

HARRIS AND ELIZA KEMPNER FUND

FINANCIAL STATEMENTS

**Years Ended December 31, 2014 and 2013
with Independent Auditors' Report**

HARRIS AND ELIZA KEMPNER FUND

FINANCIAL STATEMENTS

Years Ended December 31, 2014 and 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Harris and Eliza Kempner Fund
Galveston, Texas

We have audited the accompanying financial statements of the Harris and Eliza Kempner Fund (a nonprofit organization), which comprise the statement of assets, liabilities, and fund balances-modified cash basis as of December 31, 2014, the related statement of revenues, expenses and changes in fund balances-modified cash basis, and the statement of cash flows-combined funds modified cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 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 Harris and Eliza Kempner Fund as of December 31, 2014, and the changes in its fund balances and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note B.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited the Harris and Eliza Kempner Fund's 2013 financial statements, we expressed an unmodified audit opinion on those audited financial statements in our report dated December 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program expenses-modified cash basis on page 16 and the schedule of general and administrative expenses-modified cash basis on page 18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Texas City, Texas
October 6, 2015

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HARRIS AND ELIZA KEMPNER FUND

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES - MODIFIED CASH BASIS

For the Year Ended December 31, 2014

(with Comparative Totals for the Year Ended December 31, 2013)

	Main Fund	KCM Fixed Income Fund	J.B. Kempner Fund	Kempner Park Fund
Assets				
Cash and cash equivalents	\$ 221,973	\$ -	\$ -	\$ -
Short term investments	2,584,151	837,419	1,077,466	113,528
Investments, at cost				
Stocks	22,516,442	-	5,030,808	252,539
Bonds	1,893,274	1,639,749	873,229	-
Unlisted securities	6,095,068	-	-	-
Adjustment to FMV	6,268,650	230,679	1,031,086	24,127
Program-related investments	155,000	-	-	-
Accounts receivable	369,544	-	89,873	-
Student loans, current	-	-	-	-
Total current assets	<u>40,104,102</u>	<u>2,707,847</u>	<u>8,102,462</u>	<u>390,194</u>
Property and equipment				
Land	-	-	-	-
Office equipment	-	-	-	-
Leasehold equipment	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation	-	-	-	-
Net property and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 40,104,102</u>	<u>\$ 2,707,847</u>	<u>\$ 8,102,462</u>	<u>\$ 390,194</u>
Liabilities and Fund Balances				
Current liabilities:				
Accounts payable	-	-	-	-
Excise tax payable	3,776	-	-	-
Total current liabilities	<u>3,776</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances	<u>40,100,326</u>	<u>2,707,847</u>	<u>8,102,462</u>	<u>390,194</u>
Total fund balances	<u>40,100,326</u>	<u>2,707,847</u>	<u>8,102,462</u>	<u>390,194</u>
Total liabilities and fund balances	<u>\$ 40,104,102</u>	<u>\$ 2,707,847</u>	<u>\$ 8,102,462</u>	<u>\$ 390,194</u>

See accompanying Notes to Financial Statements.

Jennifer Ezell Fund	Student Loan Fund	Plant Fund	2014	2013
\$ -	\$ -	\$ -	\$ 221,973	\$ 618,808
54,512	14,320	-	4,681,396	5,144,196
137,121	-	-	27,936,910	24,629,827
-	-	-	4,406,252	2,684,161
19,493	-	-	6,114,561	7,512,879
18,683	-	-	7,573,225	9,595,427
-	-	-	155,000	56,865
-	-	-	459,417	368,566
-	31,351	-	31,351	40,671
<u>229,809</u>	<u>45,671</u>	-	<u>51,580,085</u>	<u>50,651,400</u>
-	-	-	-	14,780
-	-	-	-	46,538
-	-	-	-	19,941
-	-	-	-	81,259
-	-	-	-	(65,087)
-	-	-	-	16,172
<u>\$ 229,809</u>	<u>\$ 45,671</u>	<u>\$ -</u>	<u>\$ 51,580,085</u>	<u>\$ 50,667,572</u>
-	-	-	-	152
-	-	-	3,776	8,443
-	-	-	3,776	8,595
<u>229,809</u>	<u>45,671</u>	-	<u>51,576,309</u>	<u>50,658,977</u>
<u>229,809</u>	<u>45,671</u>	-	<u>51,576,309</u>	<u>50,658,977</u>
<u>\$ 229,809</u>	<u>\$ 45,671</u>	<u>\$ -</u>	<u>\$ 51,580,085</u>	<u>\$ 50,667,572</u>

