

INNOSIGHT INSTITUTE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2012

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Innosight Institute, Inc.

We have audited the accompanying financial statements of Innosight Institute, Inc., which comprise of the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the year 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 presentation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

To the Board of Directors of
Innosight Institute, Inc.
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Innosight Institute, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Russell, Brier & Co. LLP

Certified Public Accountants
Boston, MA

October 30, 2013

INNOSIGHT INSTITUTE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets		
Cash and cash equivalents	\$ 638,586	\$ 702,385
Contributions receivable, net	404,993	704,881
Program service receivables, net	-	90,629
Prepaid expenses	<u>13,534</u>	<u>6,779</u>
Total current assets	<u>1,057,113</u>	<u>1,504,674</u>
Other Assets		
Security deposit	17,195	2,000
Property, plant and equipment, net	<u>4,077</u>	<u>3,202</u>
Total other assets	<u>21,272</u>	<u>5,202</u>
 Total assets	 <u>\$ 1,078,385</u>	 <u>\$ 1,509,876</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 23,581	\$ 8,870
Accrued expenses	12,721	52,139
Payroll withholding	1,535	2,826
Salaries payable	<u>11,250</u>	<u>9,442</u>
Total current liabilities	<u>49,087</u>	<u>73,277</u>
Net Assets		
Unrestricted	224,385	294,680
Temporarily restricted	804,913	1,141,919
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	<u>1,029,298</u>	<u>1,436,599</u>
 Total net assets and liabilities	 <u>\$ 1,078,385</u>	 <u>\$ 1,509,876</u>

See accompanying notes.

INNOSIGHT INSTITUTE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
Operating Activities				
Revenue				
Contributions	\$ 52,201	\$ 497,073	\$ 549,274	\$ 1,789,000
Grant returns	-	(47,725)	(47,725)	(13,327)
Donation in-kind	-	-	-	1,499
Interest and dividends	1,043	-	1,043	1,009
Service income	62,138	-	62,138	200,110
Miscellaneous Income	187	-	187	120
Net assets released from restrictions	<u>786,354</u>	<u>(786,354)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>901,923</u>	<u>(337,006)</u>	<u>564,917</u>	<u>1,978,411</u>
Expenses				
Personnel	510,811	-	510,811	403,631
Employee Benefits	30,376	-	30,376	22,990
Payroll Taxes	40,446	-	40,446	29,935
Contracted Services	120,309	-	120,309	121,244
Occupancy	56,987	-	56,987	24,000
Professional services	31,640	-	31,640	60,448
Public Relations Services	86,650	-	86,650	111,574
Purchased Services	3,605	-	3,605	3,178
Telephone and internet	2,773	-	2,773	2,086
Printing, reproductions	343	-	343	1,330
Travel	42,615	-	42,615	60,752
Special Event Expense	33,776	-	33,776	8,681
Depreciation	1,319	-	1,319	1,108
Insurance	1,506	-	1,506	1,431
Postage	203	-	203	481
Food and Entertainment	1,524	-	1,524	433
Advertising	170	-	170	-
Dues and Subscriptions	-	-	-	530
Supplies	5,664	-	5,664	2,761
Bad debts	-	-	-	6,291
Utilities	979	-	979	1,439
Miscellaneous	<u>314</u>	<u>-</u>	<u>314</u>	<u>1,681</u>
Total expenses	<u>972,010</u>	<u>-</u>	<u>972,010</u>	<u>866,004</u>
Increase (decrease) in net assets	(70,087)	(337,006)	(407,093)	1,112,407
Non-Operating Activities				
Loss on Disposal of Assets	<u>(208)</u>	<u>-</u>	<u>(208)</u>	<u>-</u>
Increase (decrease) in net assets	(70,295)	(337,006)	(407,301)	1,112,407
Net assets, beginning	<u>294,680</u>	<u>1,141,919</u>	<u>1,436,599</u>	<u>324,192</u>
Net assets, ending	<u>\$ 224,385</u>	<u>\$ 804,913</u>	<u>\$ 1,029,298</u>	<u>\$ 1,436,599</u>

See accompanying notes.

