

**NAVAL HISTORICAL FOUNDATION**

**WASHINGTON, D.C.**

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2007**



## Independent Auditors' Report

Board of Directors  
Naval Historical Foundation  
Washington, D.C.

We have audited the accompanying statement of financial position of Naval Historical Foundation as of December 31, 2007, and the related statements of activities, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Foundation's 2006 financial statements and, in our report dated April 19, 2007, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to above present fairly, in all material respects, the financial position of Naval Historical Foundation as of December 31, 2007, 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.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
April 23, 2008

Certified Public Accountants

**Naval Historical Foundation**

**Statement of Financial Position**

**December 31, 2007**

**(With Comparative Totals as of December 31, 2006)**

	2007	2006
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 119,796	\$ 68,602
Promises to Give	247,500	-
Accounts Receivable	20,026	-
Accrued Interest Receivable	9,322	10,766
Inventory	-	57,893
Prepaid Expenses	5,288	3,650
Total Current Assets	401,932	140,911
<b>Investments</b>	1,062,155	1,707,639
<b>Promises to Give</b>	177,902	-
<b>Property and Equipment</b>		
Furniture, Fixtures, and Equipment	102,895	233,076
Less Accumulated Depreciation	(76,738)	(193,017)
Net Property and Equipment	26,157	40,059
<b>Total Assets</b>	\$ 1,668,146	\$ 1,888,609
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 12,774	\$ 10,624
Deferred Revenue	80,371	71,927
Total Current Liabilities	93,145	82,551
<b>Net Assets</b>		
Unrestricted	1,391,850	1,789,699
Temporarily Restricted	183,151	16,359
Total Net Assets	1,575,001	1,806,058
<b>Total Liabilities and Net Assets</b>	\$ 1,668,146	\$ 1,888,609

*See accompanying Notes to Financial Statements.*

**Naval Historical Foundation**

**Statement of Activities  
For the Year Ended December 31, 2007  
(With Comparative Totals for the Year Ended December 31, 2006)**

	Unrestricted	Temporarily Restricted	Total 2007	Total 2006
<b>Net Departmental Sales</b>				
Museum Store Sales	\$ 24,438	\$ -	\$ 24,438	\$ 111,496
Cost of Sales - Museum Store	72,807	-	72,807	73,713
Gross Profit (Loss)	(48,369)	-	(48,369)	37,783
Museum Store Operating Expenses	22,303	-	22,303	71,070
Net Museum Store Sales Over (Under) Museum Store Operating Expenses	(70,672)	-	(70,672)	(33,287)
Historical Services Sales	124,967	-	124,967	124,614
Cost of Sales - Historical Services	7,551	-	7,551	17,761
Gross Profit	117,416	-	117,416	106,853
Historical Services Operating Expenses	96,787	-	96,787	77,168
Net Historical Services Sales Over Historical Services Operating Expenses	20,629	-	20,629	29,685
Total Net Departmental Sales (Under) Expenses	(50,043)	-	(50,043)	(3,602)
<b>Support and Other Revenues</b>				
Donations	178,341	-	178,341	128,249
Contract - Museum	64,380	-	64,380	-
Fund-Raising	-	613,402	613,402	65,559
Facility Rental	35,477	-	35,477	-
Membership Dues	37,324	-	37,324	38,770
Building 70 Support	14,736	-	14,736	1,974
Royalties - Navy Book/Calendar/Store	20,735	-	20,735	29,457
Other Revenues	585	-	585	574
Net Assets Released from Restrictions	446,610	(446,610)	-	-
Total Support and Other Revenues	798,188	166,792	964,980	264,583
Total Operating Revenues	748,145	166,792	914,937	260,981
<b>Expenses</b>				
Program Expenses				
Naval Historical Foundation	325,002	-	325,002	304,992
Museum Support	446,770	-	446,770	210,099
Naval Historical Center Support	182,281	-	182,281	103,380
Total Program Expenses	954,053	-	954,053	618,471
Office Administration and Management	107,547	-	107,547	111,139
Fund-Raising	168,968	-	168,968	86,454
Total Operating Expenses	1,230,568	-	1,230,568	816,064
Excess of Operating Expenses (Over) Under Operating Revenues	(482,423)	166,792	(315,631)	(555,083)
Investment Income				
Interest and Dividends	61,107	-	61,107	71,856
Net Investment Gain	23,467	-	23,467	111,532
Other Income - Sale of Artifacts	-	-	-	38,544
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (397,849)</b>	<b>\$ 166,792</b>	<b>\$ (231,057)</b>	<b>\$ (333,151)</b>

See accompanying Notes to Financial Statements.

