

Form 990-EZ

**Short Form**  
**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-1150

2017

Department of the Treasury  
Internal Revenue ServiceOpen to Public  
Inspection

A For the 2017 calendar year, or tax year beginning

, 2017, and ending

, 20

B Check if applicable

Address change  
 Name change  
 Initial return  
 Final return/terminated  
 Amended return  
 Application pending

C Name of organization

LUTHERAN QUARTERLY, INC.

Number and street (or P.O. box, if mail is not delivered to street address)

1202 BAYVIEW RD

Room/suite

03

D Employer identification number

39-1501315

E Telephone number

224-888-8111

F Group Exemption  
Number ►G Accounting Method:  Cash  Accrual Other (specify) ►I Website: ► [www.LUTHERANQUARTERLY.ORG](http://www.LUTHERANQUARTERLY.ORG)J Tax-exempt status (check only one) —  501(c)(3)  501(c) ( ) (insert no.)  4947(a)(1) or  527H Check ►  if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).K Form of organization:  Corporation  Trust  Association  Other

L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets

(Part II, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ

► \$ 49,274

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (see the instructions for Part I)Check if the organization used Schedule O to respond to any question in this Part I 

Revenue	1 Contributions, gifts, grants, and similar amounts received	1	14,498
	2 Program service revenue including government fees and contracts	2	22,626
	3 Membership dues and assessments	3	
	4 Investment income	4	2,189
	5a Gross amount from sale of assets other than inventory	5a	
	b Less: cost or other basis and sales expenses	5b	
	c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6 Gaming and fundraising events		
	a Gross income from gaming (attach Schedule G if greater than \$15,000)	6a	
Expenses	b Gross income from fundraising events (not including \$ from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b	
	c Less: direct expenses from gaming and fundraising events	6c	
	d Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d	
	7a Gross sales of inventory, less returns and allowances	7a	
	b Less: cost of goods sold	7b	
	c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	
	8 Other revenue (describe in Schedule O)	8	9,961
	9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9	49,274
	10 Grants and similar amounts paid (list in Schedule O)	10	
Net Assets	11 Benefits paid to or for members	11	
	12 Salaries, other compensation, and employee benefits	12	
	13 Professional fees and other payments to independent contractors	13	16,097
	14 Occupancy, rent, utilities, and maintenance	14	606
	15 Printing, publications, postage, and shipping	15	11,163
	16 Other expenses (describe in Schedule O)	16	4,588
	17 Total expenses. Add lines 10 through 16	17	32,454
	18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	76,820
	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	96,884
	20 Other changes in net assets or fund balances (explain in Schedule O)	20	
	21 Net assets or fund balances at end of year. Combine lines 18 through 20	21	113,704

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 10642I

Form 990-EZ (2017)

## 21 Part II Balance Sheets (see the instructions for Part II)

Check if the organization used Schedule O to respond to any question in this Part II 

		(A) Beginning of year	(B) End of year
22	Cash, savings, and investments	96,884	22 113,704
23	Land and buildings	-0-	23 -0-
24	Other assets (describe in Schedule O)	-0-	24 -0-
25	<b>Total assets</b>	96,884	25 113,704
26	Total liabilities (describe in Schedule O)	-0-	26 -0-
27	<b>Net assets or fund balances</b> (line 27 of column (B) must agree with line 21)	96,884	27 113,704

## 21 Part III Statement of Program Service Accomplishments (see the instructions for Part III)

Check if the organization used Schedule O to respond to any question in this Part III What is the organization's primary exempt purpose? Publishing JOURNAL and BOOKS ON LUTHERANTHEOLOGY and HISTORY of the LUTHERAN CHURCH

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

## Expenses

(Required for section 501(c)(3) and 501(c)(4) organizations; optional for others.)

28	<i>During 2017 four quarterly issues of its theology journal were published. Net cost by expenses over 90% of its expenses is for production of the journal. There are over 500 subscribers including libraries.</i>		
28a	(Grants \$ -0- ) If this amount includes foreign grants, check here <input type="checkbox"/>	27900	
29	<i>Lutheran Quarterly Books are published by Publishing House at no cost or minimal expense. TO LUTHERAN QUARTERLY, INC.</i>		
29a	(Grants \$ -0- ) If this amount includes foreign grants, check here <input type="checkbox"/>	900	
30			
	(Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	30a	
31	Other program services (describe in Schedule O)		
31a	(Grants \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>	31a	
32	<b>Total program service expenses</b> (add lines 28a through 31a)		32

