



THE PIEDMONT ENVIRONMENTAL COUNCIL

Financial Statements

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For the Years Ended December 31, 2016 and 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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, except for the effect on the accompanying information of the qualified opinion on the financial statements described above, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
April 13, 2017

THE PIEDMONT ENVIRONMENTAL COUNCIL

Statements of Financial Position

December 31, 2016 and 2015

Assets	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and cash equivalents	\$ 187,330	\$ 290,583
Grants, pledges and other receivables	723,934	612,966
Notes receivable	1,809,300	1,809,300
Prepaid expenses and other assets	<u>58,529</u>	<u>89,835</u>
Total current assets	<u>2,779,093</u>	<u>2,802,684</u>
Long-Term Assets		
Land held for conservancy, at cost	3,474,113	3,549,113
Net property and equipment	3,011,086	3,105,749
Land	<u>76,206</u>	<u>76,206</u>
Total long-term assets	<u>6,561,405</u>	<u>6,731,068</u>
 Total assets	 <u>\$ 9,340,498</u>	 <u>\$ 9,533,752</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 549,528	\$ 615,916
Payable to The Piedmont Foundation	80,260	122,598
Notes payable	<u>1,800,000</u>	<u>1,800,000</u>
Total current liabilities	<u>2,429,788</u>	<u>2,538,514</u>
Net Assets		
Unrestricted	2,847,615	3,043,983
Temporarily restricted	<u>4,063,095</u>	<u>3,951,255</u>
Total net assets	<u>6,910,710</u>	<u>6,995,238</u>
 Total liabilities and net assets	 <u>\$ 9,340,498</u>	 <u>\$ 9,533,752</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, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total 2016	Unrestricted	Temporarily Restricted	Total 2015
Revenue and Support						
Contributions and grants	\$ 2,970,188	\$ 1,284,329	\$ 4,254,517	\$ 2,117,252	\$ 1,621,688	\$ 3,738,940
Special events	320,321	- -	320,321	442,965	- -	442,965
Less: costs benefiting contributors	<u>(98,276)</u>	<u>- -</u>	<u>(98,276)</u>	<u>(113,823)</u>	<u>- -</u>	<u>(113,823)</u>
Special events, net of costs benefiting contributors	222,045	- -	222,045	329,142	- -	329,142
Interest and dividends	54,497	- -	54,497	54,557	- -	54,557
Net unrealized and realized gains (losses)	214	- -	214	(30,548)	- -	(30,548)
Other	9,250	- -	9,250	5,453	- -	5,453
Net assets released from restrictions:						
Satisfaction of program restrictions	<u>1,172,489</u>	<u>(1,172,489)</u>	<u>- -</u>	<u>3,624,342</u>	<u>(3,624,342)</u>	<u>- -</u>
Total revenue and support	<u>4,428,683</u>	<u>111,840</u>	<u>4,540,523</u>	<u>6,100,198</u>	<u>(2,002,654)</u>	<u>4,097,544</u>
Expenses						
Program Services:						
Conservation, stewardship and habitat	1,309,272	- -	1,309,272	1,175,937	- -	1,175,937
County issues and planning	481,415	- -	481,415	451,533	- -	451,533
Policy	425,922	- -	425,922	472,402	- -	472,402
Farms and food	149,038	- -	149,038	269,449	- -	269,449
Transportation and growth management	289,388	- -	289,388	747,210	- -	747,210
Outreach and education	<u>806,528</u>	<u>- -</u>	<u>806,528</u>	<u>551,920</u>	<u>- -</u>	<u>551,920</u>
Total program services	<u>3,461,563</u>	<u>- -</u>	<u>3,461,563</u>	<u>3,668,451</u>	<u>- -</u>	<u>3,668,451</u>
Supporting Services:						
Development and fundraising	618,005	- -	618,005	507,958	- -	507,958
General and administrative	<u>545,483</u>	<u>- -</u>	<u>545,483</u>	<u>498,777</u>	<u>- -</u>	<u>498,777</u>
Total supporting services	<u>1,163,488</u>	<u>- -</u>	<u>1,163,488</u>	<u>1,006,735</u>	<u>- -</u>	<u>1,006,735</u>
Total expenses	<u>4,625,051</u>	<u>- -</u>	<u>4,625,051</u>	<u>4,675,186</u>	<u>- -</u>	<u>4,675,186</u>
Change in net assets	(196,368)	111,840	(84,528)	1,425,012	(2,002,654)	(577,642)
Net assets, beginning 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>
Net assets, end of year	<u>\$ 2,847,615</u>	<u>\$ 4,063,095</u>	<u>\$ 6,910,710</u>	<u>\$ 3,043,983</u>	<u>\$ 3,951,255</u>	<u>\$ 6,995,238</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, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ (84,528)	\$ (577,642)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	130,624	54,551
Unrealized and realized losses	- -	30,548
Donation of land held for conservancy	75,000	- -
Changes in assets and liabilities:		
(Increase) decrease in receivables	(110,968)	242,178
Decrease (increase) in prepaid expenses and other assets	31,306	(51,351)
(Decrease) increase in accounts payable and accrued expenses	(66,388)	26,271
Net cash (used in) operating activities	(24,954)	(275,445)
Cash Flows from Investing Activities		
Purchase of property and equipment	(35,961)	(2,500,294)
Proceeds from sale of land held for conservancy	- -	625,000
Net cash (used in) investing activities	(35,961)	(1,875,294)
Cash Flows from Financing Activities		
Proceeds from lines of credit	1,707,537	1,840,284
Principal payments on lines of credit	(1,749,875)	(1,717,686)
Net cash (used in) provided by financing activities	(42,338)	122,598
(Decrease) in cash and cash equivalents	(103,253)	(2,028,141)
Cash and Cash Equivalents		
Beginning of year	290,583	2,318,724
End of year	\$ 187,330	\$ 290,583
Supplemental Cash Flow Information		
Interest paid	\$ 60,880	\$ 57,676
Noncash contributions	\$ 269,115	\$ 88,064

