

MOSSES ADAMS

**The Lighthouse for the Blind,
Incorporated and its Foundation**

**Independent Auditor's Report and
Consolidated Financial Statements with
Supplemental Information**

September 30, 2006 and 2005

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Balance sheet	2
Statement of activities and changes in unrestricted net assets	3
Statement of cash flows	4
Notes to financial statements	5-14
SUPPLEMENTAL INFORMATION	
The Danny Lord Foundation - unaudited	15

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Lighthouse for the Blind, Incorporated and its Foundation

We have audited the accompanying consolidated balance sheet of The Lighthouse for the Blind, Incorporated and its Foundation (the Organization) as of September 30, 2006 and 2005, and the related consolidated statements of activities and changes in unrestricted net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization at September 30, 2006 and 2005, and changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Seattle, Washington
November 17, 2006

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2006 AND 2005**

	ASSETS	
	2006	2005
CURRENT ASSETS		
Cash	\$ 261,700	\$ 214,217
Investments	7,033,377	5,832,333
Accounts receivable, net of allowance for doubtful accounts of \$77,619 in 2006 and \$80,892 in 2005	2,806,941	3,271,645
Other receivables	180,316	263,358
Inventory	5,116,974	5,905,475
Other assets	222,834	192,772
Total current assets	15,622,142	15,679,800
 LONG-TERM INVESTMENTS	 10,374,343	 9,754,880
 PREPAID PENSION COST	 2,765,496	 2,979,489
 PROPERTY, PLANT AND EQUIPMENT, net	 6,562,955	 6,341,514
	\$ 35,324,936	\$ 34,755,683
LIABILITIES AND UNRESTRICTED NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,500,873	\$ 2,155,666
Deferred revenue	272,405	156,132
Accrued vacation and sick leave	729,797	657,867
Other liabilities	273,446	265,437
Total current liabilities	2,776,521	3,235,102
 UNRESTRICTED NET ASSETS		
General	22,174,072	21,765,701
Board designated	10,374,343	9,754,880
	32,548,415	31,520,581
	\$ 35,324,936	\$ 34,755,683

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
AND CHANGES IN UNRESTRICTED NET ASSETS
YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	2006	2005
NET SALES	\$ 33,348,110	\$ 31,518,816
COST OF SALES	26,750,715	24,252,575
	6,597,395	7,266,241
COSTS AND EXPENSES		
Warehouse and shipping	530,297	484,656
Selling	348,963	449,694
Administrative	4,450,017	4,466,622
	5,329,277	5,400,972
INCOME FROM MANUFACTURING AND BASE SUPPLY OPERATIONS	1,268,118	1,865,269
OTHER INCOME (EXPENSE)		
Investment return	895,733	142,674
Excess of rehabilitation expenses over support and revenue	(1,555,194)	(1,354,806)
Other income, net	112,562	203,115
Bequests, contributions, grants, and charitable trust distributions	306,615	267,960
	(240,284)	(741,057)
CHANGE IN UNRESTRICTED NET ASSETS	1,027,834	1,124,212
UNRESTRICTED NET ASSETS		
Beginning of year	31,520,581	30,396,369
End of year	\$ 32,548,415	\$ 31,520,581

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

	2006	2005
OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 1,027,834	\$ 1,124,212
Adjustments to reconcile change in unrestricted net assets to cash provided by operating activities		
Depreciation	977,007	954,444
Realized and unrealized (gain) loss on investments, net	(648,050)	93,080
Gain (loss) on sale of property, plant and equipment	(6,500)	627
Changes in operating assets and liabilities		
Receivables	547,746	(240,277)
Inventory	788,501	(1,352,906)
Other assets	(30,062)	(64,942)
Prepaid pension cost	213,993	293,114
Liabilities	(458,581)	186,596
	2,411,888	993,948
INVESTING ACTIVITIES		
Purchases of investments	(1,185,005)	(7,013,339)
Proceeds from sale of investments	12,548	8,777,107
Purchases of property, plant and equipment	(1,198,448)	(2,821,948)
Proceeds from sale of property, plant and equipment	6,500	2,750
	(2,364,405)	(1,055,430)
CHANGE IN CASH	47,483	(61,482)
CASH		
Beginning of year	214,217	275,699
End of year	\$ 261,700	\$ 214,217

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 1 - Operations and Summary of Significant Accounting Policies

Operations - The Lighthouse for the Blind, Incorporated (the Lighthouse) is a not-for-profit organization whose objective is to create and enhance opportunities for independence and self-sufficiency of people who are blind, Deaf-Blind, and blind with other disabilities. The principal activities of the Lighthouse are conducted at its office and plant facility located in Seattle, Washington.

