

State of Illinois  
The Southern Illinois Research Park, Inc.  
of Southern Illinois University at Carbondale

FINANCIAL AUDIT

For the year ended June 30, 2005  
(with comparative totals for 2004)

Performed as Special Assistant Auditors  
for the Auditor General, State of Illinois

State of Illinois  
The Southern Illinois Research Park, Inc.  
of Southern Illinois University at Carbondale

FINANCIAL AUDIT

For the year ended June 30, 2005

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\*Note: This report has been issued under separate cover.

State of Illinois  
The Southern Illinois Research Park, Inc.  
of Southern Illinois University at Carbondale

June 30, 2005

AGENCY OFFICIALS

Mr. Raymond Lenzi Executive Director

Mr. Kyle Harfst Assistant Director

Agency offices are located at:

Dunn-Richmond Center  
150 E. Pleasant Hill Road  
Carbondale, Illinois 62901

State of Illinois  
The Southern Illinois Research Park, Inc.  
of Southern Illinois University at Carbondale

FINANCIAL STATEMENT REPORT  
SUMMARY

June 30, 2005

The audit of the accompanying basic financial statements of The Southern Illinois Research Park, Inc. of Southern Illinois University at Carbondale was performed by Kerber, Eck & Braeckel LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Research Park's basic financial statements.



## Independent Auditors' Report

Honorable William G. Holland  
Auditor General, State of Illinois  
and  
Board of Directors  
The Southern Illinois Research Park, Inc.  
of Southern Illinois University at Carbondale

As Special Assistant Auditors for the Auditor General, we have audited the accompanying basic financial statements of the The Southern Illinois Research Park, Inc. ("SIRP") a component unit of Southern Illinois University, as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the SIRP's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the SIRP's 2004 financial statements and, in our report dated September 6, 2004, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Southern Illinois Research Park, Inc. as of June 30, 2005, and the changes in its financial position, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2005, on our consideration of the SIRP'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 7 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Kentner, Eck & Brantzel LLP*

Springfield, Illinois  
September 21, 2005

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2005

The purpose of this analysis is to provide an objective and easy-to-read analysis of the Southern Illinois Research Park's (SIRP) financial activities based on currently known facts, decisions, and/or conditions. The attached Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows; and Notes to Financial Statements are required by GASB (Governmental Accounting Standards Board) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The SIRP has elected to show comparable figures for the prior year. All comments are directed toward fiscal year 2005 activities unless otherwise noted.

**Statements**

This Southern Illinois Research Park was incorporated in 2001. This is the third audit of the financial statements of the Southern Illinois Research Park, Inc.

These statements are presented in a "business-type activities" format which is a change from a "funds-group" format. The business-type activities format was developed to provide the reader with statements which could better indicate the available economic resources of the entity.

In order to understand the changes in the statements, below is a brief description of each statement. It may help you understand them better if you review the statements as you read the descriptions. The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets have been provided for reference. See Tables A-1 and A-2 which follow.

*Table A-1  
Summary of Statements of Net Assets*

	<u>June 30, 2005</u>	<u>June 30, 2004</u>	<u>Percentage Change</u>
Cash and cash equivalents	\$ 73,272	\$ 81,092	-9.64%
Grants receivable	51,956	-	100.00%
Due from SIU	13,659	28,389	-51.89%
Construction-in-progress	<u>80,956</u>	<u>-</u>	100.00%
<b>Total assets</b>	219,843	109,481	100.80%
Accounts payable	<u>61,223</u>	<u>7,007</u>	773.74%
<b>Total liabilities</b>	61,223	7,007	773.74%
Invested in capital assets	80,956	-	100.00%
Restricted net assets - expendable	3,000	3,000	0.00%
Unrestricted	<u>74,664</u>	<u>99,474</u>	-24.94%
<b>Total net assets</b>	<u>\$ 158,620</u>	<u>\$ 102,474</u>	54.79%

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MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

For the year ended June 30, 2005

The Statement of Net Assets indicates assets available for current use (current assets) and those assets to be held (noncurrent assets). This statement also indicates that all liabilities are due within one year (current liabilities). Net Assets, located at the bottom of the statement, are grouped by those assets available for unrestricted uses, assets restricted by an outside entity for a certain purpose which can be used for current expenditures (expendable) or are to be held (nonexpendable, i.e., endowments), and those assets which are an investment in capital assets. During this period, the SIRP had an increase in net assets of \$ 56,146 as indicated on the Statement of Revenues, Expenses, and Changes in Net Assets.

