
**NATIVE
ARTS &
CULTURES**
FOUNDATION

FINANCIAL STATEMENTS

Years Ended December 31, 2013 and 2012

and

Supplementary Financial Information

with

Independent Auditors' Reports

NATIVE ARTS AND CULTURES FOUNDATION, INC.

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Independent Auditors' Report

The Board of Directors
Native Arts and Cultures Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Native Arts and Cultures Foundation, Inc. which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets 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 audits 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 reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Native Arts and Cultures Foundation, Inc. as of December 31, 2013 and 2012, 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.

Hoffman, Stewart & Schmidt, P.C.

March 31, 2014

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Statements of Financial Position

December 31,	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 550,681	\$ 494,438
Grants receivable	42,000	-
Other receivable	1,050	1,664
Prepaid expenses and deposits	52,136	27,387
Investments <i>(Note 4)</i>	5,089,412	-
Total current assets	5,735,279	523,489
Furniture and equipment	57,550	39,748
Less accumulated depreciation	22,352	11,265
Net furniture and equipment	35,198	28,483
Investments <i>(Note 4)</i>	5,052,483	10,475,185
Total assets	\$ 10,822,960	\$ 11,027,157
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 34,679	\$ 27,695
Grants payable	26,000	245,400
Accrued payroll liabilities	53,449	713
Total current liabilities	114,128	273,808
Deferred rent <i>(Note 5)</i>	9,524	3,810
Total liabilities	123,652	277,618
Commitments <i>(Note 5)</i>		
Net assets:		
Unrestricted:		
Available for operations	5,448,199	4,622
Board designated for endowment <i>(Note 7)</i>	-	1,165,727
Total unrestricted	5,448,199	1,170,349
Temporarily restricted <i>(Note 6)</i>	1,251,109	579,190
Permanently restricted <i>(Note 7)</i>	4,000,000	9,000,000
Total net assets	10,699,308	10,749,539
Total liabilities and net assets	\$ 10,822,960	\$ 11,027,157

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

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Statements of Activities and Changes in Net Assets

Years Ended December 31,

	2013				2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains (losses) and other support:								
Grants	\$ 2,915	\$ 242,000	\$ -	\$ 244,915	\$ 55,000	\$ 30,000	\$ -	\$ 85,000
Contributions	16,787	-	-	16,787	25,205	-	-	25,205
Tribal government	1,500	29,000	-	30,500	13,965	-	-	13,965
Special event income, net of expenses of \$102,463 for 2012	-	-	-	-	29,853	-	-	29,853
Investment return (Note 3)	672,723	473,293	-	1,146,016	59,668	869,931	-	929,599
In-kind contributions	2,255	-	-	2,255	456	-	-	456
Other income	-	-	-	-	20	-	-	20
Loss on disposal of furniture and equipment	-	-	-	-	(1,527)	-	-	(1,527)
Net assets released from restrictions (Note 6)	72,374	(72,374)	-	-	1,112,177	(1,112,177)	-	-
Total revenues, gains (losses) and other support	768,554	671,919	-	1,440,473	1,294,817	(212,246)	-	1,082,571
Functional expenses:								
Program services	1,104,408	-	-	1,104,408	1,107,215	-	-	1,107,215
Management and general	205,118	-	-	205,118	236,600	-	-	236,600
Fundraising	181,178	-	-	181,178	115,812	-	-	115,812
Total expenses	1,490,704	-	-	1,490,704	1,459,627	-	-	1,459,627
Increase (decrease) in net assets	(722,150)	671,919	-	(50,231)	(164,810)	(212,246)	-	(377,056)
Net assets, beginning of year	1,170,349	579,190	9,000,000	10,749,539	1,335,159	791,436	9,000,000	11,126,595
Net assets redirected by donor (Note 7)	5,000,000	-	(5,000,000)	-	-	-	-	-
Net assets, end of year	\$ 5,448,199	\$ 1,251,109	\$ 4,000,000	\$ 10,699,308	\$ 1,170,349	\$ 579,190	\$ 9,000,000	\$ 10,749,539

