

**FOUNDATION FOR TENNESSEE CHESS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009  
(unaudited)**

COMPILED BY: Wallace & Bowers  
Certified Public Accountants  
95 White Bridge Road  
Suite 308  
Nashville, TN 37205  
615/352-1555

*Wallace & Bowers*

CERTIFIED PUBLIC ACCOUNTANTS  
95 WHITE BRIDGE ROAD, SUITE 308  
NASHVILLE, TENNESSEE 37205

615/352-1555

Foundation for Tennessee Chess  
2911 Belmont Blvd  
Nashville, TN 37212

We have compiled the accompanying balance sheet of Foundation for Tennessee Chess, a non-profit corporation, as of December 31, 2009, and the related statement of income, for the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

Management has elected to omit substantially all of the disclosures and statement of retained earnings required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and changes in cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Sincerely,



Wallace & Bowers  
Certified Public Accountants  
January 18, 2010

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Accrual Basis

**Nashville Chess Center**  
**Balance Sheet Prev Period Comparison**  
As of December 31, 2009

|                                              | <u>Dec 31, 09</u> | <u>Nov 30, 09</u> | <u>\$ Change</u> |
|----------------------------------------------|-------------------|-------------------|------------------|
| <b>ASSETS</b>                                |                   |                   |                  |
| <b>Current Assets</b>                        |                   |                   |                  |
| Checking/Savings                             |                   |                   |                  |
| US Bank checking                             | 31,973.42         | 42,526.43         | -10,553.01       |
| <b>Total Checking/Savings</b>                | 31,973.42         | 42,526.43         | -10,553.01       |
| Other Current Assets                         |                   |                   |                  |
| NSF CHECKS                                   | 0.00              | 250.00            | -250.00          |
| <b>Total Other Current Assets</b>            | 0.00              | 250.00            | -250.00          |
| <b>Total Current Assets</b>                  | 31,973.42         | 42,776.43         | -10,803.01       |
| <b>Fixed Assets</b>                          |                   |                   |                  |
| Accumulated Depreciation                     | -72,838.00        | -71,997.15        | -840.85          |
| Building                                     | 393,543.00        | 393,543.00        | 0.00             |
| Computers                                    | 491.60            | 491.60            | 0.00             |
| Equipment                                    | 722.98            | 722.98            | 0.00             |
| Land                                         | 100,000.00        | 100,000.00        | 0.00             |
| <b>Total Fixed Assets</b>                    | 421,919.58        | 422,760.43        | -840.85          |
| <b>Other Assets</b>                          |                   |                   |                  |
| <b>Restricted Vanguard Investments</b>       |                   |                   |                  |
| <b>Bonds</b>                                 |                   |                   |                  |
| High - Yield Corp Fund Inv                   | 12,875.81         | 12,499.19         | 376.62           |
| Inter-Term Bond Index Inv                    | 14,789.72         | 14,955.28         | -165.56          |
| Inter-Term Invest- GR Inv                    | 70,095.48         | 70,095.48         | 0.00             |
| LifeStrategy Income Fund - 60%               | 4,117.82          | 4,099.21          | 18.61            |
| Short-Term Bond Index Inv                    | 6,191.89          | 6,215.66          | -23.77           |
| Short-Term Invest - GR INV                   | 13,984.97         | 13,932.15         | 52.82            |
| <b>Total Bonds</b>                           | 122,055.69        | 121,796.97        | 258.72           |
| <b>Short - Term Investments</b>              |                   |                   |                  |
| LifeStrategy Income Fund - 20%               | 1,497.40          | 1,490.63          | 6.77             |
| Prime Money Mkt Fund                         | 9,599.29          | 7,919.43          | 1,679.86         |
| <b>Total Short - Term Investments</b>        | 11,096.69         | 9,410.06          | 1,686.63         |
| <b>Stocks</b>                                |                   |                   |                  |
| Equity Income Fund Inv                       | 5,862.32          | 5,589.28          | 273.04           |
| LifeStrategy Income Fund - 20%               | 1,871.74          | 1,863.27          | 8.47             |
| <b>Total Stocks</b>                          | 7,734.06          | 7,452.55          | 281.51           |
| <b>Total Restricted Vanguard Investments</b> | 140,886.44        | 138,659.58        | 2,226.86         |
| <b>Total Other Assets</b>                    | 140,886.44        | 138,659.58        | 2,226.86         |
| <b>TOTAL ASSETS</b>                          | <u>594,779.44</u> | <u>604,196.44</u> | <u>-9,417.00</u> |

