

**INTERNATIONAL ASSOCIATION
OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2017**

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
International Association of Exhibitions and Events, Inc.

We have audited the accompanying consolidated financial statements of International Association of Exhibitions and Events, Inc. and affiliate (nonprofit organizations), which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities and changes in net assets and cash flows 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 accounting principles generally accepted in the United States of America; this includes 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 purposes 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 consolidated financial position of International Association of Exhibitions and Events, Inc. as of September 30, 2017, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for the purpose 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Jox, Byrd + Company, P.C.

Dallas, Texas

December 13, 2017

INTERNATIONAL ASSOCIATION OF EXHIBITIONS
AND EVENTS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2017

ASSETS

CASH AND CASH EQUIVALENTS	\$ 670,965
INVESTMENTS	3,957,507
ACCOUNTS RECEIVABLE	
Accounts receivable	230,869
Pledges receivable	656,527
Other receivables	25,236
Allowance for doubtful accounts	(65,653)
	846,979
INVENTORY	4,296
PREPAID EXPENSES AND OTHER ASSETS	234,878
PROPERTY AND EQUIPMENT, net	350,548
	\$ 6,065,173

LIABILITIES AND NET ASSETS

ACCOUNTS PAYABLE	\$ 48,418
ACCRUED LIABILITIES	252,244
DEFERRED REVENUE	2,558,154
	2,858,816
NET ASSETS	
Unrestricted	2,479,891
Temporarily restricted	726,466
	3,206,357
	\$ 6,065,173

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL ASSOCIATION OF EXHIBITIONS
AND EVENTS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
For the Year Ended September 30, 2017

	<u>Unrestricted</u> <u>Net Assets</u>	<u>Temporarily</u> <u>Restricted</u> <u>Net Assets</u>	<u>Total</u> <u>Net Assets</u>
REVENUE			
Membership dues	\$ 1,430,798	\$ -	\$ 1,430,798
Meetings	3,403,157	-	3,403,157
Education	855,880	-	855,880
Publications and products	266,151	-	266,151
Fundraising	141,549	-	141,549
Other programs	43,040	-	43,040
Contributions	74,798	129,849	204,647
Investment income	286,554	20,084	306,638
Research revenue	37,448	-	37,448
Net assets released from restrictions	317,187	(317,187)	-
	<u>6,856,562</u>	<u>(167,254)</u>	<u>6,689,308</u>
EXPENSES			
Membership services	968,840	-	968,840
Meetings	2,952,101	-	2,952,101
Education	712,475	-	712,475
Publications and products	296,419	-	296,419
Fundraising	55,067	-	55,067
Program services	488,996	-	488,996
PR campaign	330,998	-	330,998
General and administrative	1,068,786	-	1,068,786
	<u>6,873,682</u>	<u>-</u>	<u>6,873,682</u>
NET REVENUE OVER			
(UNDER) EXPENSES	(17,120)	(167,254)	(184,374)
CONSOLIDATION OF AFFILIATE	<u>2,059,350</u>	<u>323,640</u>	<u>2,382,990</u>
CHANGE IN NET ASSETS	2,042,230	156,386	2,198,616
NET ASSETS, beginning of year	<u>437,661</u>	<u>570,080</u>	<u>1,007,741</u>
NET ASSETS, end of year	<u>\$ 2,479,891</u>	<u>\$ 726,466</u>	<u>\$ 3,206,357</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL ASSOCIATION OF EXHIBITIONS
AND EVENTS, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Revenues under expenses	\$ (184,374)
Adjustments to reconcile revenues under expenses to net cash used in operating activities:	
Net gain on investments	(306,638)
Depreciation	91,824
Changes in assets and liabilities:	
Accounts receivable	222,530
Due to or from affiliates	34,839
Inventory	7,540
Prepaid expenses and other assets	(77,500)
Accounts payable and accrued liabilities	61,712
Deferred revenue	91,813
Net cash used in operating activities	<u>(58,254)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(43,936)
Purchase of investments	(280,046)
Proceeds from sales of investments	283,380
Cash received in consolidation of affiliate	259,741
Net cash used in investing activities	<u>219,139</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	160,885
CASH AND CASH EQUIVALENTS, beginning of year	<u>510,080</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 670,965</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES	
Consolidation of subsidiary	\$ 2,123,249