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

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Statements of Cash Flows

Years Ended December 31,	2013	2012
Cash flows from operating activities:		
Decrease in net assets	\$ (50,231)	\$ (377,056)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	11,087	6,130
Loss on disposal of furniture and equipment	-	1,527
Realized and unrealized gain on investments	(1,001,324)	(716,810)
(Increase) decrease in assets:		
Grants receivable	(42,000)	533,000
Other receivable	614	(1,664)
Prepaid expenses and deposits	(24,749)	(4,645)
Increase (decrease) in liabilities:		
Accounts payable	6,984	20,751
Grants payable	(219,400)	74,246
Accrued payroll liabilities	52,736	(4,517)
Deferred rent	5,714	3,810
Net cash used by operating activities	(1,260,569)	(465,228)
Cash flows from investing activities:		
Proceeds from sale of investments	2,848,687	4,711,161
Purchases of investments	(1,514,073)	(4,283,592)
Proceeds from sale of furniture and equipment	-	3,900
Purchases of furniture and equipment	(17,802)	(23,580)
Net cash provided by investing activities	1,316,812	407,889
Net increase (decrease) in cash and cash equivalents	56,243	(57,339)
Cash and cash equivalents, beginning of year	494,438	551,777
Cash and cash equivalents, end of year	\$ 550,681	\$ 494,438

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

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements

1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization - The Native Arts and Cultures Foundation, Inc. (NACF or the Foundation) was established to promote the revitalization, appreciation, and perpetuation of Native arts and cultures in all sectors of society through philanthropy and partnership, ensuring a path that benefits present and future generations of indigenous peoples in America. The Foundation is a unique national philanthropic foundation dedicated exclusively to Native arts and cultures. Through grant-making, partnerships, and convenings, NACF will focus on strengthening the Native arts and cultures field, indigenous artists, and communities.

Summary of Significant Accounting Policies

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

- *Unrestricted* - Resources over which the Board of Directors has discretionary control and are not subject to donor imposed restrictions. Designated amounts represent those revenues the Board has set aside for a particular purpose.
- *Temporarily restricted* - Those resources subject to donor imposed restrictions that will be satisfied by actions of the Foundation or passage of time.
- *Permanently restricted* - Those resources subject to a donor imposed restriction that they be maintained permanently by the Foundation. The donors of these resources permitted the Foundation to use all or part of the income earned, including capital appreciation, or related investments for unrestricted or temporarily restricted purposes.

Use of Estimates - 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates are used in the financial statements for, among other things, the determination of any allowance for uncollectible receivables, the useful lives of furniture and equipment for calculating depreciation expense, and the valuation of investments classified as Level 3.

Cash and Cash Equivalents - The Foundation considers money market funds, financial instruments, and certificates of deposit with an original maturity date of 90 days or less to be cash equivalents. The Foundation maintains its cash in bank deposit accounts, which at times may exceed Federally insured limits.

Grants Receivable - Grants receivable are recognized upon notification of the award by the grantor. Grants receivable as of December 31, 2013, are due within one year and are considered fully collectible.

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued Summary of Significant Accounting Policies - Continued

Furniture and Equipment - Furniture and equipment are recorded at cost, if purchased, and at fair value, if donated. The Foundation depreciates furniture and equipment over estimated useful lives ranging from three to seven years using the straight-line method of depreciation.

Investments - Investments consist of mutual funds, annuities, and a hedge fund which are carried at fair value. Certain donor-restricted and Board-designated endowments are classified as long-term investments in the statements of financial position.

Revenue Recognition - Contributions, including unconditional promises to give, are recognized as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in the temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Unconditional promises to give (pledges) are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are substantially met.

During 2013, the Foundation received a \$250,000 conditional promise to give over a three-year period to fund certain program expenses. As of December 31, 2013, the Foundation has recognized \$150,000 of this contribution, leaving a conditional promise to give of \$100,000 to be received and recognized once certain additional matching funds are raised from new or existing sources.

Income Taxes - The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Foundation is not classified as a private foundation.

Accounting principles generally accepted in the United States of America prescribe a recognition threshold and measurement process for accounting for uncertain tax positions and provide guidance on various related matters such as interest, penalties, and required disclosures. Management does not believe the Foundation has any uncertain tax positions. The Foundation files informational returns. Generally, these returns are subject to examination by income tax authorities for three years from the filing of a return. As such, the returns for the years ended December 31, 2010, 2011, and 2012 are currently subject to examination. The Foundation has not paid any interest or penalties related to its income tax positions. Interest or penalties assessed by taxing authorities, if any, would be included with management and general expenses.

