Hope Community, Inc.

Minneapolis, Minnesota

Consolidated Financial Statements
Auditor's Report
For the Years Ended
December 31, 2025 and 2024

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hope Community, Inc.
Minneapolis, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Hope Community, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hope Community, Inc. as of December 31, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Hope Community, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope Community, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards

will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hope Community, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope Community, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statement of Financial Position as of December 31, 2025, the Consolidating Statement of Activities for the year then ended are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Carpenter, Evert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
August 5, 2025

EXHIBIT A

HOPE COMMUNITY, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 1,224,470	$ 1,239,601
Grants and Contributions Receivable	513,000	275,752
Accounts Receivable - Net	155,152	293,292
Prepaid Expenses	55,071	37,587
Total Current Assets	1,947,693	1,846,232
Investments	648,979	608,805
Investment in Limited Partnerships	264,936	264,936
Due from Limited Partnerships	733,064	733,064
Accrued Interest Receivable	409,261	408,124
Property - Net	6,039,014	6,366,468
Right-of-Use Asset	1,378,845	1,458,129
Other Assets	73,037	73,037
TOTAL ASSETS	$ 11,494,829	$ 11,758,795
LIABILITIES AND NET ASSETS AND EQUITY		
Current Liabilities:		
Notes Payable	$ 10,286	$ 140,286
Accounts Payable	236,610	258,216
Accrued Salaries and Vacation	154,864	125,553
Tenants' Deposits	85,979	95,014
Lease Liability	82,308	132,610
Total Current Liabilities	570,047	751,679
Accrued Interest Payable	1,228,097	1,182,024
Notes Payable	6,264,251	6,061,361
Lease Liability	1,296,537	1,325,519
Total Liabilities	9,358,932	9,320,583
Net Assets and Equity:		
Without Donor Restrictions	1,279,704	2,035,212
With Donor Restrictions	856,193	403,000
Total Net Assets and Equity	2,135,897	2,438,212
TOTAL LIABILITIES AND NET ASSETS AND EQUITY	$ 11,494,829	$ 11,758,795

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

EXHIBIT B

HOPE COMMUNITY, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Grants and Contributions of Financial Assets	$ 1,567,331	$ 670,000	$ 2,237,331	$ 2,168,517	$ 265,000	$ 2,433,517
Grants from Governmental Agencies	276,765	161,105	437,870	50,000	-	50,000
Rental Income	899,976	-	899,976	919,075	-	919,075
Investment Income (Loss)	106,785	-	106,785	124,377	-	124,377
Other Income	34,658	-	34,658	139,438	-	139,438
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	227,912	(227,912)	-	430,000	(430,000)	-
Satisfaction of Time Restrictions	150,000	(150,000)	-	10,000	(10,000)	-
Total Support and Revenue	3,263,427	453,193	3,716,620	3,841,407	(175,000)	3,666,407
Expense:						
Program Services	3,403,929	-	3,403,929	3,391,586	-	3,391,586
Support Services:						
Management and General	448,271	-	448,271	539,288	-	539,288
Fundraising	166,735	-	166,735	163,626	-	163,626
Total Support Services	615,006	-	615,006	702,914	-	702,914
Total Expense	4,018,935	-	4,018,935	4,094,500	-	4,094,500
Change in Net Assets from Operations	(755,508)	453,193	(302,315)	(253,093)	(175,000)	(428,093)
(Loss) on Disposal of Property-Dundry	-	-	-	(1,155,882)	-	(1,155,882)
Release of Forgivable Loan	-	-	-	130,000	-	130,000
Total Change in Net Assets	(755,508)	453,193	(302,315)	(1,278,975)	(175,000)	(1,453,975)
Net Assets and Equity - Beginning of Year	2,035,212	403,000	2,438,212	3,314,187	578,000	3,892,187
Net Assets and Equity - End of Year	$ 1,279,704	$ 856,193	$ 2,135,897	$ 2,035,212	$ 403,000	$ 2,438,212

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

EXHIBIT C

HOPE COMMUNITY, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2025 WITH COMPARATIVE TOTALS FOR 2024

	2025					2024
		Support Services				
	Total Program Services	Management and General	Fundraising	Total Support Services	Total All Services	Total All Services
Salaries	$ 1,298,919	$ 177,228	$ 102,149	$ 279,377	$ 1,578,296	$ 1,575,476
Employee Benefits	125,430	17,114	9,864	26,978	152,408	149,769
Payroll Taxes	112,415	15,338	8,840	24,178	136,593	133,497
Total Personnel Costs	1,536,764	209,680	120,853	330,533	1,867,297	1,858,742
Operating and Maintenance	373,431	8,428	307	8,735	382,166	436,285
Occupancy	331,644	-	-	-	331,644	360,255
Contracted Services	162,072	76,079	27,952	104,031	266,103	305,172
Bad Debt	182,584	-	-	-	182,584	41,316
Interest	120,326	3,403	-	3,403	123,729	142,728
Real Estate Taxes	97,331	-	-	-	97,331	24,970
Professional Fees	10,697	85,477	-	85,477	96,174	94,754
Client Support Services	89,310	-	-	-	89,310	128,419
Insurance	72,707	12,831	-	12,831	85,538	102,190
Supplies	8,855	23,883	-	23,883	32,738	11,739
Telephone	18,332	9,444	-	9,444	27,776	28,379
Training and Development	10,294	6,232	3,896	10,128	20,422	19,048
Licenses and Fees	5,463	6,212	4,762	10,974	16,437	36,432
Printing and Publicity	-	1,076	7,989	9,065	9,065	7,345
Minor Equipment	4,071	2,674	-	2,674	6,745	2,069
Miscellaneous	-	2,852	976	3,828	3,828	15,770
Depreciation	380,048		-	-	380,048	478,887
Total Expense	$ 3,403,929	$ 448,271	$ 166,735	$ 615,006	$ 4,018,935	$ 4,094,500