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**Nashville Chess Center**  
**Balance Sheet Prev Period Comparison**  
As of December 31, 2009

|                                       | <u>Dec 31, 09</u>        | <u>Nov 30, 09</u>        | <u>\$ Change</u>        |
|---------------------------------------|--------------------------|--------------------------|-------------------------|
| <b>LIABILITIES &amp; EQUITY</b>       |                          |                          |                         |
| Equity                                |                          |                          |                         |
| Prior Year Net Assets                 | 415,154.99               | 415,154.99               | 0.00                    |
| Restricted Net Assests                | 163,916.94               | 163,916.94               | 0.00                    |
| Net Income                            | 15,707.51                | 25,124.51                | -9,417.00               |
| <b>Total Equity</b>                   | <u>594,779.44</u>        | <u>604,196.44</u>        | <u>-9,417.00</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <u><b>594,779.44</b></u> | <u><b>604,196.44</b></u> | <u><b>-9,417.00</b></u> |

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# Nashville Chess Center

## Profit & Loss YTD Comparison

December 2009

|                                   | Dec 09   | Jan - Dec 09 |
|-----------------------------------|----------|--------------|
| <b>Ordinary Income/Expense</b>    |          |              |
| <b>Income</b>                     |          |              |
| Club Express                      | 135.00   | 1,885.00     |
| <b>Contributions Income</b>       |          |              |
| Alvin Harris                      | 1,000.00 | 1,000.00     |
| Buy a Square                      | 0.00     | 175.00       |
| Byron Smith                       | 0.00     | 5,000.00     |
| Donald Pierce                     | 0.00     | 30.00        |
| Dr. Martin Katahn                 | 0.00     | 5,000.00     |
| Felix Eckhardt                    | 0.00     | 15.00        |
| Gaylord                           | 0.00     | 500.00       |
| George Dean                       | 0.00     | 250.00       |
| Harry Sabine                      | 0.00     | 100.00       |
| Holy Rosary Academy               | 0.00     | 432.00       |
| Jessica Bridges                   | 0.00     | 50.00        |
| Karoly Mirnics                    | 0.00     | 1,000.00     |
| Leigh Anne Stewart                | 10.00    | 10.00        |
| Nashville Predators               | 0.00     | 10.00        |
| Ray Bowling                       | 0.00     | 50.00        |
| Southpoint Capital Advisors LP    | 0.00     | 1,000.00     |
| T&T Family Foundation             | 0.00     | 3,750.00     |
| The Memorial Foundation           | 0.00     | 5,000.00     |
| The Tennessee Trust               | 0.00     | 1,200.00     |
| Theresa Wilson                    | 0.00     | 150.00       |
| Tony & Helen Neglia               | 0.00     | 1,000.00     |
| Turner Family Foundation          | 0.00     | 5,000.00     |
| Walmart Neighborhood Market       | 0.00     | 500.00       |
| <b>Total Contributions Income</b> | 1,010.00 | 31,222.00    |
| <b>Fees</b>                       |          |              |
| <b>Camps</b>                      |          |              |
| GM Camp                           | 0.00     | 0.00         |
| Labor Day Camp                    | 0.00     | 334.69       |
| MLK Camp                          | 0.00     | 1,490.00     |
| NCC Summer Camp                   | 0.00     | 18,620.00    |
| Presidents Day Camp               | 0.00     | 1,380.00     |
| Shopping Camp                     | -120.00  | 60.00        |
| Winter Camp                       | 1,775.00 | 1,805.00     |
| <b>Total Camps</b>                | 1,655.00 | 23,689.69    |
| <b>NCC Membership</b>             | 275.00   | 3,557.00     |
| <b>Tournaments</b>                |          |              |
| February Swiss                    | 0.00     | 135.00       |
| Harding Scholastics               | 0.00     | 1,684.00     |
| Meigs Scholastics                 | 1,250.00 | 1,860.00     |
| Music City Fall scholastic        | 520.00   | 960.00       |
| USN Scholastics                   | 0.00     | 1,900.00     |
| Tournaments - Other               | 0.00     | 945.00       |
| <b>Total Tournaments</b>          | 1,770.00 | 7,484.00     |
| <b>Total Fees</b>                 | 3,700.00 | 34,730.69    |
| <b>Grants</b>                     | 0.00     | 350.00       |

