



# **THE PIEDMONT ENVIRONMENTAL COUNCIL**

## **Financial Statements**

*For the Years Ended December 31, 2015 and 2014*

**and  
Report Thereon**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
The Piedmont Environmental Council  
Warrenton, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Piedmont Environmental Council (the "Council;"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities 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 Council'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 Council'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 qualified audit opinion.

### **Basis for Qualified Opinion**

As described in Note 1 to the financial statements, The Piedmont Environmental Council has not consolidated the financial statements of The Piedmont Foundation into these financial statements, which is required by accounting principles generally accepted in the United States of America.

### **Qualified Opinion**

In our opinion, except for the effects of not consolidating The Piedmont Foundation as explained in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of The Piedmont Environmental Council as of December 31, 2015 and 2014, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses is presented for the purpose 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 audit 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.

*Gourent, Hyde & Barbour, P.C.*

Winchester, Virginia  
July 12, 2016

**THE PIEDMONT ENVIRONMENTAL COUNCIL**

**Statements of Financial Position**

December 31, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 290,583	\$ 2,318,724
Grants, pledges and other receivables	612,966	855,144
Notes receivable	1,809,300	1,809,300
Prepaid expenses and other assets	<u>89,835</u>	<u>38,484</u>
Total current assets	<u>2,802,684</u>	<u>5,021,652</u>
<b>Long-Term Assets</b>		
Land held for conservancy, at cost	3,549,113	4,204,661
Net property and equipment	3,105,749	660,006
Land	<u>76,206</u>	<u>76,206</u>
Total long-term assets	<u>6,731,068</u>	<u>4,940,873</u>
 Total assets	 <u>\$ 9,533,752</u>	 <u>\$ 9,962,525</u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 615,916	\$ 589,645
Payable to The Piedmont Foundation	122,598	--
Notes payable	<u>1,800,000</u>	<u>1,800,000</u>
Total current liabilities	<u>2,538,514</u>	<u>2,389,645</u>
 <b>Net Assets</b>		
Unrestricted	3,043,983	1,618,971
Temporarily restricted	<u>3,951,255</u>	<u>5,953,909</u>
Total net assets	<u>6,995,238</u>	<u>7,572,880</u>
 Total liabilities and net assets	 <u>\$ 9,533,752</u>	 <u>\$ 9,962,525</u>

The accompanying notes are an integral part of these Financial Statements.

**THE PIEDMONT ENVIRONMENTAL COUNCIL**

**Statements of Activities**

For the Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total 2015	Unrestricted	Temporarily Restricted	Total 2014
<b>Revenue and Support</b>						
Contributions and grants	\$ 2,117,252	\$ 1,621,688	\$ 3,738,940	\$ 3,580,109	\$ 1,710,645	\$ 5,290,754
Special events	442,965	--	442,965	382,697	--	382,697
Less: costs benefiting contributors	<u>(113,823)</u>	<u>--</u>	<u>(113,823)</u>	<u>(119,800)</u>	<u>--</u>	<u>(119,800)</u>
Special events, net of costs benefiting contributors	329,142	--	329,142	262,897	--	262,897
Interest and dividends	54,557	--	54,557	54,436	--	54,436
Net unrealized and realized gains (losses)	(30,548)	--	(30,548)	(2,050)	--	(2,050)
Other	5,453	--	5,453	14,479	--	14,479
Net assets released from restrictions:						
Satisfaction of program restrictions	<u>3,624,342</u>	<u>(3,624,342)</u>	<u>--</u>	<u>1,314,279</u>	<u>(1,314,279)</u>	<u>--</u>
Total revenue and support	<u>6,100,198</u>	<u>(2,002,654)</u>	<u>4,097,544</u>	<u>5,224,150</u>	<u>396,366</u>	<u>5,620,516</u>
<b>Expenses</b>						
Program Services:						
Conservation, stewardship and habitat	1,175,937	--	1,175,937	1,715,605	--	1,715,605
County issues and planning	451,533	--	451,533	1,137,950	--	1,137,950
Policy	472,402	--	472,402	641,175	--	641,175
Farms and food	269,449	--	269,449	293,436	--	293,436
Transportation and growth management	747,210	--	747,210	320,078	--	320,078
Outreach and education	<u>551,920</u>	<u>--</u>	<u>551,920</u>	<u>402,308</u>	<u>--</u>	<u>402,308</u>
Total program services	<u>3,668,451</u>	<u>--</u>	<u>3,668,451</u>	<u>4,510,552</u>	<u>--</u>	<u>4,510,552</u>
Supporting Services:						
Development and fundraising	507,958	--	507,958	343,997	--	343,997
General and administrative	<u>498,777</u>	<u>--</u>	<u>498,777</u>	<u>230,463</u>	<u>--</u>	<u>230,463</u>
Total supporting services	<u>1,006,735</u>	<u>--</u>	<u>1,006,735</u>	<u>574,460</u>	<u>--</u>	<u>574,460</u>
Total expenses	<u>4,675,186</u>	<u>--</u>	<u>4,675,186</u>	<u>5,085,012</u>	<u>--</u>	<u>5,085,012</u>
Change in net assets	1,425,012	(2,002,654)	(577,642)	139,138	396,366	535,504
Net assets, beginning of year	<u>1,618,971</u>	<u>5,953,909</u>	<u>7,572,880</u>	<u>1,479,833</u>	<u>5,557,543</u>	<u>7,037,376</u>
Net assets, end of year	<u>\$ 3,043,983</u>	<u>\$ 3,951,255</u>	<u>\$ 6,995,238</u>	<u>\$ 1,618,971</u>	<u>\$ 5,953,909</u>	<u>\$ 7,572,880</u>

