

**MINNESOTA COUNCIL OF CHURCHES
MINNEAPOLIS, MINNESOTA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**



MINNESOTA COUNCIL OF CHURCHES

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3-4
Statements of Activities and Changes in Net Assets	5
Statements of Functional Expenses	6
Statements of Cash Flows	7-8
Notes to Financial Statements	9-14
SUPPLEMENTARY SCHEDULES	
Schedules of Cash	15
Schedules of Cash Flows for Church Center Operations	16
Schedules of Cash Flows for Non Church Center Operations	17

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Minnesota Council of Churches
Minneapolis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Minnesota Council of Churches (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

Minnesota Council of Churches

Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Council of Churches as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Minnesota Council of Churches' 2011 financial statements, and our report dated March 29, 2012, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Smith, Schafn and Associates, Ltd.

Edina, Minnesota
April 12, 2013

MINNESOTA COUNCIL OF CHURCHES

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

ASSETS	2012	2011
Current Assets		
Cash and cash equivalents	\$ 969,720	\$ 1,130,249
Portion of capital lease receivable due within one year (Note 2)	3,168	-
Accounts, contracts, and grants receivable	208,802	261,592
Fuel inventory	9,230	7,526
Prepaid expenses	34,274	21,969
Total Current Assets	1,225,194	1,421,336
Property and Equipment, net (Note 3)	680,732	530,216
Other Asset		
Capital lease receivable, net of current portion (Note 2)	5,598	-
TOTAL ASSETS	\$ 1,911,524	\$ 1,951,552

See Notes to Financial Statements

LIABILITIES AND NET ASSETS	2012	2011
Current Liabilities		
Obligations under revolving line of credit agreement (Note 4)	\$ -	\$ -
Accounts payable	134,548	167,407
Accrued vacation	40,718	36,435
Deferred revenue	92,723	49,572
	<hr/>	<hr/>
Total Current Liabilities	267,989	253,414
Net Assets		
Unrestricted:		
Designated (Note 5)	278,650	300,037
Undesignated	950,606	809,301
	<hr/>	<hr/>
Total Unrestricted Net Assets	1,229,256	1,109,338
Temporarily restricted (Note 5)	414,279	588,800
	<hr/>	<hr/>
Total Net Assets	1,643,535	1,698,138
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 1,911,524	\$ 1,951,552

THIS PAGE LEFT BLANK INTENTIONALLY

MINNESOTA COUNCIL OF CHURCHES

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2012

With Comparative Totals for the Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Totals	
			2012	2011
Support				
Grants, contracts and contributions	\$ 1,870,205	\$ 312,382	\$ 2,182,587	\$ 2,617,169
Rental income	895,792	-	895,792	886,183
Denominational income	286,897	-	286,897	298,016
Program fees	55,116	-	55,116	58,531
Miscellaneous	35,224	-	35,224	5,539
In-kind revenue	-	-	-	12,000
Net Assets Released From Restrictions	486,903	(486,903)	-	-
Total Support	3,630,137	(174,521)	3,455,616	3,877,438
Functional Expenses				
Fundraising	109,673	-	109,673	70,463
Church council programs	842,491	-	842,491	511,251
Church center operations	740,061	-	740,061	851,480
Refugee services	1,518,201	-	1,518,201	1,586,320
Joint Religious Legislative Coalition	299,793	-	299,793	326,975
Total Functional Expenses	3,510,219	-	3,510,219	3,346,489
Increase (Decrease) in Net Assets	119,918	(174,521)	(54,603)	530,949
NET ASSETS, BEGINNING OF YEAR	1,109,338	588,800	1,698,138	1,167,189
NET ASSETS, END OF YEAR	\$ 1,229,256	\$ 414,279	\$ 1,643,535	\$ 1,698,138