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**Nashville Chess Center**  
**Profit & Loss YTD Comparison**  
December 2009

|                           | Dec 09    | Jan - Dec 09 |
|---------------------------|-----------|--------------|
| Investment Income         |           |              |
| Dividend Income           | 872.15    | 3,498.49     |
| Long-Term Cap Gains       | 807.71    | 3,060.06     |
| Unrealized Gains(Losses)  | 547.00    | 12,758.71    |
| Total Investment Income   | 2,226.86  | 19,317.26    |
| Membership Dues           | 0.00      | 0.00         |
| Miscellaneous Income      | 110.00    | 130.00       |
| Program Fees              |           |              |
| Currey Ingram             | 0.00      | 3,600.00     |
| Eakin Program             | 0.00      | 3,200.00     |
| Ensworth School           | 0.00      | 3,000.00     |
| FRA                       | 0.00      | 2,750.00     |
| Harding                   | 0.00      | 3,450.00     |
| Holy Rosary               | 0.00      | 3,218.00     |
| Hume Fogg High School     | 0.00      | 2,100.00     |
| Indian Lake Elementary    | 0.00      | 2,450.00     |
| Julia Green Elem.         | 0.00      | 2,400.00     |
| Linden Corner             | 0.00      | 1,100.00     |
| OverBrook                 | 0.00      | 2,500.00     |
| Pope John Paul II         | 0.00      | 2,600.00     |
| St Edwards School         | 0.00      | 2,050.00     |
| St Paul Christian Academy | 0.00      | 3,000.00     |
| USN                       | 0.00      | 4,100.00     |
| Total Program Fees        | 0.00      | 41,518.00    |
| Rental Income             | 750.00    | 8,250.00     |
| USCF Membership Fees      | 388.00    | 915.00       |
| Total Income              | 8,319.86  | 138,317.95   |
| Expense                   |           |              |
| Bank Service Charges      | 0.00      | 84.50        |
| Contract Labor            | 12,585.09 | 73,717.70    |
| Depreciation Expense      | 840.85    | 10,090.00    |
| Groundskeeping            | 0.00      | 670.00       |
| Insurance                 |           |              |
| Liability Insurance       | 284.82    | 2,753.33     |
| Total Insurance           | 284.82    | 2,753.33     |
| Internet                  | 112.15    | 1,363.20     |
| Licenses and Permits      | 0.00      | 200.00       |
| Meals and Entertainment   | 0.00      | 133.79       |
| Miscellaneous             | 0.00      | 1,015.30     |
| Office Supplies           | 141.52    | 813.06       |
| Postage and Delivery      | 1.39      | 29.53        |
| Printing and Reproduction | 0.00      | 735.00       |
| Prizes - Cash             | 212.55    | 1,195.93     |
| Prizes - Non-Cash         |           |              |
| Trophies                  | 1,304.00  | 3,374.94     |
| Total Prizes - Non-Cash   | 1,304.00  | 3,374.94     |
| Professional Fees         |           |              |
| Accounting                | 300.00    | 4,100.00     |