The accompanying notes are an integral part of these Financial Statements.

**THE PIEDMONT ENVIRONMENTAL COUNCIL**

**Statements of Cash Flows**

For the Years Ended December 31, 2015 and 2014

	<b>2015</b>	<b>2014</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (577,642)	\$ 536,029
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	54,551	27,047
Easement valuation adjustments on land held for conservancy	--	404,220
In-kind donations and other noncash items	--	(1,542,839)
Unrealized and realized losses	30,548	2,050
Changes in assets and liabilities:		
Decrease (increase) in receivables	242,178	(82,059)
(Increase) in prepaid expenses and other assets	(51,351)	(14,579)
Increase (decrease) in accounts payable and accrued expenses	<u>26,271</u>	<u>(23,032)</u>
Net cash (used in) operating activities	<u>(275,445)</u>	<u>(693,163)</u>
<b>Cash Flows from Investing Activities</b>		
Capital expenditures on office building	(2,500,294)	(472,867)
Proceeds from sale of land held for conservancy	625,000	--
Notes receivable repayments	--	300,000
Proceeds from sale of corporate equity securities	<u>--</u>	<u>1,557,014</u>
Net cash (used in) provided by investing activities	<u>(1,875,294)</u>	<u>1,384,147</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from lines of credit	1,840,284	1,759,103
Principal payments on lines of credit	<u>(1,717,686)</u>	<u>(1,762,889)</u>
Net cash provided by (used in) financing activities	<u>122,598</u>	<u>(3,786)</u>
(Decrease) increase in cash and cash equivalents	(2,028,141)	687,198
<b>Cash and Cash Equivalents</b>		
Beginning of year	<u>2,318,724</u>	<u>1,631,526</u>
End of year	<u>\$ 290,583</u>	<u>\$ 2,318,724</u>
<b>Supplemental Cash Flow Information</b>		
Interest paid	<u>\$ 57,676</u>	<u>\$ 55,793</u>
Noncash contributions	<u>\$ 88,064</u>	<u>\$ 1,376,917</u>

The accompanying notes are an integral part of these Financial Statements.

# **THE PIEDMONT ENVIRONMENTAL COUNCIL**

## **Notes to Financial Statements**

### **1. Organization and Summary of Significant Accounting Policies**

#### **Organization**

The Piedmont Environmental Council (the Council) was founded in 1972. The Council was organized to provide positive programs and professional planning assistance designed to preserve the traditional character and visual order of the countryside, towns and villages of the northern Piedmont region of Virginia, while providing for orderly economic progress sensitive to conservation of the land, water, air and other natural resources, as a legacy to generations to come.

#### **Omission of the Foundation**

The Council has elected to issue a separate statement for the Council, omitting the assets, liabilities and net assets, revenues and expenses, and cash flows of The Piedmont Foundation, Inc. (the Foundation), a separate corporation, albeit a related party. This was purposely done because a consolidated statement serves no purpose and is expensive to issue and have audited. Under accounting principles generally accepted in the United States of America, the Council and the Foundation are required to issue consolidated statements because the Directors of the Council elect the Directors of the Foundation. Audited financial statements for the Foundation are available under separate cover.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include funds in checking accounts and money market funds. Cash on deposit at December 31, 2015 and 2014 may exceed the federally insured limit at times during the year.

