

**Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation  
and  
Tennessee Conservation League Foundation, Inc.**

**Consolidated Financial Statements  
Additional Information  
and  
Independent Auditors' Report**

**December 31, 2006**

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*McKerley & Noonan, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report**

To the Board of Directors of  
The Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation and Tennessee Conservation League Foundation, Inc.  
Nashville, Tennessee

We have audited the accompanying consolidated statement of financial position of the Tennessee Conservation League d/b/a Tennessee Wildlife Federation and the Tennessee Conservation League Foundation, Inc. (nonprofit organizations, collectively the "Organization") as of December 31, 2006 and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Conservation League d/b/a Tennessee Wildlife Federation and Tennessee Conservation League Foundation, Inc. as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying additional information on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information for 2006 has been subjected to the auditing procedures applied in the audit of the 2006 consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2006 consolidated financial statements taken as a whole.

*McKerley & Noonan*

McKerley & Noonan, P.C.  
June 18, 2007

**Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation  
and  
Tennessee Conservation League Foundation, Inc.  
Consolidated Statement of Financial Position  
December 31, 2006**

**Assets**

<b>Assets</b>	
Cash in Bank	\$ 207,839
Investments (Note 3)	94,633
Pledges Receivable, Net of Unamortized Discount (Note 4)	91,162
Accounts Receivable	53,684
Property and Equipment at Cost, Less Accumulated Depreciation (Note 5)	200,633
Prepays	<u>1,998</u>
<b>Total Assets</b>	<u><u>\$ 649,949</u></u>

**Liabilities and Net Assets**

<b>Liabilities</b>	
Accounts Payable	\$ 28,478
Accrued Payroll Liabilities	10,829
Loan Payable (Note 6)	25,000
Credit Card Payable	<u>112</u>
<b>Total Liabilities</b>	64,419
 <b>Net Assets</b>	
Unrestricted	102,196
Temporarily Restricted (Note 7)	283,334
Permanently Restricted (Note 8)	<u>200,000</u>
<b>Total Net Assets</b>	<u><u>585,530</u></u>
 <b>Total Liabilities and Net Assets</b>	 <u><u>\$ 649,949</u></u>

**Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation  
and  
Tennessee Conservation League Foundation, Inc.  
Consolidated Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2006**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>				
Membership Dues and Contributions	\$ 124,472	\$ 120,945	\$ -	\$ 245,417
Foundation & State Grant Revenue	197,489	21,944	-	219,433
Special Events and Activities	287,880	19,000	-	306,880
Investment Income	17,103	-	-	17,103
Rental Income	28,695	-	-	28,695
Miscellaneous Income	11,773	-	-	11,773
Net Assets Released from Restrictions	179,065	(179,065)	-	-
<b>Total Support and Revenue</b>	<u>846,477</u>	<u>(17,176)</u>	<u>-</u>	<u>829,301</u>
<b>Program Services</b>				
Education and Outreach	656,536	-	-	656,536
<b>Total Program Services</b>	<u>656,536</u>	<u>-</u>	<u>-</u>	<u>656,536</u>
<b>Supporting Services</b>				
Management and General	43,106	-	-	43,106
Fundraising	130,630	-	-	130,630
<b>Total Supporting Services</b>	<u>173,736</u>	<u>-</u>	<u>-</u>	<u>173,736</u>
<b>Total Expenses</b>	<u>830,272</u>	<u>-</u>	<u>-</u>	<u>830,272</u>
<b>Change in Net Assets</b>	16,205	(17,176)	-	(971)
<b>Net Assets, Beginning of Year</b>	<u>85,991</u>	<u>300,510</u>	<u>200,000</u>	<u>586,501</u>
<b>Net Assets, End of Year</b>	<u>\$ 102,196</u>	<u>\$ 283,334</u>	<u>\$ 200,000</u>	<u>\$ 585,530</u>

**Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation  
and  
Tennessee Conservation League Foundation, Inc.  
Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2006**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ (971)
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</b>	
Depreciation	35,692
Decrease in Pledges Receivable	46,725
Decrease in Accounts Receivable	49,126
Increase in Prepaid Expenses	(1,998)
Increase Accounts Payable and Accrued Payroll Liabilities	14,601
Decrease in Payable to the State of Tennessee	(25,215)
Decrease in Deferred Revenue	(100,000)
Total Adjustments	<u>18,931</u>
<b>Net Cash Provided by Operating Activities</b>	17,960
<b>Cash Flows from Investing Activities</b>	
Purchase of Investments	(7,837)
Purchase of Fixed Assets	(9,430)
<b>Net Cash Used by Investing Activities</b>	<u>(17,267)</u>
<b>Net Increase in Cash</b>	693
<b>Cash in Bank Beginning of Year</b>	<u>207,146</u>
<b>Cash in Bank End of Year</b>	<u><u>\$ 207,839</u></u>

**Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation  
and  
Tennessee Conservation League Foundation, Inc.  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2006**

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
	Education and Outreach	Management and General	Fund Raising	
Salaries	\$ 121,624	\$ 8,565	\$ 41,112	\$ 171,302
Payroll Taxes and Benefits	17,107	1,205	5,783	24,095
<b>Total Salaries and Related Expenses</b>	<b>138,732</b>	<b>9,770</b>	<b>46,895</b>	<b>195,397</b>
Occupancy	5,167	364	1,746	7,277
Contract Labor	1,958	138	662	2,758
Contracted Services	168,887	1,816	10,896	181,599
Dues and Subscriptions	3,032	1,576	1,455	6,063
Entertainment and Awards	7,870	-	7,562	15,432
Equipment Lease	3,014	212	1,019	4,245
Fees and Bank Charges	6,317	445	2,135	8,897
Merchandise and Supplies	137,459		36,540	173,999
Office Supplies	17,238	1,214	5,827	24,279
Postage and Freight	3,948	278	1,335	5,561
Printing	8,345	588	2,821	11,754
Processing Fees	21,517	-	-	21,517
Professional Fees	-	15,301	-	15,301
Program Coordination	8,087	-	-	8,087
Repairs and Maintenance	1,613	114	545	2,272
Scholarships & Grants	66,812	-	-	66,812
Travel and Meetings	28,134	9,378	3,262	40,774
Depreciation	26,591	1,785	7,317	35,692
Miscellaneous	1,815	128	613	2,556
<b>Total Expenses</b>	<b>656,536</b>	<b>43,106</b>	<b>130,630</b>	<b>830,272</b>
	79.07%	5.19%	15.73%	100.00%

**Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation and the Tennessee Conservation League Foundation, Inc.  
Notes to Consolidated Financial Statements  
December 31, 2006**

**Note 1 - Description and Purpose of Organization**

The Tennessee Conservation League d/b/a Tennessee Wildlife Federation (“TWF”) and the Tennessee Conservation League Foundation, Inc. (the “Foundation”) are Tennessee not-for-profit corporations. The Foundation was founded in 1977 solely for the use and benefit of the TWF. The TWF was founded in 1946 and is the largest Tennessee statewide non-profit organization dedicated to the conservation of wildlife and natural resources through stewardship, advocacy, and education. The mission of TWF is “to champion the conservation, sound management, and enjoyment of Tennessee’s wildlife and natural resources for current and future generations through stewardship, advocacy, and education.”

**Note 2 - Summary of Significant Accounting Policies**

The consolidated financial statements include the accounts of the TWF and the Foundation (collectively, the “Organization”) and have been prepared on the accrual basis of accounting, which means that revenues are recognized when earned and expenses are recorded when incurred. The financial statements are consolidated since the TWF has both an economic interest in the Foundation and control through the Foundation’s Board. All significant transactions and balances between the two organizations have been eliminated in consolidation. The significant accounting policies of the Organization are described below to enhance the usefulness of the consolidated financial statements to the reader.

Use of Estimates

The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments are carried at fair value based on the quoted market price on the last business day of the reporting period. Changes in unrealized gains and losses on investments are recognized in the statement of activities for the year.

Accounts Receivable

Accounts Receivable includes \$43,221 due from the State of Tennessee for the specialty license tag program for sales made in 2006. This amount was collected in early 2007.



**The Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation and Tennessee Conservation League Foundation, Inc.  
Notes to Consolidated Financial Statements  
December 31, 2006**

**Note 2 - Summary of Significant Accounting Policies (continued)**

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows (unless immaterial). Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible pledges has not been provided based on management's determination that all recorded pledges are fully collectible.