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**Nashville Chess Center**  
**Profit & Loss YTD Comparison**  
December 2009

|                         | Dec 09    | Jan - Dec 09 |
|-------------------------|-----------|--------------|
| Consulting              | 500.00    | 6,000.00     |
| Total Professional Fees | 800.00    | 10,100.00    |
| Program Expense         | 121.92    | 826.37       |
| Repairs                 |           |              |
| Building Repairs        | 80.00     | 743.42       |
| Equipment Repairs       | 0.00      | 158.75       |
| Repairs - Other         | 0.00      | 160.00       |
| Total Repairs           | 80.00     | 1,062.17     |
| Supplies                | 0.00      | 601.80       |
| Taxes                   |           |              |
| Real Estate Tax         | 0.00      | 5,166.51     |
| Tax                     | 0.00      | 12.39        |
| Tax Filing Fee          | 0.00      | 21.42        |
| Total Taxes             | 0.00      | 5,200.32     |
| Telephone               | 96.56     | 1,128.79     |
| USCF                    |           |              |
| Affiliate Dues          | 0.00      | 327.00       |
| Membership Fees         | 307.00    | 877.00       |
| Rating Fees             | 134.75    | 684.25       |
| Total USCF              | 441.75    | 1,888.25     |
| Utilities               |           |              |
| Gas and Electric        | 634.53    | 5,138.50     |
| Water                   | 80.04     | 661.59       |
| Total Utilities         | 714.57    | 5,800.09     |
| Total Expense           | 17,737.17 | 122,784.07   |
| Net Ordinary Income     | -9,417.31 | 15,533.88    |
| Other Income/Expense    |           |              |
| Other Income            |           |              |
| Interest Income         | 0.31      | 25.63        |
| Other Income            | 0.00      | 148.00       |
| Total Other Income      | 0.31      | 173.63       |
| Net Other Income        | 0.31      | 173.63       |
| Net Income              | -9,417.00 | 15,707.51    |