## Part IV List of Officers, Directors, Trustees, and Key Employees (list each one even if not compensated—see the instructions for Part IV)

Check if the organization used Schedule O to respond to any question in this Part IV 

21 (a) Name and title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC) (if not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
DAVID J HARDY <i>President and Acting Pres; V.Pres; TREASURER</i>	5	0	0	0
ROBERT KOLB <i>SECRETARY + DIRECTOR</i>	4	0	0	0
PULL ROREM <i>EDITOR + DIRECTOR</i>	12	0	0	0
VIRGIL THOMPSON <i>MANAGING EDITOR + DIRECTOR</i>	12	0	0	0
CHARLES P. ARAND <i>DIRECTOR</i>	2	0	0	0
JOSEPH BURGES <i>DIRECTOR</i>	2	0	0	0
MARK GRANDQUIST <i>DIRECTOR</i>	2	0	0	0
GRACIA GRINDAL <i>DIRECTOR</i>	2	0	0	0
STEVEN PAULSON <i>DIRECTOR</i>	2	0	0	0
LAWRENCE RAST <i>DIRECTOR</i>	2	0	0	0
WALTERS SUNDBERG <i>DIRECTOR</i>	2	0	0	0

**Part V Other Information** (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V.) Check if the organization used Schedule O to respond to any question in this Part V 

33 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O Yes  No

34 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions) Yes  No

35a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)? Yes  No

b If "Yes" to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O Yes  No

c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III Yes  No

36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N Yes  No

37a Enter amount of political expenditures, direct or indirect, as described in the instructions ► 37a  Yes  No

b Did the organization file Form 1120-POL for this year? Yes  No

38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return? Yes  No

b If "Yes," complete Schedule L, Part II and enter the total amount involved Yes  No

39 Section 501(c)(7) organizations. Enter:

a Initiation fees and capital contributions included on line 9 Yes  No

b Gross receipts, included on line 9, for public use of club facilities Yes  No

40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ►  ; section 4912 ►  ; section 4955 ►  Yes  No

b Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I Yes  No

c Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ►  Yes  No

d Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax on line 40c reimbursed by the organization ►  Yes  No

e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T Yes  No

41 List the states with which a copy of this return is filed ► **NONE** Yes  No

42a The organization's books are in care of ► **V.F. THOMPSON** Telephone no. ► **509-953-4715**  
Located at ► **2852 N. NUGENT RD. LAMMI ISLAND WA** ZIP + 4 ► **98262** Yes  No

b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: ► Yes  No

See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).

c At any time during the calendar year, did the organization maintain an office outside the United States? If "Yes," enter the name of the foreign country: ► Yes  No

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ► 43 Yes  No

44a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ Yes  No

b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ Yes  No

c Did the organization receive any payments for indoor tanning services during the year? Yes  No

d If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O Yes  No

45a Did the organization have a controlled entity within the meaning of section 512(b)(13)? Yes  No

b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions) Yes  No

	Yes	No
33	X	
34	X	
35a	X	
35b		
35c	X	
36	X	
37a	0	
37b	X	
38a	X	
38b		
39a		
39b		
40a		
40b	X	
40e	X	
42b	X	
42c	X	
43		
44a	X	
44b	X	
44c	X	
44d		
45a	X	
45b	X	

		Yes	No
46	Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46	X

**Part VI Section 501(c)(3) organizations only**

All section 501(c)(3) organizations must answer questions 47–49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI

		Yes	No
47	Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	47	X
48	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48	X
49a	Did the organization make any transfers to an exempt non-charitable related organization?	49a	X
b	If "Yes," was the related organization a section 527 organization?	49b	
50	Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees, and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."		

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
NONE				

f Total number of other employees paid over \$100,000 ►

51	Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."
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(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over \$100,000 ► NONE

52	Did the organization complete Schedule A? Note: All section 501(c)(3) organizations must attach a completed Schedule A	► <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here <span style="font-size: small;">? 21</span>	► <i>David J. Hardy</i>	Date <i>November 14, 2018</i>
	Signature of officer DAVID J. HARDY TREASURER	Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name Firm's name ►	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's address ►	Firm's EIN ►			
		Phone no.			