See Notes to Financial Statements

THIS PAGE LEFT BLANK INTENTIONALLY

MINNESOTA COUNCIL OF CHURCHES

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2012

With Comparative Totals for the Year Ended December 31, 2011

	General and Administrative		Church Council Programs	Church Center Operations	Refugee Services	Joint Religious Legislative Coalition	2012	2011
Personnel costs	\$ 290,859	\$ 97,459	\$ 453,495	\$ 352,039	\$ 669,151	\$ 172,229	\$ 2,035,232	\$ 1,766,087
Transitional grants	-	-	-	-	362,513	-	362,513	345,878
Consultants	16,477	320	121,543	7,506	67,871	16,207	229,924	217,820
Building utilities and maintenance	-	-	-	224,721	-	-	224,721	277,165
Matching grants	-	-	-	-	139,492	-	139,492	67,418
Depreciation	-	-	-	81,180	-	-	81,180	134,620
Meeting expense	3,101	1,408	25,789	3,086	6,768	35,939	76,091	68,108
JRLC	-	-	62,750	-	-	-	62,750	61,500
Communication and computer system	-	-	-	51,082	-	-	51,082	58,899
Travel	557	265	11,978	262	20,341	5,319	38,722	22,307
Client costs	-	-	-	-	33,011	-	33,011	26,094
Printing and copying	-	3,541	6,189	1,514	13,183	6,218	30,645	29,370
Professional fees	24,705	-	1,520	-	953	-	27,178	30,553
Office supplies	7,623	422	4,670	3,503	7,348	1,120	24,686	22,339
Insurance	6,319	-	1,665	12,780	-	-	20,764	23,034
Rent support	-	-	-	-	17,003	-	17,003	133,717
Training and conferences	1,438	802	8,222	-	626	1,755	12,843	9,492
Telephone	1,030	50	1,676	8,173	100	1,431	12,460	12,258
Postage and shipping	-	455	1,183	13	1,927	6,117	9,695	11,095
Temporary help	-	-	-	4,921	-	-	4,921	11,978
Security	-	-	-	3,611	-	-	3,611	3,976
Books, subscriptions and memberships	1,253	225	525	100	12	995	3,110	3,382
Publicity	1,502	-	38	-	1,285	-	2,825	3,056
Rent	-	-	-	-	1,819	-	1,819	-
Miscellaneous expense	833	-	483	-	276	140	1,732	4,107
Equipment maintenance	-	-	-	1,464	-	-	1,464	2,188
Interest	745	-	-	-	-	-	745	48
Applied rent	15,293	3,394	18,090	(92,864)	41,337	14,750	-	-
Applied computer system rent	2,024	539	3,013	(14,492)	7,836	1,080	-	-
Applied communication system rent	2,610	793	4,033	(20,615)	11,739	1,440	-	-
Applied administrative services	(376,369)	-	115,629	112,077	113,610	35,053	-	-
TOTAL FUNCTIONAL EXPENSES	\$ -	\$ 109,673	\$ 842,491	\$ 740,061	\$ 1,518,201	\$ 299,793	\$ 3,510,219	\$ 3,346,489

See Notes to Financial Statements

MINNESOTA COUNCIL OF CHURCHES

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows From Operating Activities		
Increase (Decrease) in net assets	\$ (54,603)	\$ 530,949
Adjustments to reconcile change in net assets to net cash from operations:		
Depreciation	81,180	134,620
(Increase) decrease in:		
Accounts, contracts and grants receivable	52,790	(7,172)
Fuel inventory	(1,704)	(2,153)
Prepaid expenses	(12,305)	5,646
Increase (decrease) in:		
Accounts payable	(32,859)	14,098
Accrued vacation	4,283	1,280
Prepaid rental income	-	(6,209)
Deferred revenue	43,151	(48,007)
	<u>79,933</u>	<u>623,052</u>
Net Cash Provided By Operating Activities		
Cash Flows From Investing Activities		
Payments received on capital lease	1,436	2,551
Purchase of furniture and equipment to be leased	(10,202)	-
Expenditures for property and equipment	(231,696)	(49,268)
	<u>(240,462)</u>	<u>(46,717)</u>
Net Cash (Used In) Investing Activities		
Cash Flows From Financing Activities		
Advances on line of credit agreement	27,000	114,000
Payments on line of credit agreement	(27,000)	(116,000)
	<u>-</u>	<u>(2,000)</u>
Net Cash (Used In) Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	(160,529)	574,335
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,130,249	555,914
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 969,720	\$ 1,130,249

See Notes to Financial Statements

2012

2011

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest	\$	745	\$	48
Noncash Investing and Financing Activities:				
Cost of property and equipment disposed of	\$	-	\$	42,283
Accumulated depreciation for property and equipment disposed of		-		(42,283)

THIS PAGE LEFT BLANK INTENTIONALLY

MINNESOTA COUNCIL OF CHURCHES

NOTES TO FINANCIAL STATEMENTS

1. Description of Council and Summary of Significant Accounting Policies

Description of Council

The Minnesota Council of Churches (“the Council”) is a Minnesota nonprofit organization formed in September 1947 as a cooperative agency of Christian Churches to manifest in Minnesota the oneness of the church in Christ, to encourage fellowship between the member churches, and to study, speak, and act cooperatively on issues in society.

The Council’s programs are as follows:

Church Council Programs – The Council provides a forum to explore questions of faith, order and worship, as well as questions related to life and work. The Council also identifies and participates with religious and secular coalitions that are compatible with its purpose and policies.

Church Center Operations – The Council operates a six-story office building which houses approximately thirty church and other nonprofit agencies.

Refugee Services – The Refugee Services program provides direct social assistance, sponsorship development, and advocacy to refugees who currently reside in Minnesota, as well as refugees who enter the community each year.

