

**CHARLESTON JAZZ
CHARLESTON, SOUTH CAROLINA**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Charleston Jazz
Charleston, South Carolina

We have reviewed the accompanying financial statements of Charleston Jazz (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The 2017 supplementary information included in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Report on 2016 Financial Statements and Supplementary Information

The 2016 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated June 30, 2017. In addition, the 2016 supplementary information contained in Schedule II was 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. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole. We have not performed any auditing procedures on either the financial statements or on the supplementary information since June 30, 2017.

Glaser and Company, LLC

May 31, 2018
Charleston, South Carolina

CHARLESTON JAZZ
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

	Reviewed 2017	Audited 2016
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 311,041	\$ 141,651
Unconditional promises to give, current	-	4,405
Prepaid and other assets	65,051	32,661
Total current assets	376,092	178,717
<u>Non-current Assets</u>		
Furniture and equipment, net	138,127	4,313
Library and archives, net	40,478	32,629
Total non-current assets	178,605	36,942
Total assets	\$ 554,697	\$ 215,659
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 14,229	\$ 8,744
Accrued payroll	5,277	-
Deferred concert revenue	160,245	151,108
Line of credit	2,138	1,392
Advances payable - related parties	-	48,600
Financed tenant improvements, current portion	41,316	-
Total current liabilities	223,205	209,844
<u>Non-current Liabilities</u>		
Financed tenant improvements, net of current portion	82,628	-
Total non-current liabilities	82,628	-
Total liabilities	305,833	209,844
<u>Net Assets</u>		
Unrestricted net assets	71,831	5,815
Temporarily restricted net assets	177,033	-
Total net assets	248,864	5,815
Total liabilities and net assets	\$ 554,697	\$ 215,659

See accompanying notes to financial statements.

CHARLESTON JAZZ
STATEMENT OF ACTIVITIES (REVIEWED)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Changes in unrestricted net assets			
Support and Revenue			
Concert revenue	\$ 425,491	\$ -	\$ 425,491
Grants	48,200	359,002	407,202
Contributions	52,488	20,805	73,293
Academy tuition, fees and revenues	52,428	-	52,428
Sponsorships	36,500	-	36,500
Contributions - in-kind	27,864	-	27,864
Miscellaneous	536	-	536
Loss on acquisition of Academy operations	(5,503)	-	(5,503)
Interest	70	-	70
	<u>638,074</u>	<u>379,807</u>	<u>1,017,881</u>
Net Assets Released from Restrictions	<u>202,774</u>	<u>(202,774)</u>	<u>-</u>
Expenses			
Program services:			
Festival and orchestra programs	458,135	-	458,135
Academy activities	115,728	-	115,728
Total program services	<u>573,863</u>	<u>-</u>	<u>573,863</u>
Supporting services:			
General and administrative	136,465	-	136,465
Fundraising	64,504	-	64,504
	<u>200,969</u>	<u>-</u>	<u>200,969</u>
Total expenses	<u>774,832</u>	<u>-</u>	<u>774,832</u>
Increase in net assets	66,016	177,033	243,049
Net assets, Beginning of year	<u>5,815</u>	<u>-</u>	<u>5,815</u>
Net assets, End of year	<u>\$ 71,831</u>	<u>\$ 177,033</u>	<u>\$ 248,864</u>

See accompanying notes to financial statements.

**CHARLESTON JAZZ
STATEMENT OF ACTIVITIES (AUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Changes in unrestricted net assets

Support and Revenue

Concert revenue	\$ 292,110
Grants	72,537
Contributions	56,369
Sponsorships	35,000
Contributions - in-kind	47,209
Miscellaneous	355
Interest	14
	503,594
 Total support and revenue	 503,594

Net Assets Released from Restrictions

-

Expenses

Program services:

Festival and orchestra programs	393,879
Total program services	393,879

Supporting services:

General and administrative	39,324
Fundraising	15,385
	54,709

Total expenses 448,588

Increase in net assets 55,006

Net deficit, Beginning of year (49,191)

Net assets, End of year \$ 5,815

See accompanying notes to financial statements.