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND ACTIVITIES

International Association of Exhibitions and Events, Inc. (IAEE) and its affiliate, Center for Exhibition Industry Research Foundation (CEIRF), (together, the Organization) are not-for-profit membership organizations. IAEE is exempt from income tax under Section 501(c)(6) of the U.S. Internal Revenue Code, and CEIRF is exempt from income tax under Section 501(c)(3). IAEE promotes the exhibitions and events industry throughout the world, provides for the education and professional growth of its members, and serves numerous chapter offices located throughout the United States. CEIRF funds and conducts research, education and industry promotion relevant to the exhibition and events industry.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Principles of consolidation

In December 2016, the governing boards of IAEE and CEIRF adopted transition plans intended to consolidate the governance, management and operations of the two already affiliated organizations. Effective January 1, 2017, the consolidated financial statements reflect the accounts of IAEE and CEIRF. All interrelated transactions and balances have been eliminated in consolidation.

Basis of presentation

Accounting principles generally accepted in the United States of America require the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets include those economic resources of the Organization which are expendable for any purpose in performing the primary objectives of the Organization. They are not subject to donor-imposed restrictions.

Temporarily restricted net assets include those assets whose use is limited by donor-imposed stipulations that expire by either passage of time or actions of the Organization. At September 30, 2017, temporarily restricted net assets comprised funds restricted for public relations and promotion of the industry in the amount of \$570,080 and funds restricted for scholarships and specific educational programs in the amount of \$323,640.

Permanently restricted net assets include donor-restricted funds that must be maintained permanently. The Organization did not have any permanently restricted net assets as of September 30, 2017.

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

The Organization considers all highly liquid instruments purchased with a remaining maturity of three months or less to be cash equivalents. The Organization places its cash and cash equivalents with high credit quality financial institutions in amounts that exceed federally insured limits. The Organization has not experienced any losses on such accounts.

Accounts receivable

Accounts receivable consist primarily of unconditional promises to give stated at the present value of the amount management expects to collect from outstanding balances, and amounts due from sponsors and event participants stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is based on historical experience and an evaluation of the outstanding receivables. Differences between the amount due and the amount management expects to collect are reported in the results of operations as bad debts expense in the period in which those differences are determined. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the accompanying consolidated statements of financial position. The realized and unrealized gains and losses are netted in the accompanying consolidated statements of activities.

Inventory

Inventory is stated at the lower of cost (specific identification basis) or market, and consists of publications.

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property and equipment

In general, the Organization capitalizes property and equipment with an original cost of \$1,000 or more. Property and equipment is stated at cost if purchased, or at fair value at the date of donation, if contributed, and includes expenditures for major betterments and renewals. Maintenance and repairs are expensed as incurred unless they materially prolong the useful life of the asset. The Organization depreciates property and equipment using the straight-line method over the estimated useful lives of the assets which range from three to seven years.

Fair value measurements

Generally accepted accounting principles (GAAP) establishes a fair value hierarchy for inputs used in measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, GAAP establishes a three-tier hierarchy to distinguish between various types of inputs used in determining the value of the Organization's financial instruments. The inputs are summarized in three levels as outlined below:

Level 1 Inputs – Quoted prices (unadjusted) in active markets for identical assets and liabilities. Valuations of these instruments do not require a high degree of judgment since the valuations are based on quoted prices in active markets.

Level 2 Inputs – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 Inputs – Unobservable inputs for the valuation of the asset or liability. These inputs require significant management judgment or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the measurement falls in its entirety is determined based on the lowest level input that is significant. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Membership dues and deferred revenue

Membership dues are recognized as revenues over the service period of the membership. Deferred revenue also includes advance registrations and payments for future events and meetings.

Federal income taxes

IAEE is exempt from income tax under Section 501(c)(6) of the U.S. Internal Revenue Code. Income from activities substantially related to the pursuit of their exempt purposes is not subject to federal income tax, and CEIRF is exempt under Section 501(c)(3). Unrelated business income (income, net of related expenses, from activities not substantially related to the pursuit of their exempt purposes) is subject to federal income tax. The Organization did not have any liability for unrelated business income tax at September 30, 2017. The tax years ended on or after September 30, 2014 are open for audit.

Concentrations of credit risk

Financial instruments that potentially subject the Organization to credit risk include cash and cash equivalents on deposit with financial institutions, investments and accounts receivable. At various times throughout the year, the Organization's balance in its bank accounts has exceeded federally insured limits. Investments have been placed with high credit quality financial service providers which are not federally insured. The Organization has not experienced any losses in bank or investment accounts and does not believe it is exposed to any significant risk. Accounts receivable are due from businesses and individuals in exhibitions and events industry and are somewhat affected by the well-being of the industry and overall economy. Management believes its exposure to credit losses on accounts receivable is minimal.

