

Audited Financial Statements

MARQUETTE COUNTY HUMANE SOCIETY, INC.

May 31, 2012

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**REPORT OF INDEPENDENT AUDITORS**

Board of Directors  
Marquette County Humane Society, Inc.  
Negaunee, Michigan

We have audited the accompanying statements of financial position of the Marquette County Humane Society, Inc., d/b/a Upper Peninsula Animal Welfare Shelter (a non-profit corporation) as of May 31, 2012 and 2011, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Marquette County Humane Society, Inc.'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 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 Marquette County Humane Society, Inc., as of May 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

*Makela, Toutant, Hill & Nardi, P.C.*

January 18, 2013

STATEMENTS OF FINANCIAL POSITION

MARQUETTE COUNTY HUMANE SOCIETY, INC.

	May 31	
	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 343,644	\$ 365,246
Accounts receivable	2,545	4,538
Bequest receivable		5,000
Pledges receivable, current portion	250	3,850
TOTAL CURRENT ASSETS	<u>346,439</u>	<u>378,634</u>
<b>OTHER ASSETS</b>		
Pledges receivable, non-current	1,000	250
Investments	188,836	204,153
Beneficial interest in assets held by community foundation	92,337	95,788
	<u>282,173</u>	<u>300,191</u>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Land	9,800	9,800
Buildings and improvements	176,958	176,958
Vehicles	21,643	21,643
Office and kennel equipment	10,683	10,683
	<u>219,084</u>	<u>219,084</u>
Less accumulated depreciation	188,102	181,999
TOTAL PROPERTY, PLANT, AND EQUIPMENT	<u>30,982</u>	<u>37,085</u>
TOTAL ASSETS	<u>\$ 659,594</u>	<u>\$ 715,910</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 22,583	\$ 12,612
Accrued payroll and payroll taxes	8,287	5,826
Accrued benefits	3,286	4,114
TOTAL CURRENT LIABILITIES	<u>34,156</u>	<u>22,552</u>
<b>NET ASSETS</b>		
Unrestricted	306,649	383,645
Temporarily restricted	26,522	24,697
Permanently restricted	292,267	285,016
TOTAL NET ASSETS	<u>625,438</u>	<u>693,358</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 659,594</u>	<u>\$ 715,910</u>

See notes to the financial statements.

# STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

## MARQUETTE COUNTY HUMANE SOCIETY, INC.

	Year Ended May 31, 2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>SUPPORT AND REVENUE</b>				
Shelter revenue	\$ 73,111			\$ 73,111
Direct public support	154,817	\$ 36,088		190,905
Bequests	14,951			14,951
Revenues from fundraising events and special projects	78,793			78,793
Fund development campaign			\$ 7,251	7,251
Governmental contracted services	18,682			18,682
Grants		5,000		5,000
Donated services, materials, and facility	35,219			35,219
Interest and dividends	6,910			6,910
Distribution of earnings from community foundation				
Change in value of beneficial interest in assets held by community foundation (net of \$1,510 of investment expenses)	(3,451)			(3,451)
Depreciation of investments	(23,009)			(23,009)
Other	13,266			13,266
Net assets released from restrictions	39,263	(39,263)		
<b>TOTAL SUPPORT AND REVENUE</b>	<b>408,552</b>	<b>1,825</b>	<b>7,251</b>	<b>417,628</b>
<b>EXPENSES</b>				
Program services	386,667			386,667
Supporting services:				
Management and general	73,419			73,419
Fundraising	25,462			25,462
<b>TOTAL SUPPORTING SERVICES</b>	<b>98,881</b>	<b>0</b>	<b>0</b>	<b>98,881</b>
<b>TOTAL EXPENSES</b>	<b>485,548</b>	<b>0</b>	<b>0</b>	<b>485,548</b>
<b>CHANGE IN NET ASSETS</b>	<b>(76,996)</b>	<b>1,825</b>	<b>7,251</b>	<b>(67,920)</b>
Net assets at beginning of year	383,645	24,697	285,016	693,358
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 306,649</b>	<b>\$ 26,522</b>	<b>\$ 292,267</b>	<b>\$ 625,438</b>

See notes to the financial statements.

# STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

## MARQUETTE COUNTY HUMANE SOCIETY, INC.

	Year Ended May 31, 2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>SUPPORT AND REVENUE</b>				
Shelter revenue	\$ 87,735			\$ 87,735
Direct public support	188,903	\$ 15,797		204,700
Bequests	35,645			35,645
Revenues from fundraising events and special projects	86,047			86,047
Fund development campaign	726		\$ 6,534	7,260
Governmental contracted services	18,633			18,633
Grants		5,000		5,000
Donated services, materials, and facility	25,624			25,624
Interest and dividends	5,901			5,901
Distribution of earnings from community foundation	303			303
Change in value of beneficial interest in assets held by community foundation (net of \$1,558 of investment expenses)	7,942			7,942
Appreciation of investments	22,996			22,996
Other	12,284			12,284
Net assets released from restrictions	18,843	(18,843)		
<b>TOTAL SUPPORT AND REVENUE</b>	<b>511,582</b>	<b>1,954</b>	<b>6,534</b>	<b>520,070</b>
<b>EXPENSES</b>				
Program services	314,655			314,655
Supporting services:				
Management and general	65,685			65,685
Fundraising	23,658			23,658
<b>TOTAL SUPPORTING SERVICES</b>	<b>89,343</b>	<b>0</b>	<b>0</b>	<b>89,343</b>
<b>TOTAL EXPENSES</b>	<b>403,998</b>	<b>0</b>	<b>0</b>	<b>403,998</b>
<b>CHANGE IN NET ASSETS</b>	<b>107,584</b>	<b>1,954</b>	<b>6,534</b>	<b>116,072</b>
Net assets at beginning of year	276,061	22,743	278,482	577,286
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 383,645</b>	<b>\$ 24,697</b>	<b>\$ 285,016</b>	<b>\$ 693,358</b>

See notes to the financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

MARQUETTE COUNTY HUMANE SOCIETY, INC.

	Year Ended May 31, 2012			
	Program Services	Management and General	Fundraising	Total Expenses
Payroll expenses	\$ 154,865	\$ 29,544		\$ 184,409
Veterinary and medical supplies	154,581			154,581
Food for animals	2,481			2,481
Animal equipment	3,392			3,392
Utilities	9,769	514		10,283
Insurance	2,674	149	\$ 149	2,972
Custodial supplies/service	8,871			8,871
Office supplies	4,062	226	226	4,514
Repairs and maintenance	3,569			3,569
Travel/Vehicle expenses	1,880			1,880
Publication expenses	11,161			11,161
Community awareness	4,587			4,587
Conferences	1,540			1,540
Donated materials	16,944			16,944
Professional fees, including donated services		31,119	4,770	35,889
Fundraising events and projects			20,146	20,146
Dog license expense	521			521
Depreciation	4,577	1,526		6,103
Bank fees	1,193	341	171	1,705
Interest expense				
Bad debt expense				
Miscellaneous		10,000		10,000
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 386,667</b>	<b>\$ 73,419</b>	<b>\$ 25,462</b>	<b>\$ 485,548</b>

See notes to the financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

MARQUETTE COUNTY HUMANE SOCIETY, INC.

	Year Ended May 31, 2011			Total Expenses
	Program Services	Management and General	Fundraising	
Payroll expenses	\$ 130,978	\$ 25,040		\$ 156,018
Veterinary and medical supplies	117,655			117,655
Food for animals	3,116			3,116
Animal equipment	2,850			2,850
Utilities	8,896	469		9,365
Insurance	2,760	153	\$ 153	3,066
Custodial supplies/service	7,464			7,464
Office supplies	3,093	172	172	3,437
Repairs and maintenance	1,862			1,862
Travel/Vehicle expenses	1,796			1,796
Publication expenses	10,605			10,605
Community awareness	2,810			2,810
Conferences	1,263			1,263
Donated materials	11,624			11,624
Professional fees, including donated services		21,161		21,161
Fundraising events and projects			23,189	23,189
Dog license expense	375			375
Depreciation	6,500	2,167		8,667
Bank fees	1,008	288	144	1,440
Interest expense				
Bad debt expense		2,541		2,541
Miscellaneous		13,694		13,694
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 314,655</b>	<b>\$ 65,685</b>	<b>\$ 23,658</b>	<b>\$ 403,998</b>

See notes to the financial statements.