There is a decrease in cash and cash equivalents because of payments of SIRP obligations. There was an increase in grants receivable because the grant receivable was set up to reimburse the SIRP for the expenditures of the leasehold improvements. There was a decrease in the amount due from SIU because a portion of a previously recognized receivable was deemed unrecognizable under grant provisions and subsequently the amount was expensed. There was an increase in the construction-in-progress during the year because leasehold improvements associated with the multi-purpose building were capitalized. There was an increase in Accounts Payable because of the recognition of additional leasehold improvements for the SIRP.

*Table A-2  
Summary Statements of Revenues, Expenses, and Changes in Net Assets*

	<u>Year Ended</u>		<u>Percentage</u>
	<u>June 30, 2005</u>	<u>June 30, 2004</u>	<u>Change</u>
<b>REVENUES</b>			
Payments from SIU	\$ -	\$ 119,046	-100.00%
Budget allocation from SIU	32,319	30,723	5.19%
Grant income	80,956	-	100.00%
Interest income	576	869	-33.72%
<b>Total revenues</b>	<u>113,851</u>	<u>150,638</u>	-24.42%
<b>EXPENSES</b>			
Budget expended at SIU	32,319	30,723	5.19%
Expenditures for the benefit of SIU	14,730	119,046	-87.63%
General and operating expenses	10,656	8,263	28.96%
<b>Total expenses</b>	<u>57,705</u>	<u>158,032</u>	-63.49%
<b>Increase (decrease) in net assets</b>	<u>\$ 56,146</u>	<u>\$ (7,394)</u>	-859.35%

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MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

For the year ended June 30, 2005

The Statement of Revenues, Expenses, and Changes in Net Assets indicates the activity for the period and its effect on net assets. The activity from operations is shown first. As stated in the Notes to the Financial Statements, Operating Revenues include activities that have the characteristics of exchange transactions. In an exchange transaction both parties receive a material benefit from the transaction, such as the SIRP receiving contract payments from Southern Illinois University. Nonoperating Revenues (Expenses) are listed after operating activities. Nonoperating Revenues include activities that have the characteristics of nonexchange transactions. Nonoperating revenues are defined in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as investment revenues. Other Revenues, Expenses, Gains and Losses is the last grouping of transactions. This grouping indicates contributions received for capital assets (such as equipment and buildings) as required by GASB Statement No. 34. Since the primary purpose of the SIRP is to raise contributions for the benefit of Southern Illinois University, and most of this activity is located after Operating Income (Loss), Net Increase (Decrease) In Net Assets may be a better indicator of the SIRP's core activity.

The decrease in revenues is mainly attributable to the fact that in fiscal year 2004, the SIRP changed ownership to SIU for the multi-purpose building. In fiscal year 2005, revenues were primarily from grants and not from university payments. Also, in fiscal year 2005, expenditures affiliated with the grant revenues were capitalized and not expensed. The Payments from SIU as well as Budget expended at SIU are both allocable to the recognition of the salary expenses paid by the university on behalf of the SIRP. The Expenditures for the benefit of SIU is the previously recorded receivable that was deemed unreimbursable under grant provisions and thus expensed during fiscal year 2005.