The principal functions of the Lighthouse include:

- Operating a metal fabricating and assembly shop in which parts are fabricated and assembled for an airplane manufacturer and others; manufacturing of military canteens, hydration systems, easels, notebook binders, paper trimmers, file folders, and other items under government contracts.
- Operating a sewing department in which traffic safety clothing and other items are manufactured under government contracts.
- Manufacturing rubber stamps and business cards under government contracts.
- Manufacturing household items.
- Operating military base supply centers for sales of office and other supplies to the bases.
- Operating a center that provides rehabilitation, vocational, and educational training services.

The Seattle Lighthouse for the Blind Foundation (the Foundation) is an organization committed to soliciting funds exclusively for the Lighthouse. The Foundation was formed in January 2003 as a 501(c)(3) organization.

Principles of Consolidation - The Lighthouse and the Foundation (collectively, the Organization) have some common Board of Trustees members and common management. Accordingly, the results of the Lighthouse and the Foundation have been consolidated as of September 30, 2006 and 2005 and for the years then ended. All significant intercompany transactions and accounts have been eliminated in the consolidated financial statements.

Basis of Presentation - The Organization presents its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under the requirements of SFAS No. 117, financial position and activities are reported according to three classes of net assets - unrestricted, temporarily restricted and permanently restricted. The restriction of these net assets classes is determined based on the existence and nature of donor-imposed restrictions. Temporarily restricted support received during the fiscal period, for which the restriction expires or the purpose is accomplished during the same period, is reported as unrestricted support.

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 1 - Operations and Summary of Significant Accounting Policies (Continued)

At September 30, 2006 and 2005, the Organization had no significant temporarily or permanently restricted net assets.

Reclassifications - Certain amounts in 2005 have been reclassified to conform to the 2006 presentation. There was no effect to total net assets as a result of these classifications.

Investments - Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value based on quoted market values. Realized and unrealized gains and losses are included in the determination of change in unrestricted net assets. Any investment return on donor restricted balances is reported as unrestricted revenue unless the donor has stipulated otherwise. Investments with maturities of three months or less at the date of purchase are considered to be cash equivalents. The Organization holds cash with financial institutions in excess of federally insured limits.

Allowance for Doubtful Accounts - The Organization extends credit to substantially all of its customers. Accounts receivable are recorded at the invoice amount and do not bear interest. An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of its customers to pay. The Organization determines the allowance based on review of past due balances, historical write-off experience and economic data. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Organization has established credit policies and historically the losses related to customer nonpayment have been low as a percentage of net sales.

Inventory - Inventory is recorded at the lower of cost (as determined by the first-in, first-out method) or market.

Property, Plant and Equipment - Property, plant and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the various classes of assets, which range as follows:

Buildings and improvements	10 to 40 years
Machinery and equipment	3 to 15 years

The Organization follows the practice of capitalizing substantially all expenditures for property, plant and equipment in excess of \$3,000.

Deferred Revenue - Deferred revenue represents customer prepayments for purchases of base supply center and manufactured items. The revenue from these prepaid funds is recorded at the time the goods are shipped or delivered.

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 1 - Operations and Summary of Significant Accounting Policies (Continued)

Bequests and Contributions - As the Organization does not usually receive advance notification of charitable trust fund distributions or other contributions, bequests and contributions are generally recognized as income at fair market value when the gift is received. However, in the event that specific advance notice is provided, bequests and contributions are recognized when an unconditional promise is made and all donor-imposed conditions relating to the promise are met.

Income Taxes - The Lighthouse and the Foundation are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and accordingly are generally exempt from federal income taxes under the provisions of Section 501(a). However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Currently there is no unrelated business income. In addition, the Organization qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a).