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Accrual Basis

**Nashville Chess Center**  
**Profit & Loss Prev Period Comparison**  
 January through December 2009

|                                | <u>Jan - Dec 09</u> | <u>Jan - Dec 08</u> | <u>\$ Change</u> |
|--------------------------------|---------------------|---------------------|------------------|
| Ordinary Income/Expense        |                     |                     |                  |
| Income                         |                     |                     |                  |
| Club Express                   | 1,885.00            | 1,864.55            | 20.45            |
| Contributions Income           |                     |                     |                  |
| Alvin Harris                   | 1,000.00            | 1,040.00            | -40.00           |
| BOA Charitable Foundation      | 0.00                | 150.00              | -150.00          |
| Buy a Square                   | 175.00              | 0.00                | 175.00           |
| Byron Smith                    | 5,000.00            | 1,000.00            | 4,000.00         |
| Charles & Anne Roos            | 0.00                | 150.00              | -150.00          |
| Charlie McMillan               | 0.00                | 10.00               | -10.00           |
| Dale Randels                   | 0.00                | 85.44               | -85.44           |
| Donald Pierce                  | 30.00               | 0.00                | 30.00            |
| Dr. Martin Katahn              | 5,000.00            | 0.00                | 5,000.00         |
| Emma Broadie                   | 0.00                | 60.00               | -60.00           |
| Felix Eckhardt                 | 15.00               | 0.00                | 15.00            |
| Fred Cassity                   | 0.00                | 1,000.00            | -1,000.00        |
| Gaylord                        | 500.00              | 1,000.00            | -500.00          |
| George Dean                    | 250.00              | 140.00              | 110.00           |
| Harry Sabine                   | 100.00              | 0.00                | 100.00           |
| Holy Rosary Academy            | 432.00              | 0.00                | 432.00           |
| Ina Hubbard                    | 0.00                | 100.00              | -100.00          |
| Ingram Book Company            | 0.00                | 100.00              | -100.00          |
| James Dickson                  | 0.00                | 1,000.00            | -1,000.00        |
| Jessica Bridges                | 50.00               | 0.00                | 50.00            |
| Jim Lech                       | 0.00                | 40.00               | -40.00           |
| Joel Keels                     | 0.00                | 10.00               | -10.00           |
| Joseph-Beth Booksellers        | 0.00                | 337.09              | -337.09          |
| Julia Green Chess Club         | 0.00                | 850.00              | -850.00          |
| Karoly Mirnics                 | 1,000.00            | 1,010.00            | -10.00           |
| Kathryn Andreen                | 0.00                | 50.00               | -50.00           |
| Kirk & Stefanie Porter         | 0.00                | 150.00              | -150.00          |
| L.O. Heidtke                   | 0.00                | 1,000.00            | -1,000.00        |
| Laura S. Fitzgerald Cooper     | 0.00                | 2,400.00            | -2,400.00        |
| Leigh Anne Stewart             | 10.00               | 0.00                | 10.00            |
| Lindsey Scruggs                | 0.00                | 20.00               | -20.00           |
| Mark & Mary Ellen Pickrell     | 0.00                | 450.00              | -450.00          |
| Nance Family                   | 0.00                | 25.00               | -25.00           |
| Nancy Hodes                    | 0.00                | 70.00               | -70.00           |
| Nashville Predators            | 10.00               | 1,000.00            | -990.00          |
| Parents of Alexander Qin       | 0.00                | 30.00               | -30.00           |
| Perian Strang                  | 0.00                | 1,000.00            | -1,000.00        |
| Peter Cialegia                 | 0.00                | 20.00               | -20.00           |
| Ray Bowling                    | 50.00               | 0.00                | 50.00            |
| Reed Boeger                    | 0.00                | 5.00                | -5.00            |
| Rick Telleri                   | 0.00                | 25.00               | -25.00           |
| Sam Strang                     | 0.00                | 40.00               | -40.00           |
| Southpoint Capital Advisors LP | 1,000.00            | 0.00                | 1,000.00         |
| T&T Family Foundation          | 3,750.00            | 3,750.00            | 0.00             |
| Tanner Jacobson                | 0.00                | 20.00               | -20.00           |
| The Memorial Foundation        | 5,000.00            | 4,000.00            | 1,000.00         |
| The Tennessee Trust            | 1,200.00            | 0.00                | 1,200.00         |
| Theresa Wilson                 | 150.00              | 50.00               | 100.00           |
| Tim Cooper                     | 0.00                | 40.00               | -40.00           |