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued
Summary of Significant Accounting Policies - Continued

Functional Allocation of Expenses - Salaries and related expenses are allocated based on estimates of time spent on programs. Other expenses, not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

Reclassifications - Certain reclassifications have been made to the 2012 financial statements to conform to the 2013 presentation.

2. Concentrations

Two grantors accounted for approximately 83 percent and 94 percent of total grant revenues during the years ended December 31, 2013 and 2012, respectively.

3. Investment Return

Investment return consists of the following:

	2013	2012
Interest and dividends	\$ 195,708	\$ 263,851
Net realized and unrealized gain	1,001,324	716,810
Investment management fees	<u>(51,016)</u>	<u>(51,062)</u>
Net investment return	<u><u>\$ 1,146,016</u></u>	<u><u>\$ 929,599</u></u>

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

4. Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 and the valuation methodologies used for assets are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Fair value is based on significant unobservable inputs.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

4. Fair Value Measurements - Continued

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets measured at fair value on a recurring basis at December 31:

2013	Level 1	Level 2	Level 3	Total
Mutual funds:				
Domestic equity	\$ 2,983,338	\$ -	\$ -	\$ 2,983,338
International equity	2,757,234	-	-	2,757,234
Fixed income	2,279,183	-	-	2,279,183
Money market	3,939	-	-	3,939
Annuities	-	1,058,139	-	1,058,139
Hedge fund	-	-	1,060,062	1,060,062
	<u>\$ 8,023,694</u>	<u>\$ 1,058,139</u>	<u>\$ 1,060,062</u>	<u>\$ 10,141,895</u>
2012				
Mutual funds:				
Domestic equity	\$ 3,026,825	\$ -	\$ -	\$ 3,026,825
International equity	2,529,889	-	-	2,529,889
Fixed income	2,392,933	-	-	2,392,933
Money market	2,401	-	-	2,401
Annuities	-	1,009,024	-	1,009,024
Hedge fund	-	-	1,514,113	1,514,113
	<u>\$ 7,952,048</u>	<u>\$ 1,009,024</u>	<u>\$ 1,514,113</u>	<u>\$ 10,475,185</u>

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds: Valued at the net asset value of shares held by the Foundation at year end, and are classified as Level 1.

Annuities: Recorded at fair value provided primarily by the insurance companies based on pricing models that incorporate available trade, bid and other market information.

Hedge fund: Valued at net asset value of shares held by the Foundation at year end. The underlying investments of the hedge fund are measured by management of the hedge fund using a variety of valuation methods including Level 1, Level 2, and Level 3 inputs. As such, this asset is classified as Level 3.

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

4. Fair Value Measurements - Continued

A summary of the fair value measurements using unobservable inputs (Level 3) for the years ended December 31, 2013 and 2012, are as follows:

	2013	2012
Balance, beginning of year	\$ 1,514,113	\$ 1,378,521
Realized and unrealized gains	121,281	172,420
Redemptions	(550,000)	-
Fees paid	<u>(25,332)</u>	<u>(36,828)</u>
Balance, end of year	<u><u>\$ 1,060,062</u></u>	<u><u>\$ 1,514,113</u></u>

5. Commitments

The Foundation leases its office facilities under a long-term, non-cancelable operating lease agreement which expires February, 2018, and includes an option for NACF to terminate the lease in February, 2016, for \$31,226. The lease provides for increases in future minimum annual rental payments. The Foundation records rent expense using the straight-line method over the life of the lease. Accordingly, a deferred rent liability of \$9,524 and \$3,810 has been recorded at December 31, 2013 and 2012, respectively.

Total rent expense was \$45,714 and \$37,909 for 2013 and 2012, respectively.

The following is a schedule by year of future minimum rental payments required by the operating lease agreements:

Years Ending December 31,	Amount
2014	\$ 49,200
2015	50,670
2016	52,186
2017	53,740
2018	<u>9,000</u>
	<u><u>\$ 214,796</u></u>

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

6. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following:

	2013	2012
Purpose restriction	\$ 198,626	\$ -
Unappropriated endowment earnings	<u>1,052,483</u>	<u>579,190</u>
	<u><u>\$ 1,251,109</u></u>	<u><u>\$ 579,190</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or lapse of time restrictions.