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 the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Note 2 - Investments

Investments consist of the following at September 30:

	2006	2005
Investments		
Money market funds	\$ 1,010,692	\$ 67,490
Fixed income securities	6,022,685	5,764,843
	7,033,377	5,832,333
Long-term investments		
Cash and cash equivalents	528,974	468,028
U.S. government securities	1,692,346	1,982,449
Corporate debt	1,235,559	1,834,510
Equity securities	6,917,464	5,469,893
	10,374,343	9,754,880
	\$ 17,407,720	\$ 15,587,213

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 2 - Investments (Continued)

The Board of Trustees (the Board) has designated certain assets, consisting of unrestricted bequests and contributions, to be invested separately from assets generated by operations. The Board has further specified that these assets be allowed to accumulate to a level as determined by the Board, based on current market conditions, at which time the investment income is to be used to support rehabilitation programs and as otherwise designated by the Board.

The following summarizes the investment return at September 30:

	2006	2005
Dividends and interest	\$ 247,683	\$ 235,754
Realized gain	735,797	265,720
Unrealized loss	(87,747)	(358,800)
	\$ 895,733	\$ 142,674

Note 3 - Inventory

Inventory is composed of the following at September 30:

	2006	2005
Raw materials	\$ 2,914,050	\$ 2,991,002
Work-in-process	827,027	1,234,537
Finished goods	1,375,897	1,679,936
	\$ 5,116,974	\$ 5,905,475

Note 4 - Pension Benefit Plans

The Organization maintains a defined benefit pension plan (the Plan) for substantially all employees. Participant benefits are primarily related to years of credited service and annual earnings. An employee is eligible to participate in the Plan after completing one year of service and upon attaining 21 years of age. The Organization's funding policy is to contribute annually an amount equal to the normal cost of the Plan. The benefit formula is a career average unit of credit formula under which employees can earn 1.5% of their annual wages for each year of service.

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 4 - Pension Benefit Plans (Continued)

The following is the Plan's funded status and amounts recognized in the Organization's financial statements as of and for the years ended September 30:

	2006	2005
Change in projected benefit obligation (PBO)		
Benefit obligation at beginning of year	\$ 12,922,590	\$ 11,557,246
Service cost	497,689	494,452
Interest cost	728,099	677,835
Benefits paid	(394,660)	(387,147)
Administrative expenses	(92,850)	(133,587)
Change in assumptions	-	97,910
Actuarial loss	165,574	615,881
Projected benefit obligation at end of year	\$ 13,826,442	\$ 12,922,590
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 12,125,986	\$ 11,622,427
Actual return on plan assets	1,229,375	662,821
Employer contributions	513,915	361,472
Benefits paid	(394,660)	(387,147)
Administrative expenses	(92,850)	(133,587)
Fair value of plan assets at end of year	\$ 13,381,766	\$ 12,125,986
End of year reconciliation		
Funded status	\$ (444,676)	\$ (796,604)
Unrecognized prior service cost	371,622	486,636
Unrecognized net actuarial loss	2,838,550	3,289,457
Prepaid benefit cost	\$ 2,765,496	\$ 2,979,489
Additional minimum liability		
Accumulated benefit obligation (ABO)	\$ 12,619,225	\$ 11,963,275
Fair value of plan assets	13,381,766	12,125,986
Unfunded ABO	(762,541)	(162,711)
Prepaid pension cost	2,765,496	2,979,489
	\$ -	\$ -

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 4 - Pension Benefit Plans (Continued)

	<u>2006</u>	<u>2005</u>
Components of net periodic benefit cost (NPBC)		
Service cost	\$ 497,689	\$ 494,452
Interest cost	728,099	677,835
Expected return on plan assets	(800,954)	(766,964)
Recognized net actuarial loss	188,060	137,019
Amortization of prior service cost	115,014	112,244
Net periodic benefit cost	<u>\$ 727,908</u>	<u>\$ 654,586</u>
Prepaid pension expense reconciliation		
Prepaid at beginning of year	\$ 2,979,489	\$ 3,272,603
Service cost	(497,689)	(494,452)
Interest cost	(728,099)	(677,835)
Expected return of plan assets	800,954	766,964
Amortization	(303,074)	(249,263)
Employer contributions	513,915	361,472
Prepaid at end of year	<u>\$ 2,765,496</u>	<u>\$ 2,979,489</u>
Expected benefit payments		
2007	\$ 559,440	
2008	\$ 564,144	
2009	\$ 580,745	
2010	\$ 577,411	
2011	\$ 627,535	
2012 through 2016	\$ 3,927,302	
Weighted-average assumptions as of September 30:	<u>2006</u>	<u>2005</u>
Discount rate	5.75%	5.75%
Expected return on plan assets	6.75%	6.75%
Rate of compensation increase	4.00%	4.00%

