

THE GEORGE FOUNDATION
CONSOLIDATED
FINANCIAL STATEMENTS
December 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
The George Foundation
Richmond, TX

We have audited the accompanying consolidated financial statements of The George Foundation (the "Foundation"), a charitable trust, which comprise the consolidated statements of assets, liabilities, and net assets – federal excise tax basis, as of December 31, 2017 and 2016, and the related consolidated statements of revenues, expenses, and changes in net assets – federal excise tax basis for the years then ended, and the related notes to the consolidated 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 the basis of accounting the Foundation uses for federal excise tax purposes; this includes determining that the federal excise tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditors' 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. 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of The George Foundation as of December 31, 2017 and 2016, and its revenues, expenses, and changes in net assets for the years then ended, in accordance with the basis of accounting The George Foundation uses for federal excise tax purposes described in Note 2.

Federal Excise Tax Basis of Accounting

We draw attention to Note 2 of the consolidated financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting The George Foundation uses for federal excise tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Mohle Adams LLP

CERTIFIED PUBLIC ACCOUNTANTS

August 28, 2018

THE GEORGE FOUNDATION
CONSOLIDATED STATEMENTS OF ASSETS, LIABILITIES,
AND NET ASSETS – FEDERAL EXCISE TAX BASIS
December 31, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current:		
Cash and cash equivalents	\$ 7,086,493	\$ 8,406,542
Other current assets	41,512	24,773
Investments (Note 3)	<u>203,469,070</u>	<u>198,106,437</u>
Total current assets	210,597,075	206,537,752
Oil and gas properties (Note 4)	58,973	58,973
Accounts receivable, non-current (Note 5)	5,087,002	3,974,368
Organizational and lease acquisition costs (Note 6)	544,685	555,989
Property, improvements, and equipment, net (Note 8)	33,741,883	34,109,551
Charitable use and grant related capital assets, net (Note 8)	<u>5,955,526</u>	<u>5,983,791</u>
Total assets	<u>\$ 255,985,144</u>	<u>\$ 251,220,424</u>

LIABILITIES AND NET ASSETS

Current:		
Accounts payable	\$ -	\$ 10,118
Deposits	<u>1,900</u>	<u>1,900</u>
Total current liabilities	1,900	12,018
Commitments and contingencies (Note 9)		
Net assets:		
Unrestricted	<u>255,983,244</u>	<u>251,208,406</u>
Total liabilities and net assets	<u>\$ 255,985,144</u>	<u>\$ 251,220,424</u>

The accompanying notes are an integral part of the financial statements.

THE GEORGE FOUNDATION
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS – FEDERAL EXCISE TAX BASIS
For the years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Changes in unrestricted net assets:		
Revenue and gains:		
Oil and gas royalties	\$ 1,809,347	\$ 1,071,119
Dividends	2,549,118	2,961,516
Interest	2,728,834	2,288,871
Net realized gain on investments (Note 7)	11,364,181	6,901,916
Gain on sale of assets	456,963	7,272
Capital gain distributions	1,807,538	1,968,112
Rental income	881,154	797,472
Other income (loss)	430,662	50,555
	<u>22,027,797</u>	<u>16,046,833</u>
Expenses: (Note 15)		
Grants (Note 10)	12,357,270	10,214,946
Ad valorem taxes	81,919	147,586
General and administrative expenses	3,167,123	2,968,185
George Ranch Historical Park operating expenses	1,065,189	1,332,074
Federal excise tax expense	173,000	130,000
Amortization	11,304	605
Depreciation - George Ranch Historical Park	307,786	288,984
Depreciation - other than George Ranch Historical Park	87,509	88,974
	<u>17,251,100</u>	<u>15,171,354</u>
Increase in unrestricted net assets	4,776,697	875,479
Net assets at beginning of year	251,208,406	250,338,094
Charitable use assets written off (Note 11)	<u>(1,859)</u>	<u>(5,167)</u>
Net assets at end of year	<u>\$ 255,983,244</u>	<u>\$ 251,208,406</u>

The accompanying notes are an integral part of the financial statements.