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Accrual Basis

**Nashville Chess Center**  
**Profit & Loss Prev Period Comparison**  
 January through December 2009

|                                   | Jan - Dec 09     | Jan - Dec 08     | \$ Change        |
|-----------------------------------|------------------|------------------|------------------|
| Todd Andrews                      | 0.00             | 20.00            | -20.00           |
| Tony & Helen Neglia               | 1,000.00         | 1,040.00         | -40.00           |
| Turner Family Foundation          | 5,000.00         | 0.00             | 5,000.00         |
| Vidya Rao                         | 0.00             | 25.00            | -25.00           |
| Walmart Neighborhood Market       | 500.00           | 0.00             | 500.00           |
| Wang Fu                           | 0.00             | 10.00            | -10.00           |
| Wei Zheng                         | 0.00             | 50.00            | -50.00           |
| <b>Total Contributions Income</b> | <b>31,222.00</b> | <b>23,372.53</b> | <b>7,849.47</b>  |
| Donation Match-Dr. Katahn         | 0.00             | 19,372.44        | -19,372.44       |
| <b>Fees</b>                       |                  |                  |                  |
| <b>Camps</b>                      |                  |                  |                  |
| GM Camp                           | 0.00             | 0.00             | 0.00             |
| Labor Day Camp                    | 334.69           | 0.00             | 334.69           |
| MLK Camp                          | 1,490.00         | 35.00            | 1,455.00         |
| NCC Summer Camp                   | 18,620.00        | 0.00             | 18,620.00        |
| Presidents Day Camp               | 1,380.00         | 0.00             | 1,380.00         |
| Shopping Camp                     | 60.00            | 635.00           | -575.00          |
| Winter Camp                       | 1,805.00         | 0.00             | 1,805.00         |
| Camps - Other                     | 0.00             | 16,176.00        | -16,176.00       |
| <b>Total Camps</b>                | <b>23,689.69</b> | <b>16,846.00</b> | <b>6,843.69</b>  |
| <b>NCC Membership</b>             | <b>3,557.00</b>  | <b>2,500.00</b>  | <b>1,057.00</b>  |
| <b>Tournaments</b>                |                  |                  |                  |
| City #2 Amateur                   | 0.00             | 285.00           | -285.00          |
| February Swiss                    | 135.00           | 0.00             | 135.00           |
| Harding Scholastics               | 1,684.00         | 1,400.00         | 284.00           |
| Meigs Scholastics                 | 1,860.00         | 1,734.00         | 126.00           |
| Music City Fall scholastic        | 960.00           | 0.00             | 960.00           |
| Qualifier #1                      | 0.00             | 215.00           | -215.00          |
| USN Scholastics                   | 1,900.00         | 1,010.00         | 890.00           |
| Tournaments - Other               | 945.00           | 2,206.00         | -1,261.00        |
| <b>Total Tournaments</b>          | <b>7,484.00</b>  | <b>6,850.00</b>  | <b>634.00</b>    |
| <b>Total Fees</b>                 | <b>34,730.69</b> | <b>26,196.00</b> | <b>8,534.69</b>  |
| Grants                            | 350.00           | 0.00             | 350.00           |
| <b>Investment Income</b>          |                  |                  |                  |
| Dividend Income                   | 3,498.49         | 4,497.36         | -998.87          |
| Long-Term Cap Gains               | 3,060.06         | 2,794.77         | 265.29           |
| Unrealized Gains(Losses)          | 12,758.71        | -17,142.20       | 29,900.91        |
| <b>Total Investment Income</b>    | <b>19,317.26</b> | <b>-9,850.07</b> | <b>29,167.33</b> |
| Membership Dues                   | 0.00             | 216.00           | -216.00          |
| <b>Miscellaneous Income</b>       |                  |                  |                  |
| United Way of Metropolitan Nash   | 0.00             | 18.55            | -18.55           |
| Miscellaneous Income - Other      | 130.00           | 36.00            | 94.00            |
| <b>Total Miscellaneous Income</b> | <b>130.00</b>    | <b>54.55</b>     | <b>75.45</b>     |
| <b>Program Fees</b>               |                  |                  |                  |
| Currey Ingram                     | 3,600.00         | 4,075.00         | -475.00          |
| Eakin Program                     | 3,200.00         | 2,000.00         | 1,200.00         |
| Ensworth School                   | 3,000.00         | 1,500.00         | 1,500.00         |