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, 2016 and 2015 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 52 or co-holds conservation easements totaling 7,543 acres as of December 31, 2016.

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, 2016 or 2015.

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 \$14,725 and \$9,494 for 2016 and 2015, 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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Buildings and improvements	\$ 3,543,831	\$ 3,507,870
Furniture and equipment	<u>87,395</u>	<u>87,395</u>
Total property and equipment	3,631,226	3,595,265
Less accumulated depreciation	<u>(620,140)</u>	<u>(489,516)</u>
Net property and equipment	<u>\$ 3,011,086</u>	<u>\$ 3,105,749</u>

Depreciation expense was \$130,624 and \$54,551 for 2016 and 2015, 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 August 4, 2018. 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, 2016 and 2015, the Council had no outstanding balance on this line of credit and interest expense was \$311 in 2016 and \$81 in 2015.

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, 2016 and 2015, the Council had an outstanding balance of \$80,260 and \$122,598 on this line of credit. Interest expense for 2016 and 2015 was \$6,569 and \$3,595, 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 which was extended to July 31, 2018. 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, 2016 and 2015. 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 2016 and 2015, 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, extended to July 31, 2018 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, 2016 and 2015. Interest income from this note was \$54,276 in 2016 and 2015.

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 2016 and 2015 fiscal years was \$112,962 and \$115,581, 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, 2016 and 2015 are available for future expenditures in the following areas:

	2016	2015
Conservation	\$ 3,608,271	\$ 3,618,440
Farms and food	43,346	96,922
Transportation and growth management	105,520	97,078
Environmental education	25,751	14,362
County issues and planning	226,651	117,221
Policy	11,430	7,232
Plant and equipment	42,126	- -
Total	\$ 4,063,095	\$ 3,951,255

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, 2016 and 2015.