Compensated absences

Employees of the Organization are entitled to paid vacation, paid sick days and personal days off depending on job classification, length of service and other factors. Compensated absences are earned on a calendar year basis and amounts not used at the calendar year end do not carry over to the following year. Compensated absences have been accrued in the financial statements and are included in accrued expenses.

Subsequent events

Subsequent events have been evaluated through December 13, 2017, which is the date the financial statements were available to be issued.

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. PLEDGES RECEIVABLE

Unconditional promises to give, discounted to present value at an effective interest rate of approximately 1% at September 30, 2017 are as follows:

Due in one year or less	\$	405,882
Due in one to three years		253,413
		<u>659,295</u>
Less discount to present value		(2,768)
	\$	<u><u>656,527</u></u>

4. INVESTMENTS

Investments consisted primarily of mutual funds, exchange traded funds and marketable equity securities at September 30, 2017. Investment income is summarized as follows for the year ended September 30, 2017:

Reinvested dividends, realized and unrealized gains and losses, net	\$	314,400
Investment expenses		(7,762)
	\$	<u><u>306,638</u></u>

Investments measured at fair value on a recurring basis at September 30, 2017 are as follows:

<u>Fair Value Measurements at Reporting Date Using:</u>				
	<u>Quoted Prices</u>			<u>Total</u>
	<u>in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
Mutual funds and exchange-traded funds:				
Fixed income	\$ 2,371,281	\$ -	\$ -	\$ 2,371,281
Equity	<u>1,586,226</u>	<u>-</u>	<u>-</u>	<u>1,586,226</u>
	<u><u>\$ 3,957,507</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,957,507</u></u>

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. INVESTMENTS - continued

Marketable equity securities and mutual funds reported as Level 1 are determined by reference to quoted market prices for investments listed on an active exchange or over-the-counter market. The Organization does not hold any fair value assets that are Level 2 or 3. These investments have been placed with high credit quality financial institutions which are not federally insured and are therefore subject to credit risk. The Organization has not experienced any losses on such accounts.

5. PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at September 30, 2017:

Furniture, office equipment and software	\$	694,177
Less accumulated depreciation		<u>(343,629)</u>
	\$	<u><u>350,548</u></u>

Depreciation expense was \$91,824 for the year ended September 30, 2017.

6. COMMITMENTS

The Organization leases its office space under a non-cancellable operating lease. Rent expense was \$113,239 for the year ended September 30, 2017. Future minimum operating lease payments for office space for future years are as follows:

<u>Year Ending</u> <u>September 30:</u>		<u>Amount</u>
2018	\$	108,519
2019		104,402
2020		105,718
2021		105,718
2022		105,608
Thereafter		<u>95,699</u>
	\$	<u><u>625,664</u></u>

INTERNATIONAL ASSOCIATION OF EXHIBITIONS AND EVENTS, INC.
AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. RETIREMENT PLAN

The Organization established a defined contribution plan that qualifies for the deferral arrangement under U.S. Internal Revenue Code 401(k). The plan is available to eligible employees (by tenure) who choose to participate. Each year, participants may contribute up to the maximum dollar amount allowed by law. The plan allows for discretionary profit sharing contributions by the Organization. For the year ended September 30, 2017, the Organization contributed \$132,193 to the plan.

8. NON-CASH MEETING REVENUE AND EXPENSE

In connection with the Organization's annual meeting, certain vendors provide services in exchange for sponsorship recognition. The estimated value of the services and related sponsorships is recognized and meeting revenue and expense. For 2017, the total amount of revenue and expense recognized in connection with these transactions was \$1,020,437.

9. CONSOLIDATION OF AFFILIATE

In December 2016, the governing boards of IAEE and CEIRF adopted transition plans intended to consolidate the governance, management and operations of the two already affiliated organizations. Effective January 1, 2017, the consolidated financial statements reflect the accounts of IAEE and CEIRF. The impact on the financial statements of the consolidation of the net assets of CEIRF on January 1, 2017 was \$2,382,990, and is reported in the consolidated statement of revenues, expenses and changes in net assets. In connection with the consolidation, CEIRF changed its fiscal year-end from December 31 to September 30.