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017 and 2016

(1) Organization

The George Foundation (the “Foundation”) is a charitable trust created by A. P. George and Mamie E. George. Income of the Foundation is used to make grants to fund religious, charitable, scientific, literary, and educational purposes. The principal source of income for the Foundation is derived from investments in equities, bonds, agricultural assets, and mineral interests.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation are prepared on the federal excise tax basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenues and their related assets are recognized when received rather than when earned, and expenses and their related liabilities are recognized when paid rather than when the obligation is incurred.

Principles of Consolidation

The Foundation's consolidated financial statements include the accounts of The George Foundation and its wholly-owned special purpose entity subsidiaries, Berry Place Ventures Management, LLC, Berry Place Ventures, LP, and Berry Place Holdings, LP. All significant intercompany transactions have been eliminated.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with the federal excise tax basis of accounting requires the Foundation's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Receivable balances outstanding include receivables from investment income and non-current receivables from the Fort Bend County Levee Improvement District No. 6 (“LID”), the Fort Bend County Municipal Utility District #207 (“MUD”), and trade cooperatives. No allowance for doubtful accounts is deemed necessary as of December 31, 2017 and 2016.

Asset Valuation

Assets which were received from the Estates of A. P. George, deceased, and Mamie E. George, deceased, are stated at amounts established for federal tax purposes. Subsequent additions are recorded at cost. Contributions received are valued based on the donor's basis in the asset on the date received.

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017 and 2016

(2) Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities are recorded at cost on the date of acquisition. Investments in partnerships are accounted for using the Schedule K-1s of the federal income tax returns of the various partnerships. If the partnerships have current year distributions in excess of accumulated realized income, these excess distributions are reported as a return of capital against the investment.

George Ranch Historical Park

The George Ranch Historical Park is a project of the Foundation. Assets acquired through purchase are capitalized at acquisition cost. Assets acquired through donation are capitalized based on the donor's basis in the asset on the date received. Purchases of assets are recorded as decreases in unrestricted net assets if purchased with unrestricted assets and as decreases in temporarily restricted or permanently restricted net assets if purchased with donor-restricted assets. Contributions of assets are not recognized in the statements of revenues, expenses, and changes in net assets. Consistent with the handling in prior years, 2017 and 2016 expenditures in the amounts of \$309,145 and \$626,899, respectively, have been capitalized as project costs and the remaining expenditures of \$1,065,189 and \$1,332,074, respectively, have been expensed.

Property and Equipment

Property and equipment are valued at historical cost and depreciated by the straight-line method at rates between 4 and 39 years depending on the nature and estimated useful life of the asset. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Grants

Grants approved by the Foundation's Board of Trustees are recorded as an expense when paid.

Profit Sharing Plan

The Foundation has a profit sharing plan with a salary reduction feature permitted under section 401(k) of the Internal Revenue Code. The plan covers all employees over the age of twenty-one who have completed one year of service. The Foundation may make matching discretionary contributions equal to a percentage of the amount of the salary reduction the employees elect to defer. Salary reduction amounts and matching contributions are subject to limits imposed by the Internal Revenue Code. The Foundation's contributions to the plan in 2017 and 2016 were \$30,588 and \$28,598, respectively.

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017 and 2016

(2) Summary of Significant Accounting Policies (Continued)

Employee Benefit Plan

The Foundation also has a defined benefit pension plan that uses the projected unit credit actuarial cost method for financial reporting purposes. The Foundation uses the “aggregate cost method” for funding purposes. The plan covers substantially all of the Foundation’s employees. The benefits are based on years of service and the average monthly compensation for the five consecutive years when the employee had the highest aggregate compensation. In 2017 and 2016, the Foundation contributed \$100,000 and \$70,000, respectively, to the plan. Also, benefits payments of \$236,152 and \$151,058, respectively, were made for the years ended December 31, 2017 and 2016.

The defined-benefit pension plan is funded in amounts sufficient to meet the minimum requirements of the Employee Retirement Income Security Act of 1974. As of January 1, 2018, the date of the latest actuarial valuation, the Adjusted Funding Target Attainment Percentage, as defined by the Pension Protection Act of 2006, for 2017 and 2016 was 95.64% and 101.47%, respectively. As of December 31, 2017 and 2016, the market value of plan assets were \$3,253,796 and \$2,991,244, respectively.