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 4 - Pension Benefit Plans (Continued)

	Year Ended September 30,		
	Expected 2007	Actual 2006	Actual 2005
Employer contributions			
Required	\$ -	\$ -	\$ -
Additional discretionary	548,604	513,915	361,472
Total	<u>\$ 548,604</u>	<u>\$ 513,915</u>	<u>\$ 361,472</u>

The Organization had no non-cash contributions during the year ended September 30, 2006 and has no expectation of non-cash contributions in future years.

	Target %	2006 (Actual)	2005 (Actual)	Expected Return
Allocation of plan assets				
Cash and cash equivalents	1-10%	6.22%	9.85%	3.20%
Fixed income	25-55%	30.62%	29.48%	4.50%
Equities	45-60%	63.16%	60.67%	8.05%

Investment goals and risk management practices:

- The investment objective of this portfolio is to provide growth with income, with appropriate consideration for diversification and quality.
- Investment managers shall have sole discretion to make investment decisions, within the scope of the Investment Policy approved by the Lighthouse Board of Trustees.
- Disciplined risk management is expected to produce returns over time consistent with the portfolio's objectives.

The Organization offers a tax-deferred annuity plan for all employees who meet certain eligibility requirements. Participants may contribute up to 50% of their annual compensation. The Organization makes contributions to the annuity plan up to 4.5% of employee compensation. Contributions under the annuity plan by the Organization were \$175,732 and \$161,031 for the years ended September 30, 2006 and 2005.

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 5 - Property, Plant and Equipment

At September 30, property, plant and equipment consist of the following:

	<u>2006</u>	<u>2005</u>
Land	\$ 675,590	\$ 675,590
Buildings and improvements	7,642,621	7,362,281
Machinery and equipment	<u>14,859,619</u>	<u>15,531,944</u>
	23,177,830	23,569,815
Less accumulated depreciation	<u>16,614,875</u>	<u>17,228,301</u>
	<u>\$ 6,562,955</u>	<u>\$ 6,341,514</u>

Note 6 - Rehabilitation Services Center

The Rehabilitation Services Center, a division of the Organization, provides evaluation, orientation, mobility, and communication and basic education skills training to blind, Deaf-Blind, and multi-disabled blind adults. The goal of this training is to enable persons who are blind to be independent and economically self-supporting.

All bequests, contributions, and charitable trust distributions that are restricted by the donor for the benefit of disabled individuals are allocated to the Rehabilitation Services Center and utilized in the period they are received.

An allocation of various expenses (e.g., heat, electricity, and telephone) to the Rehabilitation Services Center's operations is based on estimates of management.

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 6 - Rehabilitation Services Center (Continued)

A schedule of support and revenue and expenses of the Rehabilitation Services Center for the years ended September 30 is as follows:

	2006	2005
Support and revenue		
Federal funding	\$ 95,376	\$ 27,337
State and local government funding	235,557	222,042
Bequests, contributions, and charitable trust distributions - restricted by donor	-	20,000
Other	9,558	169,174
	340,491	438,553
Expenses		
Salaries		
Staff	490,217	465,865
Supervision	383,358	336,282
Related taxes and benefits	330,979	334,884
Administrative expenses	623,422	572,401
Summer camp	67,709	83,927
	1,895,685	1,793,359
Excess of rehabilitation expenses over support and revenue	\$ (1,555,194)	\$ (1,354,806)

Fundraising expenses included within rehabilitation expenses for September 30, 2006 and 2005 total \$178,329 and \$138,948.