Joint Religious Legislative Coalition – The purpose of the Joint Religious Legislative Coalition (JRLC) is to initiate and affect legislation which will further the causes of social justice. The method for accomplishing this goal is to research the justice problems of our society and propose and promote legislative remedies.

Basis of Presentation

Financial statement presentation follows FASB ASC 958. Under FASB ASC 958, the Council 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. There were no permanently restricted net assets as of December 31, 2012 and 2011.

Basis of Accounting and Support Recognition

The Council maintains its books and records on the accrual basis of accounting. All income and expenses are recorded as they are earned or incurred.

MINNESOTA COUNCIL OF CHURCHES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Council and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Council considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts, Contracts and Grants Receivable

Accounts, contracts and grants receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial. Therefore, no valuation allowance is maintained for these accounts, contracts and grants receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off. All accounts receivable are expected to be collected within one year of the balance sheet date.

Fuel Inventory

Fuel inventory is valued at cost.

Property and Equipment

Property and equipment are stated at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets ranging from three to fifty years. The Council's policy is to capitalize and depreciate property and equipment purchased or obtained which has a cost in excess of \$1,000 and an estimated useful life of at least one year.

Donated Materials and Services

Donated materials and services are recorded as contributions at their estimated fair value on the date received. The value of the contribution of materials and services is recognized as both revenue and an expense to the Council. The Council recognized \$12,000 of donated materials and services for the year ended December 31, 2011. The Council did not recognize any donated materials or services for the year ended December 31, 2012.

The Council recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Council receives services from a large number of volunteers who give significant amounts of their time to the Council's programs but which do not meet the criteria for financial statement recognition.

MINNESOTA COUNCIL OF CHURCHES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Council and Summary of Significant Accounting Policies (Continued)

Contributions

Contributions are recognized when a donor makes a promise to give to the Council that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

All other contributions received are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Deferred Revenue

The Council has received funds for services not completed as of December 31, 2012 and 2011. The funds are deferred and recognized in the period in which the services are provided.

Income Taxes

The Council has tax exempt status under Section 501(c)(3) of the Internal Revenue Code. As a result, the Council does not pay federal income tax. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Management has determined that the Council does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

MINNESOTA COUNCIL OF CHURCHES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Council and Summary of Significant Accounting Policies (Continued)

Concentrations of Credit Risk

The Council's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. The Council keeps its cash with high quality financial institutions. At times, balances maintained at these financial institutions may exceed the federally insured limit. As of December 31, 2012 and 2011, cash balances in excess of the federally insured limit totaled \$727,782 and \$844,215. Effective January 1, 2013, unlimited insurance on non-interest bearing accounts was discontinued and therefore, the Council had additional cash balances in excess of the federally insured limit after that date.

The Council routinely assesses the financial strength of its clients, renters and grantors and, as a consequence, believes that its receivables credit risk exposure is limited.

Fair Value of Financial Instruments

The carrying amount for cash and cash equivalents, accounts, capital lease receivable, contracts, and grants receivable, prepaid expenses, accounts payable, accrued vacation, and deferred revenue approximates fair value due to the immediate or short-term maturity of these financial instruments. The fair value of the revolving line of credit approximates its carrying value because the terms are equivalent to rates currently available to the Council for debt with similar terms and maturities.

Prior Year Comparative Totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the presentation in the 2012 financial statements.

Subsequent Events

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through April 12, 2013, the date the financial statements were available to be issued.

MINNESOTA COUNCIL OF CHURCHES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Capital Lease Receivable

Capital lease receivable as of December 31, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Due under capital lease, bearing interest at 13.11%; due in monthly payments of \$344, including interest through May 2015	\$ 8,766	\$ -
Less: Current portion	<u>3,168</u>	-
Long-term receivable, net of current portion	<u>\$ 5,598</u>	<u>\$ -</u>

Future payments receivable under the capital lease as of December 31, 2012 were as follows:

<u>For the Years Ending December 31,</u>	<u>Totals</u>
2013	\$ 3,168
2014	3,609
2015	<u>1,989</u>
Total	<u>\$ 8,766</u>

3. Property and Equipment

Property and equipment as of December 31, 2012 and 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Land	\$ 248,984	\$ 248,984
Outside improvements	15,053	15,053
Building and improvements	2,535,518	2,363,636
Furniture and equipment	<u>568,800</u>	508,986
Total	<u>3,368,355</u>	3,136,659
Less: Accumulated depreciation	<u>2,687,623</u>	2,606,443
Property and Equipment, net	<u>\$ 680,732</u>	<u>\$ 530,216</u>

Depreciation expense for the years ended December 31, 2012 and 2011 was \$81,180 and \$134,620, respectively.