The accompanying Notes to Consolidated Financial Statements
are an integral part of this statement.

EXHIBIT D

HOPE COMMUNITY, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2024

		Support Services			
	Total Program Services	Management and General	Fundraising	Total Support Services	Total All Services
Salaries	$ 1,296,598	$ 176,911	$ 101,967	$ 278,878	$ 1,575,476
Employee Benefits	118,445	22,004	9,320	31,324	149,769
Payroll Taxes	109,855	14,998	8,644	23,642	133,497
Total Personnel Costs	1,524,898	213,913	119,931	333,844	1,858,742
Operating and Maintenance	434,824	1,461	-	1,461	436,285
Occupancy	347,580	12,675	-	12,675	360,255
Contracted Services	121,085	149,768	34,319	184,087	305,172
Bad Debt	41,316	-	-	-	41,316
Interest	138,857	3,871	-	3,871	142,728
Real Estate Taxes	24,970	-	-	-	24,970
Professional Fees	2,823	91,931	-	91,931	94,754
Client Support Services	126,153	755	1,511	2,266	128,419
Insurance	94,243	7,947	-	7,947	102,190
Supplies	168	11,571	-	11,571	11,739
Telephone	9,570	18,056	753	18,809	28,379
Training and Development	7,834	10,314	900	11,214	19,048
Licenses and Fees	27,635	8,074	723	8,797	36,432
Printing and Publicity	-	1,856	5,489	7,345	7,345
Minor Equipment	-	2,069	-	2,069	2,069
Miscellaneous	10,743	5,027	-	5,027	15,770
Depreciation	478,887	-	-	-	478,887
Total Expense	$ 3,391,586	$ 539,288	$ 163,626	$ 702,914	$ 4,094,500

The accompanying Notes to Consolidated Financial Statements
are an integral part of this statement.

EXHIBIT E

HOPE COMMUNITY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Increase (Decrease) in Cash and Cash Equivalents	2025	2024
Cash Flows from Operating Activities:		
Change in Net Assets	$ (302,315)	$ (1,453,975)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation & Amortization Expense	380,048	478,887
Loss on Disposal of Property-Dundry	-	1,155,882
Realized and Unrealized (Gain) on Investments	(85,564)	(71,705)
Amortization of Interest-Deferred Loans	83,176	77,513
Increases (Decreases) in Operating Liabilities:		
Accounts Payable	(21,606)	1,365
Accrued Salaries and Vacation	29,311	(2,622)
Tenants' Deposits	(9,035)	7,174
Accrued Interest Payable	46,073	64,381
Decreases (Increases) in Operating Assets:		
Grants and Contributions Receivable	(237,248)	122,172
Accounts Receivable	138,140	(135,790)
Prepaid Expenses	(17,484)	6,134
Deferred Developer Fee	-	4,562
Accrued Interest Receivable	(1,137)	(29,360)
Other Assets	-	(10,471)
Net Cash Provided by Operating Activities	2,359	214,147
Cash Flows from Investing Activities:		
Purchase of Property	(52,594)	(250,000)
Proceeds from Sale of Investments	86,563	181,328
Purchases of Investments	(41,173)	(75,411)
Net Cash (Used) by Investing Activities	(7,204)	(144,083)
Cash Flows from Financing Activities:		
Release of Forgivable Loan	-	(130,000)
Proceeds from Issuance of Notes Payable	-	250,000
Principal Payments on Notes Payable	(10,286)	(10,286)
Net Cash Provided by Financing Activities	(10,286)	109,714
Net Increase (Decrease) in Cash and Cash Equivalents	(15,131)	179,778
Cash and Cash Equivalents - Beginning of Year	1,239,601	1,059,823
Cash and Cash Equivalents - End of Year	$ 1,224,470	$ 1,239,601
Supplemental Disclosure of Cash Flow Information		
Cash Paid for:		
Interest	$ -	$ -

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

1. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements of Hope Community, Inc. (Hope) include the accounts of Dundry House, LLC., Hope Block Stabilization Phase I, LLC., and Franklin Portland Gateway Phase I, LP. All material inter-organizational transactions have been eliminated.

Organization

For 49 years, Hope has been a neighborhood hub in the Phillips Community of Minneapolis. We use place-based community development and engagement strategies to mobilize collective power, disrupt structural racism, create alternatives to gentrification, support self-determination, and promote community well-being. Because of Hope, our community has more capacity, leadership, and power to affect policy, systems, and conditions that impact wellbeing.