HARRIS AND ELIZA KEMPNER FUND

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**

For the Year Ended December 31, 2014

(with Comparative Totals for the Year Ended December 31, 2013)

	Main Fund	KCM Fixed Income Fund	J.B. Kempner Fund	Kempner Park Fund
Revenue, gains, and other support				
Dividends	\$ 1,115,478	\$ 36	\$ 160,316	\$ 8,790
Interest	22,262	49,025	11,427	49
Net unrealized and realized gains (losses)	2,011,936	71,032	412,898	4,704
Other revenue	(62,869)	-	11,828	713
Total revenue, gains, and other support	<u>3,086,807</u>	<u>120,093</u>	<u>596,469</u>	<u>14,256</u>
Expenses				
Program expenses	2,041,902	11,399	348,194	16,421
General and administrative expenses	358,089	24,587	72,700	3,552
Total expenses	<u>2,399,991</u>	<u>35,986</u>	<u>420,894</u>	<u>19,973</u>
(Deficit) excess of revenue over expenses	686,816	84,107	175,575	(5,717)
Interfund transfers	22,871	(161,215)	121,343	18,280
Changes in fund balances	<u>709,687</u>	<u>(77,108)</u>	<u>296,918</u>	<u>12,563</u>
Fund balances at beginning of year	<u>39,390,639</u>	<u>2,784,955</u>	<u>7,805,544</u>	<u>377,631</u>
Fund balances at end of year	<u>\$ 40,100,326</u>	<u>\$ 2,707,847</u>	<u>\$ 8,102,462</u>	<u>\$ 390,194</u>

See accompanying Notes to Financial Statements.

Jennifer Ezell Fund	Student Loan Fund	Plant Fund	2014	2013
\$ 6,097	\$ 1	\$ -	\$ 1,290,718	\$ 934,567
39	-	-	82,802	99,906
2,668	-	-	2,503,238	9,234,622
432	(3,918)	-	(53,814)	219,795
<u>9,236</u>	<u>(3,917)</u>	<u>-</u>	<u>3,822,944</u>	<u>10,488,890</u>
10,232	-	-	2,428,148	2,199,582
2,076	288	16,172	477,464	444,424
<u>12,308</u>	<u>288</u>	<u>16,172</u>	<u>2,905,612</u>	<u>2,644,006</u>
(3,072)	(4,205)	(16,172)	917,332	7,844,884
6,960	(8,239)	-	-	-
<u>3,888</u>	<u>(12,444)</u>	<u>(16,172)</u>	<u>917,332</u>	<u>7,844,884</u>
<u>225,921</u>	<u>58,115</u>	<u>16,172</u>	<u>50,658,977</u>	<u>42,814,093</u>
<u>\$ 229,809</u>	<u>\$ 45,671</u>	<u>\$ -</u>	<u>\$ 51,576,309</u>	<u>\$ 50,658,977</u>

HARRIS AND ELIZA KEMPNER FUND
STATEMENT OF CASH FLOWS - COMBINED FUNDS -
MODIFIED CASH BASIS

	Year Ended December 31,	
	2014	2013
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Increase in fund balances	\$ 917,332	\$ 7,844,884
Adjustments to reconcile changes in fund balances to net cash provided by operating activities:		
Realized (gains) on investments	(4,525,440)	(2,949,105)
Unrealized loss on investments	2,022,202	(6,285,517)
Loss on disposition of assets	16,036	-
Changes in net assets and liabilities:		
(Increase) decrease in program related investments	(98,135)	19,138
(Increase) decrease in accounts receivable	(90,851)	(335,019)
(Increase) decrease in student loans receivable	9,320	17,420
Increase (decrease) in accounts payable	(152)	(4,489)
Increase (decrease) in excise tax payable	(4,667)	(13,817)
Net cash provided by operating activities	<u>(1,754,355)</u>	<u>(1,706,505)</u>
Cash flows from investing activities:		
Proceeds from stocks, bonds, and partnership interests	14,715,051	12,295,265
Purchases of stocks, bonds, and partnership interests	(12,533,409)	(9,749,820)
Purchases of short term investments	(824,122)	(1,022,426)
Net cash provided by (used in) investing activities	<u>1,357,520</u>	<u>1,523,019</u>
Net increase (decrease) in cash and cash equivalents	(396,835)	(183,486)
Cash and cash equivalents at beginning of year	<u>618,808</u>	<u>802,294</u>
Cash and cash equivalents at end year	<u>\$ 221,973</u>	<u>\$ 618,808</u>
Supplemental disclosure of cash flow information		
Excise taxes paid	\$ 109,609	\$ 55,000

See accompanying Notes to Financial Statements.