	2013	2012
Time restriction	\$ -	\$ 563,000
Purpose restriction	72,374	99,177
Appropriation of endowment earnings	<u>-</u>	<u>450,000</u>
	<u><u>\$ 72,374</u></u>	<u><u>\$ 1,112,177</u></u>

7. Endowment and Permanently Restricted Net Assets

Net assets of the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors of the Foundation has interpreted the state's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

7. Endowment and Permanently Restricted Net Assets - Continued

Donor-restricted endowment funds are co-mingled with overall investments of the Foundation and are subject to the investment policies of the Foundation with an overall goal of long-term capital appreciation with preservation of capital. The strategy of the Foundation is to maintain a balanced, diversified portfolio with specific asset allocation targets. To manage risk, the investment policy also limits the types of investments the Foundation can hold.

The Foundation has adopted a spending policy which allows management to appropriate 5 percent of the average market value of the endowment investments as of year end for the previous three years.

In January, 2013, a donor released all restrictions associated with a \$5 million permanently restricted contribution made in 2008. As such, the contribution will be reclassified from the Foundation's permanently restricted endowment to its unrestricted net asset class.

Endowment net asset composition by type of fund as of December 31 is as follows:

2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 1,052,483	\$ 4,000,000	\$ 5,052,483
Board-designated endowment funds	-	-	-	-
	<u>\$ -</u>	<u>\$ 1,052,483</u>	<u>\$ 4,000,000</u>	<u>\$ 5,052,483</u>
2012				
Donor-restricted endowment funds	\$ -	\$ 579,190	\$ 9,000,000	\$ 9,579,190
Board-designated endowment funds	1,165,727	-	-	1,165,727
	<u>\$ 1,165,727</u>	<u>\$ 579,190</u>	<u>\$ 9,000,000</u>	<u>\$ 10,744,917</u>

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

7. Endowment and Permanently Restricted Net Assets - Continued

Changes in endowment net assets for the years ended December 31, 2013 and 2012, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, December 31, 2011	\$ 1,132,726	\$ 159,259	\$ 9,000,000	\$ 10,291,985
Investment return:				
Realized income	41,006	344,801	-	385,807
Unrealized gain	68,057	525,130	-	593,187
Net investment gain	109,063	869,931	-	978,994
Investment management fees	(51,062)	-	-	(51,062)
Release from Board designation	(25,000)	-	-	(25,000)
Appropriation of endowment earnings for expenditure	-	(450,000)	-	(450,000)
Endowment net assets, December 31, 2012	1,165,727	579,190	9,000,000	10,744,917
Investment return:				
Realized income	-	191,895	-	191,895
Unrealized gain	-	281,398	-	281,398
Net investment gain	-	473,293	-	473,293
Release from Board designation	(1,165,727)	-	-	(1,165,727)
Redirected by donor	-	-	(5,000,000)	(5,000,000)
Endowment net assets, December 31, 2013	<u>\$ -</u>	<u>\$ 1,052,483</u>	<u>\$ 4,000,000</u>	<u>\$ 5,052,483</u>

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Notes to Financial Statements - Continued

8. Subsequent Events

Management has evaluated subsequent events through March 31, 2014, the date the financial statements were available for issue.

On February 26, 2014, the Foundation signed a 3-year, \$350,000 operating support grant agreement with Meyer Memorial Trust. The grant is payable \$140,000 in 2014, \$140,000 in 2015, and \$70,000 in 2016. No amounts related to this contribution have been reflected on the financial statements at December 31, 2013.

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Supplementary Financial Information

Independent Auditors' Report on Supplementary Financial Information

The Board of Directors
Native Arts and Cultures Foundation, Inc.

We have audited the financial statements of the Native Arts and Cultures Foundation, Inc. as of and for the years ended December 31, 2013 and 2012, and our report thereon dated March 31, 2014, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary financial information 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 audits 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.

Hoffman, Stewart & Schmidt, P.C.

March 31, 2014

NATIVE ARTS AND CULTURES FOUNDATION, INC.

Schedules of Expenses

Years Ended December 31,	2013	2012
Grantmaking programs	\$ 271,601	\$ 452,950
Salaries and wages	581,042	567,253
Payroll taxes and benefits	140,692	79,002
Office and operations	156,407	129,783
Professional contracts	96,545	14,440
Communications and external relations	116,111	95,863
Travel	113,891	112,792
Equipment	3,328	1,414
Depreciation	11,087	6,130
Total expenses	<u>\$ 1,490,704</u>	<u>\$ 1,459,627</u>