Our Community

Hope is deeply rooted in the inner urban, low-wealth Phillips Community of Minneapolis. We define our community by place and by people. Our work responds to issues/needs in Phillips; however, we don't limit participation by geography. Our activities are led by and respond to the concerns, interests, and strengths of our community, the majority of whom identify as Black, Indigenous, and/or People of Color (BIPOC). In solidarity and to build collective power, Hope's work also reaches beyond physical and political borders through engagement, partnerships, and policy/advocacy coalitions.

Our community is rich in talent, culture, and wisdom. We believe that, when community members bring these and other essential assets to the vision and the work, community-led solutions can support vital new ventures without erasing or displacing the people, the culture, or the history of long-term residents. When supported by equitable systems and sufficient resources, low-wealth communities can develop, and sustain resonant, resilient, and vital spaces where people can root, grow, and thrive.

Hope's Mission and Strategies

Our community exists within the context of historical, generational, and acute present-day traumas including chronic disinvestment, institutional violence, displacement, and disappearance. Hope's mission is ***to create connections that strengthen the power of community members and communities. We cultivate community leaders, build community capacity, care for the places and spaces we develop, and pursue equity and diversity in all we do.*** We advance our mission through four core strategies that relate to and amplify each other:

1. **Preserve** and develop places for community, including affordable housing, community gathering spaces, green spaces, and commercial spaces.
2. **Support**, strengthen, and build community capacity: leadership, knowledge, connections, strategies, and action.

1. Summary of Significant Accounting Policies (continued)

Hope's Mission and Strategies (continued)

3. **Advance** economic mobility and build wealth skills, mindsets, enterprises, and ownership.
4. **Build** community power and organize for equitable policy, systems, and environmental changes

Hope's Work in 2025

In 2025, Hope's work was accomplished by 7 voting members of the Board of Directors, 17 full time staff and 3 part time staff with help of contracted facilitators and special project personnel, and multiple key partners/ collaborating organizations contributed to Hope's mission.

In 2025, Hope served and involved more than 1,195 people at Hope housing, community spaces, and provided foundational supports, engagement programming, training and capacity building opportunities, and community power building opportunities for residents to advance personal goals, community priorities, and much-needed systems change.

Core Programs and Results

The following programs activate our strategies: we preserve, support, advance, and build. Each of Hope's core programs results in a more invested Phillips community.

Affordable Housing and Place-Based Community Development: Over a 30-year period, Hope has worked with multiple partners to develop 300 high-quality rental units and 12 affordable homeownership units; greenspaces, play spaces, and 7,500 square feet of community gardens; Hope's offices and community center; and commercial spaces for neighborhood businesses. Approximately 800 people live in Hope's rental housing. Seventy-five percent (75%) of our units meet affordability requirements for households living at 30-50% of the Area Median Income (AMI). Hope's housing supports household stability, with the average stay being 7 years. Demand for Hope housing is represented by consistently full units, suggesting that Hope homes are desirable and fill a community need.

Community Ownership and Economic Mobility: Eligible low-income renters in Phillips Community participate in training toward a financial goal: becoming owner-occupant landlords of small multi-family buildings. Since launching in 2020, Hope has trained 11 cohort groups with 96 participants in this opportunity to build wealth and provide affordable housing through small-scale neighborhood entrepreneurship. To date, 18 graduates have successfully purchased their own properties. Another 76 graduates have established a wealth-building mindset and taken significant steps (such as credit repair) toward their financial goals.

1. Summary of Significant Accounting Policies (continued)

Core Programs and Results (continued)

Food, Land, and Community (FLC): Neighbors plan, plant, tend, harvest, and distribute fresh, culturally relevant produce to the community. Using restorative agriculture techniques and following mutual aid principles, the program fosters food sovereignty and security, environmental justice, and climate health. In 2025, nearly 150 participants built community and tended three gardens to learn, grow, and share approximately $7,000 worth of fresh, nutritious food with nearly 350 neighbors.

Youth Leadership and Career Readiness: Youth aged 8-18 develop and practice social-emotional, technical, and life skills; explore entrepreneurism and career pathways; design and develop creative projects; and build strong community relationships with peers and mentors.
In 2025, of 150 participating youth, 80% feel confident using new skills and 75% have been involved for more than a year. Sixty-eight participants completed self-directed creative projects; 17 completed a week of summer overnight camp; 4 completed paid summer internships; 35 explored careers with mentors in various professions; 5 applied for post-secondary scholarship opportunities.

Art of Radical Collaboration (ARC): ARC is a year-round community arts program that supports artistic development, expression, and leadership in the community. In all ARC activities, artists practice asking critical questions, foster networks of mutual support and opportunity, and strengthen practitioner capacity to engage with the broader community respectfully, powerfully, and effectively. In 2025, we conducted 9 skill shares workshops [BS6.1]and planned for a community art studio which will be launched in late 2026.