HARRIS AND ELIZA KEMPNER FUND
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS
December 31, 2014 and 2013

A. Nature of the Fund

The Harris and Eliza Kempner Fund (the "Fund") is a non-profit Fund established on December 18, 1946, originally known as the "Galveston Fund". The Harris and Eliza Kempner Fund awards grants to qualifying organizations functioning in the broad areas of the arts, community development, education, health and human services. Revenues are derived primarily from investment activity.

Change in Structure of Entity

Effective April 30, 2001, the Fund's structure was changed from a charitable trust to a non-profit corporation. This change terminated the charitable trust known as the Harris and Eliza Kempner Fund, and resulted in a transfer of all assets and liabilities of the charitable trust to the non-profit corporation known as the Harris and Eliza Kempner Fund. There was no effect on the financial statements of the Fund. The Harris and Eliza Kempner Fund (a non-profit corporation) is classified as a private foundation within the meaning of section 509(a) of the Internal Revenue Code.

B. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. This basis differs from accounting principles generally accepted in the United States of America primarily due to the Fund's recognizing grants and other expenditures when paid rather than when incurred and recording investment revenues when received rather than when earned. Modifications to the cash basis of accounting include recording depreciation on equipment, accruing student loan receivables, accounting for unrealized gains and losses on trading investments, and recording trading investments at fair market value.

The Financial Accounting Standards Board issued FASB ASC 958-605 (formerly SFAS No. 116), *Accounting for Contributions Received and Contributions Made*. This statement is a requirement for accrual basis financial statements prepared in conformity with accounting principles generally accepted in the United States of America. The Kempner Fund has opted to record grants on a cash basis, thereby foregoing the adoption of FASB ASC 958-605.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Fund, its accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

In June 1993, the Financial Accounting Standards Board issued FASB ASC 958-205 (formerly SFAS No. 117), *Financial Statements of Not-for-Profit Funds*, effective for years beginning after December 31, 1994.

HARRIS AND ELIZA KEMPNER FUND

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS (continued)

B. Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

This statement relates to the method of financial statement presentation which replaces fund accounting and is a requirement for financial statements prepared in conformity with accounting principles generally accepted in the United States of America. The Fund has opted to maintain its financial statements on a fund basis, rather than adopting FASB ASC 958-205.

Cash

For purposes of the statement of cash flows, the Fund considers its checking account as cash. Cash does not include highly liquid short-term investments maintained in money market funds managed by investment managers as part of the investment portfolio.

Investments and Fair Value Measurements

The Fund classifies all investments as trading securities and carries its investments at their estimated fair market values. The estimated fair market values of investments in marketable equity securities are based on quoted prices of identical assets in active markets (level 1 measurements) and the estimated fair market values of nonmarketable equity securities are estimated by management based on the underlying values of the partnership interests and are provided to the Fund by the management of the partnerships (level 3 measurements). The estimated fair market values of investments in debt securities are measured based on similar assets in active markets (level 2 measurements). Unrealized gains and losses are included in the excess (deficit) of revenues over expenses in the accompanying statement of revenues, expenses, and changes in fund balances.

Income Tax Status

The Internal Revenue Service has determined that the Fund is exempt from federal income tax under Section 501(c)(3) of the Code. The Code imposes an excise tax of 2% (reduced to 1% if certain requirements are met) on net investment income of private foundations. Excise tax expense for the year ended December 31, 2014 was \$114,276 .

Expense Allocation

The costs of providing various programs and other activities have been reflected on a functional basis in the financial statements. Program expenses are those that are directly attributable to a specific program. General and administrative expenses are indirect costs which are allocated to various programs on the basis of the fair market value of the program's investments.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities to 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.

HARRIS AND ELIZA KEMPNER FUND

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS (continued)

B. Summary of Significant Accounting Policies (continued)

Prior Year Totals

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail of activities by fund. Accordingly, such information should be used in conjunction with the Fund's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

C. Investments and Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31 are as follows:

	2014				
	Cost	Fair Value	In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market investments	\$ 2,319,618	\$ 2,319,618	\$ 2,319,618	\$ -	\$ -
Treasury investments	2,361,778	2,361,778	2,361,778	-	-
Total short-term investments	4,681,396	4,681,396	4,681,396	-	-
Corporate stocks	27,936,910	32,760,606	32,760,606	-	-
Corporate bonds and Government obligations	4,406,252	4,712,219	-	4,712,219	-
Unlisted securities	6,114,561	8,558,123	-	-	8,558,123
Total other investments	38,457,723	46,030,948	32,760,606	4,712,219	8,558,123
Total investments	\$ 43,139,119	\$ 50,712,344	\$ 37,442,002	\$ 4,712,219	\$ 8,558,123

