

The F.B. Heron Foundation

Financial Statements

December 31, 2014 and 2013

Independent Auditors' Report

Board of Directors The F.B. Heron Foundation

We have audited the accompanying financial statements of the F.B. Heron Foundation, which comprise the statements of financial position as of December 31, 2014 and 2013, 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.

Auditors' 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the F.B. Heron Foundation as of December 31, 2014 and 2013 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program, administrative and investment expenses on page 14 is presented for purposes 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 on is fairly stated in all material respects in relation to the financial statements as a whole.

O'Connor Davies, LLP

June 1, 2015

The F.B. Heron Foundation

Statements of Financial Position

	December 31	
	2014	2013
ASSETS		
Cash and cash equivalents	\$ 6,913,867	\$ 1,232,703
Investments allocated for mission	173,152,219	111,262,461
Other investments	107,586,171	178,243,924
Prepaid Federal excise taxes	73,525	-
Other assets	986,178	763,114
Property and equipment, net	-	68,354
	<u>\$ 288,711,960</u>	<u>\$ 291,570,556</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 561,484	\$ 421,807
Grants payable	204,130	251,000
Federal excise tax payable	-	72,475
Deferred rent	112,726	110,620
Deferred Federal excise tax	432,766	794,536
Total Liabilities	1,311,106	1,650,438
Unrestricted net assets	<u>287,400,854</u>	<u>289,920,118</u>
	<u>\$ 288,711,960</u>	<u>\$ 291,570,556</u>

See notes to financial statements

The F.B. Heron Foundation

Statements of Activities

	Year Ended	
	December 31	
	<u>2014</u>	<u>2013</u>
INVESTMENTS ALLOCATED FOR MISSION		
Revenue		
Interest, dividends and partnership earnings	\$ 2,656,099	\$ 1,629,914
Realized gain	2,287,048	271,537
Unrealized gain, net of deferred excise tax	2,916,502	9,040,765
Program service fees (USCII license fee)	92,500	92,500
Current Federal excise tax	<u>(91,000)</u>	<u>(23,000)</u>
Net Revenue for Investments Allocated for Mission	<u>7,861,149</u>	<u>11,011,716</u>
Expenses		
Program expenses	3,539,222	1,796,866
Administrative expenses	1,341,191	1,130,337
Investment expenses	<u>560,923</u>	<u>1,091,985</u>
Total Expenses for Investments Allocated for Mission	<u>5,441,336</u>	<u>4,019,188</u>
Excess of Revenue over Expenses for Investments Allocated for Mission	2,419,813	6,992,528
Grants authorized, net of refunded amount of \$12,500 in 2014	<u>8,387,056</u>	<u>5,207,138</u>
(Deficiency) Excess of Revenue over Expenses for Investments Allocated for Mission	<u>(5,967,243)</u>	<u>1,785,390</u>
OTHER INVESTMENTS		
Revenue		
Interest, dividends and partnership earnings	4,411,993	4,385,315
Realized gain	22,026,348	14,207,354
Unrealized (loss) gain, net of deferred excise tax	(22,143,211)	12,527,332
Current Federal excise tax	<u>(539,000)</u>	<u>(377,000)</u>
Net Revenue for Other Investments	<u>3,756,130</u>	<u>30,743,001</u>
Expenses		
Investment expenses	<u>308,151</u>	<u>464,722</u>
Excess of Revenue over Expenses for Other Investments	<u>3,447,979</u>	<u>30,278,279</u>
Change in Net Assets	(2,519,264)	32,063,669
NET ASSETS		
Beginning of year	<u>289,920,118</u>	<u>257,856,449</u>
End of year	<u>\$ 287,400,854</u>	<u>\$ 289,920,118</u>

