

**PRISON ENTREPRENEURSHIP PROGRAM
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2014**

**PRISON ENTREPRENEURSHIP PROGRAM
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Prison Entrepreneurship Program
Houston, Texas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position of Prison Entrepreneurship Program (the Organization), as of December 31, 2014, and the related consolidated statements of activities and cash flows for the year 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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 financial position of Prison Entrepreneurship Program as of December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on summarized comparative information

We have previously audited the Prison Entrepreneurship Program 2013 consolidated financial statements and did express an unmodified audit opinion on those financial statements on our report dated August 7, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which they were derived.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on page 16 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements taken as a whole.

Handwritten signature in cursive script that reads "Carlos Taborda & Company, PC".

July 21, 2015

PRISON ENTREPRENEURSHIP PROGRAM
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014
WITH COMPARATIVE TOTALS FOR 2013

	2014	2013
ASSETS		
Cash	\$ 1,504,722	\$ 1,030,955
Receivables	880,332	202,949
Prepaid expenses, deposits and other assets	51,977	14,908
Property and equipment, net of accumulated depreciation and amortization of \$242,899 in 2014 and \$227,990 in 2013	779,806	350,637
Investments in closely held entities	18,045	-
Total Assets	\$ 3,234,882	\$ 1,599,449
LIABILITIES		
Accounts payable and accrued liabilities	\$ 50,276	\$ 19,406
Accrued salaries and payroll taxes	36,797	34,195
Long-term debt		
Due currently	13,008	5,234
Due afterwards	492,074	161,070
Total liabilities	592,155	219,905
NET ASSETS		
Unrestricted	1,784,640	1,184,544
Temporarily restricted	858,087	195,000
Total net assets	2,642,727	1,379,544
Total Liabilities and Net Assets	\$ 3,234,882	\$ 1,599,449

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

PRISON ENTREPRENEURSHIP PROGRAM
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE TOTALS FOR 2013

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Support	\$ 1,473,420	\$ 1,373,087	\$ 2,846,507	\$ 1,519,074
Rental income	74,849	-	74,849	72,900
Interest and other income	52,642	-	52,642	35,352
In-kind support	<u>108,678</u>	<u>-</u>	<u>108,678</u>	<u>92,281</u>
Total support and revenue	1,709,589	1,373,087	3,082,676	1,719,607
RELEASE OF RESTRICTIONS	<u>710,000</u>	<u>(710,000)</u>	<u>-</u>	<u>-</u>
Total support, revenue and releases	<u>2,419,589</u>	<u>663,087</u>	<u>3,082,676</u>	<u>1,719,607</u>
OPERATING EXPENSES				
Program	1,507,080	-	1,507,080	1,160,795
Fundraising	152,901	-	152,901	214,121
Administrative	<u>159,512</u>	<u>-</u>	<u>159,512</u>	<u>172,916</u>
Total expenses	<u>1,819,493</u>	<u>-</u>	<u>1,819,493</u>	<u>1,547,832</u>
INCREASE IN NET ASSETS	600,096	663,087	1,263,183	171,775
NET ASSETS				
BEGINNING OF YEAR	<u>1,184,544</u>	<u>195,000</u>	<u>1,379,544</u>	<u>1,207,769</u>
END OF YEAR	<u>\$ 1,784,640</u>	<u>\$ 858,087</u>	<u>\$ 2,642,727</u>	<u>\$ 1,379,544</u>

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

PRISON ENTREPRENEURSHIP PROGRAM
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE TOTALS FOR 2013

INCREASE (DECREASE) IN CASH

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1,263,183	\$ 171,775
Adjustments		
Donated stocks	(73,146)	(76,952)
Donated investments	(18,045)	-
Donated vehicles	(10,331)	-
Loss on sale of donated stocks	12,575	-
Depreciation and amortization	48,767	34,500
Loss (gain) on fixed asset dispositions	818	(4,476)
Changes in		
Receivables	(677,383)	61,948
Prepaid expenses, deposits and other assets	(37,069)	(5,345)
Accounts payable and accrued liabilities	30,870	(8,147)
Accrued salaries and payroll taxes	<u>2,602</u>	<u>2,696</u>
Total adjustments	<u>(720,342)</u>	<u>4,224</u>
Net cash provided by operating activities	<u>542,841</u>	<u>175,999</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of donated stocks	60,571	76,952
Proceeds from sales of equipment	2,000	6,500
Purchase of property and equipment	<u>(120,423)</u>	<u>(42,335)</u>
Net cash provided (used) by investing activities	<u>(57,852)</u>	<u>41,117</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term debt	<u>(11,222)</u>	<u>(4,942)</u>
Net cash used by financing activities	<u>(11,222)</u>	<u>(4,942)</u>
NET INCREASE IN CASH	473,767	212,174
CASH BEGINNING OF YEAR	<u>1,030,955</u>	<u>818,781</u>
CASH END OF YEAR	<u>\$ 1,504,722</u>	<u>\$ 1,030,955</u>

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

PRISON ENTREPRENEURSHIP PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ORGANIZATIONAL

Prison Entrepreneurship Program (PEP) is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes. Its mission is to stimulate positive life transformation for executives and inmates, uniting them through entrepreneurial passion, education and mentoring. This enables the inmates to productively re-enter society. This concept of connecting executives and inmates to produce consequential change in society was developed in May 2004.

During 2010, PEP established a wholly-owned limited-liability company, Houston Caleb House, LLC (HCH), to purchase property to be used as reliable housing available to inmates upon their release. The financial position, results of operations and cash flows of HCH are consolidated with PEP in the consolidated financial statements as of and for the years ended December 31, 2014 and 2013.

During 2011, PEP established a wholly-owned subsidiary, Communitas Ventures, Inc. (CVI), to provide back office support for PEP participant businesses. Activities for CVI commenced in 2013. CVI was organized in the state of Texas as a for-profit company and is subject to income taxes. The financial position, results of operations and cash flows of CVI are consolidated with PEP in the consolidated financial statements as of and for the years ended December 31, 2014 and 2013. CVI is an investor in Communitas Auto Group LLC as more fully described in the Investments note on page 11.

PEP, HCH and CVI are collectively referred to as the Organization.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All intercompany amounts have been eliminated in consolidation. The financial information shown for 2013 in the accompanying financial statements is included to provide a basis for comparison with 2014 and presents summarized totals only.

Financial Statement Presentation - The Organization presents its consolidated financial statements under the provisions for accounting for financial statements of not-for-profit organizations. Under the provisions, the Organization is required to report information on its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Support - The Organization also follows the provisions for contributions received and contributions made. Accordingly, unconditional contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose is accomplished), temporarily or permanently restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services - The impact of the Organization is multiplied many times over through the efforts of its executive volunteers and business plan advisors who annually donate significant time to the Organization's mission. Additionally, the Organization's on-unit activities are possible only with the gracious support of the Texas Department of Criminal Justice and its partnerships with The GEO Group, Inc. and Management & Training Corporation. No amounts have been recorded in the consolidated financial statements for these donations, in accordance with current accounting standards.

PRISON ENTREPRENEURSHIP PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash - For purposes of the statement of cash flows, the Organization considers as cash, all cash on hand and all highly liquid investments with maturities of three months or less.

Receivables - Receivables include unconditional promises to give and other loans. Promises to give that are expected to be collected in more than a year have been discounted to reduce the expected cash flow to present value. Conditional promises to give are not recorded as contributions until the condition is met.

Investments in closely held entities - Investments in closely held entities are carried at cost.

Property and equipment - Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment is carried at cost, or if donated, at the fair market value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful life of the asset, ranging from 2 to 28 years. Repairs and maintenance are charged to expense as incurred.

Long-Lived Assets - The Organization's long-lived assets are evaluated for impairment in accordance with authoritative guidance which requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on expected undiscounted cash flows attributable to that asset. This review requires significant judgments both in assessing events and circumstances as well as estimating future cash flows. Should events indicate that any of the assets are impaired, the amount of such impairment will be measured as the difference between the carrying value and the fair value of the impaired asset and the impairment will be recorded in earnings during the period of such impairment. No impairment was noted during the years ended December 31, 2014 and 2013.

Fair Value Measurements - The financial statements are presented under the authoritative guidance regarding Fair Value Measurements. The guidance establishes a single authoritative definition of fair value, sets a framework for measuring fair value and requires additional disclosures about fair value measurement. In accordance with the guidance, the Organization classifies its investments into Level 1, which refers to securities traded in an active market, Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available or Level 3 securities where there is a contractual restriction, and Level 3, which refers to securities not traded in an active market and for which no significant observable market inputs are available. As required by the guidance, the Organization's investment portfolio based on fair values at December 31, 2014 are categorized according to these classifications. Additionally, the fair value guidance allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The Organization did not elect the fair value option for measurement of any other eligible assets or liabilities. The Organization's financial instruments (primarily cash, receivables, payables and long-term debt) are carried in the accompanying statement of financial position at amounts which reasonably approximate fair value.

Estimates - The preparation of financial statements with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated. The most critical estimates are for the realization of receivables and depreciation.

PRISON ENTREPRENEURSHIP PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes - PEP is a nonprofit, tax-exempt, charitable organization, under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for federal income tax has been included in these financial statements for PEP or its wholly-owned subsidiary HCH. CVI is a for profit entity subject to income tax. CVI has net operating loss carryforwards of approximately \$25,500; therefore, no provision for income taxes has been recorded. Deferred tax assets related to these net operating loss carryforwards are fully reduced by a valuation allowance as it is uncertain that these deferred tax assets will be realized.