INNOSIGHT INSTITUTE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011		
	Unrestricted	Temporarily Restricted	Total
Operating Activities			
Revenue			
Contributions	\$ 28,625	\$ 1,760,375	\$ 1,789,000
Grant returns	-	(13,327)	(13,327)
Donation in-kind	1,499		1,499
Interest and dividends	1,009	-	1,009
Service income	200,110	-	200,110
Miscellaneous Income	120	-	120
Net assets released from restrictions	<u>807,292</u>	<u>(807,292)</u>	<u>-</u>
Total revenue	<u>1,038,655</u>	<u>939,756</u>	<u>1,978,411</u>
Expenses			
Salaries and wages	403,631	-	403,631
Employee benefits	22,990	-	22,990
Payroll taxes	29,935	-	29,935
Contracted Services	121,244	-	121,244
Occupancy	24,000	-	24,000
Professional Services	60,448	-	60,448
Public Relations Services	111,574	-	111,574
Purchased Services	3,178	-	3,178
Telephone and internet	2,086	-	2,086
Printing, reproductions	1,330	-	1,330
Travel	60,752	-	60,752
Special Event Expenses	8,681	-	8,681
Depreciation	1,108	-	1,108
Insurance	1,431	-	1,431
Postage	481	-	481
Food and Entertainment	433	-	433
Advertising	-	-	-
Dues and Subscriptions	530	-	530
Supplies	2,761	-	2,761
Bad debts	6,291	-	6,291
Utilities	1,439	-	1,439
Miscellaneous Total expenses	<u>1,681</u>	<u>-</u>	<u>1,681</u>
Total expenses	<u>866,004</u>	<u>-</u>	<u>866,004</u>
Increase (decrease) in net assets	172,651	939,756	1,112,407
Net assets, beginning	<u>122,029</u>	<u>202,163</u>	<u>324,192</u>
Net assets, ending	<u>\$ 294,680</u>	<u>\$ 1,141,919</u>	<u>\$ 1,436,599</u>

See accompanying notes.

INNOSIGHT INSTITUTE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activity		
Contributions	\$ 801,437	\$ 1,148,011
Service income	152,954	200,230
Interest and dividends	835	1,009
Cash paid to employees	(548,421)	(470,403)
Cash paid to suppliers	<u>(468,410)</u>	<u>(377,138)</u>
Net cash provided by operating activities	<u>(61,605)</u>	<u>501,709</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(2,194)</u>	<u>(1,499)</u>
Net cash used in investing activities:	(2,194)	(1,499)
Increase (decrease) in cash	(63,799)	500,210
Cash and cash equivalents, beginning of year	<u>702,385</u>	<u>202,175</u>
Cash and cash equivalents, end of year	<u>\$ 638,586</u>	<u>\$ 702,385</u>

See accompanying notes.

INNOSIGHT INSTITUTE, INC.
RECONCILIATION OF CHANGES IN NET ASSETS
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Change in net assets	\$ (407,301)	\$ 1,112,407
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,319	1,108
Provision for bad debts	-	6,291
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses	(6,755)	(492)
(Increase) decrease in accounts receivable	299,888	(629,161)
(Increase) decrease in program service receivable	90,629	-
(Increase) decrease in security deposit	(15,195)	
Increase (decrease) in accounts payable	14,711	55,338
Increase (decrease) in accrued expenses payable	(39,418)	-
Increase (decrease) in payroll withholding	(1,291)	(1,157)
Increase (decrease) in salaries payable	<u>1,808</u>	<u>(42,625)</u>
Net cash provided by operating activities	<u>\$ (61,605)</u>	<u>\$ 501,709</u>

See accompanying notes.

INNOSIGHT INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1 - Summary of Significant Accounting Policies

Innosight Institute was formed in May 2007 in Newton, Massachusetts. The Organization is exempt from corporate taxes under IRC Sections 501c(3) and 509a(1) and has been classified by the Internal Revenue Service as other than a private foundation. The purpose of Innosight Institute, Inc. is exclusively charitable and seeks to apply Harvard Business School Professor Clayton Christensen's theories of disruptive innovation to develop and promote solutions to the most vexing problems in the social sector.

The financial statements of Innosight Institute are prepared on the accrual basis of accounting, in accordance with the recommendations of the American Institute of Certified Public Accountants. Under the accrual method, income and expenses are recognized when earned or accrued. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from these estimates.

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

- Financial Statement Presentation

The Organization follows FASB Accounting Standards Codification ASC No. 958, "Financial Statements of Not-for-Profit Organizations" (Formerly SFAS No. 117). Under ASC No. 958, the Innosight Institute is required to report 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.

The Organization maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors or by the Organization's governing Board of Directors for the use of those resources.

These financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into three classes of net assets: permanently restricted, temporarily restricted, or unrestricted. At December 31, 2012 there were temporarily restricted assets totaling \$804,913 and there were no permanently restricted net assets. At December 31, 2011, there were temporarily restricted assets totaling \$1,141,919 and there were no permanently restricted net assets.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

INNOSIGHT INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1 - Summary of Significant Accounting Policies *(continued)*

- **Financial Statement Presentation** *(continued)*

- Permanently restricted net assets - Net assets subject to donor-imposed stipulations require that they be maintained permanently by the Organization. Generally, the donors of these assets permit the institution to use all or part of the income earned on related investments for general or specific purposes.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations or regulatory restrictions that may or will be met by actions of the Organization and/or the passage of time.
- Unrestricted net assets - Net assets not subject to donor-imposed stipulations.

- **Revenues, Expenses, Gains and Losses**

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases in unrestricted net assets unless their use is restricted by explicit donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

- **Contributions with Restrictions Met in the Same Year**

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

Contributions of equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire equipment without such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisitions of such long-lived assets.

- **Contributed Services**

No amounts have been reflected in the financial statements for contributed services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with its activities. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

INNOSIGHT INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1 - Summary of Significant Accounting Policies *(continued)*

- Contributed Property and Equipment

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

- Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts included in the contribution revenue conditional promises to give are not included as support until the conditions are substantially met.

- Cash and Cash Equivalents

For purposes of the statement of financial position, cash equivalents include time deposits, certificates of deposit, U.S. Treasury Bills, and all highly liquid debt instruments with original maturities of three months or less. The Organization maintains at two financial institutions cash and cash equivalents which, at times, may exceed federally insured amounts.

- Fixed Assets and Depreciation

Assets of \$500 or more with a useful life of one year or more are capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation lives range from 5 to 10 years.

- Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of the compensation for future absences, and accordingly, no liability has been recorded in the accompanying statements. The Organization's policy is to recognize the costs of compensated absences each fiscal year. Accrual of days is not allowed; therefore, no accrual has been set up in the financial statements.

INNOSIGHT INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1 - Summary of Significant Accounting Policies *(continued)*

- Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

- Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Presentation format has been adjusted to match Part IX on the Form 990.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consist of:	<u>2012</u>	<u>2011</u>
Operating cash	\$ 533,339	\$ 597,231
Money market fund	<u>105,247</u>	<u>105,154</u>
Total cash and cash equivalents	<u>\$ 638,586</u>	<u>\$ 702,385</u>

Note 3 - Promises to Give

Included in "Contributions Receivable" are the following unconditional promises to give:

	<u>2012</u>	<u>2011</u>
Unrestricted	\$ 409,076	\$ 158,851
Education	-	518,060
Healthcare	-	35,090
Less: Allowance for uncollectibles	<u>(4,083)</u>	<u>(7,120)</u>
Net unconditional promises to give	<u>\$ 404,993</u>	<u>\$ 704,881</u>

No discount rate is applied at December 31, 2012 and 2011 due to no pledge receivable amount expected to be collected in more than a year.

Amounts due in:

Less than one year	\$ 409,076
One to five years	-
More than five years	-
Less allowance:	<u>(4,083)</u>
	<u>\$ 404,993</u>

INNOSIGHT INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 4 - Fixed Assets

Investment in fixed assets and accumulated depreciation expressed on the statement of financial position comprise the following categories:

	2012	2010
Computers	\$ 7,789	\$ 6,165
Accumulated depreciation	(3,712)	(2,963)
Fixed assets, net	\$ 4,077	\$ 3,202

Depreciation expense for 2012 and 2011 totaled \$1,319 and \$1,302, respectively.

Note 5 - 403(b)(7) Retirement Savings Plan

Beginning in August of 2007, Innosight Institute began a 403(b)(7) retirement plan for eligible employees. The Organization makes no contributions itself to the accounts of each eligible employee. It instead allows employees to designate a percentage or set amount of their salary to their respective 403(b)(7) account for each pay period.

Note 6 - Related Party Transaction

In 2012, a board member also co-authored a book in which he assigned his share of the advance royalty payment to the institute. The total advance royalties received by the Institute was \$83,500, of which \$47,150 was attributable to this board member. In 2013, the Institute received \$37 in royalty income.

Note 7 - In-kind Donation

The Organization accepts in-kind donations of goods, which totaled \$1,499 in 2011. This donation is a computer, gifted by the manufacturer. There were no in-kind donations in 2012.

Note 8 - Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

Education Practice	\$ 802,774	
Healthcare Practice	2,139	
Total Temporarily Restricted Net Assets	\$ 804,913	

INNOSIGHT INSTITUTE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 9 - Restrictions on Net Assets

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished:

Management and General Expenses	\$	81,337
Fundraising		26,881
Education support/research/conferences		656,738
Health care support/research/conferences		<u>21,398</u>
Total net assets released from restriction	\$	<u>786,354</u>

Note 10 - Rental Agreement

On July 16, 2012, the organization signed a 17 month lease with Enfos, Inc. for office space in San Mateo, California. Minimum lease payments for the term of the lease are as follows:

2013	\$	<u>94,573</u>
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A security deposit of \$17,195 was paid to secure the lease.