Note 7 - Bequests, Contributions, Grants, and Charitable Trust Distributions

The Organization is the beneficiary of specific bequests and contributions each year, as well as a portion of the income earned from several charitable trust funds. Such trust funds are not recorded in the accompanying financial statements. These funds are held and managed by trustees under discretionary trust agreements.

Note 8 - The Foundation

The Seattle Lighthouse for the Blind Foundation was established as a supporting organization to the Lighthouse for the Blind, Inc. The Foundation's purpose is to support the mission of the Lighthouse for the Blind, Inc., which is to create and enhance opportunities for independence and self-sufficiency of people who are blind, Deaf-Blind, and blind with other disabilities.

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2006 AND 2005**

Note 8 - The Foundation (Continued)

The financial position at September 30, 2006 and 2005 and the financial activities for the years then ended of the Foundation, which are included in the accompanying consolidated financial statements, are as follows:

	<u>2006</u>	<u>2005</u>
Cash and investments	\$ 1,942,081	\$ 1,785,367
Receivables	-	148,750
Total assets	<u>\$ 1,942,081</u>	<u>\$ 1,934,117</u>
Unrestricted net assets	<u>\$ 1,942,081</u>	<u>\$ 1,934,117</u>
Net assets at beginning of year	\$ 1,934,117	\$ 2,113,342
Contributions received	642,276	651,906
Interest income	40,709	31,489
Unrealized gain on investments	106,344	17,534
Contribution to the Lighthouse	(288,444)	(150,000)
Billboard in-kind expense	(148,750)	(357,000)
Operating expenses allocated from Lighthouse	<u>(344,171)</u>	<u>(373,154)</u>
Net assets at end of year	<u>\$ 1,942,081</u>	<u>\$ 1,934,117</u>

Expenses incurred by the Foundation include allocations of personnel and facilities costs from the Lighthouse, as well as expenses relating to donor acquisition, development of Foundation policies and procedures, and in-kind contributions expense related to the contribution of billboard space.

Note 9 - Concentration of Credit Risk and Dependence on Customers

Financial instruments that potentially subject the Organization to concentrations of credit risk include deposits with financial institutions. The Organization places its deposits with high credit quality financial institutions. However, at times, deposits exceed the federally insured limits.

During the year ended September 30, 2006 approximately 54% of sales were to three customers. At September 30, 2006 approximately 26% of trade accounts receivable was due from two of these customers.

SUPPLEMENTAL INFORMATION

**THE LIGHTHOUSE FOR THE BLIND, INCORPORATED
AND ITS FOUNDATION
THE DANNY LORD FOUNDATION - UNAUDITED
SEPTEMBER 30, 2006 AND 2005**

The Danny Lord Foundation was established to further the charitable activities of the Organization. The Danny Lord Foundation is organized as a charitable trust within the definition of section 501(c)(3) of the Internal Revenue Code. The Trustees of the Danny Lord Foundation are all members of the Organization's Board of Trustees and, thus, exercise significant control over the operations of the Danny Lord Foundation. The Charitable Trust Agreement provides that investment income realized (excluding capital gains) from Danny Lord Foundation's investments is to benefit the Organization. Under the direction of the Board of Trustees, realized investment income is applied to the Rehabilitation Services Center, a division of the Organization, and is recorded as a contribution.

The investments held by the Danny Lord Foundation and the related appreciation (depreciation) are not recorded in the accounts of the Organization. A summary of the Danny Lord Foundation's assets, unrestricted net assets and the changes in unrestricted net assets currently held for the benefit of the Organization follows:

	<u>2006</u>	<u>2005</u>
Investments	<u>\$ 636,180</u>	<u>\$ 588,857</u>
Unrestricted net assets	<u>\$ 636,180</u>	<u>\$ 588,857</u>
Unrestricted net assets at beginning of the year	\$ 588,857	\$ 589,693
Investment income	16,376	17,586
Transfers to Rehabilitation Services Center	-	(20,000)
Realized gain on investments	13,408	11,717
Unrealized gain (loss) on investments	<u>17,539</u>	<u>(10,139)</u>
Unrestricted net assets at end of the year	<u>\$ 636,180</u>	<u>\$ 588,857</u>