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3) Partnership Interests
January 01, 2014	\$ 11,410,040
Distribution at FMV	(1,508,208)
Total unrealized loss	(1,343,709)
December 31, 2014	\$ 8,558,123

HARRIS AND ELIZA KEMPNER FUND

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS (continued)

C. Investments and Fair Value Measurements (continued)

Investments in corporate stocks by fund are as follows:

	Cost	Fair Value
Main Fund	\$ 22,516,442	\$ 26,334,600
J.B. Kempner Fund	5,030,808	5,996,996
Kempner Park Fund	252,539	276,666
Jennifer Ezell Fund	137,121	152,344
	\$ 27,936,910	\$ 32,760,606

The relationship between carrying values and fair values of investments is as follows:

	Cost	Fair Value	Excess of Fair Value over Cost
Balance, end of year	\$ 43,139,119	\$ 50,712,344	\$ 7,573,225
Balance, beginning of year	39,971,063	49,566,490	9,595,427
Decrease in unrealized gain			(2,022,202)
Realized net gain			4,525,440
Total net gain			\$ 2,503,238

D. Program-Related Investments

During 2009, the Fund approved the disbursement of monies in the form of program-related investments to three local organizations: Galveston Opera House, Galveston Art Center, and Galveston Historical Foundation. Since that time, the Fund has approved several program-related investments within and surrounding the local community. The investments are carried at the face value of the investment less repayments made. The carrying values of the investments approximate the fair market values of the investments as a result of their short investment periods. During 2012, the Galveston Art Center program-related investment balance was paid in full. During 2014, the Galveston Arts Center and Galveston Historical Foundation program-related investment balances were paid in full. In 2014, the Fund approved disbursement of monies in the form of a mission-related investment for a Green Revival project with the Galveston Historical Foundation. The investments at December 31, 2014 are as follows:

Organization	Carrying Value	Period	Interest Rate
ADA Women's Center	\$ 25,000	1.5 years	1.5%
Galveston Historical Foundation	130,000	3 years	5.0%
	\$ 155,000		

HARRIS AND ELIZA KEMPNER FUND

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS (continued)

E. Grants Payable

The Fund, as a result of adopting the modified cash basis of accounting, does not record grants payable in its financial statements. Grants are expensed when paid. However, the following is a summary of grant activity for the year ended December 31, 2014:

Grants payable at January 1, 2013	\$ 1,249,803
Grants approved in 2014	1,312,100
Grants paid in 2014	<u>(1,714,866)</u>
Grants payable at December 31, 2014	<u>\$ 847,037</u>

The Fund has scheduled grant payments in the amount of \$50,000 to be paid during the year ending December 31, 2015.

F. Related Party Transactions

Investment and management fees of approximately \$78,000 were paid to Kempner Capital Management for the management of a substantial portion of the Fund's investment portfolio during the year ended December 31, 2014. Mr. Harris L. Kempner, Jr., President of Kempner Capital Management is a Kempner family member.

Approximately 17% of the Fund's holdings are managed by the Directors rather than by the investment managers. These assets are in Kempner family related investments and include Black Stone Minerals LP, Kempner Securities LP, and Galveston Finale LP.

G. Money Purchase Pension Plan

On April 1, 1994, the Fund initiated a noncontributory money purchase pension plan covering all employees (excluding non-resident aliens) whose employment is not governed by a collective bargaining agreement and who have completed one year of service. Employer contributions are discretionary and are allocated to all participants eligible to share in the allocations in the same proportion that each participant's compensation bears to the total compensation of all participants for such year. Amounts paid during the year ended December 31, 2014 totaled \$17,088 .

H. Concentration of Market Risk

The Fund has significant investments in mutual funds and in equity and debt securities and is therefore subject to market risk. Investments are managed by investment advisors who are supervised by the Board of Directors. Though the market value of investments is subject to fluctuations on a year to year basis, the Board of Directors believe that the investment policy is prudent for the long-term welfare of the Fund.

The Fund's cash and investment accounts held in financial institutions and brokerage firms are insured by the Securities Investor Protection Corporation (SIPC). The SIPC provides coverage for customers of failed brokerage firms. This coverage does not apply to losses due to market rate risk.

HARRIS AND ELIZA KEMPNER FUND

NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS (continued)

I. Concentration of Credit Risk

The Fund's non-interest bearing cash and deposit accounts are insured up to \$250,000 by the Federal Depository Insurance Corporation ("FDIC") at each financial institution. While the Fund's cash on hand at December 31, 2014 exceeded the FDIC limit in the amount of \$43,446, the Fund did not experience any losses related to amounts in excess of the FDIC limit.