The Statement of Cash Flows' primary purpose is to provide relevant information about the cash receipts and cash payments of the SIRP during the period. The SIRP is required to use the direct method presentation for this statement which indicates the cash effects categorized by operations, noncapital financing transactions, capital and related financing transactions, and investing transactions. During the period, the SIRP had a net outflow of cash from operating activities in the amount of \$ 9,213, a net inflow of \$ 29,000 from noncapital financing activities, a net outflow of \$ 28,183 from capital financing activities, and a net inflow of cash from investing activities of \$ 576.

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MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

For the year ended June 30, 2005

**Facts, Decisions or Conditions Affecting the Financial Position**

During fiscal year 2005, there was an overall increase in net assets in the amount of \$ 56,146. During fiscal year 2004, there was a decrease in net assets in the amount of \$ 7,394 specifically attributable to the income before other revenues, expenses, gains and losses. In fiscal year 2004, there was a change in accounting policy in the amount of \$ 14,859 that reversed a previously capitalized asset through the construction-in-progress account. This transaction removed the asset and treated the full amount as an expense during fiscal year 2004. Therefore, the combination of the reversal of (\$ 14,859), along with ordinary income of \$ 7,465 created a reduction in net assets of (\$ 7,394) for that year.

Progress continues for the construction of the 20,000 square foot multi-tenant building dedicated to SIRP activities. SIRP executed the ground lease in FY2005 in order to receive federal grant money for the leasehold improvements. The building is expected to be completed in 2006, at which time, the SIRP will the lease the complex for future tenants.

There are no other facts, decisions, or conditions significantly affecting the net assets, other than those explained in the previous section of this discussion and analysis. However, please see the notes to the basic financial statements that include additional details and further explanations of data presented in the basic financial statements. The notes are an integral part of the basic financial statements and should be included as part of any review or analysis.

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STATEMENT OF NET ASSETS

June 30, 2005  
(with comparative totals for 2004)

	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents (Note 2)	\$ 73,272	\$ 81,092
Accounts receivable		
Due from SIU (Note 4)	13,659	28,389
Grants receivable (Note 5)	51,956	-
	138,887	109,481
Total current assets		
Noncurrent assets		
Capital assets (Note 3)		
Construction-in-progress: Lease improvements	80,956	-
	80,956	-
Total noncurrent assets		
	219,843	109,481
<b>TOTAL ASSETS</b>	<b>219,843</b>	<b>109,481</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	61,223	7,007
	61,223	7,007
Total current liabilities		
	61,223	7,007
<b>TOTAL LIABILITIES</b>	<b>61,223</b>	<b>7,007</b>
<b>NET ASSETS</b>		
Invested in capital assets	80,956	-
Restricted net assets		
Expendable - for building lighting and signag	3,000	3,000
Unrestricted	74,664	99,474
	158,620	102,474
<b>TOTAL NET ASSETS</b>	<b>\$ 158,620</b>	<b>\$ 102,474</b>

The accompanying notes are an integral part of this statement

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the year ended June 30, 2005  
(with comparative totals for 2004)

	<u>2005</u>	<u>2004</u>
<b>REVENUES</b>		
Operating revenues		
Payments from SIU	\$ -	\$ 119,046
Budget allocation from SIU (Note 4)	32,319	30,723
Total operating revenues	32,319	149,769
<b>EXPENSES</b>		
Operating expenses		
Budget expended at SIU (Note 4)	32,319	30,723
Expenditures for the benefit of SIU (Note 4)	14,730	119,046
General and operating expenses	10,656	8,263
Total operating expenses	57,705	158,032
Operating loss	(25,386)	(8,263)
<b>NONOPERATING REVENUES</b>		
Interest income (Note 2)	576	869
Grant income (Note 5)	80,956	-
Net nonoperating revenues	81,532	869
Increase (decrease) in net assets	56,146	(7,394)
<b>NET ASSETS</b>		
Net assets - beginning of year	102,474	109,868
Net assets - end of year	\$ 158,620	\$ 102,474

The accompanying notes are an integral part of this statement.