MINNESOTA COUNCIL OF CHURCHES

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Revolving Line of Credit Agreement

The Council has a \$150,000 (\$200,000 at December 31, 2011) revolving line of credit agreement with its bank, which bears interest at the bank's prime rate, but never less than 5.75%. The line is due no later than January 6, 2014 and is secured by substantially all of the Council's assets. The Council had no outstanding draws on the line of credit as of December 31, 2012 and 2011. As of December 31, 2012 and 2011 the Council was in compliance with all covenants required by the revolving line of credit agreement.

5. Net Assets

Temporarily Restricted

Temporarily restricted net assets were available for specific programs totaling \$414,279 and \$588,800 as of December 31, 2012 and 2011, respectively.

Net assets in the amount of \$486,903 and \$89,510 were released from restriction during the years ended December 31, 2012 and 2011 by expending funds for the purpose specified by the donor.

Fund Balance Designation

The Council's Board of Directors had designated unrestricted net assets as of December 31, 2012 and 2011 for the following purposes:

	<u>2012</u>	<u>2011</u>
Operating reserve	\$ 86,982	\$ 73,129
Future capital improvements	191,668	226,908
Total	<u>\$ 278,650</u>	<u>\$ 300,037</u>

6. Defined Contribution Pension Plan

The Council has a defined contribution pension plan, covering substantially all of its employees, to which it contributes 12% of eligible employees' annual salaries. Contributions totaled \$174,042 and \$143,304, for the years ended December 31, 2012 and 2011, respectively.

SUPPLEMENTARY SCHEDULES

MINNESOTA COUNCIL OF CHURCHES

SCHEDULES OF CASH

December 31, 2012 and 2011

	2012	2011
Money market account	\$ 736,809	\$ 992,034
Trust fund checking	129,084	14,950
Money market account - JRLC	93,335	102,112
FSA account	9,992	6,780
Checking	500	14,373
TOTAL CASH	<u>\$ 969,720</u>	<u>\$ 1,130,249</u>

THIS PAGE LEFT BLANK INTENTIONALLY

MINNESOTA COUNCIL OF CHURCHES

SCHEDULES OF CASH FLOWS FOR CHURCH CENTER OPERATIONS

For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows From Church Center Operating Activities		
Church Center support in excess of expenses	\$ 124,042	\$ 13,249
Adjustments to reconcile Church Center support in excess of expenses to net cash from Church Center operations		
Depreciation	81,180	134,620
(Increase) decrease in:		
Accounts, contracts, and grants receivable	41,642	(38,595)
Fuel inventory	(1,704)	(2,153)
Increase (decrease) in:		
Accounts payable	(48,097)	45,896
Prepaid rental income	-	(6,209)
	<u>197,063</u>	<u>146,808</u>
Net Cash Provided By Church Center Operating Activities	<u>197,063</u>	<u>146,808</u>
Cash Flows From Church Center Investing Activities		
Payments received on capital lease	1,436	2,551
Purchase of furniture and equipment sold under capital lease	(10,202)	-
Expenditures for property and equipment	(231,696)	(49,268)
	<u>(240,462)</u>	<u>(46,717)</u>
Net Cash (Used In) Church Center Investing Activities	<u>(240,462)</u>	<u>(46,717)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(43,399)	100,091
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	498,500	398,409
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 455,101</u>	<u>\$ 498,500</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Noncash Investing and Financing Activities:		
Cost of property and equipment disposed of	\$ -	\$ 42,283
Accumulated depreciation for property and equipment disposed of	-	(42,283)

THIS PAGE LEFT BLANK INTENTIONALLY

MINNESOTA COUNCIL OF CHURCHES

SCHEDULES OF CASH FLOWS FOR NON CHURCH CENTER OPERATIONS

For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows From Non Church Center Operating Activities		
Non Church Center support in excess of (less than) expenses	\$ (178,645)	\$ 517,700
Adjustments to reconcile Non Church Center support in excess of (less than) expenses to net cash from Non Church Center Operations		
(Increase) decrease in:		
Accounts, contracts, and grants receivable	11,148	31,423
Prepaid expenses	(12,305)	5,646
Increase (decrease) in:		
Accounts payable	15,238	(31,798)
Accrued vacation	4,283	1,280
Deferred revenue	43,151	(48,007)
	<u>(117,130)</u>	<u>476,244</u>
Net Cash Provided By (Used In) Non Church Center Operating Activities		
Cash Flows From Non Church Center Financing Activities		
Advances on line of credit agreement	27,000	114,000
Payments on line of credit agreement	(27,000)	(116,000)
	<u>-</u>	<u>(2,000)</u>
Net Cash (Used In) Non Church Center Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	(117,130)	474,244
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	631,749	157,505
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 514,619	\$ 631,749

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest	\$ 745	\$ 48
----------	--------	-------