CHARLESTON JAZZ
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

	<u>REVIEWED</u> 2017	<u>AUDITED</u> 2016
<u>Cash Flows from Operating Activities:</u>		
Increase in net assets	\$ 243,049	\$ 55,006
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	2,137	1,478
Amortization	-	2,787
Impairment in value of jazz house logo	-	750
Gain on advances payable - related parties forgiveness	(2,500)	(4,000)
Changes in operating assets and liabilities:		
Decrease in unconditional promises to give	4,405	(4,405)
Increase in prepaid and other assets	(32,390)	(20,667)
Increase in accounts payable	5,485	(8,274)
Increase in accrued payroll	5,277	-
Increase in deferred concert revenue	9,137	66,094
	<u>234,600</u>	<u>88,769</u>
<u>Cash Flows from Investing Activities:</u>		
Cash paid to invest in music library	(7,849)	(2,203)
Cash paid to purchase furniture and equipment	(12,007)	(1,515)
	<u>(19,856)</u>	<u>(3,718)</u>
<u>Cash Flows from Financing Activities:</u>		
Net proceeds from line of credit	746	1,392
Payments on advances payable - related parties	(46,100)	(14,000)
	<u>(45,354)</u>	<u>(12,608)</u>
Net cash used for financing activities		
Net increase in cash and cash equivalents	169,390	72,443
Cash and cash equivalents, beginning of year	141,651	69,208
Cash and cash equivalents, end of year	<u>\$ 311,041</u>	<u>\$ 141,651</u>
<u>Supplemental Disclosures of Cash Flow Information:</u>		
Interest paid	\$ 578	\$ 592
Leasehold upfit financed by landlord	\$ 123,944	-

See accompanying notes to financial statements.

CHARLESTON JAZZ
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basic Program

Charleston Jazz (“Charleston Jazz”) (formerly known as “Jazz Artists of Charleston”) (a nonprofit organization) was organized January 16, 2008, to grow a local and global community for jazz through performance, education and outreach while celebrating and preserving Charleston’s rich history in jazz. Programs include year-round concerts by the Charleston Jazz Orchestra and Charleston Jazz artists; the annual Charleston Jazz Festival a four-day festival each year bringing local, regional and national jazz musicians to Charleston, South Carolina; and education and activities to elevate jazz musicianship and broaden the love of Jazz through the Charleston Jazz Academy.

Charleston Jazz’s support comes primarily from concert revenues and contributions, grants and sponsorships made by individual donors, businesses, and other supporting entities and tuition and fees.

Addition of Charleston Jazz Academy to Operations during 2017

In the interest of elevating jazz musicianship and broadening the love of jazz in future generations, Charleston Jazz has recently brought the Leonard School of Music operations into the organization to create the Charleston Jazz Academy. The Leonard School of Music, Inc. has played an important role in teaching jazz to young people in Charleston since 1945. Working in partnership with local schools, parents, and students of all ages, the Charleston Jazz Academy will bring together highly motivated students in a collaborative and challenging environment to expand their repertoire and nurture the skills of improvisation.

Basis of Accounting

The accompanying financial statements present the financial condition, results of operations, and cash flows of Charleston Jazz on the accrual basis of accounting. Support is recognized when received or unconditionally promised, and expenses are recognized when incurred.

Basis of Presentation

In accordance with ASC 958-205, *Presentation of Financial Statements*, Charleston Jazz reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets

Net assets without donor-imposed restrictions and currently available for program and supporting services.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met by actions of the Charleston Jazz and/or the passage of time.

Permanently Restricted Net Assets

Net assets restricted by donors to be maintained permanently by Charleston Jazz. There were no permanently restricted net assets as of December 31, 2017 and 2016.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial statement reporting, cash includes all cash and short-term liquid investments with an original maturity of three months or less.

CHARLESTON JAZZ
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to Charleston Jazz that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Charleston Jazz uses the direct write-off method to determine uncollectible unconditional promises receivable. The results do not differ materially from generally accepted accounting principles.

Prepaid and Other Assets

Charleston Jazz recognizes payments made for services or benefits in future periods as prepaid and other assets. At December 31, 2017 and 2016, Charleston Jazz prepaid assets are comprised of insurance, costs for venue, marketing and other costs for 2018 and 2017 concerts and events, respectively.

Furniture and Equipment

It is the policy of Charleston Jazz to capitalize furniture and equipment of \$1,000 or greater at cost, if purchased, and at fair market value, if donated. Capitalized leasehold improvements, furniture and equipment are depreciated over their estimated useful lives using the straight-line method. Depreciable lives of range from seven to fifteen years.

Library and Archives

Charleston Jazz capitalizes investments in music library, video, and audio archives. Capitalized library and archives are evaluated for impairment annually. For wasting library and archive assets, Charleston Jazz amortizes their cost on a straight-line basis over a period approximating 10 years.

Deferred Concert Revenue

Charleston Jazz recognizes payments for future concerts and events as deferred concert revenue. This deferred revenue is recognized in the future period when the concert or event is performed.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions of property and equipment are recorded as support at their estimated fair value. All such donations have been given without restrictions by the donors.