**Naval Historical Foundation**

**Statement of Changes in Net Assets  
For the Year Ended December 31, 2007**

**(With Comparative Totals for the Year Ended December 31, 2006)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2007</u>	<u>Total 2006</u>
Balance at Beginning of Year	\$ 1,789,699	\$ 16,359	<b>\$ 1,806,058</b>	\$ 2,139,209
Increase (Decrease) in Net Assets	<u>(397,849)</u>	<u>166,792</u>	<u><b>(231,057)</b></u>	<u>(333,151)</u>
<b>Balance at End of Year</b>	<u><b>\$ 1,391,850</b></u>	<u><b>\$ 183,151</b></u>	<u><b>\$ 1,575,001</b></u>	<u><b>\$ 1,806,058</b></u>

*See accompanying Notes to Financial Statements.*

**Naval Historical Foundation**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2007**  
**(With Comparative Totals for the Year Ended December 31, 2006)**

	2007	2006
<b>Cash Flows from Operating Activities</b>		
Decrease in Net Assets	\$ (231,057)	\$ (333,151)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used in Operating Activities		
Depreciation	12,619	27,341
Loss on Disposal of Property and Equipment	8,794	-
Net Investment Gain	(23,467)	(111,532)
<u>(Increase) Decrease in Assets</u>		
Promises to Give	(425,402)	-
Accounts Receivable	(20,026)	-
Accrued Interest Receivable	1,444	4,816
Inventory	57,893	4,093
Prepaid Expenses	(1,638)	(110)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	2,150	(204)
Deferred Revenue	8,444	(1,974)
	<b>(610,246)</b>	<b>(410,721)</b>
<b>Cash Flows from Investing Activities</b>		
Sales and Redemptions of Investments	731,502	572,091
Purchases of Investments	(62,551)	(163,077)
Purchases of Property and Equipment	(7,511)	(11,119)
	<b>661,440</b>	<b>397,895</b>
Net Cash Provided by Investing Activities		
	<b>51,194</b>	<b>(12,826)</b>
Net Increase (Decrease) in Cash		
Cash at Beginning of Year	<b>68,602</b>	<b>81,428</b>
<b>Cash at End of Year</b>	<b>\$ 119,796</b>	<b>\$ 68,602</b>

*See accompanying Notes to Financial Statements.*

## **Naval Historical Foundation**

### **Notes to Financial Statements**

**December 31, 2007**

#### **1. ORGANIZATION**

Naval Historical Foundation (the "Foundation") was incorporated as a nonprofit organization in the District of Columbia on March 13, 1926.

The Foundation is organized for educational and literary purposes, to acquire and preserve artifacts and memorabilia pertaining to the history and traditions of the United States Navy and to diffuse knowledge respecting such history and traditions. The Foundation operates a store in the National Museum of the United States Navy and an historic photograph and document reproduction service as part of a support agreement with the Naval Historical Center in the Washington, D.C., Navy Yard. Besides offering a nationwide oral history program and a naval speakers service, the Foundation co-sponsors naval history conferences and symposia with other naval heritage organizations, and provides important financial support for the United States Navy's history programs and National Museum of the United States Navy.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **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. Actual results could differ from those estimates.

##### **Promises to Give**

Promises to give that are scheduled to be received after the end of the reporting period are shown as increases in temporarily restricted net assets and reclassified to unrestricted net assets when the purpose or time restriction is met. Promises to give subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in permanently restricted net assets. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at the risk-free rate applicable to the years in which the promises are to be received. Amortization of any discount is recorded as contribution revenue. Management believes all promises to give are collectible at December 31, 2007.

## **Naval Historical Foundation**

### **Notes to Financial Statements December 31, 2007**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Accounts Receivable**

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts, if any. The Foundation provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of customers to meet their obligations. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. It is the Foundation's policy to charge off uncollectible accounts receivable when management determines the receivables will not be collected. The Foundation's management believes that accounts receivable are fully collectible at December 31, 2007.

##### **Inventory**

Inventory of museum store merchandise is stated at cost, with cost being determined using the first-in, first-out (FIFO) method.

##### **Investments**

Investments in securities are reported at fair value and, accordingly, gains or losses resulting from market fluctuations are recognized in the accompanying statement of activities in the period in which they occur.

##### **Property and Equipment**

Property and equipment additions in excess of \$1,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to seven years. Depreciation expense for 2007 was \$12,619.

##### **Deferred Revenue**

The Foundation has received fees and contract payments for work on developing exhibits in a proposed Cold War Gallery for the National Museum of the United States Navy. Payments for the portion of the work not yet completed are included as deferred revenue on the statement of financial position.

##### **Net Assets**

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, its accounts are maintained by classes of net assets. Consequently, resources are classified for accounting and reporting purposes into three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.



**Naval Historical Foundation**

**Notes to Financial Statements  
December 31, 2007**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Facilities**

The Foundation occupies premises, without charge, located in a government-owned building. There is no clearly measurable or objective basis for determining the estimated fair rental value of the government-owned premises. Accordingly, no value has been reflected in the statement of activities.

**Income Taxes**

The Foundation is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, the Foundation is subject to federal and state income taxes to the extent that it generates unrelated business income. The Foundation had no unrelated business income for the year ended December 31, 2007.

**Comparative Information**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

**3. PROMISES TO GIVE**

Promises to give are due to be collected as follows:

For the Years Ending December 31,

2008	\$ 247,500
2009	55,000
2010	50,000
2011	50,000
2012	<u>50,000</u>
	452,500
Discounted at 6%	<u>(27,098)</u>
Present Value of Promises to Give	\$ <u>425,402</u>

**Naval Historical Foundation**

**Notes to Financial Statements  
December 31, 2007**

**4. INVESTMENTS**

Investments at December 31, 2007, consisted of the following marketable securities:

Cash and U.S. Government Obligations	\$	148,043
Corporate Obligations		387,773
Equities		324,243
Equity Mutual Funds		<u>202,096</u>
Total	\$	<u>1,062,155</u>

**5. TEMPORARILY RESTRICTED NET ASSETS**

At December 31, 2007, the Foundation had temporarily restricted net assets for the following projects:

Crowe Oral History Project	\$	12,340
Cold War Gallery Project		<u>170,811</u>
Total	\$	<u>183,151</u>

During 2007, temporarily restricted net assets were released for the following projects based on satisfaction of the purpose restrictions:

Crowe Oral History Project	\$	4,019
Cold War Gallery Project		<u>442,591</u>
Total	\$	<u>446,610</u>

**6. INVENTORY WRITE-OFF**

During the year, the operation of the museum store was contracted out to Sky Retail Partners, Inc., which operates several other naval heritage-related stores. Accordingly, museum store inventory was closed out at the end of 2007. The one-time inventory write-off of \$57,893 is reflected in the statement of activities as part of cost of sales-museum store.

**7. RETIREMENT PLAN**

The Foundation has a 403(b) plan for all eligible employees who meet length of service requirements. The Foundation matches up to 5% of compensation deferred by employees. The retirement plan cost for the year ended December 31, 2007, was \$19,323.

**Naval Historical Foundation**

**Notes to Financial Statements  
December 31, 2007**

**8. NATIONAL MUSEUM OF THE UNITED STATES NAVY EVENTS**

During 2007, the Foundation was granted a license by the United States Navy to generate revenue in support of the National Museum of the United States Navy through the rental of facilities to the public, commercial and non-profit entities, state and local governments, and other federal agencies. This facilities rental program permits the Foundation to offer individuals and organizations the opportunity to hold events in a setting where the history and heritage of the United States Navy can be experienced and appreciated. This program supports the Foundation's mission of promoting increased support for the United States Navy's historical programs in general and its museums in particular. Proceeds from these events will be made available to the National Museum of the United States Navy through current gift acceptance policies of the United States Department of the Navy.

**9. HISTORICAL COLLECTION**

The Foundation has catalogued approximately 4,000 documents and artifacts of historical interest, obtained as donations during the 81-year life of the Foundation. The collection is not included in the financial accounts of the Foundation because its value is not determinable at a reasonable cost. The collection is being dispersed through donation to appropriate government and non-profit museum, library, and archival organizations.

The Foundation maintains the collection in a secured facility at the Washington Navy Yard in Washington, D.C. Expenses of maintaining the collection of approximately \$21,000 are included in Naval Historical Foundation program expenses on the statement of activities.

**10. UNITED STATES NAVY CONTRACT**

In September 2007, the Foundation entered into a 12-month fixed price contract that covers the acquisition, installation, and maintenance of exhibits in the National Museum of the United States Navy. The award amount for these services is \$3 million.

Costs for the year ended December 31, 2007, on this project that have been included as part of the Museum Support Expenses are as follows:

Salary	\$	51,921
Supplies		<u>12,459</u>
Total	\$	<u>64,380</u>



## Independent Auditors' Report on Supplementary Information

Board of Directors  
Naval Historical Foundation  
Washington, D.C.