J. Other Revenue

In 2014, other revenue primarily consisted of royalties and other miscellaneous income. For financial statement presentation, non-deductible expenses are netted against miscellaneous income.

K. Commitments and Contingencies

In August 2013, the Fund entered into a Memorandum of Understanding ("MOU") with the Galveston County Recovery Fund, to commit \$50,000 in the event of a federally declared disaster in Galveston or Galveston County. The funds are pledged, but not paid until a disaster has been declared and the fund has resumed operations. The MOU and commitment of funds is to be renewed annually.

L. Subsequent Events

One May 1, 2015, Black Stone Minerals, LP, one of the Fund's investments in partnership interests, held an initial public offering on the New York Stock Exchange.

SUPPLEMENTAL INFORMATION

HARRIS AND ELIZA KEMPNER FUND

SCHEDULE OF PROGRAM EXPENSES - MODIFIED CASH BASIS

For the Year Ended December 31, 2014

(with comparative totals for the year ended December 31, 2013)

	2014			
	Main	KCM Fixed	J.B.	Kempner
	Fund	Income	Kempner	Park
	Fund	Fund	Fund	Fund
Program Expenses				
Collection	\$ 4,393	\$ -	\$ -	\$ -
Foreign taxes	10,329	-	2,014	157
Grants	1,386,911	-	304,416	14,728
Investment and management	359,913	11,399	41,764	1,536
Matching gift program	280,356	-	-	-
Total Program Expenses	<u>\$ 2,041,902</u>	<u>\$ 11,399</u>	<u>\$348,194</u>	<u>\$ 16,421</u>

2014				2013
Jennifer Ezell Fund	Student Loan Fund	Plant Fund	Totals	Totals
\$ -	\$ -	\$ -	\$ 4,393	\$ 3,094
93	-	-	12,593	15,069
8,811	-	-	1,714,866	1,540,900
1,328	-	-	415,940	343,687
-	-	-	280,356	296,832
<u>\$ 10,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,428,148</u>	<u>\$ 2,199,582</u>

HARRIS AND ELIZA KEMPNER FUND

**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES -
MODIFIED CASH BASIS**

For the Year Ended December 31, 2014

(with comparative totals for the year ended December 31, 2013)

	2014			
	Main Fund	KCM Fixed Income Fund	Parkland Apartments Fund	J.B. Kempner Fund
General and Administrative Expenses:				
Accounting	\$ 22,793	\$ 1,575	\$ -	\$ 4,656
Audit	11,105	762	-	2,254
Entertainment	560	38	-	114
Excise and other tax	90,159	6,188	-	18,297
Insurance	24,520	1,683	-	4,976
Legal	-	-	-	-
Memberships	2,400	165	-	487
Miscellaneous	764	52	-	155
Office equipment	13,535	929	-	2,747
Office rent	8,924	612	-	1,811
Office supplies	723	50	-	147
Payroll expenses	141,754	9,729	-	28,767
Payroll taxes	10,980	754	-	2,228
Parking	1,197	82	-	243
Retirement plan and profit sharing	14,217	976	-	2,885
Registration	2,938	202	-	596
Printed material	195	13	-	40
Loss on disposition of assets	-	-	-	-
Travel	11,325	777	-	2,298
Total General and Administrative Expenses	\$ 358,089	\$ 24,587	\$ -	\$ 72,700

2014					2013
Kempner Park Fund	Jennifer Ezell Fund	Student Loan Fund	Plant Fund	Totals	Totals
\$ 227	\$ 133	\$ 159	\$ -	\$ 29,543	\$ 43,133
110	64	4	-	14,300	15,000
6	3	0	-	721	967
894	522	35	-	116,095	79,497
243	142	9	-	31,573	46,451
-	-	-	-	-	2,765
24	14	1	-	3,090	2,375
8	4	0	-	984	1,044
134	78	5	-	17,428	18,146
88	52	3	-	11,491	11,337
7	4	0	-	931	878
1,405	821	55	-	182,532	178,269
109	64	4	-	14,139	13,735
12	7	0	-	1,541	1,316
141	82	5	-	18,307	17,358
29	17	1	-	3,783	3,063
2	1	0	-	251	204
-	-	-	16,172	16,172	-
112	66	4	-	14,583	8,886
<u>\$ 3,552</u>	<u>\$ 2,076</u>	<u>\$ 288</u>	<u>\$ 16,172</u>	<u>\$ 477,464</u>	<u>\$ 444,424</u>