## STATEMENTS OF CASH FLOWS

### MARQUETTE COUNTY HUMANE SOCIETY, INC.

	Year Ended May 31	
	2012	2011
CASH FLOW PROVIDED (USED) BY		
OPERATING ACTIVITIES		
Change in net assets	\$ (67,920)	\$ 116,072
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	6,103	8,666
Depreciation (appreciation) in fair value of investments	23,010	(22,996)
Change in beneficial interest in assets held by community foundation	3,451	(8,245)
(Increase) Decrease in:		
Accounts receivable	1,993	(1,907)
Pledges receivable	2,850	3,541
Bequest receivable	5,000	205,000
Increase (Decrease) in:		
Accounts payable	9,971	5,722
Other current liabilities	1,633	(2,184)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(13,909)</u>	<u>303,669</u>
INVESTING ACTIVITIES		
Purchases of securities	(22,746)	(121,706)
Sales of securities	15,053	115,508
NET CASH USED BY INVESTING ACTIVITIES	<u>(7,693)</u>	<u>(6,198)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(21,602)</u>	<u>297,471</u>
Cash and cash equivalents at beginning of year	<u>365,246</u>	<u>67,775</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 343,644</u>	<u>\$ 365,246</u>

See notes to the financial statements.

## NOTES TO FINANCIAL STATEMENTS

MARQUETTE COUNTY HUMANE SOCIETY, INC.

May 31, 2012

### NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Marquette County Humane Society, Inc., d/b/a Upper Peninsula Animal Welfare Shelter (Society) is a non-profit organization whose purpose is to ensure the safety and protection of all animals. Services provided by the Society include care and shelter of stray animals, adoption service, neglect/cruelty referrals, lost and found service, humane education, and community awareness campaigns. The Society's main source of revenue is public contributions.

#### Basis of Accounting

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

#### Cash and Cash Equivalents

Cash and cash equivalents includes cash and short-term, highly liquid investments with original maturities of three months or less.

#### Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position based on quoted market prices. Realized and unrealized gains and losses are included in the statements of activities and changes in net assets.

#### Pledges Receivable

Unconditional promises to give are recognized as revenue in the period received. Pledges receivable are recorded at net realizable value. The Society uses the allowance method to estimate uncollectible pledges receivable, which management estimated to be \$0 and \$500 as of May 31, 2012 and 2011, respectively.

#### Land, Buildings, and Equipment

Fixed assets are obtained through purchase and donation. Purchased assets are recorded at cost; donated assets are recorded at their fair market value at the date of donation. Fixed assets are depreciated using the straight line method, over the projected life of the assets. The buildings and improvements are being depreciated over 30 years, new equipment over seven years, and used equipment over five years. The Society capitalizes all fixed assets valued greater than \$1,000.

## NOTES TO FINANCIAL STATEMENTS--Continued

### MARQUETTE COUNTY HUMANE SOCIETY, INC.

#### NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

##### Net Assets

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the existence and/or nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

##### Donated Services and Materials

Under the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958-605, *Not-for-Profit Entities - Revenue Recognition*, the Society recognizes services requiring specialized skills such as those provided by accountants, attorneys, and other professionals if the services would need to be purchased if not donated. The amount of such donated services recorded and reflected in the accompanying financial statements was \$18,275 and \$14,000 for the years ended May 31, 2012 and 2011, respectively.

Donated materials are recorded as revenues and expenses at their estimated fair values in the period received. Donated goods are rarely resold by the Society and consist mainly of items used in shelter operations, such as food, supplies, and similar items. The Society recognized \$16,944 and \$11,624 of donated materials for the years ended May 31, 2012 and 2011, respectively.

##### Use of Estimates

Preparation of the Society's financial statements, in conformity with accounting principles generally accepted in the United States of America, requires the use of management's estimates. Actual results could differ from these estimates.

##### Reclassifications

Certain amounts as of and for the year ended May 31, 2011, have been reclassified to conform to the current year's presentation.

##### Subsequent Events

Subsequent events were evaluated through January 18, 2013, which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS--Continued

MARQUETTE COUNTY HUMANE SOCIETY, INC.

NOTE B--INCOME TAX STATUS

The Society, a publicly supported organization, is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and accordingly, has recorded no liability for federal income taxes during the year. Additionally, the Society is exempt from federal unemployment taxes under the same section of the Internal Revenue Code.

NOTE C--TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are donor restricted for the following purposes:

	May 31	
	2012	2011
Capital projects:		
New feline facility	\$ 3,449	\$ 3,449
Building improvements	1,946	1,936
Horse protection and education	19,951	15,605
Community spay and nueter	1,176	
Feline leukemia testing		3,707
	<u>          </u>	<u>          </u>
TOTAL	<u>\$ 26,522</u>	<u>\$ 24,697</u>

NOTE D--PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are donor restricted for the following purposes:

	May 31	
	2012	2011
Land	\$ 9,800	\$ 9,800
Beneficial interest in community foundation	100,000	100,000
Endowment fund	182,467	175,216
	<u>          </u>	<u>          </u>
TOTAL	<u>\$ 292,267</u>	<u>\$ 285,016</u>

The parcel of land on which the Society facility is located was transferred to the Society on May 14, 2001, by the Board of County Road Commissioners for the County of Marquette via Quit-Claim Deed for as long as the property is used as an animal shelter.

## NOTES TO FINANCIAL STATEMENTS--Continued

### MARQUETTE COUNTY HUMANE SOCIETY, INC.

#### NOTE D--PERMANENTLY RESTRICTED NET ASSETS--Continued

In 2004, the Society contributed assets to the Marquette Community Foundation (Foundation) to establish the Marquette County Humane Society Agency Fund (Fund). The Society named itself as the beneficiary of the expendable earnings, which are to be distributed at least annually. The Society granted variance power to the Foundation, whereby if the Fund is terminated or if the Foundation dissolves, ceases to exist, or ceases to hold or administer the funds, the governing board of the Foundation shall distribute the net assets as it chooses, giving primary consideration to the Society or to an organization or purpose recommended by the Society. In accordance with FASB ASC 958-20, *Not-for-Profit Entities - Financially Interrelated Entities*, these amounts are reported on the Society's statement of financial position as a beneficial interest in assets held by others. Earning distributions are recognized as an increase in unrestricted net assets.

Permanently restricted net assets include amounts designated by donors for an endowment fund. Income earned on investments may be used for general purposes.

#### NOTE E--CONCENTRATION OF CREDIT RISK

Substantially, all transactions of the Society are conducted in Marquette County, Michigan; therefore, the Society is affected by regional economic conditions.

#### NOTE F--COMMITMENTS

The Society has contracts with the City of Marquette, Marquette County, Negaunee Township, Ely Township, and Chocolay Township, which require it to provide various types of care for stray animals. All contracts are open-ended, with either party able to cancel the contract; some contracts require 20-days notice, while other contracts are silent. The Society issues monthly invoices for services rendered.

NOTES TO FINANCIAL STATEMENTS--Continued

MARQUETTE COUNTY HUMANE SOCIETY, INC.

NOTE G--INVESTMENTS

Market value and unrealized appreciation (depreciation) on investments are as follows:

	May 31, 2012		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Short-term investments	\$ 3,772	\$ 3,772	
Mutual funds	148,471	134,169	\$ (14,302)
Corporate bonds	14,897	15,971	1,074
Common stocks	31,494	23,497	(7,997)
Other	6,631	11,427	4,796
TOTAL AT END OF YEAR	<u>\$ 205,265</u>	<u>\$ 188,836</u>	<u>\$ (16,429)</u>
	May 31, 2011		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Short-term investments	\$ 1,892	\$ 1,892	
Mutual funds	144,505	145,522	\$ 1,017
Corporate bonds	14,897	16,140	1,243
Common stocks	30,996	29,105	(1,891)
Other	6,631	11,494	4,863
TOTAL AT END OF YEAR	<u>\$ 198,921</u>	<u>\$ 204,153</u>	<u>\$ 5,232</u>

NOTES TO FINANCIAL STATEMENTS--Continued

MARQUETTE COUNTY HUMANE SOCIETY, INC.