Income Taxes

The Foundation is classified as a private foundation and is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. Net investment income is subject to federal excise tax. The maximum rate for such tax is 2%. Unrelated business income is subject to either Trust tax rates or Schedule D tax rates. Excise tax expense for the years ended December 31, 2017 and 2016 was \$173,000 and \$130,000, respectively.

Management evaluates tax positions taken or expected to be taken in the course of preparing the Foundation’s financial statements to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions, including interest and penalties if applicable, with respect to tax not deemed to meet the “more-likely-than-not” threshold would be recorded as an expense in the current year. The Foundation’s decision regarding tax positions is subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations, and interpretations thereof. No interest expense or penalties have been recognized as of and for the years ended December 31, 2017 and 2016.

The Foundation’s federal Return of Private Foundation (Form 990-PF) and their Exempt Organization Business Income Tax Return (Form 990-T) are subject to examinations by major taxing authorities for the three years prior to 2017.

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017 and 2016

(3) Investments

The statements of assets, liabilities, and net assets and the related statements of revenues, expenses, and changes in net assets do not include any unrealized gains or losses due to changes in the market value of assets. Market values of marketable securities are determined on the last business day of the fiscal year. Investments in partnerships are determined in reference to the market value of net assets reported either on the partnership's Schedule K-1 or on the owner's percentage of the partnership's financial statements received by management.

The original costs, market values, and unrealized gains (losses) of investments on hand at December 31, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>Cost</u>	<u>Market</u> <u>Value</u>	<u>Unrealized</u> <u>Gain (Loss)</u>
Corporate stocks	\$ 50,163,088	\$ 83,297,976	\$ 33,134,888	
U.S. & state government obligations	31,284,899	30,644,299	(640,600)	
Corporate bonds and notes	32,586,532	31,960,737	(625,795)	
Mutual funds	80,228,976	100,204,243	19,975,267	
Partnerships	9,205,575	9,888,119	682,544	
	<u>\$203,469,070</u>	<u>\$255,995,374</u>	<u>\$ 52,526,304</u>	
	<u>2016</u>			
Corporate stocks	\$ 51,813,421	\$ 79,882,077	\$ 28,068,656	
U.S. & state government obligations	28,041,015	27,618,391	(422,624)	
Corporate bonds and notes	26,458,230	25,929,474	(528,756)	
Mutual funds	83,068,690	94,404,079	11,335,389	
Partnerships	8,725,081	8,453,896	(271,185)	
	<u>\$198,106,437</u>	<u>\$236,287,917</u>	<u>\$ 38,181,480</u>	

(4) Oil and Gas Properties

Oil and gas properties at December 31, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Cost	\$ 4,028,827	\$ 4,028,827
Accumulated depletion	<u>3,969,854</u>	<u>3,969,854</u>
	<u>\$ 58,973</u>	<u>\$ 58,973</u>

There was no depletion expense for the periods ending December 31, 2017 and 2016, respectively.

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017 and 2016

(5) Accounts Receivable

The Foundation has non-current receivables from the LID, of which it is a member, and the MUD, of which it is a member. Several major property owners in the area, including the Foundation, decided to fund a levee in order to better protect their land. Those funding the LID and MUD expect to be reimbursed through bond issuances as the area develops. The Foundation also has non-current receivables from cooperatives of which they are members. Accounts receivable, non-current consists of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Fort Bend County Levee Improvement District No. 6	\$ 151,446	\$ 198,806
Fort Bend County Municipal Utility District #207	4,890,232	3,723,641
Fairchild Farmers Cooperative Gin	40,938	47,585
Plains Cotton Cooperative Association	4,386	4,336
	<u>\$ 5,087,002</u>	<u>\$ 3,974,368</u>

(6) Organizational and Lease Acquisition Costs

Berry Place Ventures Management, LLC and Berry Place Ventures, LP ("BPV LP") were formed on June 6, 2014. Berry Place Holdings, LP was formed on October 31, 2014. The purpose of these special purpose entities is to hold land for investment, associated with the Berry Tract owned by the Foundation. Organizational costs associated with these entities are amortized over 15 year period beginning from the date, when the entity commences operations. BPV LP holds a 50-year land lease to a major grocery chain. The costs associated with acquiring the lease were capitalized and amortized over the life of the lease starting 2017.