See notes to financial statements

The F.B. Heron Foundation

Statements of Cash Flows

	Year Ended	
	December 31	
	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,519,264)	\$ 32,063,669
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	68,354	17,089
Realized and unrealized gain on investments	(4,724,917)	(36,486,959)
Deferred Federal excise tax (benefit) provision	(361,770)	439,971
Writedown of PRI investment	28,801	294,175
Amortization of deferred rent	2,106	2,102
Net change in operating assets and liabilities		
Prepaid Federal excise taxes	(73,525)	67,525
Other assets	(223,064)	(257,108)
Accounts payable and accrued expenses	139,677	46,224
Federal excise tax payable	(72,475)	72,475
Grants payable	<u>(46,870)</u>	<u>(1,601,925)</u>
Net Cash from Operating Activities	<u>(7,782,947)</u>	<u>(5,342,762)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of other investments	(4,411,995)	(29,220,483)
Proceeds from other investments sold	74,499,397	34,855,923
Purchases of investments allocated for mission	(92,493,637)	(14,208,515)
Proceeds from investments allocated for mission sold or repaid	35,870,346	11,559,717
Purchases of property and equipment	<u>-</u>	<u>(85,442)</u>
Net Cash from Investing Activities	<u>13,464,111</u>	<u>2,901,200</u>
Net Change in Cash and Cash Equivalents	5,681,164	(2,441,562)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,232,703</u>	<u>3,674,265</u>
End of year	<u>\$ 6,913,867</u>	<u>\$ 1,232,703</u>
SUPPLEMENTAL DISCLOSURE		
Federal excise tax paid	\$ 756,000	\$ 260,000

See notes to financial statements

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2014 and 2013

1. Organization

The F.B. Heron Foundation (the "Foundation") is a not-for-profit, charitable corporation formed in December 1991 under the General Corporation Law of the State of Delaware. The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and is classified as a private foundation under Section 509(a) of the Code.

To advance its mission of helping people and communities to help themselves, the Foundation supports organizations that increase and maintain reliable employment, as well as those that advance systematic innovations to help communities be resilient to the changing nature of work. The Foundation makes grants and invests to support an enterprise's growth, or a change of business model that improves, preserves, or sustains the ability to increase employment and livelihood for people in the community.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

Cash equivalents include short-term investments with maturities of three months or less at the time of purchase, which are intended to be used for payment of expenses and grants and exclude those amounts used by investment managers for long-term investment strategies.

Fair Value Measurements

The Foundation follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (*continued*)

Investments Valuation

Investments (both investments allocated for mission and other investments), with the exception of program related investments, are stated at fair value. The fair value of limited partnerships has been estimated using the Net Asset Value (“NAV”) as reported by the management of the respective partnerships. US GAAP guidance provides for the use of NAV as a “Practical Expedient” for estimating fair value of limited partnerships. NAV reported by each partnership is used as a practical expedient to estimate the fair value of the Foundation's interest therein and their classification within Level 2 or 3 is based on the Foundation's ability to redeem its interest in the near term. For insured deposits, fair value is the amount of the deposit.

Programmatic Related Investments

Programmatic investments consist of program related investments (PRIs). PRIs, defined in IRC 4944(c), have a primary purpose of advancing the mission of the Foundation without a significant purpose of the production of income or the appreciation of property. PRIs are treated as charitable distributions on Internal Revenue Service form 990-PF, the tax and information return filed by private foundations for minimum-distribution requirement purposes. The Foundation's PRIs are considered below market rate loans and equities. They are stated at cost, less any valuation allowance for discount or uncollectable amounts.

Property and Equipment

Property and equipment are stated at cost. Depreciation was computed using the straight-line method over the estimated useful life of the assets. The estimated useful lives range from five to seven years. Leasehold improvements were amortized over the life of the original lease, which was ten years.

Net Asset Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Foundation's net assets are classified as permanently restricted, temporarily restricted or unrestricted. There were no temporarily or permanently restricted net assets at December 31, 2014 and 2013.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (*continued*)

Grants

Grants are recognized when approved by the Board of Directors and/or President, unless conditions imposed on the grantee have not been fulfilled. Such conditional grants are recognized when the conditions have been satisfied.

Reclassification

Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 presentation.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement disclosure. The Foundation is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2011.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is June 1, 2015.

3. Investments Allocated for Mission

Investments allocated for mission advance the mission of the Foundation using the core program strategies articulated in Note 1. These include both risk-adjusted, market-rate investments that advance the mission as well as PRIs.

The Foundation's PRI loans bear interest at below-market rates from 1% to 5%, generally payable on March 31 and September 30 of each year. PRI loans are individually monitored to determine net realizable value based on an evaluation of recovery. Management has reviewed the collectability of all PRI loans and deemed an allowance to be unnecessary.