May the IRS discuss this return with the preparer shown above? See instructions ►  Yes  No

**SCHEDULE A**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

**2017**Open to Public  
Inspection

Name of the organization

*LUTHERAN QUARTERLY, INC.*Employer identification number  
**39-1501315****09****Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.  
2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)  
3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.  
4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state:  
5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)  
6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.  
7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)  
8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)  
9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:  
10  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)  
11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.  
12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.  
a  **Type I**. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B**.  
b  **Type II**. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C**.  
c  **Type III functionally integrated**. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E**.  
d  **Type III non-functionally integrated**. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V**.  
e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.  
f Enter the number of supported organizations . . . . .  
g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
<b>Total</b>						

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support****Calendar year (or fiscal year beginning in) ►**

	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	11204	12206	13324	3200	14498	54232
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . .	16427	19919	10398	23254	22825	92623
3 Gross receipts from activities that are not an unrelated trade or business under section 513 . . .	0	0	0	0	0	0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .	0	0	0	0	0	0
5 The value of services or facilities furnished by a governmental unit to the organization without charge . . .	0	0	0	0	0	0
<b>6 Total. Add lines 1 through 5 . . .</b>	<b>27431</b>	<b>32125</b>	<b>23722</b>	<b>26454</b>	<b>37123</b>	<b>146855</b>
<b>7a Amounts included on lines 1, 2, and 3 received from disqualified persons .</b>	<b>3850</b>	<b>3050</b>	<b>3500</b>	<b>500</b>	<b>2900</b>	<b>13800</b>
<b>b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>c Add lines 7a and 7b . . .</b>	<b>3850</b>	<b>3050</b>	<b>3500</b>	<b>500</b>	<b>2900</b>	<b>13800</b>
<b>8 Public support. (Subtract line 7c from line 6.) . . .</b>						<b>133055</b>

**Section B. Total Support****Calendar year (or fiscal year beginning in) ►**

	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>9 Amounts from line 6 . . .</b>	<b>27431</b>	<b>32125</b>	<b>23722</b>	<b>26454</b>	<b>37123</b>	<b>146855</b>
<b>10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .</b>	<b>2166</b>	<b>2247</b>	<b>2323</b>	<b>7708</b>	<b>11654</b>	<b>26098</b>
<b>b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . .</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>c Add lines 10a and 10b . . .</b>	<b>2166</b>	<b>2247</b>	<b>2323</b>	<b>7708</b>	<b>11654</b>	<b>26098</b>
<b>11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) . . .</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>13 Total support. (Add lines 9, 10c, 11, and 12.) . . .</b>	<b>29597</b>	<b>34372</b>	<b>26045</b>	<b>34162</b>	<b>48777</b>	<b>172953</b>
<b>14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . .</b>						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)) . . .</b>	<b>15</b>	<b>76.93</b>	<b>%</b>
<b>16 Public support percentage from 2016 Schedule A, Part III, line 15 . . .</b>	<b>16</b>	<b>83</b>	<b>%</b>

**Section D. Computation of Investment Income Percentage**

<b>17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f)) . . .</b>	<b>17</b>	<b>15.01</b>	<b>%</b>
<b>18 Investment income percentage from 2016 Schedule A, Part III, line 17 . . .</b>	<b>18</b>	<b>7</b>	<b>%</b>
<b>19a 33½% support tests—2017. If the organization did not check the box on line 14, and line 15 is more than 33½%, and line 17 is not more than 33½%, check this box and stop here. The organization qualifies as a publicly supported organization . . .</b>			<input checked="" type="checkbox"/>
<b>b 33½% support tests—2016. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33½%, and line 18 is not more than 33½%, check this box and stop here. The organization qualifies as a publicly supported organization . . .</b>			<input type="checkbox"/>
<b>20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . .</b>			<input type="checkbox"/>

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

- Attach to Form 990 or 990-EZ.
- Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

Name of the organization

LUTHERAN QUARTERLY, INC

Employer identification number

39-1501315

This return is timely filed. A copy of the IRS letter  
approving Form 8868 with a due date of November 15, 2018

Concurrent with the filing of this return, the Taxpayer  
is filing Form 3115 for an automatic approval of  
Taxpayer's request to adopt the accrual method of accounting.

The enclosed return has been filed using the accrual  
method of accounting.

Line 8, Other Revenue on page 1 of 990-EZ

LQ Books Royalty	\$ 1848
JHP Music Royalty	7878
Miscellaneous	235
Total Other Revenue	<u>\$ 9961</u>

Line 16, Other Expenses on page 1 of 990-EZ

Annual Meeting Expenses	\$ 2253
JAP Operating Expenses	791
LO Operating Expenses	1434
Miscellaneous	110
	<u>\$ 4588</u>