The organizational costs and lease acquisition costs as of December 31, 2017 and 2016 consist of the following:

<u>2017</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Organizational costs	\$ 21,675	\$ 1,211	\$ 20,464
Lease acquisition costs	534,919	10,698	524,221
	<u>\$ 556,594</u>	<u>\$ 11,909</u>	<u>\$ 544,685</u>

<u>2016</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Organizational costs	\$ 21,675	\$ 605	\$ 21,070
Lease acquisition costs	534,919	-	534,919
	<u>\$ 556,594</u>	<u>\$ 605</u>	<u>\$ 555,989</u>

Amortization expense was \$11,304 and \$605 for the years ending December 31, 2017 and 2016, respectively.

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017 and 2016

(7) Net Realized Gain on Investments

Net realized gains on the sales of investments for the periods ending December 31, 2017 and 2016 are presented as follows:

	<u>2017</u>	<u>2016</u>
Proceeds	\$ 57,132,981	\$ 48,641,813
Cost of securities sold	<u>(45,768,800)</u>	<u>(41,739,897)</u>
Net realized gains on investments	<u>\$ 11,364,181</u>	<u>\$ 6,901,916</u>

(8) Capital Assets Used in Operations and Designated for Charitable Use

Capital assets at December 31, 2017 and 2016 consist of the following:

<u>2017</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Office buildings and equipment	\$ 711,467	\$ 314,378	\$ 397,089
Farm buildings and equipment	2,152,757	1,856,295	296,462
Real estate properties	<u>33,048,332</u>	<u>-</u>	<u>33,048,332</u>
Property, improvements, and equipment	<u>\$ 35,912,556</u>	<u>\$ 2,170,673</u>	<u>\$ 33,741,883</u>
Grant buildings and equipment	\$ 854,635	\$ 322,747	\$ 531,888
Park buildings and project costs	<u>21,290,163</u>	<u>15,866,525</u>	<u>5,423,638</u>
Charitable use and grant related capital assets	<u>\$ 22,144,798</u>	<u>\$ 16,189,272</u>	<u>\$ 5,955,526</u>
<u>2016</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Office buildings and equipment	\$ 708,926	\$ 291,017	\$ 417,909
Farm buildings and equipment	2,187,613	1,876,416	311,197
Real estate properties	<u>33,380,445</u>	<u>-</u>	<u>33,380,445</u>
Property, improvements, and equipment	<u>\$ 36,276,984</u>	<u>\$ 2,167,433</u>	<u>\$ 34,109,551</u>
Grant buildings and equipment	\$ 848,512	\$ 288,858	\$ 559,654
Park buildings and project costs	<u>21,067,992</u>	<u>15,643,855</u>	<u>5,424,137</u>
Charitable use and grant related capital assets	<u>\$ 21,916,504</u>	<u>\$ 15,932,713</u>	<u>\$ 5,983,791</u>

Depreciation expense was \$395,295 and \$377,958 for the years ending December 31, 2017 and 2016, respectively.

THE GEORGE FOUNDATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2017 and 2016

(9) Commitments - Unpaid Conditional and Unconditional Grants

The Board of Trustees of the Foundation has approved unpaid conditional and unconditional grants as of December 31, 2017 totaling \$21,750,614 presented as follows and payable over the following years:

2018	\$ 7,438,177
2019	2,714,934
2020	2,472,906
2021	2,481,117
2022 +	<u>6,643,480</u>
	<u>\$21,750,614</u>

(10) Grant Payments

The amount of grant payments each year differs from the amount budgeted for grant spending for that year for various reasons. Grants deferred from prior years or pending payment are a result of contingencies or restrictions on the grants that had not been met by the grant recipient organization. Grant payments are sometimes accelerated for excise tax planning purposes.