#### **Property and Equipment**

Property and equipment are recorded at cost or, if donated, at fair market value on the date of donation, and are being depreciated using the straight-line method over the estimated economic useful life of three to thirty-one and one-half years with no salvage value. Maintenance and repairs are charged to expense when incurred, whereas major improvements are capitalized. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is charged to revenue and expenses.

#### **Land and Land Interests**

- **Land Held for Conservancy** is recorded at cost or, if donated, at the estimated fair market value of the land, as if restricted by an easement, on the date of the donation. The Council intends to place conservation easements or other restrictions on such property and resell or donate it to conservation buyers or other conservation organizations. Such lands are subsequently written down for declines in market values with the corresponding charge to operations. Upon sale, gains and losses are reported as increases and decreases, respectively, in the Statements of Activities.

## Notes to Financial Statements

- **Conservation Easements** are intangible assets representing restrictions on the development of real property, conveyed by a property owner to the Council. The Council occasionally accepts and holds or co-holds these easements in order to protect the owned property in perpetuity. Conservation easements, by their nature, have no market value, as they cannot be sold or exchanged for remuneration. Thus, when the Council accepts an easement, either as a sole holder or as a co-holder, no revenue or expense is recorded. The Council holds 51 or co-holds conservation easements totaling 7,812 acres as of December 31, 2015.

### Classification of Net Assets

The net assets of the Council are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the Council's operations.
- Temporarily restricted net assets are those assets that have been specifically restricted by donors or grantors for various programs or future periods.
- Permanently restricted net assets are those assets that are restricted from use of the principal donated amount. The Council has no permanently restricted net assets as of December 31, 2015 or 2014.

### Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

The Council reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 reported in the statement of activities as net assets released from restrictions.

The Council reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Grants and pledges receivable represent amounts committed by donors that have not been received by the Council. All grants and pledges are expected to be collected within one year, or have been appropriately discounted if the terms of the receipt of grant funds extend beyond 12 months.

## Notes to Financial Statements

Contributions of services shall be recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Membership dues are recognized as contributions and not dues since benefits received by members do not exceed benefits received by the general public from the Council's efforts.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Contributions that are restricted by the donor and for which the restrictions do not fully expire in the reporting period are reported as temporarily restricted net assets in the Statement of Activities.

### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Certain costs are allocated to the programs and supporting services based on actual aggregated salary expenses.

### 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Advertising

The Council follows the policy of charging the cost of advertising to expense as incurred. Advertising expense was \$9,494 and \$18,032 for 2015 and 2014, respectively.

### Fair Value Measurements

The carrying amounts of the Council's financial instruments approximate their fair value.

## 2. Property and Equipment

The Council's property and equipment consisted of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Buildings and improvements	\$ 3,507,870	\$ 1,036,366
Furniture and equipment	<u>87,395</u>	<u>58,605</u>
Total property and equipment	3,595,265	1,094,971
Less accumulated depreciation	<u>(489,516)</u>	<u>(434,965)</u>
Net property and equipment	<u>\$ 3,105,749</u>	<u>\$ 660,006</u>

Depreciation expense was \$54,551 and \$27,047 for 2015 and 2014, respectively.

## **Notes to Financial Statements**

### **3. Lines of Credit and Notes Payable**

The Council has a \$300,000 line of credit with Branch Banking and Trust, which expires on July 31, 2016. Funds drawn against this line accrued interest at the prime rate or 3.25% (whichever is higher) and are secured by a deed of trust. As of December 31, 2015 and 2014, the Council had no outstanding balance on this line of credit and interest expense was \$81 in 2015 and \$3,127 in 2014.

There is a second line of credit with the Foundation, for \$1,000,000. It has no expiration date and is callable upon 5 days written notice from the Foundation's Board of Directors. Funds drawn against this unsecured line accrued interest at the average of 1) the Vanguard Admiral Money Market fund interest rate and 2) the Prime Rate less 0.25%. As of December 31, 2015, the Council had an outstanding balance of \$122,598 on this line of credit. As of December 31, 2014, the Council had no outstanding balance on this line of credit. Interest expense for 2015 and 2014 was \$3,595 and \$4,287, respectively.

The Council entered into a loan agreement to borrow up to \$3,500,000 from a charitable trust, originally due on July 29, 2011 and subsequently extended to July 31, 2016. The note bear simple interest of 3% through July 31, 2012 due at maturity and interest accrued beginning on August 1, 2012 due quarterly, in arrears. In 2005, \$1,800,000 was advanced under this loan agreement, which was outstanding as of December 31, 2015 and 2014. The Council then loaned these funds to another entity (Gilbert's Corner, LLC) for the purpose of acquiring and limiting the development of land near Gilbert's Corner in Loudoun County, Virginia. The collateral and personal loan guarantees provided by the LLC and its general partner were accepted by the charitable trust as collateral on the Council's loan obligation. The loan agreement with the charitable trust also states that to the extent the Council is unable to collect its loan to the LLC, it will not have to repay the loan to the charitable trust. Interest expense on this note was \$54,000 in 2015 and 2014, offset by an equal amount of interest income on the note receivable described in Note 4 below.