Policy and Systems Change: Our engagement work naturally leads us into policy and systems change. Through our participation in multiple coalitions to build community power, we work to shape equitable policies and practices within systems and institutions. In 2025, we produced 6 events focused on voter education, including educating candidates on responsibilities of park board commissioners, and a series of candidate forums for each park district and citywide. The Minneapolis Park and Recreation Board of Commissioners elected in 2025 reflects a significant increase in diversity and equity-centered leadership.

Emerging Initiatives

Community Art Studio: To support our ARC program and neighborhood community artists, Hope is redeveloping one of our existing commercial spaces into a community art studio. In 2026, we'll complete renovations in our Jourdain Building to establish a flexible, adaptable art studio to host ARC programming, and also provide additional gathering space, which is in high demand in the community.

1. Summary of Significant Accounting Policies (continued)

Emerging Initiatives (continued)

Re-envisioning SPEAC: SPEAC (Sustainable Progress through Engaging Active Communities) is our signature leadership, organizing, and action training program. We have secured funding to conduct a curriculum refresh and, in response to local demand for organizing training in the face of the many threats to our communities, we anticipate launching SPEAC 2.0 in 2027.

Reimagining Affordable Housing: A multi-year demonstration project will test a new model for affordable housing that advances equity by redirecting subsidy to increase both affordability for residents and operating revenue for providers, creating economic stability for both.

Community-Centered Safety: In 2016, Hope began building capacity to promote community-centered approaches to safety that do not depend upon law enforcement. Emerging work in this area focuses on our large outdoor public spaces; we aim to develop a shared vision of establishing/maintaining safety that is centered in community, humanity, and accountability, and to implement short-term strategies rooted in that vision for Hope properties.

Supporting Local Food Entrepreneurs: To meet community need in our local food ecosystem, we'll remodel our 20-year-old commercial kitchen to establish an affordable, commercially licensed food production space for rental use by emerging food entrepreneurs.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to Hope, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and purpose. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. Property is reported as net assets without donor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor- imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Hope reports contributions restricted by donors as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Promises-To-Give (Grants and Contributions Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are generally uncollateralized and Hope does not charge interest on accounts receivable balances. Allowance for credit losses on accounts receivable is determined based on historical experience, an assessment of economic conditions and a review of subsequent collections. Hope reviews accounts receivable balances on a periodic basis and writes off delinquent receivables to the allowance when they are considered uncollectible. Allowance for credit losses was $281,421 and $287,918 for the years ended December 31, 2025 and 2024, respectively.

Investments

Hope carries its investments at market value.

Investments in Limited Partnerships

Investments in limited partnerships consist of privately held partnerships without readily determinable market values. Hope adjusts the carrying value of these investments up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any (referred to as the measurement alternative). All gains and losses on these investments, realized and unrealized, are recognized in the statement of activities as changes in net assets.

Property

All expenditures for property in excess of $500 are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method.

Leases

Hope determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. Hope does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition

Hope recognizes grants and contributions when cash, securities or other assets, with an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of Hope's revenue is derived from state and county contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Hope has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No refundable advances exist at the years ended December 31, 2025 and 2024.

Rental Income is recognized over the period of the tenant leases.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expense

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statement of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Salaries and related expenses are allocated based on time spent or estimated time spent. Expenses that can be identified with a particular function are expensed to that function. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on management's best estimates.

Income Tax

Hope has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. Hope's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. Hope continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. In compliance with its exempt status, Hope annually files a Return of Organization Exempt From Income Tax (Form 990).

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

Hope has evaluated the effect that subsequent events would have on the consolidated financial statements through August 5, 2026, which is the date consolidated financial statements were available to be issued.

2. Financial Instruments

Significant Concentrations of Credit Risk

Hope provides services within the Twin Cities area. The amounts due for services provided are from individuals, or their third-party payers, substantially all of which are local. In addition, grants and contributions receivable are from local and national institutions.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At December 31, 2025 and 2024, Hope held funds in excess of federally insured limits.

3. Grants and Contributions Receivable

The balance of grants and contributions receivable as of December 31, 2025 and 2024 are due in the following year.

4. Investments

Hope held the following investments as of:

	December 31,			
	2025		2024	
	Market	Cost	Market	Cost
Mutual Funds	$ 285,122	$ 298,672	$ 291,387	$ 307,833
Donor Advised Funds	357,108	357,108	310,669	310,669
Cash Surrender Value of Life Insurance Policies	6,749	6,749	6,749	2,181
	$ 648,979	$ 662,529	$ 608,805	$ 620,683

Investment income (loss) was as follows as of:

	December 31,	
	2025	2024
Interest and Dividend Income	$ 21,221	$ 52,672
Realized and Unrealized Gain	85,564	71,705
	$ 106,785	$ 124,377

5. Fair Value

Hope adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures ("ASC 820"). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Quoted prices in active markets for identical investments.
Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at December 31:

	2025			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 285,122	$ -	$ -	$ 285,122
Donor Advised Funds	357,108	-	-	357,108
Life Insurance Policies	6,749	-	-	6,749
Investment in Ltd. Partnerships	-	-	264,936	264,936
Due from Limited Partnerships	-	733,064	-	733,064
Total	$ 648,979	$ 733,064	$ 264,936	$ 1,646,979

