

Financial Statements and Supplementary Schedule  
Together with Reports of Independent  
Certified Public Accountants

**ICAHN CHARTER SCHOOL 5**

June 30, 2017 and 2016

# ICAHN CHARTER SCHOOL 5

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors of the  
**Icahn Charter School 5**

### **Report on the financial statements**

We have audited the accompanying financial statements of Icahn Charter School 5 (the "Charter School"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Charter School'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 Charter School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charter School as of June 30, 2017 and 2016, 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.

### **Other matters**

#### *Supplementary information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary 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. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated October 31, 2017, on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

*Grant Thornton LLP*

New York, New York  
October 31, 2017

# ICAHN CHARTER SCHOOL 5

## Statements of Financial Position

As of June 30, 2017 and 2016

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,542,234	\$ 1,446,536
Grants and contracts receivable	25,146	81,058
Due from school district	126,753	56,820
Prepaid expenses	57,818	44,806
Contributions and other receivables	111,534	21,097
Other assets	8,900	-
Capital assets, net	<u>231,952</u>	<u>194,568</u>
Total assets	<u>\$ 2,104,337</u>	<u>\$ 1,844,885</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 232,069	\$ 283,624
Accrued payroll and benefits	485,062	312,539
Deferred revenue	90,184	167,245
Obligation under capital lease	<u>14,854</u>	<u>6,955</u>
Total liabilities	<u>822,169</u>	<u>770,363</u>
Commitments and contingencies		
NET ASSETS - unrestricted	<u>1,282,168</u>	<u>1,074,522</u>
Total liabilities and net assets	<u>\$ 2,104,337</u>	<u>\$ 1,844,885</u>

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

**ICAHN CHARTER SCHOOL 5**  
**Statements of Activities**  
**For the years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
REVENUES, GAINS AND OTHER SUPPORT		
Public School District:		
Resident student enrollment	\$ 4,202,603	\$ 3,473,263
Students with disabilities	52,276	40,240
Grants and contracts:		
State and local	811,835	662,423
Federal - Title and IDEA	130,592	106,384
Federal - other	-	45,396
Other grants	32,405	16,609
Total revenues, gains and other support	<u>5,229,711</u>	<u>4,344,315</u>
EXPENSES		
Program services:		
Regular education	4,143,434	3,372,242
Special education	158,133	109,044
Total program services	4,301,567	3,481,286
Supporting services:		
Management and general	742,328	688,808
Total operating expenses	<u>5,043,895</u>	<u>4,170,094</u>
Surplus from school operations	<u>185,816</u>	<u>174,221</u>
OTHER REVENUE		
Contributions:		
Foundation	-	15,970
Corporation	11,700	-
Interest income	8,853	1,864
Miscellaneous income	1,277	1,317
Total other revenue	<u>21,830</u>	<u>19,151</u>
Change in net assets	207,646	193,372
Net assets, beginning of year	<u>1,074,522</u>	<u>881,150</u>
Net assets, end of year	<u>\$ 1,282,168</u>	<u>\$ 1,074,522</u>

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

**ICAHN CHARTER SCHOOL 5**  
**Statements of Cash Flows**  
**For the years ended June 30, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from:		
Public school district	\$ 4,125,543	\$ 3,535,091
Grants and contracts	934,350	861,429
Interest	8,853	1,864
Other	1,277	1,317
Cash payments for:		
Vendors	(1,909,953)	(1,415,792)
Employee salaries and benefits	<u>(2,880,592)</u>	<u>(2,456,439)</u>
Net cash provided by operating activities	<u>279,478</u>	<u>527,470</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of furniture, fixtures and equipment	<u>(179,356)</u>	<u>(106,804)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital lease payments	<u>(4,424)</u>	<u>(4,396)</u>
Net increase in cash and cash equivalents	95,698	416,270
Cash and cash equivalent, beginning of year	<u>1,446,536</u>	<u>1,030,266</u>
Cash and cash equivalents, end of year	<u>\$ 1,542,234</u>	<u>\$ 1,446,536</u>
<b>Supplemental disclosure of cash flow information:</b>		
Equipment acquired under capital leases	<u>\$ 15,556</u>	<u>\$ -</u>
<b>Reconciliation of change in net assets to net cash provided by operating activities:</b>		
Change in net assets	\$ 207,646	\$ 193,372
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	154,294	148,328
Change in assets and liabilities:		
Grants and contracts receivable	55,912	45,557
Due from school district	(69,933)	(56,820)
Prepaid expenses	(13,012)	5,803
Contributions and other receivables	(90,437)	(14,331)
Other assets	(8,900)	-
Accounts payable and accrued expenses	(51,555)	146,386
Accrued payroll and benefits	172,524	(890)
Due to school districts	-	(1,763)
Deferred revenue	<u>(77,061)</u>	<u>61,828</u>
Net cash provided by operating activities	<u>\$ 279,478</u>	<u>\$ 527,470</u>