Property and Equipment

Property and equipment are recorded at cost, when purchased, or at estimated fair value, when gifted to the Organization. Significant additions and betterments are capitalized. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred. Depreciation is calculated by the straight-line method to allocate the cost of depreciable assets, as so determined, to operations over the estimated useful lives as follows:

Furniture and Equipment	3-7 Years
Program Services Equipment	5 Years
Building Improvements	10 Years
Building	20 Years

Financial Statement Presentation

For consolidated financial statement presentation, the Organization reports its financial information according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based on the existence or absence of donor-imposed restrictions.

- **Unrestricted Net Assets** – Unrestricted net assets are donations that are not subject to donor-imposed stipulations. Monies received without restriction or released from restriction are generally used to finance the normal day-to-day operations of the Organization.

**The Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation and Tennessee Conservation League Foundation, Inc.  
Notes to Consolidated Financial Statements  
December 31, 2006**

**Note 2 - Summary of Significant Accounting Policies (continued)**

Financial Statement Presentation (continued)

- **Temporarily Restricted Net Assets** – Temporarily restricted net assets are donations that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At December 31, 2006, temporarily restricted net assets of \$283,334 represent funds subject to various donor-imposed restrictions. (See Note 7).
- **Permanently Restricted Net Assets** – Permanently restricted net assets are donations subject to donor-imposed stipulations that they be maintained permanently by the Organization. Net assets of the Foundation in the amount of \$200,000 are permanently restricted as an endowment for the benefit of the TWF. All income of the Foundation is available for operations and programs of the TWF. (See Note 8).

Grant Revenue

Expenditure-driven grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant. Grant funds received prior to expenditure are recorded initially as deferred revenue.

Donated Goods and Services

The Organization reports any gifts of equipment or materials as unrestricted support, absent any explicit donor restrictions as to how the assets must be used. Gifts of long-lived assets and/or support that are restricted to the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Donated facilities and materials are recorded as gifts in the period received at their estimated fair value, if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance non-financial assets or if the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Organization if not donated. Such services are recognized at estimated fair value as support and expense in the period the services are performed.

**The Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation and Tennessee Conservation League Foundation, Inc.  
Notes to Consolidated Financial Statements  
December 31, 2006**

**Note 2 - Summary of Significant Accounting Policies (continued)**

Donated Goods and Services (continued)

Members of the Board have provided substantial assistance to the Organization by the donation of time and services. The value of this contribution is not reflected in the financial statements since it is not susceptible to objective measurement and valuation.

Program and Supporting Services

The following program and supporting services classifications are included in the accompanying financial statements:

Program Service

- Education and Outreach – Advocates sound natural resource policies, provides various educational programs that promote understanding of Tennessee’s environment, and encourages natural resource conservation and community planning that balances conservation needs with sound economic growth.

Supporting Services:

- Management and General – Relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or with fund raising, but are indispensable to the conduct of those activities and essential to the organization. Specific activities include organizational oversight, business management, record-keeping, budgeting, financing, and other administrative activities.
- Fund Raising – Includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitation and creation and distribution of fund raising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and non-financial data or reasonable subjective methods determined by management.

Income Taxes

The TWF and the Foundation qualify as not-for-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for federal or state income taxes is applicable.

**The Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation and Tennessee Conservation League Foundation, Inc.  
Notes to Consolidated Financial Statements  
December 31, 2006**

**Note 3 – Investments**

As of December 31, 2006, investments include \$94,633 of mutual funds in a mutual fund with a five star rating from Morningstar.

**Note 4 – Pledges Receivable**

Pledges receivable consisted of the following as of December 31, 2006:

Pledges Due in Less Than One Year	\$ 62,200
Pledges Due in One to Five Years	35,362
Total Pledges Outstanding	<u>97,562</u>
Less: Unamortized Discount Related to the Present Value of Estimated Future Cash Flows	(6,400)
Pledges Receivable, Net of Unamortized Discount	<u>\$91,162</u>

**Note 5 – Property and Equipment**

Property and Equipment consisted of the following as of December 31, 2006:

Land	\$ 66,193
Building	257,309
Furniture and Equipment	78,808
Program Services Equipment	80,011
Building Improvements	6,239
	<u>482,580</u>
Less Accumulated Depreciation	(287,927)
	<u>\$ 200,633</u>

**The Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation and Tennessee Conservation League Foundation, Inc.  
Notes to Consolidated Financial Statements  
December 31, 2006**

**Note 6 – Loan Payable**

In March 2001, the TWF obtained a \$25,000 non-interest-bearing loan from the National Ecological Foundation, with no repayment terms. The purpose of the loan was to cover the cost of a 50,000-piece direct mailing aimed at new member income and fund raising. The results of the initial mailing were significantly lower than anticipated, however, and the full direct mailing plan was not completed. On October 9, 2002, the National Ecological Foundation entered into a written agreement with the TWF that required the TWF to provide an updated report for the use of funds to date, along with a plan of action for use of the remaining funds and repayment of the entire loan by December 31, 2002. On January 15, 2003, the plan for the following year was submitted to the National Ecological Foundation, and the TWF was notified that repayment of the loan could be deferred until such time as the National Ecological Foundation requested repayment. Repayment of the loan has not been requested to date. A Board member of the National Ecological Foundation is also a Board member of the Foundation.

**Note 7 – Temporarily Restricted Net Assets**

Temporarily restricted net assets consisted of the following as of December 31, 2006:

Capital Campaign	\$229,813
Nature Link Program	12,138
Hunters for the Hungry Program	24,251
West Tennessee Youth Jamboree	9,915
Great Outdoors University	5,698
Youth Hunts	1,255
Project Wild Program	264
Total Temporarily Restricted Net Assets	<u>\$283,334</u>

**Note 8 – Permanently Restricted Net Assets**

Permanently restricted net assets consist of the net assets held in the Foundation. As of December 31, 2006, the sole assets of the Foundation are the land and building, which was acquired for the benefit of the TWF. The acquisition cost of this property was approximately \$323,000. At December 31, 2006, the net book value of the property was less than the \$200,000 permanently restricted endowment established. Management estimates that the fair value of this property exceeds \$200,000. In the event the property is ever sold for less than \$200,000, the TWF will be obligated to reimburse the Foundation for any deficit.

**The Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation and Tennessee Conservation League Foundation, Inc.  
Notes to Consolidated Financial Statements  
December 31, 2006**

**Note 9 – Operating Leases**

During 2005 the Organization rented out the ground floor of its building (approximately 50% of its space) to a medical organization for \$2,191 per month under a lease renewed in July 2006 through July 2007. The Organization also rents out one office upstairs on a month-to-month basis to an individual. The rent was \$200 per month through February 2006 and increased to \$220 for the remainder of 2006. Total rental income received from these arrangements in 2006 was \$28,695.

The Organization has operating leases for a copy machine and a postage meter. The lease payments for the copier are \$152 per month through May, 2008. The lease payments for the postage meter equal \$109 per month through April, 2011.

In April of 2006 the organization entered into a 36 month lease agreement for a truck to be used by the executive director. The lease payments for the truck are \$327.95 and the total payments for 2006 were \$2,624.

**Note 10 – Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and investments, pledges receivable, and accounts receivable. Cash balances are maintained with financial institutions and are insured up to \$100,000 by the Federal Deposit Insurance Corporation. Pledges and accounts receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources. Pledges from two donors (which are board members) comprise 82% of the ending balance of pledges receivable as of December 31, 2006.

From time to time throughout the year, the Organization's bank balances with financial institutions exceeded the FDIC-insured limits. Management considers this to be normal business risk. At December 31, 2006, the cash balances in the banks exceeded the \$100,000 FDIC insurance limit by approximately \$107,800.

**Note 11 – Pension Plan**

During 2006 the organization started a simple IRA for the employees. The plan calls for the organization to match 100% of elective deferrals by employee up to 1% of the employee's salary. The total cost for matching deferrals for 2006 was \$1,080.

**Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation  
and  
Tennessee Conservation League Foundation, Inc.  
Consolidating Schedule of Financial Position  
December 31, 2006**

<b>Assets</b>	<b>Tennessee Wildlife Federation</b>	<b>Tennessee Conservation League Foundation, Inc.</b>	<b>Consolidating Entries</b>	<b>Consolidated</b>
<b>Assets</b>				
Cash in Bank	\$ 207,839	\$ -	\$ -	\$ 207,839
Investments	94,633	-	-	94,633
Pledges Receivable, Net of Discount	91,162	-	-	91,162
Accounts Receivable	53,684	-	-	53,684
Property and Equipment at Cost, Less Accumulated Depreciation	57,386	143,247	-	200,633
Prepays	1,998	-	-	1,998
Receivable Due from TWF	-	56,753	(56,753)	-
<b>Total Assets</b>	<b>\$ 506,702</b>	<b>\$ 200,000</b>	<b>\$ (56,753)</b>	<b>\$ 649,949</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 28,478	\$ -	\$ -	28,478
Accrued Payroll Liabilities	10,829	-	-	10,829
Loan Payable	25,000	-	-	25,000
Credit Card Payable	112	-	-	112
Payable Due to the Foundation	56,753	-	(56,753)	-
<b>Total Liabilities</b>	<b>121,172</b>	<b>-</b>	<b>(56,753)</b>	<b>64,419</b>
<b>Commitments and Contingencies</b>				
<b>Net Assets</b>				
Unrestricted	102,196	-	-	302,196
Temporarily Restricted	283,334	-	-	283,334
Permanently Restricted	-	200,000	-	200,000
<b>Total Net Assets</b>	<b>385,530</b>	<b>200,000</b>	<b>-</b>	<b>785,530</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 506,702</b>	<b>\$ 200,000</b>	<b>\$ (56,753)</b>	<b>\$ 849,949</b>

**Tennessee Conservation League d/b/a  
Tennessee Wildlife Federation  
and  
Tennessee Conservation League Foundation, Inc.  
Consolidating Schedule of Activities and Changes in Net Assets  
For the Year Ended December 31, 2006**

	Tennessee Wildlife Federation	Tennessee Conservation League Foundation, Inc.	Consolidating Entries	Consolidated
<b>Support and Revenue</b>				
Membership Dues and Contributions	\$ 245,417	\$ -	\$ -	\$ 245,417
Foundation & State Grant Revenue	219,433	-	-	219,433
Special Events and Activities	306,880	-	-	306,880
Investment Income	17,103	-	-	17,103
Rental Income	28,695	-	-	28,695
Miscellaneous Income	11,773	-	-	11,773
<b>Total Support and Revenue</b>	<u>829,301</u>	<u>-</u>	<u>-</u>	<u>829,301</u>
<b>Expenses</b>				
Salaries	171,302	-	-	171,302
Payroll Taxes and Benefits	24,095	-	-	24,095
Occupancy	7,277	-	-	7,277
Contract Labor	2,758	-	-	2,758
Contracted Services	181,599	-	-	181,599
Dues and Subscriptions	6,063	-	-	6,063
Entertainment and Awards	15,432	-	-	15,432
Equipment Lease	4,245	-	-	4,245
Fees and Bank Charges	8,897	-	-	8,897
Merchandise & Supplies	173,999	-	-	173,999
Office Supplies & Expenses	24,279	-	-	24,279
Postage and Freight	5,561	-	-	5,561
Printing	11,754	-	-	11,754
Processing Fees	21,517	-	-	21,517
Professional Fees	8,087	-	-	15,301
Program Coordination	15,301	-	-	8,087
Repairs and Maintenance	2,272	-	-	2,272
Scholarships & Grants	66,812	-	-	66,812
Travel and Meetings	40,774	-	-	40,774
Miscellaneous	2,556	-	-	2,556
<b>Total Expenses Before Depreciation</b>	<u>794,580</u>	<u>-</u>	<u>-</u>	<u>794,580</u>
Depreciation	22,827	12,865	-	35,692
<b>Total Expenses</b>	<u>\$ 817,407</u>	<u>12,865</u>	<u>-</u>	<u>830,272</u>
<b>Change in Net Assets</b>	11,894	(12,865)	-	(971)
<b>Transfers</b>	(12,865)	12,865	-	-
<b>Net Assets, Beginning of Year</b>	<u>386,502</u>	<u>200,000</u>	<u>-</u>	<u>586,502</u>
<b>Net Assets, End of Year</b>	<u>385,531</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 585,531</u>

See Independent Auditors' Report