Our report on our audit of the basic financial statements of Naval Historical Foundation for 2007 appears preceding page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information in the accompanying pages 11 to 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
April 23, 2008

Certified Public Accountants

**Naval Historical Foundation**

**Combining Schedule of Museum Store and Historical Services Operating Expenses  
For the Year Ended December 31, 2007  
(With Comparative Totals for the Year Ended December 31, 2006)**

	Unrestricted		Total 2007	Total 2006
	Operating	Board Designated Collection Support		
<b>Museum Store Operating Expenses</b>				
Advertising	\$ -	\$ -	\$ -	\$ 208
Bank Service Charges	667	-	667	3,907
Depreciation	265	-	265	1,738
Equipment	127	-	127	2,333
Miscellaneous	831	-	831	40
Postage and Shipping	1,214	-	1,214	3,470
Salaries, Benefits, and Payroll Taxes	18,162	-	18,162	55,857
Supplies	59	-	59	1,890
Telephone	978	-	978	1,627
	<u>22,303</u>	<u>-</u>	<u>22,303</u>	<u>71,070</u>
<b>Total Museum Store Operating Expenses</b>				
	<u>\$ 22,303</u>	<u>\$ -</u>	<u>\$ 22,303</u>	<u>\$ 71,070</u>
<b>Historical Services Operating Expenses</b>				
Bank Service Charges	\$ 4,797	\$ -	\$ 4,797	\$ 2,995
Consultant	239	-	239	-
Depreciation	1,867	-	1,867	871
Equipment Lease	1,517	-	1,517	-
Insurance	957	-	957	1,025
Miscellaneous	11	-	11	640
Postage and Shipping	7,806	-	7,806	7,494
Salaries, Benefits, and Payroll Taxes	69,650	-	69,650	59,600
Supplies	8,714	-	8,714	3,747
Telephone	1,229	-	1,229	796
	<u>96,787</u>	<u>-</u>	<u>96,787</u>	<u>77,168</u>
<b>Total Historical Services Operating Expenses</b>				
	<u>\$ 96,787</u>	<u>\$ -</u>	<u>\$ 96,787</u>	<u>\$ 77,168</u>

## Naval Historical Foundation

**Combining Schedule of Expenses**  
**For the Year Ended December 31, 2007**  
**(With Comparative Totals for the Year Ended December 31, 2006)**

	Unrestricted		Total 2007	Total 2006
	Operating	Board Designated Collection Support		
<b>Naval Historical Foundation</b>				
Advertising	\$ 3,241	\$ -	\$ 3,241	\$ 879
Awards	809	-	809	1,429
Bank Service Charges	3,756	-	3,756	2,329
Collection Support	-	334	334	3,743
Conferences	5,276	-	5,276	3,749
Consultants	11,949	-	11,949	5,579
Depreciation	8,390	-	8,390	19,618
Equipment	3,367	-	3,367	5,447
Insurance	5,893	-	5,893	12,937
Internet	-	-	-	965
Loss on Disposal of Property and Equipment	7,035	-	7,035	-
Miscellaneous	3,491	-	3,491	1,992
Oral History - Dillon	-	-	-	24,301
Oral History - Other	5,359	-	5,359	17,014
Postage and Shipping	9,218	-	9,218	5,587
Printing	7,843	-	7,843	8,274
Publications	10,972	-	10,972	-
Salaries, Benefits, and Payroll Taxes	175,036	-	175,036	141,055
Facility Rental Expenses	49,873	-	49,873	31,711
Subscriptions	2,065	-	2,065	1,467
Supplies	6,685	-	6,685	11,648
Telephone	4,410	-	4,410	5,268
<b>Total Naval Historical Foundation</b>	<b>\$ 324,668</b>	<b>\$ 334</b>	<b>\$ 325,002</b>	<b>\$ 304,992</b>
<b>Museum Support</b>				
Advertising	\$ 810	\$ -	\$ 810	\$ 14,763
Cold War Gallery Support	288,358	-	288,358	87,177
Contractors	13,874	-	13,874	32,030
Depreciation	-	-	-	209
Educational Programs	2,146	-	2,146	9,573
Exhibits - Other	-	12,076	12,076	2,269
Intern Program	-	-	-	1,200
Miscellaneous	352	-	352	572
Printing	9,986	-	9,986	9,093
Salaries, Benefits, and Payroll Taxes	105,434	-	105,434	50,704
Subscriptions	1,275	-	1,275	2,509
Supplies	12,459	-	12,459	-
<b>Total Museum Support</b>	<b>\$ 434,694</b>	<b>\$ 12,076</b>	<b>\$ 446,770</b>	<b>\$ 210,099</b>