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, 2016 and 2015, 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:

- Net Foundation contributions totaling \$456,585 in 2016 and \$573,610 in 2015 to the Council in support of the Council's programs, development efforts, and general operations.
- Payment by the Foundation of a management fee of \$48,906 in 2016 and \$51,085 in 2015 for administrative and accounting services provided by the Council.
- As of December 31, 2016 and 2015, the Council owed the Foundation \$80,260 and \$122,598 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, 2016 and 2015, by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets were released during 2016 and 2015 in the following areas:

	<u>2016</u>	<u>2015</u>
Conservation	\$ 182,550	\$ 716,170
County issues	236,084	172,248
Transportation and growth management	578,192	639,510
Farms and food	78,576	131,263
Environmental education	53,611	37,574
Policy	39,152	18,710
Plant and equipment	<u>4,324</u>	<u>1,908,867</u>
Total	<u>\$ 1,172,489</u>	<u>\$ 3,624,342</u>

11. Commitments and Contingencies

Future minimum lease payments as of December 31, 2016 required under noncancellable operating leases expiring through 2019 are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2017	\$ 82,521
2018	75,529
2019	<u>35,304</u>
Total	<u>\$ 193,354</u>

Rental expense, including month-to-month leases for the years ended December 31, 2016 and 2015 was \$100,001 and \$194,706, respectively.

Notes to Financial Statements

12. Subsequent Events

The Council has evaluated all subsequent events through April 13, 2017, the date the financial statements are available. The Council has determined there are no subsequent events that require recognition or disclosure.

13. Litigation

The lawsuit against the Council alleging violation of the Virginia Conservation Easement Act, tortious interference with a business expectancy and business conspiracy was dismissed with prejudice by the Fauquier Circuit Court. The plaintiff is appealing that decision. The Council is also a defendant in separate but related litigation with the same plaintiff who is alleging fraud and breach of contract; that lawsuit has been filed but not served. 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, 2016 with Comparative Totals for 2015

	Program Services						Supporting Services			Total 2016	Total 2015
	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	\$ 530,809	\$ 318,297	\$ 251,837	\$ 43,629	\$ 275,073	\$ 546,812	\$ 1,966,457	\$ 483,639	\$ 358,667	\$ 2,808,763	\$ 3,048,278
Professional fees	554,139	--	95,082	5,760	1,500	71,818	728,299	30,875	95,014	854,188	729,408
Scholarships and donations	26,900	--	1,656	29,996	--	606	59,158	--	1,100	60,258	23,619
Printing, copying, and publications	5,820	7,265	13,516	21,166	708	12,115	60,590	15,630	482	76,702	75,060
Occupancy	33,213	51,139	9,679	2,068	7,734	20,724	124,557	13,594	12,869	151,020	214,698
Postage expense	1,319	917	693	24,354	--	3,499	30,782	3,613	5,366	39,761	46,015
Travel	19,285	3,765	9,213	805	1,477	24,854	59,399	2,500	4,293	66,192	73,072
Event services	6,724	17,851	4,899	13,509	--	11,722	54,705	10,576	7,229	72,510	60,974
Conferences and meetings	3,711	7,476	3,932	80	38	2,215	17,452	1,123	6,962	25,537	29,001
Telephone and internet	8,031	14,706	4,796	1,027	414	10,912	39,886	6,785	7,116	53,787	51,092
Web-based services	5,387	13,002	5,487	736	1,947	15,713	42,272	4,925	4,581	51,778	51,884
Office expenses and supplies	9,709	7,338	6,625	446	35	39,782	63,935	2,754	2,058	68,747	71,644
Dues and subscriptions	3,875	1,920	1,000	1,000	--	687	8,482	3,809	4,328	16,619	27,886
Depreciation	23,708	21,174	9,052	3,239	340	31,663	89,176	21,292	20,156	130,624	54,551
Insurance	10,975	5,426	2,320	830	87	8,113	27,751	5,456	5,164	38,371	19,113
Interest	54,000	--	--	--	--	--	54,000	--	6,880	60,880	57,676
Advertising	--	5,670	4,614	--	--	1,985	12,269	2,340	116	14,725	9,494
Taxes and other expenses	11,667	5,469	1,521	393	35	3,308	22,393	9,094	3,102	34,589	31,721
Total expenses	<u>\$ 1,309,272</u>	<u>\$ 481,415</u>	<u>\$ 425,922</u>	<u>\$ 149,038</u>	<u>\$ 289,388</u>	<u>\$ 806,528</u>	<u>\$ 3,461,563</u>	<u>\$ 618,005</u>	<u>\$ 545,483</u>	<u>\$ 4,625,051</u>	<u>\$ 4,675,186</u>