Note 11 - Tax Status

Innosight Institute is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Unrelated business income, of which there was none for the year ended December 31, 2012 would be subject to federal and state income taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

The Organization evaluates tax positions taken, or expected to be taken, in its tax returns to determine whether tax positions are more-likely-than-not of being sustained by the applicable federal or state authority. The Organization has evaluated the tax positions taken in its previously filed returns and those expected to be taken in 2012 returns and believe they are more-likely-than-not of being sustained if examined by federal or state authorities. The Organization's 2009 through 2011 tax years remain subject to examination by federal and state authorities.

Note 12 - Subsequent Events

There were no subsequent events that require adjustments to or disclosures in the financial statements as of December 31, 2012. Subsequent events were evaluated through October 30, 2013, which is the date the Organization issued the financial statements.

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL STATEMENT

To the Board of Directors of
Innosight Institute, Inc.

We have audited the financial statements of Innosight Institute as of and for the year ended December 31, 2012, and have issued our report thereon dated October 30, 2013, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the 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 is fairly stated in all material respects in relation to the financial statements as a whole.

Russell, Briar & Co. LLP

Certified Public Accountants
Boston, MA

October 30, 2013

INNOSIGHT INSTITUTE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012			2011	
	Program Services	Management & Administrative	Fund Raising	Total	Total
Expenses					
Salaries and wages	\$ 434,790	\$ 44,377	\$ 31,644	\$ 510,811	\$ 403,631
Employee benefits	26,253	2,365	1,758	30,376	22,990
Payroll taxes	34,535	3,471	2,440	40,446	29,935
Contracted Services	118,773	768	768	120,309	121,244
Occupancy	50,024	4,460	2,503	56,987	24,000
Professional Services	16,205	14,615	820	31,640	60,448
Public Relations Services	86,563	-	87	86,650	111,574
Purchased Services	1,785	1,820	-	3,605	3,178
Telephone and internet	2,544	178	51	2,773	2,086
Printing, reproductions	294	48	1	343	1,330
Travel	38,108	2,885	1,622	42,615	60,752
Special Event Expenses	33,776	-	-	33,776	8,681
Depreciation	1,004	309	6	1,319	1,108
Insurance	444	1,040	22	1,506	1,431
Postage	157	45	1	203	481
Food and Entertainment	251	1,273	-	1,524	433
Advertising	170	-	-	170	-
Dues and Subscriptions	-	-	-	-	530
Supplies	3,350	2,167	147	5,664	2,761
Bad debts	-	-	-	-	6,291
Utilities	854	80	45	979	1,439
Miscellaneous	1,535	2,628	(3,849)	314	1,681
Total expenses	<u>\$ 851,415</u>	<u>\$ 82,529</u>	<u>\$ 38,066</u>	<u>\$ 972,010</u>	<u>\$ 866,004</u>

See accountant's report on supplementary information.

INNOSIGHT INSTITUTE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2011

	2011			
	<u>Program Services</u>	<u>Management & Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Expenses				
Salaries and wages	\$ 348,979	\$ 32,966	\$ 21,686	\$ 403,631
Employee benefits	20,304	1,441	1,246	22,990
Payroll taxes	25,593	2,642	1,700	29,935
Contracted Services	121,244	-	-	121,244
Occupancy	20,950	2,059	991	24,000
Professional Services	25,920	33,202	1,326	60,448
Public Relations Services	111,491	-	83	111,574
Purchased Services	1,515	1,662	1	3,178
Telephone and internet	1,233	800	53	2,086
Printing, reproductions	1,171	156	3	1,330
Travel	56,335	4,296	121	60,752
Special Event Expenses	8,681	-	-	8,681
Depreciation	906	198	4	1,108
Insurance	441	969	21	1,431
Postage	274	205	2	481
Food and Entertainment	350	74	9	433
Advertising	-	-	-	-
Dues and Subscriptions	28	502	-	530
Supplies	2,392	266	102	2,761
Bad debts	-	-	6,291	6,291
Utilities	1,259	123	57	1,439
Miscellaneous	879	728	74	1,681
	<u>749,945</u>	<u>82,289</u>	<u>33,770</u>	<u>866,004</u>
Total expenses	<u>\$ 749,945</u>	<u>\$ 82,289</u>	<u>\$ 33,770</u>	<u>\$ 866,004</u>

See accountant's report on supplementary information.