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

# ICAHN CHARTER SCHOOL 5

## Notes to Financial Statements

June 30, 2017 and 2016

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### 1. NATURE OF OPERATIONS

The Icahn Charter School 5 (the “Charter School”) is an educational corporation formed to operate a charter school located in the City of New York, County of the Bronx. On January 12, 2010, the Board of Regents of the University of the State of New York, for and on behalf of the State Education Department, granted a provisional charter valid for a term of five years, incorporating the Charter School. The charter was last renewed in 2016 for a term up through and including fiscal 2021.

The central mission of the Charter School, using the Core Knowledge curriculum developed by E.D. Hirsch, is to provide students with a rigorous academic program offered in an extended day/year setting. Students are expected to graduate armed with the skills and knowledge to participate successfully in the most rigorous academic environments and have a sense of personal and community responsibility. The Charter School is coeducational and nonsectarian and commenced instruction on September 12, 2011.

The Charter School is exempt from federal income tax under Section 501(a) of the Internal Revenue Code and is classified as an organization described in Section 501(c)(3).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The Charter School prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The financial statement presentation conforms with U.S. GAAP for non-profit organization, which requires the classification of activities and net assets based upon the existence or absence of donor-imposed restrictions, as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations and, therefore, may be expended for any purpose in performing the primary objective of the Charter School.

Temporarily Restricted - Net assets subject to donor-imposed restrictions that will be satisfied either by actions of the Charter School or the passage of time. At June 30, 2017 and 2016, the Charter School did not have any temporarily restricted net assets.

Permanently Restricted - Net assets subject to donor-imposed restrictions stipulating that the corpus be maintained in perpetuity by the Charter School, but permit the Charter School to expend all or part of the income derived there from. At June 30, 2017 and 2016, the Charter School did not have any permanently restricted net assets.

#### Revenue

Revenue is recorded on the accrual basis of accounting. The Charter School derives its revenue primarily from state and local capitation from the public school districts based on student enrollment, contributions and grants.



# **ICAHN CHARTER SCHOOL 5**

## **Notes to Financial Statements**

**June 30, 2017 and 2016**

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Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by explicit donor-imposed restrictions. Public school district revenues (state and local capitation) received from the New York City Department of Education Office of Charter Schools are recognized over the period earned. Amounts received in advance are reported as deferred revenue.

Revenue from grants and contracts is recognized as the related expenses are incurred in accordance with the terms of the respective grant or contract agreement. Amounts received in advance are reported as deferred revenues.

The Charter School records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair market value of the assets received and are classified as either unrestricted, temporarily restricted or permanently restricted, depending on whether the donor has imposed a restriction on the use of such assets.

The Charter School reports gifts of cash or other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions not expected to be received within one year are recognized as temporarily restricted support and are discounted using a credit adjusted discount rate assigned in the year the pledge originates. When a donor 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 as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as unrestricted revenues.

### **Receivables**

Receivables contain some level of uncertainty surrounding timing and amount of collection. As such, the carrying value of the related receivables is reduced by an appropriate allowance for uncollectible accounts. The Charter School determines its allowance by considering a number of factors, including the length of time receivables are past due, the Charter School's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Receivable outstanding longer than the payment terms are considered past due. As of June 30, 2017 and 2016, there was no allowance for uncollectible receivables. Contributions and other receivables as of June 30, 2017 and 2016 are expected to be collected within one year.

The Charter School writes off receivables when they are deemed to be uncollectible, and payments subsequently received on such receivables are recorded as income in the period received.

### **Cash and Cash Equivalents**

Cash and cash equivalents are recorded at fair value, and are comprised of highly liquid financial instruments with original maturities of three months or less at the time of purchase. Included in cash and cash equivalents at June 30, 2017 and 2016 is a reserve fund of \$75,000 to cover debts in the event of the Charter School's dissolution.