The Organization reviews and assesses its tax positions taken or expected to be taken in its tax returns. Based on this assessment, the Organization determines whether it is more likely than not that the positions would be sustained under examination by the tax authorities. The Organization's assessment has not identified any significant positions that it believes would not be sustained under examination. The Organization is no longer subject to Federal tax examinations by the tax authorities for years before 2011.

Allocation of Expenses - Expenses have been allocated by function based on management's estimates.

CASH

Cash includes cash at the bank and cash on hand. A summary of cash at December 31 follows:

	<u>2014</u>	<u>2013</u>
Checking and saving	\$ 1,312,001	\$ 905,919
Other	<u>192,721</u>	<u>125,036</u>
Total	<u>\$ 1,504,722</u>	<u>\$ 1,030,955</u>

RECEIVABLES

Receivables consist of unconditional promises to give and sundry loans. A summary of receivables at December 31 follows:

	<u>2014</u>	<u>2013</u>
Unconditional promises to give	\$ 858,087	\$ 197,594
Loans and other receivables, net	<u>22,245</u>	<u>5,355</u>
Total	<u>\$ 880,332</u>	<u>\$ 202,949</u>

Promises to give are considered fully collectible, hence no allowance for uncollectible pledges is considered necessary.

Conditional promises to give as of December 31, 2014 and 2013 amount to \$250,000 and \$500,000, respectively.

PRISON ENTREPRENEURSHIP PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

PROPERTY AND EQUIPMENT

A summary of property and equipment together with their accumulated depreciation at December 31 follows:

	2014	2013
Land	\$ 213,570	\$ 69,913
Buildings	503,499	260,724
Equipment and furniture	203,470	152,772
Vehicles	102,166	95,218
Total cost or donated value	1,022,705	578,627
Less accumulated depreciation and amortization	242,899	227,990
Property and equipment, net	\$ 779,806	\$ 350,637

INVESTMENTS IN CLOSELY HELD ENTITIES

A summary of investments in closely held entities at December 31 follows:

	2014	2013
Limited liability company	\$ 18,045	\$ -
Subsidiary	-	-
Total	\$ 18,045	\$ -

The limited liability company (LLC) investment consists of an 11.11% interest in a Texas LLC that was donated to PEP during the year ended December 31, 2014. The LLC's primary assets are two secured loans to the Organization. For tax purposes the LLC reports its activities to the taxing authorities as a partnership. At December 31, 2014, the carrying value of the investment approximates PEP's interest in the LLC's equity.

The investment in a subsidiary consists of Communitas Auto Group LLC (CAG). CAG was formed as a Texas LLC on July 10, 2013. The purpose of CAG is to directly or indirectly engage in the auto repair business. CVI owns 100% of the common shares of CAG. CAG also has two Series A Preferred Shareholders, one of whom is related to the Organization. All capital contributions to CAG were made by the Preferred Shareholders. Based upon the terms of the Company Agreement, CAG is majority controlled by the Preferred Shareholders. CVI is accounting for its interest in CAG's common shares on the cost basis, which is zero, as CVI does not exercise control over CAG.

PRISON ENTREPRENEURSHIP PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

INVESTMENTS IN CLOSELY HELD ENTITIES (CONTINUED)

A condensed, unaudited balance sheet of CAG at December 31, is as follows:

	2014	2013
Assets		
Current Assets		
Cash	\$ 73,130	\$ 77,386
Accounts receivable	123,291	-
Other Assets		
Start up costs	424,898	89,936
Franchise rights	160,833	100,000
Other	27,849	-
Total Assets	\$ 810,001	\$ 267,322
Liabilities		
Accounts payable and accrued liabilities	\$ 10,001	67,322
Equity		
Preferred Shareholders	800,000	200,000
Total Liabilities and Equity	\$ 810,001	\$ 267,322

LONG-TERM DEBT

A summary of long-term debt at December 31 follows:

	2014	2013
Note payable to a bank in original principal amount of \$350,000, due in monthly installments of \$2,061 and one balloon payment of \$312,439; bearing interest at 5.0%; maturing February 3, 2019	\$ 344,012	\$ -
Note payable to a third party in original principal amount of \$100,000, due in monthly installments of \$702 and one balloon payment of \$64,662; bearing interest at 5.75%; maturing May 10, 2022	92,569	95,577
Note payable to a third party in original principal amount of \$74,000, due in monthly installments of \$520 and one balloon payment of \$47,850; bearing interest at 5.75%; maturing May 10, 2022	68,501	70,727
Total	\$ 505,082	\$ 166,304

The notes payable are collateralized by the Organization's real property with a net carrying value of \$661,611.