Contributions – In-kind

Charleston Jazz receives various donated services, advertising, marketing, printing and office space from supporters, which were used for program services and other operating activities. These services totaled \$27,864 and \$47,209 for the years ended December 31, 2017 and 2016, respectively. A number of unpaid volunteers have made significant contributions of time to assist the Charleston Jazz in the operation of its programs. The value of these contributions is not reflected in these statements since they do not meet the criteria for revenue recognition.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on the functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of estimates made by management.

CHARLESTON JAZZ
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes

Charleston Jazz is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, Charleston Jazz qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

2. AFFILIATION, FISCAL SPONSORSHIP AND ADMINISTRATION AGREEMENT

On May 5, 2017, Charleston Jazz signed an affiliation, fiscal sponsorship agreement with Leonard School of Music, Inc. (the “Project”). The agreement was effective May 1, 2017 and provides for Charleston Jazz to be the fiscal sponsor of the Project, handle all financial transactions on behalf of the Project and utilize the organizations’ mutual charitable and educational interests for the support of musical awareness and education in the Charleston area.

Charleston Jazz created a designated fund for this Project named the Charleston Jazz Academy Fund, and grant funds deposited in the fund, less any administrative charges, to the Leonard School of Music, Inc. The affiliation portion of the agreement intends for the Project and Charleston Jazz to align the interests of the Project with certain charitable and programmatic activities and goals of Charleston Jazz, with the plan of future reorganization of both entities. The term of the agreement ended on December 31, 2017, unless renewed or amended. Prior to maturity of this agreement, Charleston Jazz assumed select assets and liabilities of the Project and has taken over full operations of the Project under the name of Charleston Jazz Academy.

3. FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following as of December 31:

	2017	2016
Computers and equipment	\$ 17,633	5626
Leasehold improvements	123,944	0
Furniture	6,988	6988
	148,565	12,614
Accumulated depreciation and amortization	(10,438)	(8,301)
	\$ 138,127	\$ 4,313

Depreciation expense for the years ended December 31, 2017 and 2016 totaled \$2,137 and \$1,478, respectively.

CHARLESTON JAZZ
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

4. LIBRARY AND ARCHIVES

Library and archives consists of the following at December 31:

	2017	2016
Music library	\$ 25,966	\$ 14,044
Photography archives	8,362	13,935
Video and audio archives	7,437	7,437
Logo	1,500	-
	43,265	35,416
Accumulated amortization	(2,787)	(2,787)
	\$ 40,478	\$ 32,629

5. LINE OF CREDIT

Charleston Jazz has an agreement with a commercial bank for a \$35,000 line of credit. Interest accrues at a variable rate (currently 8.75%). As of December 31, 2017 and 2016, the outstanding balance was \$2,138 and \$1,392, respectively. Interest expense for the years ended December 31, 2017 and 2016 totaled \$578 and \$592, respectively.

6. ADVANCES PAYABLE – RELATED PARTIES

Charleston Jazz has received interest-free loan advances from current and past board of director members. These advances were unsecured and considered demand instruments by the organization. Charleston Jazz took no advances from related parties during the years ended December 31, 2017 and 2016. Further, the organization made payments and received donated advance payable forgiveness during the years ended December 31, 2017 and 2016 totaling \$48,600 and \$18,000, respectively.

7. CONCENTRATION OF CREDIT RISK

Charleston Jazz maintains deposits in commercial bank accounts. At December 31, 2017, Charleston Jazz did not have any deposits in excess of federal depository insurance coverage of \$250,000.

8. RECENT ACCOUNTING PRONOUNCEMENT AND UPDATES

In February 2016, the FASB issued ASU 2016-02 *Leases* (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. When measuring assets and liabilities arising from a lease, a lessee (and a lessor) should include payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. The amendments in this Update are effective for fiscal years beginning after December 15, 2019.

CHARLESTON JAZZ
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

8. RECENT ACCOUNTING PRONOUNCEMENT AND UDPATES - CONTINUED

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update *Not-for Profit Entities* (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*. The main provisions of this update require not-for-profit entities to: 1) reduce the current practice of up to three categories of net assets to two – net assets with donor restrictions and net assets without donor restrictions; 2) if using the direct method of cash flow preparation, removing the requirement of reconciliation to the indirect method for cash flows from operations; 3) enhance disclosures on board designations, composition of donor restricted net assets at end of year, liquidity measurements for next fiscal year, presentation of expenses on a natural and functional classification, methods of allocating costs to program and supporting services and reporting for underwater endowments; 4) report investment return net of expenses; and 5) change the method recognition of expiration of donor restriction on long-lived asset gifts. The amendments in this update are effective for annual periods beginning after December 15, 2017, and early adoption is permitted.