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STATEMENT OF CASH FLOWS - DIRECT METHOD

For the year ended June 30, 2005  
(with comparative totals for 2004)

	<u>2005</u>	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments from SIU	\$ -	\$ 90,657
Expenditures for the benefit of SIU	-	(104,187)
General and operating expenses	<u>(9,213)</u>	<u>(17,240)</u>
Net cash used by operating activities	<u>(9,213)</u>	<u>(30,770)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Grant Income	<u>29,000</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>29,000</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Leasehold improvement expenditures	<u>(28,183)</u>	<u>-</u>
Net cash used by capital financing activities	<u>(28,183)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividend Income	<u>576</u>	<u>869</u>
Net cash provided by investing activities	<u>576</u>	<u>869</u>
<b>NET DECREASE IN CASH</b>	(7,820)	(29,901)
Cash - beginning of the year	<u>81,092</u>	<u>110,993</u>
Cash - end of year	<u><u>\$ 73,272</u></u>	<u><u>\$ 81,092</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (25,386)	\$ (8,263)
Changes in		
Accounts receivable	14,730	(28,389)
Accounts payable	<u>1,443</u>	<u>5,882</u>
Net cash used by operating activities	<u><u>\$ (9,213)</u></u>	<u><u>\$ (30,770)</u></u>

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2005

**1. Summary of Significant Accounting Policies:**

- A. Financial Reporting Entity:** The Southern Illinois Research Park (SIRP) located in Carbondale, exists for the primary purpose of aiding and assisting Southern Illinois University (“SIU” or “University”) in achieving its educational, research, and service goals and responsibilities.

Due to the significance of the financial relationship with the University, in accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, the SIRP is included as a component unit of the University for financial reporting purposes. The financial activities included in these financial statements are reported in a separate column in the University’s financial statements to emphasize that the SIRP is an Illinois not-for-profit organization legally separate from the University.

These financial statements include all financial activities over which the SIRP exercises direct responsibility.

- B. Financial Statement Presentation:** Effective July 1, 2002, the SIRP adopted GASB Statement No. 35, *Basic Financial Statements-and Management’s Discussion and Analysis-for Public Colleges and Universities*; GASB Statement No. 37 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The financial statement presentation required by GASB Statements Nos. 35, 37 and 38 provides a comprehensive perspective of the SIRP’s assets, liabilities, net assets, revenues, expenses, changes in net assets, cash flows, and replaces the fund-group perspective previously required.

Effective July 1, 2004, the SIRP adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The objective of this statement is to update the custodial credit risk disclosure requirements and to establish more comprehensive disclosure requirements addressing other common risks of deposits and investments.

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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2005

**1. Summary of Significant Accounting Policies: - Continued**

**C. Basis of Accounting:** For financial reporting purposes, the SIRP is considered a special-purpose government engaged only in business-type activities. Accordingly, the SIRP's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The SIRP has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The SIRP has elected to not apply FASB pronouncements issued after the applicable date.

**D. Cash Equivalents:** For purposes of the statement of cash flows, the SIRP considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**E. Net Assets:** The SIRP's net assets are classified as follows:

- **Invested in capital assets:** This represents the SIRP's total investment in capital assets, net of accumulated depreciation.
- **Restricted net assets - expendable:** Restricted expendable net assets include resources which the Research Park is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- **Unrestricted net assets:** Unrestricted net assets represent resources used for transactions relating to the educational and general operations of the SIRP, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the SIRP's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2005

**1. Summary of Significant Accounting Policies: - Continued**

**F. Income Taxes:** The U.S. Treasury Department issued a determination letter, dated July 19, 2001, indicating the SIRP is exempt from federal income taxes under Section 501(c)3 of the Internal Revenue Code.

**G. Capital Assets:** Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. The SIRP capitalizes equipment whose cost exceeds \$ 1,000 and improvements whose cost exceeds \$ 25,000.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 6 to 10 years for equipment and 15 years or the life of the lease (whichever is less) for leasehold improvements.