PRISON ENTREPRENEURSHIP PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

LONG-TERM DEBT (CONTINUED)

The minimum future payments on those notes payable are as follows:

<u>Year-ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 13,008	\$ 26,384	\$ 39,392
2016	13,667	25,718	39,385
2017	14,468	24,918	39,386
2018	15,262	24,124	39,386
2019	318,790	10,639	329,429
2020-2022	<u>129,887</u>	<u>16,831</u>	<u>146,718</u>
Total	<u>\$ 505,082</u>	<u>\$ 128,614</u>	<u>\$ 633,696</u>

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2014 are subject to a time restriction.

SUPPORT

A summary of donations recognized during the years ended December 31 follows:

	<u>2014</u>	<u>2013</u>
Foundations	\$ 2,153,241	\$ 960,737
Individuals and participants	472,324	365,334
Corporations	106,042	118,183
Board members	<u>114,900</u>	<u>74,820</u>
Total	<u>\$ 2,846,507</u>	<u>\$ 1,519,074</u>

IN-KIND SUPPORT

A summary of in-kind donations recognized during the years ended December 31 follows:

	<u>2014</u>	<u>2013</u>
Stock contributed from a Board member	\$ 73,000	\$ 74,500
Investment in partnership	18,045	-
Vehicles	10,331	-
Professional services and supplies	7,157	15,329
Stock contributed from an individual	<u>145</u>	<u>2,452</u>
Total in-kind support	<u>\$ 108,678</u>	<u>\$ 92,281</u>

The stocks that were contributed in 2014 and 2013 were sold in the year they were contributed.

PRISON ENTREPRENEURSHIP PROGRAM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

OPERATING LEASE AGREEMENTS

The Organization has entered into non-cancelable operating lease agreements for the rental of its office facility and certain equipment. Minimum future rentals, on an annual basis, are as follows:

<u>Year ending December 31,</u>	<u>Office Facility</u>	<u>Equipment</u>
2015	\$ 49,248	\$ 7,583
2016	51,840	8,272
2017	35,712	8,272
2018	-	4,825
Total	<u>\$ 136,800</u>	<u>\$ 28,952</u>

Lease expenses during 2014 amounted to \$59,278. The amount is included in contractual services.

RELEASES

Temporarily restricted support has been released from the related restriction by the realization of funds or by making specific expenditures.

CONCENTRATION OF CREDIT RISK

The Organization maintains most of its cash at one bank. The bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2014 the Organization's uninsured cash balances at the bank approximated \$1,033,000.

ADDITIONAL CASH FLOW INFORMATION

Non-cash transactions affecting investing and financing activities for the year ended December 31, 2014 follows:

Purchase of property and equipment	\$ 470,423
Purchase financed with new borrowings at closing	<u>(350,000)</u>
Net cash used for property purchases	<u>\$ 120,423</u>

SUBSEQUENT EVENT

Subsequent events have been evaluated through July 21, 2015 which is the date the consolidated financial statements were available to be issued. Based on this evaluation, no adjustments are required to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

PRISON ENTREPRENEURSHIP PROGRAM
CONSOLIDATED SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE TOTALS FOR 2013

	2014				2013
	<u>Programs</u>	<u>Fundraising</u>	<u>Administrative</u>	<u>Total</u>	
Salaries	\$ 673,737	\$ 97,379	\$ 95,428	\$ 866,544	\$ 772,677
Automobile and transportation	33,419	-	-	33,419	34,134
Benefits	104,368	15,085	14,782	134,235	93,871
Contractual					
Leasing	46,089	6,661	6,528	59,278	58,566
Utilities	5,170	747	733	6,650	17,247
Communications	25,420	3,674	3,601	32,695	31,766
Other	93,899	13,572	13,299	120,770	78,838
Depreciation	31,413	4,540	4,449	40,402	27,231
Educational	16,399	-	-	16,399	71,471
Housing expenses	49,254	-	-	49,254	28,611
Initiative expenses including \$8,365 of depreciation					
Business plan competition	131,821	-	-	131,821	81,163
Re-entry and development programs	121,420	-	-	121,420	72,654
Family programs	17,037	-	-	17,037	13,914
Interest	24,043	-	-	24,043	9,718
Office supplies and expenses	22,342	3,229	3,165	28,736	30,667
Participant events	12,381	-	-	12,381	12,243
Payroll taxes	55,090	7,962	7,803	70,855	65,102
Staff training and appreciation	5,149	-	786	5,935	1,856
Travel	17,280	52	-	17,332	14,834
Other expenses	<u>21,349</u>	<u>-</u>	<u>8,938</u>	<u>30,287</u>	<u>31,269</u>
	<u>\$ 1,507,080</u>	<u>\$ 152,901</u>	<u>\$ 159,512</u>	<u>\$ 1,819,493</u>	<u>\$ 1,547,832</u>

See independent auditors' report.