PRI equities consist of seven PRIs in limited partnership interests in community development ventures and real estate funds, one PRI in preferred stock in a regulated community bank and one direct equity investment. PRI equity balances are net of a \$2,000,000 and \$500,000 valuation reserve at December 31, 2014 and 2013.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2014 and 2013

3. Investments Allocated for Mission *(continued)*

The following are the classes and major categories of investments allocated for mission at December 31 grouped by the fair value hierarchy for those investments measured at fair value on a recurring basis:

	2014			Total
	(Level 1)	(Level 2)	(Level 3)	
At Fair Value				
Insured deposits in low income designated				
Credit unions and community development banks	\$ 250,000	\$ -	\$ -	\$ 250,000
Common and Preferred Stock				
Information technology	13,862,130	-	-	13,862,130
Consumer discretionary	12,761,359	-	-	12,761,359
Health care	11,609,391	-	-	11,609,391
Other	37,646,581	-	2,000,000	39,646,581
US community investing index commingled fund	-	23,992,720	-	23,992,720
Fixed-Income Securities				
US agency	-	20,219,984	-	20,219,984
Municipals	-	22,118,029	-	22,118,029
Corporate	-	964,515	-	964,515
Limited partnership interests	-	-	9,296,304	9,296,304
Total at Fair Value	<u>\$ 76,129,461</u>	<u>\$ 67,295,248</u>	<u>\$ 11,296,304</u>	154,721,013
Program related investments, at cost, net of \$2,000,000 valuation reserve				15,965,702
Invested cash and cash equivalents, at cost				2,465,504
Total Investments Allocated for Mission				<u>\$ 173,152,219</u>
	2013			
	(Level 1)	(Level 2)	(Level 3)	Total
At Fair Value				
Insured deposits in low income designated				
Credit unions and community development banks	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Common and Preferred Stock				
Information technology	3,020,595	-	-	3,020,595
Health care	2,574,934	-	-	2,574,934
Industrial	2,442,492	-	-	2,442,492
Other	8,665,643	-	1,000,000	9,665,643
US community investing index commingled fund	-	21,224,041	-	21,224,041
Fixed-Income Securities				
US agency	-	18,245,684	-	18,245,684
Municipals	-	19,885,078	-	19,885,078
Corporate	-	1,239,696	-	1,239,696
Limited partnership interests	-	-	10,472,465	10,472,465
Total at Fair Value	<u>\$ 18,203,664</u>	<u>\$ 60,594,499</u>	<u>\$ 11,472,465</u>	90,270,628
Program related investments, at cost, net of \$500,000 valuation reserve				17,528,930
Invested cash and cash equivalents, at cost				3,462,903
Total Investments Allocated for Mission				<u>\$ 111,262,461</u>

The F.B. Heron Foundation

Notes to Financial Statements December 31, 2014 and 2013

3. Investments Allocated for Mission (*continued*)

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value using significant unobservable inputs (Level 3):

	2014			2013		
	Preferred Stock	Limited Partnership Interests	Total	Preferred Stock	Limited Partnership Interests	Total
Beginning balance	\$ 1,000,000	\$ 10,472,465	\$ 11,472,465	\$ 1,000,000	\$ 9,517,196	\$ 10,517,196
Realized gains	-	144,962	144,962	-	131,706	131,706
Unrealized gains	-	548,039	548,039	-	2,473,205	2,473,205
Redemptions	-	(1,264,268)	(1,264,268)	-	(1,677,233)	(1,677,233)
Distributions of stock, a level 1 input	-	(1,682,908)	(1,682,908)	-	(195,624)	(195,624)
Purchases, issuances and settlements	<u>1,000,000</u>	<u>1,078,014</u>	<u>2,078,014</u>	<u>-</u>	<u>223,215</u>	<u>223,215</u>
Ending balance	<u>\$ 2,000,000</u>	<u>\$ 9,296,304</u>	<u>\$ 11,296,304</u>	<u>\$ 1,000,000</u>	<u>\$ 10,472,465</u>	<u>\$ 11,472,465</u>

Information regarding Level 3 investments at December 31, 2014 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership interests	\$ 9,296,304	\$ 9,479,626	*	*
Preferred stock	<u>2,000,000</u>	<u>-</u>	*	*
Total	<u>\$ 11,296,304</u>	<u>\$ 9,479,626</u>		

* Both the preferred stock and limited partnership interests are illiquid assets.

The following summarizes changes in PRIs for 2014 and 2013:

	2014			2013		
	PRI Loans	PRI Equities	Total	PRI Loans	PRI Equities	Total
Balance at beginning of year	\$ 14,824,687	\$ 2,704,243	\$ 17,528,930	\$ 11,288,591	\$ 2,544,879	\$ 13,833,470
Additions						
Disbursements	54,223	1,321,214	1,375,437	5,052,069	500,000	5,552,069
Deductions						
Repayments	(1,081,198)	(328,666)	(1,409,864)	(1,515,973)	(46,461)	(1,562,434)
Writeoffs	<u>-</u>	<u>(28,801)</u>	<u>(28,801)</u>	<u>-</u>	<u>(294,175)</u>	<u>(294,175)</u>
	13,797,712	3,667,990	17,465,702	14,824,687	2,704,243	17,528,930
Valuation adjustment	<u>-</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$ 13,797,712</u>	<u>\$ 2,167,990</u>	<u>\$ 15,965,702</u>	<u>\$ 14,824,687</u>	<u>\$ 2,704,243</u>	<u>\$ 17,528,930</u>

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2014 and 2013

3. Investments Allocated for Mission *(continued)*

PRI loan principal repayments at December 31, 2014 are projected as follows:

2015	\$ 1,875,060
2016	3,820,666
2017	2,118,262
2018	865,163
2019	118,561
Thereafter	<u>5,000,000</u>
	<u>\$ 13,797,712</u>

PRI equity investments will be redeemed over the next six years depending on investment performance and activity.

4. Other Investments

The following are the classes and major categories of other investments at December 31 grouped by the fair value hierarchy for those investments measured at fair value on a recurring basis:

	2014	2013
At Fair Value		
Fixed-Income Funds		
Intermediate credit term bond fund	\$ 25,445,444	\$ 24,389,114
Equity Funds		
US large cap	10,018,185	59,890,681
US mid/small cap	-	18,719,734
Non-US developed markets	53,277,134	55,953,759
Non-US emerging markets	<u>18,845,300</u>	<u>19,290,530</u>
Total at Fair Value	107,586,063	178,243,818
Invested cash and cash equivalents, at cost	<u>108</u>	<u>106</u>
Total Other Investments	<u>\$ 107,586,171</u>	<u>\$ 178,243,924</u>

All other investments measured at fair value were valued using level 2 inputs.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2014 and 2013

5. Assets Stated at Fair Value

The following summarizes all assets stated at fair value at December 31:

	2014			Total
	(Level 1)	(Level 2)	(Level 3)	
Investments allocated for mission	\$ 76,129,461	\$ 67,295,248	\$ 11,296,304	\$ 154,721,013
Other investments	-	107,586,063	-	107,586,063
	\$ 76,129,461	\$ 174,881,311	\$ 11,296,304	\$ 262,307,076
	2013			
	(Level 1)	(Level 2)	(Level 3)	Total
Investments allocated for mission	\$ 18,203,664	\$ 60,594,499	\$ 11,472,465	\$ 90,270,628
Other investments	-	178,243,818	-	178,243,818
	\$ 18,203,664	\$ 238,838,317	\$ 11,472,465	\$ 268,514,446

6. Property and Equipment

Property and equipment consisted of the following at December 31:

	2014	2013
Leasehold improvements	\$ 446,255	\$ 446,255
Furniture	120,581	120,581
Equipment and website development	124,485	124,485
	691,321	691,321
Accumulated depreciation and amortization	(691,321)	(622,967)
	\$ -	\$ 68,354

7. Grants Payable

The following summarizes changes in grants payable for the years ended December 31:

	2014	2013
Balance at beginning of year	\$ 251,000	\$ 1,852,925
Grants authorized	8,399,556	5,207,138
Grants paid	(8,446,426)	(6,809,063)
Balance at end of year	\$ 204,130	\$ 251,000

There are an additional \$3,760,000 of conditional grant payments at December 31, 2014 which will become payable once the appropriate conditions have been met.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2014 and 2013

8. Federal Excise Tax

As a private foundation, the Foundation is normally subject to a Federal excise tax equal to 2% of its net investment income. However, under Section 4940(e) of the Code, this tax is reduced to 1% if certain conditions are met. Current taxes are estimated at 2% of net investment income, as defined in the Code.

The Foundation records deferred excise taxes using the 2% rate. For 2014 and 2013 deferred excise tax benefit (provision) amounted to \$361,770 and \$(439,971).

For Federal excise tax purposes, realized gains and losses from the sale of securities are determined on the specific-identification basis. Net realized gain or loss is based on the Foundation's allocated share, and, on sale, average cost is used.

9. Lease Commitment

The Foundation's office lease expires on December 31, 2020. The Foundation has the right to cancel this lease effective December 31, 2015 upon 1 years notice and the payment of \$345,147. Future minimum rental payments under this agreement are as follows:

2015	\$ 310,837
2016	335,905
2017	335,905
2018	335,905
2019	335,905
2020	<u>335,905</u>
	<u>\$ 1,990,362</u>

Rent expense for 2014 and 2013 was \$330,042 and \$252,005.

10. Retirement Plans

The Foundation sponsors a defined contribution retirement plan under IRC Section 401(a). The Foundation is obligated to contribute 12% of the basic compensation for all eligible employees subject to IRS and ERISA limitations. The Foundation also sponsors a 401(k) savings plan. Eligible participants, as defined, may make voluntary contributions into the savings plan. The Foundation is obligated to match 50% of participant contributions, not to exceed 3% of base compensation. For 2014 and 2013, retirement and savings plan expense was \$266,250 and \$228,437.

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The F.B. Heron Foundation

Supplementary Information

Years Ended December 31, 2014 and 2013

The F.B. Heron Foundation

Schedule of Program, Administrative and Investment Expenses Year Ended December 31

	2014					2013				
	Investments Allocated for Mission			Other Investments		Investments Allocated for Mission			Other Investments	
	Program	Administrative	Investment	Investment	Total	Program	Administrative	Investment	Investment	Total
Salary and related costs	\$1,837,669	\$ 781,417	\$ 154,702	\$ 107,264	\$ 2,881,052	\$ 1,116,003	\$ 708,590	\$ 591,235	\$ 46,844	\$ 2,462,672
Consulting fees	587,310	27,113	36,027	3,722	654,172	204,090	51,397	5,277	9,567	270,331
Occupancy	230,308	97,932	19,388	13,443	361,071	129,462	82,200	68,586	5,434	285,682
Investment monitoring and advisory	179,581	76,362	15,118	10,482	281,543	72,795	-	86,416	156,695	315,906
Outsourced functions	-	241,981	-	-	241,981	12,894	169,804	6,831	541	190,070
Market data	235,828	-	-	-	235,828	27,932	-	36,835	66,794	131,561
Travel, meetings, and conferences	187,307	33,634	6,659	4,617	232,217	148,136	26,167	21,833	1,730	197,866
Marketing and public relations	107,083	-	-	-	107,083	-	1,756	-	-	1,756
Equipment expenses	40,975	17,424	3,449	2,392	64,240	16,898	21,141	8,952	709	47,700
Office expenses	42,827	12,909	2,259	1,566	59,561	24,551	18,265	13,007	1,031	56,854
Legal fees	7,395	15,932	19,485	-	42,812	13,809	31,598	7,314	580	53,301
Audit expenses	25,147	10,693	2,117	1,468	39,425	14,694	9,330	7,784	617	32,425
Insurance	14,192	6,035	1,195	828	22,250	7,858	4,989	4,163	330	17,340
Bank fees	-	1,220	-	-	1,220	-	183	-	-	183
Depreciation and amortization	43,600	18,539	3,670	2,545	68,354	7,744	4,917	4,103	325	17,089
Custody fees	-	-	33,162	-	33,162	-	-	16,963	-	16,963
Asset management	-	-	263,692	159,824	423,516	-	-	212,686	173,525	386,211
	<u>\$3,539,222</u>	<u>\$ 1,341,191</u>	<u>\$ 560,923</u>	<u>\$ 308,151</u>	<u>\$ 5,749,487</u>	<u>\$ 1,796,866</u>	<u>\$ 1,130,337</u>	<u>\$ 1,091,985</u>	<u>\$ 464,722</u>	<u>\$ 4,483,910</u>

See independent auditors' report