

***ALZHEIMER'S ASSOCIATION, INC.,
WEST VIRGINIA CHAPTER
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2007 AND 2006***

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CERTIFIED
PUBLIC ACCOUNTANTS

2 Players Club Dr., Suite 100
Charleston, WV 25311
P.O. Box 1988, Charleston, WV 25327
304-343-4188 • FAX 304-344-5035

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Alzheimer's Association, Inc., West Virginia Chapter
Charleston, West Virginia

We have audited the accompanying statement of financial position of the Alzheimer's Association, Inc., West Virginia Chapter (the Association) as of June 30, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide 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 the Alzheimer's Association, Inc., West Virginia Chapter as of June 30, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Chambers, Paterno & Associates, AC

Charleston, West Virginia
October 17, 2007

ALZHEIMER'S ASSOCIATION, INC., WEST VIRGINIA CHAPTER
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2007 AND 2006

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash in bank	\$ 11,747	\$ 27,025
Money market accounts	1,281	995
Total cash and cash equivalents	13,028	28,020
Marketable equity securities	128,178	151,636
Promises to give - unconditional	24,715	33,351
Grants receivable	35,856	22,102
Inventory	7,552	7,692
Prepaid expenses	2,496	4,064
TOTAL CURRENT ASSETS	211,825	246,865
FIXED ASSETS		
Leasehold improvements	1,631	1,631
Furniture and fixtures	1,882	1,882
Equipment	52,960	50,621
Less: Accumulated depreciation	(46,242)	(38,541)
TOTAL FIXED ASSETS	10,231	15,593
TOTAL ASSETS	\$ 222,056	\$ 262,458
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 17,340	\$ 14,031
Accrued vacation	12,207	13,442
Accrued and withheld payroll taxes	1,443	977
TOTAL CURRENT LIABILITIES	30,990	28,450
NET ASSETS		
Unrestricted	84,429	150,757
Temporarily restricted	106,637	83,251
TOTAL NET ASSETS	191,066	234,008
TOTAL LIABILITIES AND NET ASSETS	\$ 222,056	\$ 262,458

See Independent Auditors' Report and Notes to Financial Statements.

ALZHEIMER'S ASSOCIATION, INC., WEST VIRGINIA CHAPTER

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL ALL FUNDS</u>
REVENUE:			
Contributions, gifts, grants and pledges:			
Direct public support:			
Memorials and tributes	\$ 48,374	\$ 0	\$ 48,374
Corporations	15,200	0	15,200
Individuals	57,035	3,000	60,035
Foundations	11,200	0	11,200
Organizations	15,354	0	15,354
Major gifts	4,145	0	4,145
Board donations	2,551	0	2,551
Indirect public support:			
United Way	604	42,784	43,388
Combined Federal Campaign	1,759	0	1,759
Matching gifts	255	0	255
Allstate	46	0	46
Government grants	35,802	92,000	127,802
Private grants	0	10,400	10,400
Special fundraising events:			
Memory Walk	185,356	43,969	229,325
Thanks for the Memories Luncheon	33,635	0	33,635
Golf Tournament	24,062	0	24,062
Alzheimer's Support Day	1,818	0	1,818
Non-cash donations	37,500	0	37,500
Less: Event costs benefiting donors	(14,801)	0	(14,801)
Conferences	24,335	0	24,335
Sales	1,652	0	1,652
Less: Cost of goods sold	(176)	0	(176)
Fees for services	3,919	0	3,919
Investment return	18,724	0	18,724
Miscellaneous income	1,024	0	1,024
Net assets released from restrictions	168,767	(168,767)	0
TOTAL REVENUE	<u>\$ 678,140</u>	<u>\$ 23,386</u>	<u>\$ 701,526</u>
EXPENDITURES:			
Program Services:			
Patient and family services	\$ 242,837	\$ 0	\$ 242,837
Public awareness and education	291,465	0	291,465
Public policy	43,921	0	43,921
Research	7,822	0	7,822
Management and general	45,253	0	45,253
Fund development	113,170	0	113,170
TOTAL EXPENDITURES	<u>744,468</u>	<u>0</u>	<u>744,468</u>
CHANGE IN NET ASSETS	(66,328)	23,386	(42,942)
NET ASSETS AT BEGINNING OF YEAR	<u>150,757</u>	<u>83,251</u>	<u>234,008</u>
NET ASSETS AT END OF YEAR	<u>\$ 84,429</u>	<u>\$ 106,637</u>	<u>\$ 191,066</u>

See Independent Auditors' Report and Notes to Financial Statements.

ALZHEIMER'S ASSOCIATION, INC., WEST VIRGINIA CHAPTER

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2006

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL ALL FUNDS</u>
REVENUE:			
Contributions, gifts, grants and pledges:			
Direct public support:			
Memorials and tributes	\$ 50,115	\$ 0	\$ 50,115
Corporations	19,200	0	19,200
Individuals	49,256	0	49,256
Foundations	14,300	0	14,300
Organizations	18,607	0	18,607
Major gifts	8,320	0	8,320
Board donations	3,392	0	3,392
Indirect public support:			
United Way	14,612	13,750	28,362
Combined Federal Campaign	5,029	0	5,029
Matching gifts	3,365	0	3,365
Allstate	206	0	206
Government grants	45,829	85,450	131,279
Private grants	450	0	450
Special fundraising events:			
Memory Walk	213,362	40,685	254,047
Thanks for the Memories Luncheon	37,945	0	37,945
Golf Tournament	31,373	0	31,373
Alzheimer's Support Day	300	0	300
Non-cash donations	28,500	0	28,500
Less: Event costs benefiting donors	(25,106)	0	(25,106)
Conferences	16,972	0	16,972
Sales	5,183	0	5,183
Less: Cost of goods sold	(3,514)	0	(3,514)
Fees for services	6,238	0	6,238
Investment return	12,199	0	12,199
Miscellaneous income	2,660	0	2,660
Net assets released from restrictions	158,053	(158,053)	0
TOTAL REVENUE	<u>716,846</u>	<u>(18,168)</u>	<u>698,678</u>
EXPENDITURES:			
Program Services:			
Patient and family services	161,886	0	161,886
Public awareness and education	371,575	0	371,575
Public policy	45,930	0	45,930
Management and general	51,825	0	51,825
Fund development	94,231	0	94,231
TOTAL EXPENDITURES	<u>725,447</u>	<u>0</u>	<u>725,447</u>
CHANGE IN NET ASSETS	(8,601)	(18,168)	(26,769)
NET ASSETS AT BEGINNING OF YEAR	<u>159,358</u>	<u>101,419</u>	<u>260,777</u>
NET ASSETS AT END OF YEAR	<u>\$ 150,757</u>	<u>\$ 83,251</u>	<u>\$ 234,008</u>

See Independent Auditors' Report and Notes to Financial Statements.

ALZHEIMER'S ASSOCIATION, INC., WEST VIRGINIA CHAPTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	<u>TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>MGMT AND GENERAL</u>	<u>FUND RAISING</u>
Salaries and wages	\$ 323,879	\$ 270,527	\$ 17,019	\$ 36,333
Fringe benefits	29,261	23,694	1,952	3,615
Payroll taxes	27,385	22,950	1,415	3,020
Accounting fees	7,164	0	7,164	0
Outside and contract labor	40,229	35,874	1,389	2,966
Office supplies	11,297	10,518	368	411
Program supplies - nonfood	2,645	2,645	0	0
Telephone	10,724	10,158	537	29
Postage	16,685	13,501	504	2,680
Rent	30,600	25,303	1,570	3,727
Utilities	7,211	6,368	250	593
Insurance - liability	7,145	5,882	403	860
Repairs and maintenance	5,736	3,625	418	1,693
Printing, publications and subscriptions	30,167	24,434	743	4,990
Staff development	5,283	4,584	384	315
Advertising	1,191	1,191	0	0
Conferences	14,422	14,156	236	30
Special events	64,003	27,235	0	36,768
Fundraising fees	650	0	0	650
Volunteer development	575	60	515	0
Travel	34,279	23,517	7,754	3,008
Dues expense to National from Chapters	38,233	38,233	0	0
Interest and bank charges	3,188	0	2,011	1,177
Miscellaneous	259	82	141	36
Bad debt expense	9,130	0	0	9,130
Depreciation	7,701	6,082	480	1,139
Assessments and grants	10,000	10,000	0	0
Caregiver funds	5,426	5,426	0	0
TOTAL FUNCTIONAL EXPENDITURES	<u>\$ 744,468</u>	<u>\$ 586,045</u>	<u>\$ 45,253</u>	<u>\$ 113,170</u>

See Independent Auditors' Report and Notes to Financial Statements.

ALZHEIMER'S ASSOCIATION, INC., WEST VIRGINIA CHAPTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2006

	<u>TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>MGMT AND GENERAL</u>	<u>FUND RAISING</u>
Salaries and wages	\$ 317,417	\$ 262,687	\$ 18,234	\$ 36,496
Fringe benefits	25,614	19,866	2,707	3,041
Payroll taxes	28,177	23,336	1,613	3,228
Accounting fees	9,034	0	9,034	0
Outside and contract labor	26,760	25,865	177	718
Office supplies	16,026	13,270	1,713	1,043
Program supplies - nonfood	896	896	0	0
Telephone	10,408	10,006	402	0
Postage	18,834	13,822	779	4,233
Rent	30,600	24,977	1,758	3,865
Utilities	7,390	6,504	277	609
Insurance - liability	7,559	6,036	476	1,047
Repairs and maintenance	7,915	3,689	2,631	1,595
Printing, publications and subscriptions	54,507	45,316	1,747	7,444
Staff development	3,577	2,597	450	530
Advertising	8,281	8,281	0	0
Conferences	15,192	14,766	426	0
Special events	45,247	21,525	0	23,722
Fundraising fees	1,654	14	0	1,640
Volunteer development	1,782	38	1,704	40
Travel	25,689	18,224	6,085	1,380
Dues expense to National from Chapters	30,906	30,906	0	0
Interest and bank charges	1,874	32	814	1,028
Miscellaneous	277	17	240	20
Bad debt expense	1,400	75	0	1,325
Depreciation	8,442	6,657	558	1,227
Assessments and grants	10,000	10,000	0	0
Caregiver funds	9,989	9,989	0	0
TOTAL FUNCTIONAL EXPENDITURES	<u>\$ 725,447</u>	<u>\$ 579,391</u>	<u>\$ 51,825</u>	<u>\$ 94,231</u>

See Independent Auditors' Report and Notes to Financial Statements.

ALZHEIMER'S ASSOCIATION, INC., WEST VIRGINIA CHAPTER

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash from contributions	\$ 221,524	\$ 219,388
Cash from special events	274,039	298,559
Cash from grants	138,202	131,729
Cash from program services	3,919	6,238
Cash from miscellaneous revenue	2,499	10,343
Cash from investment income	5,110	3,241
OPERATING RECEIPTS	<u>645,293</u>	<u>669,498</u>
Cash paid to personnel	(323,879)	(317,417)
Cash paid to vendors	(323,248)	(341,103)
Cash paid to National	(47,891)	(30,906)
OPERATING DISBURSEMENTS	<u>(695,018)</u>	<u>(689,426)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(49,725)</u>	<u>(19,928)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(2,339)	(1,504)
Proceeds from sale of securities	70,223	28,688
Investment in securities	(33,151)	(36,249)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>34,733</u>	<u>(9,065)</u>
NET (DECREASE) IN CASH AND EQUIVALENTS	<u>(14,992)</u>	<u>(28,993)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>28,020</u>	<u>57,013</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 13,028</u>	<u>\$ 28,020</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO		
NET CASH (USED) BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ (42,942)	\$ (26,769)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS		
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net unrealized (gain) from investments	(4,700)	(7,944)
Realized (gain) on sale of investments	(8,914)	(1,014)
Donated computer equipment	0	(4,802)
Depreciation	7,701	8,442
(Increase) decrease in promises to give	8,636	7,475
(Increase) decrease in grants receivable	(13,754)	5,605
(Increase) decrease in prepaid expenses	1,568	(955)
(Increase) decrease in inventory	140	(2,441)
(Increase) decrease in Workers' Compensation deposit	0	663
Increase (decrease) in accounts payable	3,309	6,284
Increase (decrease) in accrued vacation	(1,235)	(4,732)
Increase (decrease) in accrued and withheld payroll taxes	466	260
NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ (49,725)</u>	<u>\$ (19,928)</u>

See Independent Auditors' Report and Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Alzheimer's Association, Inc., West Virginia Chapter

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Alzheimer's Association, Inc., West Virginia Chapter (the Association) was created in October 2001 from the merger of three existing chapters. The Association provides education to health care professionals and the public, guidance and support for patients, their families and caregivers, and encourages and supports research of Alzheimer's disease and related disorders. The Association is supported from a variety of sources such as donor contributions, government and private grants, and special events. Their primary activities take place within the State of West Virginia and certain counties in eastern Ohio.

Financial statement presentation

The statements have been prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles.

The Association has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required 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. In addition, the Association is required to present a statement of cash flows. The Association has elected not to use fund accounting as permitted by the statement.

Promises to give

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Promises to give are charged to bad debt expense as they are deemed uncollectible based on periodic reviews of aging and collections by management. The Association considers promises to give presented at the statement of financial position dates to be fully collectible. The Association has incurred \$9,130 and \$1,400 in bad debt losses as of June 30, 2007 and 2006. Promises to give are classified as a current asset on the statement of financial position if collection is expected within the next twelve months.

Contributed services

The Association receives donated services from a variety of unpaid volunteers assisting with various programs and services. No amounts have been recognized as revenue and expenses in the accompanying financial statements because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

(continued)

NOTES TO FINANCIAL STATEMENTS

Alzheimer's Association, Inc., West Virginia Chapter

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

Preparation of financial statements requires Association management to make estimates and assumptions that affect reported amounts of assets, liabilities, support and expenses. Actual results could differ from those estimates.

Cash and equivalents

The Association considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Association occasionally carries deposits in financial institutions which are in excess of federally insured amounts.

Collectibility of receivables

Grants receivable are presented on the statement of financial position net of amounts written-off based on management's assessment of collectibility. Grants deemed uncollectible are charged to bad debt expense based upon managements' periodic review of the receivables. Based on the composition of the receivables as of the statement of financial position dates and the lack of significant bad debt history, no reserve for bad debts is required.

Inventory

Inventory consists primarily of items which are sold to caregivers to assist in the care of Alzheimer's patients. Inventory is stated at the lower of average cost or market value.

Investments

Investments in marketable securities with readily determinable fair market values and all investments in debt securities are reported at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Support and revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending upon the existence or nature of any donor restrictions. Contributions of donated non-cash assets are recorded at their fair values in the period received. Total donated non-cash assets for the years ended June 30, 2007 and 2006 were \$37,500 and \$28,500.

Grants are reported as temporarily restricted support if they are received with donor stipulations that limit the use. When the restriction expires the temporarily restricted assets are reclassified to unrestricted net assets. The majority of grants received were from the WV Bureau of Senior Services.

The Association hosts annual Memory Walks in various locations. These walks represent a significant portion of total contributions received during the year.

(continued)

NOTES TO FINANCIAL STATEMENTS
Alzheimer's Association, Inc., West Virginia Chapter

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services.

Property and equipment

Property and equipment is stated at cost if purchased or estimated fair value if donated and is depreciated using the straight-line method over the estimated useful lives of the assets. Major improvements and repairs are capitalized while expenditures for minor repairs and maintenance are expensed when incurred.

Income taxes

The Chapter qualifies as part of the national affiliate as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is classified by the Internal Revenue Service as other than a private foundation. Therefore, no provision for income tax is provided in these financial statements.

Advertising

The Association expenses advertising costs when incurred. Total cost recognized for advertising at June 30, 2007 and 2006 was \$1,191 and \$8,281.

Reclassifications

Amounts in prior statements may have been reclassified to conform with current presentation.

NOTE 2 - INVESTMENTS

The Association held \$128,178 and \$151,636 in mutual funds at June 30, 2007 and 2006. These investments are stated at fair market value. Fair market values and unrealized appreciation at June 30, 2007 and 2006 are summarized as follows:

	<u>2007</u>	<u>2006</u>
Unrestricted mutual funds:		
Cost	\$ 118,595	\$ 139,295
Fair market value	<u>128,178</u>	<u>151,636</u>
Unrealized appreciation	<u>\$ 9,583</u>	<u>\$ 12,341</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Unrestricted net assets:		
Interest and dividend income	\$ 5,110	\$ 3,241
Net realized and unrealized gains	<u>13,614</u>	<u>8,958</u>
Total investment return	<u>\$ 18,724</u>	<u>\$ 12,199</u>

NOTES TO FINANCIAL STATEMENTS
Alzheimer's Association, Inc., West Virginia Chapter

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2007</u>	<u>2006</u>
Resource library program expenses	\$ 0	\$ 10,209
Government and National grants	14,958	7,729
Scholarships, training and respite	34,884	18,732
Lending library and support groups	4,951	2,380
Outreach	7,875	0
Special events	43,969	44,201
	<u>\$ 106,637</u>	<u>\$ 83,251</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2007</u>	<u>2006</u>
Resource library program expenses	\$ 10,209	\$ 0
Government and National grants	85,972	77,911
Scholarships, training and respite	25,830	35,552
Lending library and support groups	428	732
Caregiver manuals and equipment	0	8,278
Outreach	7,126	
Special events	39,202	35,580
	<u>\$ 168,767</u>	<u>\$ 158,053</u>

The Association received no contributions which were permanently restricted in 2007 and 2006.

NOTE 4 - OPERATING LEASES

The Association rents office space in three locations throughout West Virginia. These are month to month rental agreements with a combined monthly payment of \$2,550. Total rent expense for the years ended June 30, 2007 and 2006 was \$30,600 and \$30,600.

Subsequent to year-end the Association negotiated a one year lease for the Charleston office which calls for monthly payments of \$1,600.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Association pays quarterly dues to the National Alzheimer's Association (National), which allows it to operate as a chapter. During the years ended June 30, 2007 and 2006, the Association recognized \$38,233 and \$30,906 in dues expense, of this amount \$9,658 and \$0 was payable as of June 30, 2007 and 2006.

NOTES TO FINANCIAL STATEMENTS
Alzheimer's Association, Inc., West Virginia Chapter

NOTE 6 - JOINT COSTS

The Association incurs joint costs that include both fund-raising and program service components. The 2007 and 2006 joint activity relates to the quarterly newsletter for printing, postage and mailing costs. The total amount allocated during the period ended June 30, 2007 and 2006 was \$18,189 and \$21,219, consisting of \$11,888 and \$13,962 in printing costs, and \$6,301 and \$7,257 in postage and mailing costs, respectively.

NOTE 7 - COMMITMENTS

The Association has entered into an agreement with a government relations, lobbying and organizational development firm for assistance in developing a comprehensive legislative and grassroots strategy. The agreement expires in May 2008 and monthly payments are \$1,000. This agreement may be terminated by either party at anytime with thirty days written notice. Total consulting expense for the years ended June 30, 2007 and 2006 in connection with this agreement was \$13,100 and \$10,333.

NOTE 8 - PENSION PLAN

The Association initiated a pension plan for employees effective September 1, 2004. The plan permits only employee salary reduction contributions made pursuant to voluntary salary reduction agreements between the Association and its eligible employees which are excluded from gross income under Code Section 403(b). All employees are eligible and the plan does not provide for any other contributions by the Association.

NOTE 9 - REVENUE SHARING AGREEMENT

The Association has entered into a new five year revenue sharing agreement with National effective July 1, 2007 which has precluded the Association from paying dues to National. The revenue sharing applies to unrestricted donations for non-specific operating purposes. The effect on revenues in the next fiscal year can not be determined.