**H. Classification of Revenues and Expenses:** The SIRP has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

- **Operating:** Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as contract payments from Southern Illinois University.
- **Nonoperating:** Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, such as investment income.

**2. Cash and Cash Equivalents:**

At June 30, 2005, the carrying amount of the SIRP's deposits with financial institutions was \$ 73,272 and the bank balances were \$ 101,554.

During Fiscal Year 2005, the SIRP realized a net gain of \$ 576 in interest income.

**Custodial Credit Risk -** Custodial credit risk is the risk that in the event of a bank failure, the Research Park's deposits may not be returned to it. The Research Park does have a policy to require banks to collateralize balances over the FDIC insured amount. As of June 30, 2005, the entire amount of funds held at the banks was either insured or collateralized by pledged bank assets in the SIRP's name.

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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2005

**3. Capital Assets:**

Following are the changes in capital assets for fiscal year 2005:

	Balance June 30, <u>2004</u>	<u>Additions</u>	<u>Retirement</u>	Balance June 30, <u>2005</u>
<i>Capital assets not being depreciated</i>				
Construction in progress				
Leasehold improvements	\$ <u>      </u> -	\$ <u>80,956</u>	\$ <u>      </u> -	\$ <u>80,956</u>

Construction in progress balance is associated with the construction of the leasehold improvements (i.e. parking lot, lighting, etc.) on the multi-purpose building. These assets are funded through federal reimbursement based grants.

**4. Transactions With Related Parties:**

The SIRP has entered into a master contract with the Board of Trustees of SIU which specifies the relationship between the two organizations in accordance with the Legislative Audit Commission's University Guidelines, 1982 and amended in 1997. Among the provisions of the contract is a requirement that the SIRP and SIU will provide services to each other. During the year ended June 30, 2005, the SIRP provided marketing, educational, and related services on behalf of SIU.

In addition, the SIRP incurred certain costs in connection with the construction of a multi-purpose building (see Note 5), which are not going to be reimbursed by SIU. Costs incurred during 2005 totaled \$ 14,730. An amount of \$ 13,659 is still deemed due from SIU.

Pursuant to governmental accounting standards, the SIRP is required to recognize as revenue and expense those on-behalf payments for salaries and fringe benefits made by the University for personnel at the SIRP. This amount which is reflected as Budget allocation from SIU and Budget expended at SIU in the accompanying Statement of Revenues, Expenses and Changes in Net Assets, totaled \$ 32,319 for the year ended June 30, 2005.

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NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

June 30, 2005

**5. Multi-Purpose Building:**

During fiscal year 2004, ownership plans for a 20,000 square foot multi-purpose building changed from the SIRP owning the building to SIU owning it. The multi-purpose building is meant to further the mission of the Research Park. The Research Park is in the process of receiving the United States Department of Agriculture and the United States Delta Regional Authority grants. The reimbursement grants are being awarded in the amounts of \$ 262,000 and \$ 50,000, respectively. The stipulation for the grants was originally for the infrastructure of the multi-purpose building, but will now be awarded for the leasehold improvements associated with the project. As of June 30, 2005, the SIRP has received grant funds in the amount of \$ 29,000, in partial reimbursement for eligible expenses of \$ 80,956 incurred in FY2005.

**6. Retirement Plan:**

All SIRP personnel are SIU employees. Retirement benefits and post-retirement benefits other than pension are available for eligible SIU employees under a contributory retirement plan (the "Plan") administered by the State Universities Retirement System. Participants of the Plan contribute eight percent of their gross earnings, and SIU annually contributes an amount determined by the State Legislature from State appropriations and amounts from other current funds based on actuarially determined rates. Information pertaining to the Plan and Plan benefits can be found in the SIU financial statements. The SIRP does not own any of the Plan assets and has no responsibility for the Plan obligations.

During the year ended June 30, 2005, SIU Contributed \$ 3,764 to the Plan on behalf of SIRP personnel. This amount is included in the amounts shown as Budget allocation from SIU and Budget expended at SIU in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets.