bridges Services	Total
Revenues:								
Program service fees	\$ 486,526	\$ 810,175	\$ 472,050	\$ 439,711	\$ 55,682	\$ 148,910	\$ 173,367	\$ 2,586,421
Expenses:								
Salaries	149,747	376,231	149,931	236,253	3,159	78,067	120,647	1,114,035
Payroll taxes and benefits	38,085	96,757	38,683	56,089	829	19,770	30,692	280,905
Program operations and supplies	20,789	64,062	27,209	25,749	278	8,324	5,126	151,537
Occupancy	10,583	14,883	23,400	26,480	-	6,486	6,111	87,943
Program consultants	161,976	155,125	168,127	97,588	38,397	958	820	622,991
Professional fees	1,754	-	-	-	-	1,075	6	2,835
Transportation	4,245	6,993	9,018	4,637	144	1,627	5,086	31,750
Depreciation and amortization	6,871	-	-	1,644	-	4,211	3,179	15,905
Interest	4,334	-	-	-	-	2,656	-	6,990
Insurance	1,114	2,241	678	1,730	14	621	2,892	9,290
Communications	1,927	3,464	3,730	3,616	-	1,181	633	14,551
Administrative	994	114	-	453	-	609	680	2,850
Professional and organizational development	35	406	150	75	-	21	65	752
Recruitment	49	-	-	-	-	30	-	79
Overhead allocation	84,420	153,361	88,695	95,236	9,193	26,230	569	457,704
Total expenses	486,923	873,637	509,621	549,550	52,014	151,866	176,506	2,800,117
Excess (deficiency) of revenues over expenses	\$ (397)	\$ (63,462)	\$ (37,571)	\$ (109,839)	\$ 3,668	\$ (2,956)	\$ (3,139)	\$ (213,696)