### **4. Notes Receivable**

The Council entered into an agreement with Gilbert's Corner, LLC to loan the LLC up to \$3,500,000, originally due on July 29, 2011, subsequently extended to July 31, 2016 with simple interest of 3% due at maturity. The funds were to be used by the LLC to acquire and protect property near Gilbert's Corner in Loudoun County, Virginia. The loan is secured by certain of the borrower's assets and a guarantee by the general partner of the LLC. In 2005, \$1,800,000 was advanced under this loan agreement. In 2011, an additional \$9,300 was advanced, increasing the outstanding balance to \$1,809,300, the balance as of December 31, 2015 and 2014. Interest income from this note was \$54,276 in 2015 and 2014.

## Notes to Financial Statements

### 5. Post-Retirement Benefits

The Council has an employee retirement plan pursuant to Section 403(b) of the Internal Revenue Code. All permanent full-time employees who have successfully completed 12 months of service and 1,000 hours of work are eligible to participate in the plan. Employee contributions to the employee retirement plan are voluntary and are made with pre-tax payroll deductions of up to approximately 20% of participating employees' compensation. Under the retirement plan, the Council may also contribute. The employer contribution for the 2015 and 2014 fiscal years was \$115,581 and \$116,082, respectively, which was included in salaries and benefits in the accompanying statement of functional expenses. Individual contracts under the plan provide for full and immediate vesting of both the employer's and employee's contributions.

### 6. Temporarily Restricted Net Assets

The Council receives grants and contributions from foundations, individuals, corporations, and The Piedmont Foundation as funding for certain programs and activities. A portion of these services will be performed during subsequent fiscal years; consequently, revenue from these grants and contributions is recognized as temporarily restricted revenue until the services are provided or the restrictions on the funds have been satisfied.

Temporarily restricted net assets at December 31, 2015 and 2014 are available for future expenditures in the following areas:

	<u>2015</u>	<u>2014</u>
Conservation	\$ 3,618,440	\$ 4,160,886
Farms and food	96,922	99,946
Transportation and growth management	97,078	61,169
Environmental education	14,362	27,902
County issues and planning	117,221	151,194
Policy	7,232	20,941
Plant and equipment	- -	1,431,871
Total	<u>\$ 3,951,255</u>	<u>\$ 5,953,909</u>

## Notes to Financial Statements

### 7. Allocation of Joint Costs

The Council's policy is to allocate joint costs of informational materials and brochures that include fundraising appeals. No significant allocations were required during fiscal years ending December 31, 2015 and 2014.

### 8. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Council is exempt from federal taxes on income other than net unrelated business income. As of December 31, 2015 and 2014, no provision for taxes was made, as the Council had no unrelated business income.

### 9. Related Party Transactions

During May of 2000, The Piedmont Foundation, a 501(c)(3) organization, became active. The Foundation's Board Members are elected by the Council's Board of Directors, thus making the two organizations related parties under accounting principles generally accepted in the United States of America. The Foundation was organized to support the activities of the Council, which includes holding and managing endowment funds, land conservation funds, major grants and other assets that may be contributed to the Foundation.

Related party transactions include:

- Foundation contributions totaling \$573,610 in 2015 and \$519,093 in 2014 to the Council in support of the Council's programs, development efforts, and general operations.
- Payment by the Foundation of a management fee of \$51,085 in 2015 and \$54,860 in 2014 for administrative and accounting services provided by the Council.
- As of December 31, 2015 and 2014, the Council owed the Foundation \$122,598 and \$0 on credit lines described in Note 3.

Former or current Board Members of the Council control or manage Gilbert's Corner, LLC, which borrowed \$1,809,300 on a \$3,500,000 note payable to the Council (see Note 4). The funds allowed the LLC to acquire land adjacent to Gilbert's Corner in Loudoun County, Virginia. The LLC plans to limit development of this property through conservation easements or other means and then sell the property to pay off the note. The Council's Board Members that control the LLC have agreed that, should there be any profit or other financial benefits as a result of this transaction, such profits will be donated to the Council.