	2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 291,387	$ -	$ -	$ 291,387
Donor Advised Funds	310,669	-	-	310,669
Life Insurance Policies	6,749	-	-	6,749
Investment in Ltd. Partnerships	-	-	264,936	264,936
Due from Limited Partnerships	-	733,064	-	733,064
Total	$ 608,805	$ 733,064	$ 264,936	$ 1,606,805

6. Property

Hope owned the following assets as of:

	December 31,		Estimated
	2025	2024	Useful Lives
Land	$ 1,121,007	$ 1,121,007	
Buildings and Improvements	12,905,229	12,871,804	10-40 years
Furniture and Equipment	1,120,664	1,107,630	3-10 years
	15,146,900	15,100,441	
Less Accumulated Depreciation	9,107,886	8,733,973	
	$ 6,039,014	$ 6,366,468	

Depreciation expense of $380,048 and $478,887 was recorded for the years ended December 31, 2025 and 2024, respectively.

7. Notes Payable

Starting in 1994, Hope became indebted for renovation and development projects. Included in the indebtedness are notes payable which are payable at the end of their term. The notes were discounted to reflect the market interest rate and present value of the notes. The following schedule reflects the current value of the outstanding notes as of:

	December 31,			
	2025		2024	
	Face Value	Current Value	Face Value	Current Value
1% note payable to Minneapolis Community Development Agency. Principal and accrued interest due in full October 2039. Secured by mortgage, security agreement, and fixture financing agreement.	495,000	495,000	495,000	495,000
1% note payable to Minneapolis Community Development Agency. Principal and accrued interest due in full February 2027. Secured by properties at 2023, 2101, and 2109 Portland Avenue South, and 2026 Oakland Avenue South, Minneapolis.	192,435	192,435	192,435	192,435
1% note payable to Minneapolis Community Development Agency. Principal and accrued interest due in full December 2028. Secured by property and rents at 2024 Oakland Avenue South, Minneapolis.	168,900	168,900	168,900	162,280
0% note payable to Family Housing Fund. Principal due in full April 2029. Secured by property at 1829 5th Avenue South, Minneapolis.	250,000	250,000	250,000	250,000
1% note payable to Family Housing Fund. Principal and accrued interest due in full July 2039. Secured by mortgage, security agreement, and fixture financing agreement.	100,000	100,000	100,000	100,000

7. Notes Payable (Continued)

	December 31,			
	2025		2024	
	Face Value	Current Value	Face Value	Current Value
0% note payable to Family Housing Fund. Principal balance due in full July 2039. Secured by mortgage.	149,000	142,414	149,000	131,865
0% note payable to Minnesota Housing Finance Agency. Principal balance due in full July 2031. Secured by properties at 2023 and 2109, 2026 Portland Avenue South, Minneapolis	139,500	90,973	139,500	84,235
1% note payable to the City of Minneapolis. Principal and accrued interest due in full October 2039. Secured by mortgage, security agreement and fixture financing agreement.	646,000	270,631	646,000	254,114
6.5% 30-year note payable to Minnesota Housing Finance Agency. Principal and accrued interest due in full in October 2039. Secured by mortgage security agreements for 2023, 2023, 2109 and 2115 Portland Avenue South, 2024 and 2026 Oakland Avenue South, Minneapolis.	539,838	225,851	539,838	212,066
0% 30-year note payable to Minnesota Housing Finance Agency. Will be forgiven October 2039 if all provisions set for this loan agreement are followed. Secured by mortgage security agreements for 2023, 2023, 2109 and 2115 Portland Avenue South, 2024 and 2026 Oakland Avenue South, Minneapolis.	190,000	79,490	190,000	74,638

7. Notes Payable (continued)

	December 31,			
	2025		2024	
	Face Value	Current Value	Face Value	Current Value
$250,000 variable rate line-of-credit with American National Bank. Interest is payable at the bank's prime rate of 8.5%. The credit facility expires November 29, 2026 Secured by cash accounts.	250,000	-	250,000	-
1% 30-year note payable to City of Minneapolis. Principal and accrued interest due in full December 2048. Secured by mortgage security agreements for 1829 – 5th, 2012, 2101 Portland Avenue and 616-618 E. 22nd Street, Minneapolis. Loan was modified in 2024.	132,781	118,624	132,781	118,008
1% 30-year note payable to Minnesota Housing Finance Agency. Will be forgiven December 2048 if all provisions set for this loan agreement are followed. Secured by mortgage security agreements for 1829- 5th, 2012, 2101 Portland Avenues and 616-618 E. 22nd Street, Minneapolis.	1,124,000	356,751	1,124,000	339,387
1% note payable to Minnesota Housing Finance Agency. Principal and accrued interest due in full January 2033. Secured by mortgage security agreements for 613 E. Franklin Avenue, 2108 Oakland Avenue and 612-614 East 22nd Street, Minneapolis.	2,019,597	2,019,597	2,019,597	2,019,597
0% note payable to City of Minneapolis. Semi-annual principal payments of $5,143 required through June 2034. Secured by property at 611 East Franklin Avenue, Minneapolis.	82,286	82,286	92,572	92,572