### **Concentration of Credit Risk**

Certain financial instruments potentially subject the Charter School to concentration of credit risk. These financial instruments consist primarily of cash and cash equivalents. The Charter School maintains its cash

# ICAHN CHARTER SCHOOL 5

## Notes to Financial Statements

June 30, 2017 and 2016

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in various bank accounts, which may exceed federally insured limits at times. The Charter School has not experienced, nor does it anticipate, any losses with respect to these bank accounts.

### Capital Assets

Furniture, fixtures, equipment, library and textbooks are stated at cost net of depreciation, or fair value at date of contribution, if donated. The Charter School capitalizes all property and equipment with a cost of at least \$1,000 and an estimated useful life of more than one year. Depreciation of furniture, fixtures, equipment, library, software and textbooks is computed in the month in which the assets are acquired, utilizing the straight-line basis, over their estimated useful lives, as follows:

	<u>Useful Lives</u>
Furniture and fixtures	3 years
Equipment	3-5 years
Library, software and textbooks	3 years

### Taxes

The Charter School recognizes or derecognizes a tax position based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. The Charter School evaluated its tax positions and concluded that there are no uncertain tax positions within its financial statements.

### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 3. CAPITAL ASSETS, NET

At June 30, 2017 and 2016, capital assets consisted of the following:

	<u>2017</u>	<u>2016</u>
Library, software and textbooks	\$ 39,306	\$ 39,306
Equipment	709,861	565,338
Furniture and fixtures	<u>100,689</u>	<u>76,059</u>
	849,856	680,703
Less: Accumulated depreciation	<u>(617,904)</u>	<u>(486,135)</u>
	<u>\$ 231,952</u>	<u>\$ 194,568</u>

# ICAHN CHARTER SCHOOL 5

## Notes to Financial Statements

June 30, 2017 and 2016

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Included in equipment as of June 30, 2017 and 2016 are assets acquired under capital leases at a cost of approximately \$16,000 and \$22,000 with accumulated depreciation of approximately \$800 and \$15,000, respectively.

Depreciation expense totaled approximately \$154,000 and \$148,000 for the years ended June 30, 2017 and 2016, respectively.

### 4. RELATED PARTY TRANSACTIONS

Legal services are provided by the Inwood Opportunity LLC, a foundation for which Carl C. Icahn serves as a trustee, at no cost to the Charter School. These amounts have not been reflected as in-kind contributions in the accompanying financial statements, as neither the Charter School nor the Company has a readily measurable or objective basis for determining such amounts.

The Charter School utilizes certain facilities provided by Inwood Opportunity, an Organization affiliated with the Company, at no cost. The fair value of cost savings associated with such arrangement which totaled approximately \$789,000 and \$644,000 for the years ended June 30, 2017 and 2016, respectively, and is recognized as revenue within state and local grants, and also included within expenses in the statement of activities.

Certain expenses are shared amongst the seven Icahn Charter Schools (affiliated entities) and amounts may also be received on behalf of another Icahn Charter School. Shared expenses primarily related to prorated salaries, based on student enrollment, for administrators at Icahn Charter School 1 who serve in a management capacity at the Charter School. Icahn Charter School 5 is also located in a building shared with Icahn Charter School 3 and Icahn Charter School 4. The three schools share certain resources that generate expenses that are prorated between the schools. At June 30, 2017 and 2016, accounts payable and accrued expenses included approximately \$158,000 and \$227,000, respectively, and other receivables included approximately \$13,000 and \$18,000, respectively, pertaining to these related party transactions.

### 5. CONTRIBUTED SERVICES

The Charter School utilizes certain transportation and food services provided by the New York City public school system at no cost. The Charter School is unable to determine the fair value for these services, and as such this is not reflected on the accompanying financial statements.

### 6. CONCENTRATION OF REVENUES

The Charter School receives a majority of its revenues from the New York State Education Department through the New York City Department of Education Office of Charter Schools. The New York City Department of Education ("DOE") provides general operating support to the Charter School based upon the location and the number of students enrolled. Operating support provided to the Charter School by the DOE totaled approximately \$4,255,00 and \$3,514,000 for the years ended June 30, 2017 and 2016, respectively. The Charter School is dependent upon this level of funding in order to continue its operations.

## ICAHN CHARTER SCHOOL 5

### Notes to Financial Statements

June 30, 2017 and 2016

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#### 7. OBLIGATION UNDER CAPITAL LEASE

A long-term lease covering equipment is classified as a capital lease. Accordingly, equipment is capitalized as leased property and amortized on a straight-line basis over the term of the lease. The corresponding obligation under the capital lease represents the present value of the rental payments discounted by an interest rate implicit in the lease agreement.