## Notes to Financial Statements

### 10. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions during the years ended December 31, 2015 and 2014, by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets were released during 2015 and 2014 in the following areas:

	2015	2014
Conservation	\$ 716,170	\$ 475,584
County issues	172,248	36,060
General operations	-	112
Transportation and growth management	639,510	116,346
Farms and food	131,263	90,034
Environmental education	37,574	63,227
Policy	18,710	53,631
Plant and equipment	1,908,867	479,285
Total	\$ 3,624,342	\$ 1,314,279

### 11. Commitments and Contingencies

Future minimum lease payments as of December 31, 2015 required under noncancellable operating leases expiring through 2019 are as follows:

Year Ending December 31,		
2016	\$	59,079
2017		25,546
2018		25,608
2019		2,134
Total	\$	112,367

Rental expense, including month-to-month leases for the years ended December 31, 2015 and 2014 was \$194,706 and \$146,023, respectively.

## **Notes to Financial Statements**

### **12. Subsequent Events**

The Council has evaluated all subsequent events through July 12, 2016, the date the financial statements are available. The Council has determined there are no subsequent events that require recognition or disclosure.

### **13. Litigation**

The Council is a defendant in litigation regarding alleged violation of the Virginia Conservation Easement Act. The Council is also a defendant in separate but related litigation with the same plaintiff who is alleging fraud and breach of contract. Management is unable to evaluate the likelihood of an unfavorable outcome or estimate the amount or range of potential loss.

**THE PIEDMONT ENVIRONMENTAL COUNCIL**

**Statement of Functional Expenses**

For the Year Ended December 31, 2015 with Comparative Totals for 2014

	Program Services						Supporting Services			Total 2015	Total 2014
	Conservation, Stewardship and Habitat	County Issues and Planning	Policy	Farms and Food	Transportation and Growth Management	Outreach and Education	Total Program Services	Development and Fundraising	General and Administrative		
Salaries and benefits	\$ 583,752	\$ 354,722	\$ 279,208	\$ 151,898	\$ 589,077	\$ 354,722	\$ 2,313,379	\$ 405,514	\$ 329,385	\$ 3,048,278	\$ 3,105,973
Professional fees	414,609	49,000	103,397	4,930	20,333	24,170	616,439	29,748	83,221	729,408	737,777
Development Rights Retired	--	--	--	--	--	--	--	--	--	--	404,220
Scholarships and donations	--	200	8,050	12,394	--	1,600	22,244	1,175	200	23,619	13,449
Printing, copying, and publications	8,545	2,735	4,860	18,468	9,033	11,492	55,133	19,416	511	75,060	80,578
Occupancy	21,432	21,164	22,463	21,164	64,583	21,564	172,370	21,164	21,164	214,698	167,369
Postage expense	2,002	--	646	23,418	2,729	4,543	33,338	5,237	7,440	46,015	42,572
Travel	25,109	298	9,368	5,457	4,519	15,367	60,118	2,609	10,345	73,072	78,728
Event services	5,844	7,994	333	12,407	14,859	9,323	50,760	2,660	7,554	60,974	38,237
Conferences and meetings	6,974	27	4,434	1,174	1,511	6,597	20,717	2,574	5,710	29,001	31,077
Telephone and internet	400	181	824	--	8,411	37,208	47,024	41	4,027	51,092	55,807
Web-based services	184	--	3,255	157	11,600	35,434	50,630	254	1,000	51,884	58,025
Office expenses and supplies	7,772	5,475	21,848	8,523	5,926	16,769	66,313	2,929	2,402	71,644	87,766
Dues and subscriptions	20,594	--	854	1,000	1,222	1,078	24,748	1,000	2,138	27,886	24,988
Depreciation	6,819	6,819	6,819	6,819	6,819	6,819	40,914	6,819	6,818	54,551	27,047
Insurance	7,180	2,013	1,585	1,585	1,585	1,995	15,943	1,585	1,585	19,113	24,039
Interest	54,000	--	--	--	--	--	54,000	--	3,676	57,676	61,414
Advertising	80	450	4,333	--	1,234	3,237	9,334	--	160	9,494	18,032
Taxes and other expenses	10,641	455	125	55	3,769	2	15,047	5,233	11,441	31,721	27,914
<b>Total expenses</b>	<b>\$ 1,175,937</b>	<b>\$ 451,533</b>	<b>\$ 472,402</b>	<b>\$ 269,449</b>	<b>\$ 747,210</b>	<b>\$ 551,920</b>	<b>\$ 3,668,451</b>	<b>\$ 507,958</b>	<b>\$ 498,777</b>	<b>\$ 4,675,186</b>	<b>\$ 5,085,012</b>