7. Notes Payable (continued)

	December 31,			
	2025		2024	
	Face Value	Current Value	Face Value	Current Value
1% note payable to City of Minneapolis Community Planning and Economic Development Department (CPED). Principal and accrued interest due in full January 2033. Secured by mortgage security agreements for 613 E. Franklin Avenue, 2108 Oakland Avenue and 612-614 East 22nd Street, Minneapolis.	400,000	400,000	400,000	400,000
1% note payable to CPED. Principal and accrued interest due in full January 2033. Secured by mortgage security agreements for 613 E. Franklin Avenue, 2108 Oakland Avenue and 612-614 East 22nd Street, Minneapolis.	100,000	100,000	100,000	100,000
1% note payable to Family Housing Fund. Principal and accrued interest due in full January 2033. Secured by mortgage security agreements for 612 E. Franklin Avenue, 2108 Oakland Avenue and 612-614 East 22nd Street, Minneapolis.	290,000	290,000	290,000	290,000
1% note payable to CPED. Principal and accrued interest due in full January 2033. Secured by mortgage security agreements for 613 E. Franklin Avenue, 2108 Oakland Avenue and 612-614 East 22nd Street, Minneapolis.	500,000	500,000	500,000	500,000

7. Notes Payable (continued)

	December 31, 2025		December 31, 2024	
	Face Value	Current Value	Face Value	Current Value
5.34% note payable to CPED. Principal and accrued interest due in full December 2032. Secured by mortgage security agreements for 613 E. Franklin Avenue, 2108 Oakland Avenue and 612-614 East 22nd Street, Minneapolis.	55,000	55,000	55,000	55,000
5.34% note payable to CPED. Principal and accrued interest due in full January 2033. Secured by mortgage security agreements for 613 E. Franklin Avenue, 2108 Oakland Avenue and 612-614 East 22nd Street, Minneapolis.	205,000	205,000	205,000	205,000
1% note payable to Hennepin County Housing and Redevelopment Authority. Principal and accrued interest due in full January 2033. Secured by mortgage security agreements for 613 E. Franklin Avenue, 2108 Oakland Avenue and 612-614 East 22nd St., Minneapolis.	148,000	148,000	148,000	148,000
		6,290,952		6,224,197
Less Unamortized Debt Issuance		16,415		22,550
		6,274,537		6,201,647
Less Portion Due Within One (1) Year		10,286		140,286
Long-term Portion		$ 6,264,251		$ 6,061,361

Principal payments required are as follows:

Due in the Year Ending December 31,	
2026	$ 10,286
2027	202,721
2028	179,186
2029	260,285
2030	10,286
2031 and succeeding years	5,628,188*
Total	$ 6,290,952

* Includes amounts that may be forgiven.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of amounts for the following as of:

	December 31, 2025	December 31, 2024
Restrictions that Expire:		
Purpose Restrictions:		
REAM	$ 414,689	$ -
SPEAC	150,000	-
Arts and Culture	-	51,000
Other	18,504	64,000
Time Restrictions:		
Future Operations	135,000	150,000
Restrictions in Perpetuity:		
Endowment	138,000	138,000
	$ 856,193	$ 403,000

9. Endowment Fund

Description

The Endowment consists of with donor restrictions and without donor restrictions funds established for the following purposes:

With donor restricted endowment funds are to be held in perpetuity, with the income and related investment gains to be used for any mission related program.

Without donor restricted endowment funds are designated by the Board of Directors to function as endowments, and are held at the discretion of the Board of Directors, with the income and related investment gains to be used for any mission related purpose.

Interpretation of Relevant Law

The Board of Directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (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, Hope defines assets with donor restrictions that are perpetual in nature as:

(a) the original value of gifts donated to the endowment that is perpetual in nature,
(b) the original value of subsequent gifts to the endowment that is perpetual in nature,
(c) accumulations to the endowment that is perpetual in nature made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in perpetual in nature is classified as net assets is classified as net assets with donor-imposed time or purpose restrictions until those amounts are appropriated for expenditure by Hope in a manner consistent with the standard of prudence prescribed by UPMIFA.

9. Endowment Fund (continued)

In accordance with UPMIFA, Hope considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of Hope and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of Hope
7. The investment policies of Hope

Changes in Endowment Net Assets

	Without Donor Restrictions	With Donor Restrictions	Total
December 31, 2023	233,992	138,000	371,992
Total Investment Return	38,677	-	38,677
Contributions (Withdrawals)	(100,000)	-	(100,000)
December 31, 2024	$ 172,669	$ 138,000	$ 310,669
Total Investment Return	36,439	-	36,439
Contributions (Withdrawals)	10,000	-	10,000
December 31, 2025	$ 219,108	$ 138,000	$ 357,108

10. Operating Leases

Hope is a party to operating leases for two commercial spaces and one community space. The right-of-use (ROU) assets represent Hope's right to use underlying assets for the lease term, and the lease operating liabilities represent Hope's obligation to make lease payments arising from these leases. The ROU assets and lease operating liabilities were calculated based on the present value of future lease payments over the lease terms. Hope has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of:

	December 31, 2025	December 31, 2024
Operating Leases:		
Operating Lease Right of Use Asset	$ 1,378,845	$ 1,458,129
Operating Lease Liabilities - Current	$ 82,308	$ 132,610
Operating Lease Liabilities - Noncurrent	1,296,537	1,325,519
Total Operating Lease Liabilities	$ 1,378,845	$ 1,458,129

10. Operating Leases(continued)

The following summarizes the weighted average remaining lease term and discount rate as of:

	December 31, 2025	December 31, 2024
Weighted Average Remaining Lease Term:		
Operating Lease	13 years	14 years
Weighted Average Discount Rate:		
Operating Lease	3.75%	3.75%

Maturities of lease liabilities as of December 31, 2025 were as follows:

2026	$ 132,610
2027	132,610
2028	132,610
2029	132,610
2030	132,610
2031 and Beyond	1,091,490
Less Present Value Discount	(375,695)
Present Value of Lease Liabilities	$ 1,378,845

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended:

	December 31, 2025	December 31, 2024
Operating Lease Expense Included in Occupancy	$ 132,610	$ 132,610

The following summarizes cash flow information related to leases for the year ended:

	December 31, 2024	December 31, 2023
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$ 132,610	$ 132,610

11. Nonoperating Loss on Disposal of Property-Dundry

In June 2024, a property held in Dundry House, LLC. was demolished due to several fires that occurred. After writing down the current value of loans that government debt holders modified or forgave and incurring demolition costs, a nonoperating loss on disposal of $1,155,882 was recorded for the year ending December 31, 2024. In addition, the difference between the face value and current value of loans that will not require future repayment or be forgiven was $990,064.

12. Related Parties

Hope is the general managing partner in two limited partnerships, FPG II, and FPG III, with a .005% ownership interest in each. Hope is also a general managing partner in FPG IV, with a .01% ownership interest.

As a general managing partner of FPG II, Hope is to receive a management fee of $15,000 annually, increasing at a 3% annual rate on a cumulative basis from the available cash flow. No fee was paid in both years ending December 31, 2025 and 2024.

As a general managing partner of FPG III, Hope is to receive an annual management fee to the extent of the cash flow. The fee is a non-cumulative and none was paid in both years ending December 31, 2025 and 2024.

Hope has a 30-year master lease agreement with FPG II and FPG III for commercial space in the property. The leases expire in 2037 and 2039, respectively.

Mortgages outstanding to the limited partnerships are secured by the mortgage at interest ranging from 1% to 4.79%. Notes are stated at unpaid principal balances. Interest income from related parties was $30,497 and $29,360 for the years ended December 31, 2025 and 2024, respectively. The notes receivable are summarized as follows as of:

	December 31, 2025	December 31, 2024
FPG II	$ 224,000	$ 224,000
FPG III	509,064	509,064
Total	$ 733,064	$ 733,064

The mortgages are expected to be collected in the year ending December 31, 2047. The accrued interest receivable on these notes is as follows as of:

	December 31, 2025	December 31, 2024
FPG II	$ 314,095	$ 314,095
FPG III	95,166	94,029
Total	$ 409,261	$ 408,124

13. Correction of Accounting Error

The 2024 financial statements omitted a loan in the statement of financial position. Accordingly, Hope restated its results for the year ended December 31, 2024. The effect of the restatement on the change in net assets and financial position as of and for the year ended December 31, 2024 is as follows:

	As previously Reported	Restated
Notes Payable-current	$ 130,000	$ 140,286
Notes Payable-LT	5,979,075	6,061,361
Net Assets and Equity-Beginning of Year	2,530,784	2,438,212
Interest Expense	153,014	142,728

14. Liquidity and Availability

The following represents Hope's financial assets at:

	December 31, 2025	December 31, 2024
Financial Assets:		
Cash	$ 1,224,470	$ 1,239,601
Grants and Contributions Receivable	513,000	275,752
Accounts Receivable - Net	155,152	293,292
Total Financial Assets	1,892,622	1,808,645
Less assets not available to be used for general expenditures within one year:		
Net Assets With Donor Restrictions-expiring	718,193	265,000
Net Assets With Restrictions to be met within a year	(718,193)	(265,000)
Total assets not available for general expenditures within one year:	-	-
Financial assets available for general expenditures within one year	$ 1,892,622	$ 1,808,645

Hope maintains a board-designated fund acting as endowment of $219,108 and $172,669 as of December 31, 2025 and 2024 respectively that is not considered available for use within one year. Although Hope does not intend to spend from this board-designated endowment, these amounts could be made available if necessary.

Hope maintains a $250,000 line of credit to aid in liquidity.