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Accrual Basis

**Nashville Chess Center**  
**Profit & Loss Prev Period Comparison**  
January through December 2009

|                                | Jan - Dec 09      | Jan - Dec 08      | \$ Change        |
|--------------------------------|-------------------|-------------------|------------------|
| FRA                            | 2,750.00          | 2,600.00          | 150.00           |
| Harding                        | 3,450.00          | 3,160.00          | 290.00           |
| Head Magnet                    | 0.00              | 2,400.00          | -2,400.00        |
| Holy Rosary                    | 3,218.00          | 0.00              | 3,218.00         |
| Hume Fogg High School          | 2,100.00          | 2,400.00          | -300.00          |
| Indian Lake Elementary         | 2,450.00          | 2,710.00          | -260.00          |
| Julia Green Elem.              | 2,400.00          | 2,400.00          | 0.00             |
| Linden Corner                  | 1,100.00          | 2,100.00          | -1,000.00        |
| OverBrook                      | 2,500.00          | 0.00              | 2,500.00         |
| Pope John Paul II              | 2,600.00          | 2,500.00          | 100.00           |
| St Edwards School              | 2,050.00          | 0.00              | 2,050.00         |
| St Paul Christian Academy      | 3,000.00          | 0.00              | 3,000.00         |
| USN                            | 4,100.00          | 4,100.00          | 0.00             |
| <b>Total Program Fees</b>      | <b>41,518.00</b>  | <b>31,945.00</b>  | <b>9,573.00</b>  |
| Rental Income                  | 8,250.00          | 9,000.00          | -750.00          |
| USCF Membership Fees           | 915.00            | 116.00            | 799.00           |
| <b>Total Income</b>            | <b>138,317.95</b> | <b>102,287.00</b> | <b>36,030.95</b> |
| <b>Expense</b>                 |                   |                   |                  |
| Bank Service Charges           | 84.50             | 8.42              | 76.08            |
| Contract Labor                 | 73,717.70         | 62,954.60         | 10,763.10        |
| Contributions                  | 0.00              | 50.00             | -50.00           |
| Depreciation Expense           | 10,090.00         | 10,090.00         | 0.00             |
| Groundskeeping                 | 670.00            | 820.00            | -150.00          |
| Insurance                      |                   |                   |                  |
| Liability Insurance            | 2,753.33          | 3,232.44          | -479.11          |
| <b>Total Insurance</b>         | <b>2,753.33</b>   | <b>3,232.44</b>   | <b>-479.11</b>   |
| Internet                       | 1,363.20          | 934.87            | 428.33           |
| Licenses and Permits           | 200.00            | 20.00             | 180.00           |
| Meals and Entertainment        | 133.79            | 325.20            | -191.41          |
| Miscellaneous                  | 1,015.30          | 13.09             | 1,002.21         |
| Office Supplies                | 813.06            | 0.00              | 813.06           |
| Postage and Delivery           | 29.53             | 88.97             | -59.44           |
| Printing and Reproduction      | 735.00            | 900.00            | -165.00          |
| Prizes - Cash                  | 1,195.93          | 1,263.15          | -67.22           |
| Prizes - Non-Cash              |                   |                   |                  |
| Trophies                       | 3,374.94          | 2,736.70          | 638.24           |
| <b>Total Prizes - Non-Cash</b> | <b>3,374.94</b>   | <b>2,736.70</b>   | <b>638.24</b>    |
| <b>Professional Fees</b>       |                   |                   |                  |
| Accounting                     | 4,100.00          | 4,175.32          | -75.32           |
| Consulting                     | 6,000.00          | 6,500.00          | -500.00          |
| Legal Fees                     | 0.00              | 54.62             | -54.62           |
| <b>Total Professional Fees</b> | <b>10,100.00</b>  | <b>10,729.94</b>  | <b>-629.94</b>   |
| <b>Program Expense</b>         | <b>826.37</b>     | <b>357.56</b>     | <b>468.81</b>    |
| <b>Repairs</b>                 |                   |                   |                  |
| Building Repairs               | 743.42            | 1,398.53          | -655.11          |
| Equipment Repairs              | 158.75            | 524.37            | -365.62          |
| Repairs - Other                | 160.00            | 0.00              | 160.00           |