Annual payments due subsequent to June 30, 2017 follow:

Year Ending June 30,	
2018	\$ 3,459
2019	3,459
2020	3,459
2021	3,459
2022	<u>2,594</u>
Total	16,430
Less: interest	<u>(1,576)</u>
	<u>\$ 14,854</u>

#### 8. PENSION PLAN

The Charter School has a defined contribution plan (the "Plan"), administered by T. Rowe Price, for all full-time personnel. Contributions by the Charter School to the Plan totaled approximately \$67,000 and \$54,000 for the years ended June 30, 2017 and 2016, respectively.

#### 9. COMMITMENTS AND CONTINGENCIES

##### Government Agency Audits

The Charter School participates in a number of federal and state programs. These programs require that the Charter School comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government contracts by government agencies is presently not determinable, it should not, in the opinion of management, have a material effect on the Charter School's financial position or change in net assets. Accordingly, no provision for any such liability that may result has been made in the accompanying financial statements.

##### Litigation

The Charter School may be involved in various legal actions from time to time arising in the normal course of business. In the opinion of management, there are no matters outstanding that would have a material adverse effect on the financial statements of the Charter School.

**ICAHN CHARTER SCHOOL 5**  
**Notes to Financial Statements**  
**June 30, 2017 and 2016**

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**10. SUBSEQUENT EVENTS**

The Charter School evaluated its June 30, 2017 and 2016 financial statements for subsequent events through October 31, 2017, the date the financial statements were available to be issued. The Charter School is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS AS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of the  
**Icahn Charter School 5**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Icahn Charter School 5 (the “Charter School”), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2017.

**Internal control over financial reporting**

In planning and performing our audit of the financial statements, we considered the Charter School’s internal control over financial reporting (“internal control”) to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Charter School’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the Charter School’s internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and other matters**

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Intended purpose**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

New York, New York  
October 31, 2017

## **SUPPLEMENTARY INFORMATION**



# ICAHN CHARTER SCHOOL 5

## Schedule of Functional Expenses

For the year ended June 30, 2017, with comparative totals for 2016

	<b>Program Services</b>			<b>Management and General</b>	<b>2017 Total</b>	<b>2016 Total</b>
	<b>Regular Education</b>	<b>Special Education</b>	<b>Total</b>			
PERSONNEL SERVICE COSTS						
Administrative staff personnel	\$ 198,105	\$ -	\$ 198,105	\$ 241,230	\$ 439,335	\$ 389,713
Instructional personnel	1,911,936	-	1,911,936	-	1,911,936	1,453,901
Non-instructional personnel	-	-	-	185,049	185,049	177,463
Total personnel service costs	2,110,041	-	2,110,041	426,279	2,536,320	2,021,077
Fringe benefits and payroll taxes	378,117	-	378,117	72,113	450,230	380,329
Retirement	55,144	-	55,144	11,421	66,565	54,142
Legal	2,373	-	2,373	394	2,767	-
Accounting/audit services	21,434	2,449	23,883	3,963	27,846	29,179
Other purchased/professional/consulting services	11,843	52,276	64,119	1,015	65,134	57,100
Building and land rent/lease	607,027	69,348	676,375	112,231	788,606	643,557
Repairs and maintenance	131,042	1,245	132,287	21,950	154,237	94,366
Insurance	44,705	-	44,705	7,418	52,123	38,898
Utilities	74,823	8,150	82,973	13,768	96,741	82,924
Supplies/materials	98,755	6,485	105,240	-	105,240	116,135
Equipment/furnishings	9,926	-	9,926	405	10,331	10,574
Staff development	186,878	-	186,878	-	186,878	183,846
Marketing/recruitment	5,480	-	5,480	909	6,389	4,196
Technology	91,802	1,040	92,842	15,405	108,247	88,099
Telephone	5,742	656	6,398	1,062	7,460	4,958
Food service	5,819	-	5,819	-	5,819	4,319
Student services	140,349	1,259	141,608	-	141,608	129,833
Office expense	18,980	2,139	21,119	24,068	45,187	46,501
Depreciation	121,994	13,060	135,054	19,240	154,294	148,328
Other	21,160	26	21,186	10,687	31,873	31,733
Total expenses	<u>\$ 4,143,434</u>	<u>\$ 158,133</u>	<u>\$ 4,301,567</u>	<u>\$ 742,328</u>	<u>\$ 5,043,895</u>	<u>\$ 4,170,094</u>

*This schedule should be read in conjunction with the report of independent certified public accountants.*