ADDITIONAL INFORMATION

SCHEDULE 1

HOPE COMMUNITY, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	Hope Community	Dundry House, LLC	Hope Block Stabilization Phase I, LLC	Franklin Port-land Gateway Phase I, LP	Elimination Entries	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 1,060,917	$ 23,842	$ 45,958	$ 93,753	$ -	$ 1,224,470
Grants and Contributions Receivable	513,000	-	-		-	513,000
Accounts Receivable-Net	87,565	2,439	21,979	43,169	-	155,152
Prepaid Expenses	1,123	10,182	13,783	29,983	-	55,071
Due from Affiliated Organization	1,414,326	-	-	-	(1,414,326)	-
Total Current Assets	3,076,931	36,463	81,720	166,905	(1,414,326)	1,947,693
Investments	648,979	-	-	-	-	648,979
Investment in Limited Partnerships	264,936	-	-	-	-	264,936
Due from Limited Partnerships	2,033,064	-	-	-	(1,300,000)	733,064
Accrued Interest Receivable	409,261	-	-	-	-	409,261
Property - Net	211,745	833,554	328,507	4,665,208	-	6,039,014
Right-of-Use-Asset	1,378,845	-	-	-	-	1,378,845
Other Assets	73,037	-	-	-	-	73,037
TOTAL ASSETS	$ 8,096,798	$ 870,017	$ 410,227	$ 4,832,113	$ (2,714,326)	$ 11,494,829
LIABILITIES AND NET ASSETS AND EQUITY						
Current Liabilities:						
Notes Payable	$ 10,286	$ -	$ -	$ -	$ -	$ 10,286
Accounts Payable	41,792	45,993	67,994	80,831	-	236,610
Accrued Salaries and Vacation	150,598	-	-	4,266	-	154,864
Tenants' Deposits	16,060	9,431	18,011	42,477	-	85,979
Lease Liability	82,308	-	-	-	-	82,308
Due to Affiliated Organization	-	565,875	424,007	424,444	(1,414,326)	-
Total Current Liabilities	301,044	621,299	510,012	552,018	(1,414,326)	570,047
Accrued Interest Payable	-	30,000	173,966	1,024,131	-	1,228,097
Notes Payable	72,000	821,593	1,665,694	3,704,964	-	6,264,251
Lease Liability	1,296,537	-	-	-	-	1,296,537
Total Liabilities	1,669,581	1,472,892	2,349,672	5,281,113	(1,414,326)	9,358,932
Net Assets and Equity:						
Without Donor Restrictions	5,571,024	(602,875)	(1,939,445)	(449,000)	(1,300,000)	1,279,704
With Donor Restrictions	856,193	-	-	-	-	856,193
Total Net Assets and Equity	6,427,217	(602,875)	(1,939,445)	(449,000)	(1,300,000)	2,135,897
TOTAL LIABILITIES AND NET ASSETS AND EQUITY	$ 8,096,798	$ 870,017	$ 410,227	$ 4,832,113	$ (2,714,326)	$ 11,494,829

See Independent Auditor's Report

SCHEDULE 2

HOPE COMMUNITY, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Hope Community	Dundry House, LLC	Hope Block Stabilization Phase I, LLC	Franklin Port-land Gateway Phase I, LP	Elimination Entries	Total
Support and Revenue:						
Grants and Contributions of Financial Assets	$ 2,237,331	$ -	$ -	$ -	$ -	$ 2,237,331
Grants from Governmental Agencies	437,870	-	-	-	-	437,870
Rental Income	217,798	61,352	181,060	439,766	-	899,976
Investment Income	106,748	3	8	26	-	106,785
Other Income	17,341	-	-	17,317	-	34,658
Total Support and Revenue	3,017,088	61,355	181,068	457,109	-	3,716,620
Expense:						
Salaries	1,404,394	19,115	57,062	97,725	-	1,578,296
Employee Benefits	133,217	3,026	6,497	9,668	-	152,408
Payroll Taxes	127,862	1,148	3,220	4,363	-	136,593
Operating and Maintenance	20,050	26,640	88,567	246,909	-	382,166
Occupancy	136,982	11,718	45,028	137,916	-	331,644
Contracted Services	266,103	-	-	-	-	266,103
Bad Debt	116,256	9,003	28,721	28,604	-	182,584
Interest	268	18,029	59,191	46,241	-	123,729
Real Estate Taxes	9,259	27,678	19,354	41,040	-	97,331
Professional Fees	81,979	1,682	4,048	8,465	-	96,174
Client Support Services	89,310	-	-	-	-	89,310
Insurance	4,803	13,642	16,159	50,934	-	85,538
Supplies	1,234	1,280	4,675	25,549	-	32,738
Telephone	24,657	185	716	2,218	-	27,776
Training and Development	19,851	33	305	233	-	20,422
Licenses and Fees	11,572	702	580	3,583	-	16,437
Printing and Publicity	9,065	-	-	-	-	9,065
Minor Equipment	6,745	-	-	-	-	6,745
Miscellaneous	1,840	136	337	1,515	-	3,828
Depreciation and Amortization	17,845	83,830	29,645	248,728	-	380,048
Total Expense	2,483,292	217,847	364,105	953,691	-	4,018,935
Change in Net Assets	533,796	(156,492)	(183,037)	(496,582)	-	(302,315)
Net Assets and Equity - Beginning of Year	5,893,421	(446,383)	(1,756,408)	47,582	(1,300,000)	2,438,212
Net Assets and Equity - End of Year	$ 6,427,217	$ (602,875)	$ (1,939,445)	$ (449,000)	$ (1,300,000)	$ 2,135,897

See Independent Auditors Report