## Naval Historical Foundation

**Combining Schedule of Expenses**  
**For the Year Ended December 31, 2007**  
**(With Comparative Totals for the Year Ended December 31, 2006)**

	Unrestricted		Total 2007	Total 2006
	Operating	Board Designated Collection Support		
<b>Naval Historical Center Support</b>				
Art Gallery	\$ 63	\$ -	\$ 63	\$ 74
Contemporary History	621	-	621	4,863
Curator	-	6,279	6,279	8,881
Early History	28	-	28	82
Front Office	420	-	420	7,288
Library	14,387	-	14,387	9,541
Miscellaneous	2,948	-	2,948	-
Naval Warfare Division	-	-	-	3,776
Operational Archives	-	2,913	2,913	10,453
Oral History	6,002	-	6,002	-
Salaries, Benefits, and Payroll Taxes	60,305	-	60,305	56,404
Senior Historian	7,183	-	7,183	2,018
Turner Document Processing	81,132	-	81,132	-
<b>Total Naval Historical Center Support</b>	<b>\$ 173,089</b>	<b>\$ 9,192</b>	<b>\$ 182,281</b>	<b>\$ 103,380</b>
<b>Office Administration and Management</b>				
Advertising	\$ 810	\$ -	\$ 810	\$ 211
Bank Service Charges	938	-	938	339
Depreciation	2,097	-	2,097	4,905
Dues and Subscriptions	-	-	-	305
Equipment	842	-	842	992
Insurance	1,611	-	1,611	2,128
Internet	-	-	-	241
Investment Fees	8,502	-	8,502	10,686
Loss on Disposal of Property and Equipment	1,759	-	1,759	-
Miscellaneous	321	-	321	194
Postage and Shipping	1,651	-	1,651	1,151
Printing	2,711	-	2,711	2,069
Professional Services	38,520	-	38,520	47,056
Salaries, Benefits, and Payroll Taxes	44,884	-	44,884	37,635
Subscriptions	440	-	440	-
Supplies	1,359	-	1,359	2,124
Telephone	1,102	-	1,102	1,103
<b>Total Office Administration and Management</b>	<b>\$ 107,547</b>	<b>\$ -</b>	<b>\$ 107,547</b>	<b>\$ 111,139</b>
<b>Fund-Raising</b>				
Cold War Gallery Campaign	\$ 36,001	\$ -	\$ 36,001	\$ 7,511
Salaries, Benefits, and Payroll Taxes	132,967	-	132,967	78,943
<b>Total Fund-Raising</b>	<b>\$ 168,968</b>	<b>\$ -</b>	<b>\$ 168,968</b>	<b>\$ 86,454</b>

**Naval Historical Foundation**

**Combining Schedule of Changes in Net Assets  
For the Year Ended December 31, 2007**

	Unrestricted				
	Board Designated		Total	Temporarily	Total
	Operating	Collection Support	Unrestricted	Restricted	Total
Balance at Beginning of Year	\$ 1,704,704	\$ 84,995	\$ 1,789,699	\$ 16,359	\$ 1,806,058
Increase (Decrease) in Net Assets	(376,247)	(21,602)	(397,849)	166,792	(231,057)
<b>Balance at End of Year</b>	<b>\$ 1,328,457</b>	<b>\$ 63,393</b>	<b>\$ 1,391,850</b>	<b>\$ 183,151</b>	<b>\$ 1,575,001</b>



**Naval Historical Foundation**

**Schedule of Changes in Investments  
For the Year Ended December 31, 2007**

	Cost	Unrealized Gain (Loss)	Fair Market Value
Beginning of Year	\$ 1,559,135	\$ 148,504	\$ 1,707,639
Interest and Dividends (A)	62,551	-	62,551
Realized Gains	30,614	-	30,614
Unrealized Loss	-	(7,147)	(7,147)
Investment Management Fees	(8,502)	-	(8,502)
Transfer to Operations	(723,000)	-	(723,000)
	\$ 920,798	\$ 141,357	\$ 1,062,155
(A) Interest and Dividends from Investments - Accrual Basis			\$ 61,107
Add Accrued Interest at Beginning of Year			10,766
Less Accrued Interest at End of Year			(9,322)
<b>Interest and Dividends from Investments - Cash Basis</b>			<b>\$ 62,551</b>