9. LEASE AGREEMENT

On April 28, 2017, Charleston Jazz signed a lease agreement with 3005 W Montague LLC for the main operating facility of the Charleston Jazz Academy. The lease term is for (5) years and (2) months commencing on April 1, 2017. The lease has an option of renewal for a period of (3) years and increases annually at a rate of (3%) from inception. Future minimum lease payments under the term of the lease are as follows:

2018	\$	68,221
2019		70,267
2020		72,376
2021		74,547
2022		31,664
		31,664
	\$	317,075

Rent expense for the years ended December 31, 2017 and 2016 was \$40,185 and \$0, respectively.

Under the terms of the lease agreement, there are provisions for construction and alteration of the premises. The agreement provided for \$44,000 of landlord upfit and up to \$156,000 of additional upfit financed by the landlord but reimbursed by Charleston Jazz as additional rent payments over a (36) month term. The project costs came in under budget and totaled \$115,739 financed at 4.5% by the landlord. Additional rent is paid monthly at a payment of \$3,443. Future additional rent payments are as follows at December 31, 2017:

2018	\$	41,316
2019		41,316
2020		41,312
		41,312
	\$	123,944

CHARLESTON JAZZ
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 (REVIEWED) AND 2016 (AUDITED)

10. TEMPORARILY RESTRICTED NET ASSETS

Net assets are released from donor restrictions by incurring expenses satisfying the purposes or by occurrence of other events specified by donors during the years ended December 31 as follows:

	<u>2017</u>	<u>2016</u>
Festival programs	\$ 30,000	\$ -
Marketing and advertising	36,502	-
Charleston Jazz Academy programs	<u>136,272</u>	<u>-</u>
	<u>\$ 202,774</u>	<u>\$ -</u>

Temporarily restricted net assets consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Charleston Jazz Academy programs	\$ 169,533	\$ -
10th Anniversary programs	<u>7,500</u>	<u>-</u>
	<u>\$ 177,033</u>	<u>\$ -</u>

11. SUBSEQUENT EVENTS

Management has evaluated the effect subsequent events would have on the financial statements of Charleston Jazz at December 31, 2017 through May 30, 2018, which is the date the financial statements were available to issue. Based upon this evaluation, there were no material adjustments or disclosures to these financial statements.

SUPPLEMENTAL INFORMATION

CHARLESTON JAZZ
SCHEDULE I: STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Supporting Services</u>			Total
	Program Services	General and Administrative	Fundraising	
Salary and payroll taxes	\$ 103,228	\$ 79,238	\$ 40,884	\$ 223,350
Contract labor - musicians	143,235	-	-	143,235
Contract labor and services - other	70,346	-	12,915	83,261
Equipment and rentals	4,402	-	-	4,402
Instructional supplies	2,702	-	-	2,702
Marketing and advertising	24,235	-	-	24,235
Occupancy and venues	106,951	5,358	5,155	117,464
Artistic and production - other	46,713	-	-	46,713
Travel	12,353	795	-	13,148
Printing	17,193	702	2,610	20,505
Merchant and bank fees	30,198	1,734	-	31,932
Legal and professional fees	-	36,946	-	36,946
Office supplies and postage	2,271	1,876	1,695	5,842
Insurance	-	3,138	-	3,138
Telephone and connectivity	3,577	2,955	1,245	7,777
Interest	-	578	-	578
Depreciation	2,137	-	-	2,137
Miscellaneous	4,322	3,145	-	7,467
	<u>\$ 573,863</u>	<u>\$ 136,465</u>	<u>\$ 64,504</u>	<u>\$ 774,832</u>
Total expenses	<u>\$ 573,863</u>	<u>\$ 136,465</u>	<u>\$ 64,504</u>	<u>\$ 774,832</u>

See Independent Auditors' Report

CHARLESTON JAZZ
SCHEDULE II: STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salary and payroll taxes	\$ 81,751	\$ 16,136	\$ 5,378	\$ 103,265
Contract labor - musicians	111,147	-	-	111,147
Contract labor and services - other	22,413	16,326	3,386	42,125
Marketing and advertising	36,804	-	-	36,804
Occupancy and venues	67,897	901	3,763	72,561
Artistic and production - other	27,102	-	-	27,102
Travel	3,573	675	-	4,248
Printing	14,097	-	920	15,017
Merchant and bank fees	19,574	485	-	20,059
Conference and meetings	-	-	70	70
Office supplies and postage	1,226	243	130	1,599
Payroll processing fees	1,517	300	100	1,917
Insurance	1,711	338	113	2,162
Telephone and connectivity	1,944	384	128	2,456
Information technology	216	-	1,320	1,536
Interest	-	592	-	592
Depreciation	1,170	231	77	1,478
Miscellaneous	1,737	2,713	-	4,450
Total expenses	\$ 393,879	\$ 39,324	\$ 15,385	\$ 448,588

See Independent Auditors' Report