SUPPLEMENTARY INFORMATION

INTERNATIONAL ASSOCIATION OF EXHIBITIONS, INC.
AND EVENTS AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
September 30, 2017

	International Association of Exhibitions and Events, Inc.	Center for Exhibition Industry Research Foundation	Eliminations	Consolidated
CASH AND CASH EQUIVALENTS	\$ 480,115	\$ 190,850	\$ -	\$ 670,965
INVESTMENTS	2,100,283	1,857,224	-	3,957,507
ACCOUNTS RECEIVABLE				
Accounts receivable	215,319	15,550	-	230,869
Pledges receivable	332,260	324,267	-	656,527
Other receivables	25,236	-	-	25,236
Allowance for doubtful accounts	(33,226)	(32,427)	-	(65,653)
	<u>539,589</u>	<u>307,390</u>	<u>-</u>	<u>846,979</u>
INVENTORY	4,296	-	-	4,296
OTHER ASSETS	231,392	3,486	-	234,878
PROPERTY AND EQUIPMENT, net	281,891	68,657	-	350,548
DUE FROM (TO) AFFILIATES	<u>49,475</u>	<u>(49,475)</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,687,041</u>	<u>\$ 2,378,132</u>	<u>\$ -</u>	<u>\$ 6,065,173</u>
ACCOUNTS PAYABLE	\$ 48,418	\$ -	\$ -	\$ 48,418
ACCRUED LIABILITIES	178,255	73,989	-	252,244
DEFERRED REVENUE	<u>2,544,046</u>	<u>14,108</u>	<u>-</u>	<u>2,558,154</u>
	<u>2,770,719</u>	<u>88,097</u>	<u>-</u>	<u>2,858,816</u>
NET ASSETS				
Unrestricted	531,604	1,948,287	-	2,479,891
Temporarily restricted	384,718	341,748	-	726,466
	<u>916,322</u>	<u>2,290,035</u>	<u>-</u>	<u>3,206,357</u>
	<u>\$ 3,687,041</u>	<u>\$ 2,378,132</u>	<u>\$ -</u>	<u>\$ 6,065,173</u>

See independent auditor's report on supplementary information.

INTERNATIONAL ASSOCIATION OF EXHIBITIONS, INC.
AND EVENTS AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended September 30, 2017

	<u>International Association of Exhibitions and Events, Inc.</u>	<u>Center for Exhibition Industry Research Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
UNRESTRICTED NET ASSETS				
REVENUE				
Membership dues	\$ 1,410,975	\$ 42,323	\$ (22,500)	\$ 1,430,798
Meetings	3,111,048	292,109	-	3,403,157
Education	855,880	-	-	855,880
Publications and products	266,151	-	-	266,151
Fundraising	-	141,549	-	141,549
Other programs	43,040	-	-	43,040
Contributions	-	74,798	-	74,798
Investment income	185,944	100,610	-	286,554
Research revenue	-	37,448	-	37,448
Net assets released from restrictions	313,441	3,746	-	317,187
	<u>6,186,479</u>	<u>692,583</u>	<u>(22,500)</u>	<u>6,856,562</u>
EXPENSES				
Membership services	968,840	-	-	968,840
Meetings	2,723,345	228,756	-	2,952,101
Education	712,475	-	-	712,475
Publications and products	296,419	-	-	296,419
Fundraising	-	55,067	-	55,067
Program services	159,408	352,088	(22,500)	488,996
PR campaign	329,498	1,500	-	330,998
General and administrative	902,551	166,235	-	1,068,786
	<u>6,092,536</u>	<u>803,646</u>	<u>(22,500)</u>	<u>6,873,682</u>
NET REVENUE OVER (UNDER) EXPENSES				
	\$ 93,943	\$ (111,063)	\$ -	\$ (17,120)
Consolidation of affiliate	-	2,059,350	-	2,059,350
NET ASSETS, beginning of year	<u>437,661</u>	<u>-</u>	<u>-</u>	<u>437,661</u>
NET ASSETS, end of year	<u>\$ 531,604</u>	<u>\$ 1,948,287</u>	<u>\$ -</u>	<u>\$ 2,479,891</u>
TEMPORARILY RESTRICTED NET ASSETS				
Contributions	128,079	1,770	-	129,849
Investment income	-	20,084	-	20,084
Net assets released from restrictions	<u>(313,441)</u>	<u>(3,746)</u>	<u>-</u>	<u>(317,187)</u>
NET REVENUE OVER (UNDER) EXPENSES				
	(185,362)	18,108	-	(167,254)
Consolidation of affiliate	-	323,640	-	323,640
NET ASSETS, beginning of year	<u>570,080</u>	<u>-</u>	<u>-</u>	<u>570,080</u>
NET ASSETS, end of year	<u>\$ 384,718</u>	<u>\$ 341,748</u>	<u>\$ -</u>	<u>\$ 726,466</u>

See independent auditor's report on supplementary information.