In 2017 and 2016, grant payments totaled \$12,357,270 and \$10,214,946, respectively, and included the following:

	<u>2017</u>	<u>2016</u>
Grants approved and paid within current year	\$ 5,900,213	\$ 3,064,365
Payments, grants deferred from prior years	<u>6,457,057</u>	<u>7,150,581</u>
	<u>\$ 12,357,270</u>	<u>\$ 10,214,946</u>

Grant refunds of \$143,071 and \$98,827 were received in 2017 and 2016, respectively. Such amounts are recorded as other income.

(11) Changes to Net Assets

In 2017 and 2016, charitable use assets of \$1,859 and \$5,167, respectively, were written off. These transactions were recorded as direct postings to Net Assets in accordance with the federal excise tax basis of accounting.

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017 and 2016

(12) Financial Instruments, Concentrations and Credit Risk

At December 31, 2017 and 2016, the Foundation's financial instruments included cash and investments. The financial instruments are stated at cost in accordance with the federal excise tax basis of accounting.

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist principally of investments held in brokerage accounts with professional investment managers investing the funds and direct investments in investment partnerships. To manage its level of exposure, the Foundation utilizes the services of an investment advisor who evaluates the investment managers, provides quarterly reviews of portfolio performance, and monitors compliance with the Foundation's investment policies.

The Foundation, at various times in the ordinary course of business, maintains cash in demand deposit accounts in excess of federally insured limits.

(13) Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The reclassifications had no effect on the net assets or the change in net assets.

(14) Subsequent Events

The Foundation has evaluated subsequent events through August 28, 2018, the date which the financial statements were available to be issued. As of August 28, 2018, there were no subsequent events requiring further disclosure.

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017 and 2016

(15) Expenses

Total expenses in 2017 and 2016 are categorized as follows:

<u>2017</u>	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Grants	\$ 12,357,270	\$ -	\$ 12,357,270
George Ranch Historical Park operations	1,065,189	-	1,065,189
Compensation - officers & directors	240,010	194,290	434,300
Salaries and wages	592,216	185,110	777,326
Employee benefits	66,230	43,554	109,784
Legal fees	47,192	85,236	132,428
Accounting fees	26,700	17,800	44,500
Other professional fees	15,263	1,012,166	1,027,429
Ad valorem taxes	15,629	66,290	81,919
Payroll taxes	43,292	23,311	66,603
Federal excise taxes	-	173,000	173,000
Occupancy	38,315	16,421	54,736
Amortization	-	11,304	11,304
Depreciation	341,675	53,620	395,295
Travel, conferences, and meetings	5,934	659	6,593
Insurance	86,761	51,166	137,927
Rental expenses	-	232,700	232,700
Office expenses	23,143	22,418	45,561
Grant-related expenses	72,199	-	72,199
Other expenses	19,012	6,025	25,037
Total expenses	<u>\$ 15,056,030</u>	<u>\$ 2,195,070</u>	<u>\$ 17,251,100</u>

THE GEORGE FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
December 31, 2017 and 2016

(16) Expenses (Continued)

<u>2016</u>	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Grants	\$ 10,214,946	\$ -	\$ 10,214,946
George Ranch Historical Park operations	1,332,074	-	1,332,074
Compensation - officers & directors	233,640	187,560	421,200
Salaries and wages	474,257	179,757	654,014
Employee benefits	50,289	33,525	83,814
Legal fees	47,516	29,681	77,197
Accounting fees	24,600	16,400	41,000
Other professional fees	17,713	999,644	1,017,357
Ad valorem taxes	20,724	126,861	147,585
Payroll taxes	36,750	19,788	56,538
Federal excise taxes	-	130,000	130,000
Occupancy	40,512	17,364	57,876
Amortization	-	605	605
Depreciation	321,886	56,072	377,958
Travel, conferences, and meetings	11,039	1,227	12,266
Insurance	88,073	42,203	130,276
Rental expenses	-	278,548	278,548
Office expenses	25,802	20,985	46,787
Grant-related expenses	68,963	-	68,963
Other expenses	16,227	6,123	22,350
Total expenses	<u>\$ 13,025,011</u>	<u>\$ 2,146,343</u>	<u>\$ 15,171,354</u>