NOTE G--INVESTMENTS--Continued

The following table presents information about the Society's investments measured at fair value on a recurring basis at May 31, and the valuation techniques used by the Society to determine those fair values. The FASB ASC 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; Level 3 inputs consist of unobservable inputs and have the lowest priority. The Society uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

	Fair Value	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>May 31, 2012:</u>				
Short-term investments	\$ 3,772	\$ 3,772		
Mutual funds	134,169	134,169		
Corporate bonds	15,971	15,971		
Common stocks	23,497	15,977	\$ 7,520	
Other	11,427	11,427		
<b>TOTAL INVESTMENT SECURITIES</b>	<b>\$ 188,836</b>	<b>\$ 181,316</b>	<b>\$ 7,520</b>	<b>\$ 0</b>
<u>May 31, 2011:</u>				
Short-term investments	\$ 1,892	\$ 1,892		
Mutual funds	145,522	145,522		
Corporate bonds	16,140	16,140		
Common stocks	29,105	16,625	\$ 12,480	
Other	11,494	11,494		
<b>TOTAL INVESTMENT SECURITIES</b>	<b>\$ 204,153</b>	<b>\$ 191,673</b>	<b>\$ 12,480</b>	<b>\$ 0</b>

NOTES TO FINANCIAL STATEMENTS--Continued

MARQUETTE COUNTY HUMANE SOCIETY, INC.

NOTE H--PLEDGES RECEIVABLE

Pledges receivable represent outstanding pledges for the Fund Development Program (Program). The Program's goal was to raise both operating and endowment funds over a five-year time period (calendar year). A portion of each year's contributions is available for current operations and the remainder will be permanently endowed.

Pledges receivable are as follows:

	<u>May 31, 2012</u>
Receivable in less than one year	\$ 250
Receivable in two to five years	<u>1,000</u>
Gross receivables	1,250
Less allowance for uncollectible pledges	<u>          </u>
NET UNCONDITIONAL PLEDGES RECEIVABLE	<u><u>\$ 1,250</u></u>

NOTE I--ENDOWMENT FUND

The Society follows the Uniform Prudent Management of Institutional Funds Act of 1972 (UPMIFA) and its own governing documents. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Society's donors have not placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

The Board of Directors, upon recommendation from the Finance Committee, determines a percentage of earnings to be distributed each year.

The composition of the endowment fund's net assets is as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>May 31, 2012:</u>			
Donor designated endowment funds	<u>\$ (2,635)</u>	<u>\$ 182,467</u>	<u>\$ 179,832</u>
<u>May 31, 2011:</u>			
Donor designated endowment funds	<u>\$ 15,011</u>	<u>\$ 175,216</u>	<u>\$ 190,227</u>



NOTES TO FINANCIAL STATEMENTS--Continued

MARQUETTE COUNTY HUMANE SOCIETY, INC.

NOTE I--ENDOWMENT FUND--Continued

The following represents the changes in endowment fund net assets for the years ending May 31, 2012 and 2011:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment fund net assets (deficit) at June 1, 2010	\$ (9,977)	\$ 168,682	\$ 158,705
Investment return:			
Investment income	4,647		4,647
Realized gains	5,597		5,597
Unrealized appreciation	19,744		19,744
Total investment return	<u>29,988</u>		<u>29,988</u>
Contributions		6,534	6,534
Appropriation of endowment assets for expenditure	<u>(5,000)</u>		<u>(5,000)</u>
Endowment fund net assets at May 31, 2011	<u>\$ 15,011</u>	<u>\$ 175,216</u>	<u>\$ 190,227</u>
	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment fund net assets at June 1, 2011	\$ 15,011	\$ 175,216	\$ 190,227
Investment return:			
Investment income	4,374		4,374
Realized losses	(241)		(241)
Unrealized appreciation	(16,779)		(16,779)
Total investment return	<u>(12,646)</u>		<u>(12,646)</u>
Contributions		7,251	7,251
Appropriation of endowment assets for expenditure	<u>(5,000)</u>		<u>(5,000)</u>
Endowment fund net assets (deficit) at May 31, 2012	<u>\$ (2,635)</u>	<u>\$ 182,467</u>	<u>\$ 179,832</u>

The market value of endowment investments as of May 31, 2012, totaled \$179,832 which is \$2,635 less than the amount required by donors and UPMIFA.