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Accrual Basis

**Nashville Chess Center**  
**Profit & Loss Prev Period Comparison**  
 January through December 2009

|                      | <u>Jan - Dec 09</u> | <u>Jan - Dec 08</u> | <u>\$ Change</u> |
|----------------------|---------------------|---------------------|------------------|
| Total Repairs        | 1,062.17            | 1,922.90            | -860.73          |
| Supplies             |                     |                     |                  |
| Office               | 0.00                | 557.66              | -557.66          |
| Supplies - Other     | 601.80              | 1,663.52            | -1,061.72        |
| Total Supplies       | 601.80              | 2,221.18            | -1,619.38        |
| Taxes                |                     |                     |                  |
| Real Estate Tax      | 5,166.51            | 5,166.51            | 0.00             |
| Tax                  | 12.39               | 422.14              | -409.75          |
| Tax Filing Fee       | 21.42               | 450.00              | -428.58          |
| Total Taxes          | 5,200.32            | 6,038.65            | -838.33          |
| Telephone            | 1,128.79            | 1,124.64            | 4.15             |
| USCF                 |                     |                     |                  |
| Affiliate Dues       | 327.00              | 230.00              | 97.00            |
| Membership Fees      | 877.00              | 57.25               | 819.75           |
| Rating Fees          | 684.25              | 509.00              | 175.25           |
| Total USCF           | 1,888.25            | 796.25              | 1,092.00         |
| Utilities            |                     |                     |                  |
| Gas and Electric     | 5,138.50            | 4,765.72            | 372.78           |
| Internet/Cable TV    | 0.00                | 353.70              | -353.70          |
| Water                | 661.59              | 540.19              | 121.40           |
| Total Utilities      | 5,800.09            | 5,659.61            | 140.48           |
| Total Expense        | 122,784.07          | 112,288.17          | 10,495.90        |
| Net Ordinary Income  | 15,533.88           | -10,001.17          | 25,535.05        |
| Other Income/Expense |                     |                     |                  |
| Other Income         |                     |                     |                  |
| Interest Income      | 25.63               | 15.51               | 10.12            |
| Other Income         | 148.00              | 54.00               | 94.00            |
| Total Other Income   | 173.63              | 69.51               | 104.12           |
| Net Other Income     | 173.63              | 69.51               | 104.12           |
| Net Income           | <u>15,707.51</u>    | <u>-9,931.66</u>    | <u>25,639.17</u> |

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**Nashville Chess Center**  
**Statement of Cash Flows**  
 January through December 2009

|                                                  | <u>Jan - Dec 09</u> |
|--------------------------------------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                      |                     |
| Net Income                                       | 15,707.51           |
| Net cash provided by Operating Activities        | 15,707.51           |
| <b>INVESTING ACTIVITIES</b>                      |                     |
| Accumulated Depreciation                         | 10,090.00           |
| Computers                                        | -491.60             |
| Equipment                                        | -722.98             |
| Restricted Vanguard Investments:Bonds:High -...  | -2,824.67           |
| Restricted Vanguard Investments:Bonds:Inter-...  | -303.52             |
| Restricted Vanguard Investments:Bonds:Inter-...  | -7,067.84           |
| Restricted Vanguard Investments:Bonds:LifeSt...  | 22.30               |
| Restricted Vanguard Investments:Bonds:Short...   | -83.20              |
| Restricted Vanguard Investments:Bonds:Short...   | -1,214.93           |
| Restricted Vanguard Investments:Short - Term ... | -117.36             |
| Restricted Vanguard Investments:Short - Term ... | -6,558.55           |
| Restricted Vanguard Investments:Stocks:Equit...  | -677.78             |
| Restricted Vanguard Investments:Stocks:LifeS...  | -491.71             |
| Utility Deposit-Gas                              | 795.00              |
| Net cash provided by Investing Activities        | -9,646.84           |
| Net cash increase for period                     | 6,060.67            |
| Cash at beginning of period                      | 25,912.75           |
| Cash at end of period                            | <u>31,973.42</u>    |