



**FINANCIAL STATEMENTS**

**Year Ended June 30, 2006**

**with**

**Independent Auditors' Report**

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# NATIONAL PSORIASIS FOUNDATION

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## **Independent Auditors' Report**

The Board of Trustees  
National Psoriasis Foundation

We have audited the accompanying statement of financial position of National Psoriasis Foundation as of June 30, 2006, and the related statements of activities, functional expenses, 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 financial statements as of and for the year ended June 30, 2005. Those financial statements were audited by us, and our report dated August 25, 2005, 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 National Psoriasis Foundation as of June 30, 2006, 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.

*Hoffman, Stewart & Schmidt, P.C.*

August 25, 2006

**NATIONAL PSORIASIS FOUNDATION**

**Statement of Financial Position**

<b>June 30, 2006</b> <i>(With Comparative Amounts for 2005)</i>	<b>2006</b>	<b>2005</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,774,433	1,127,931
Investments <i>(Note 3)</i>	731,818	575,188
Accounts receivable	16,760	66,151
Grants receivable	-	21,956
Pledges receivable - net <i>(Note 4)</i>	2,106,554	956,789
Legacies and bequests receivable <i>(Note 5)</i>	714,000	56,188
Inventory of literature	83,545	75,641
Prepaid expenses	91,155	110,435
Security deposits	23,570	23,570
Furniture and equipment - net of accumulated depreciation of \$495,036 and \$463,137 in 2006 and 2005, respectively	<u>69,949</u>	<u>115,666</u>
<b>Total assets</b>	<b><u>\$ 5,611,784</u></b>	<b><u>\$ 3,129,515</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 142,956	211,655
Grants payable <i>(Note 6)</i>	30,000	110,000
Accrued payroll, payroll taxes and withholdings	72,988	64,524
Accrued vacation pay	96,103	80,507
Deferred income - special projects <i>(Note 7)</i>	<u>60,554</u>	<u>31,274</u>
<b>Total liabilities</b>	<b>402,601</b>	<b>497,960</b>
Commitments <i>(Note 8)</i>		
<b>Net assets (deficit):</b>		
Unrestricted:		
Undesignated	(772,266)	205,115
Designated <i>(Note 9)</i>	<u>2,306,550</u>	<u>1,122,817</u>
	1,534,284	1,327,932
Temporarily restricted <i>(Note 10)</i>	<u>3,674,899</u>	<u>1,303,623</u>
<b>Total net assets</b>	<b><u>5,209,183</u></b>	<b><u>2,631,555</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 5,611,784</u></b>	<b><u>\$ 3,129,515</u></b>

*The accompanying notes are an integral part of the financial statements.*

## NATIONAL PSORIASIS FOUNDATION

### Statement of Activities

**Year Ended June 30, 2006** (With Comparative Totals for 2005)

	Unrestricted	Temporarily Restricted	Total	
			2006	2005
<b>Revenue, gains, and other support:</b>				
Individual contributions	\$ 1,208,261	\$ 1,689,773	\$ 2,898,034	\$ 2,224,069
Corporate contributions and educational grants	1,212,180	525,967	1,738,147	1,915,195
Foundation contributions	6,100	136,000	142,100	91,000
Legacies and bequests	905,472	672,000	1,577,472	14,319
Sales of patient education materials	31,156	-	31,156	83,497
Magazine advertising	117,725	-	117,725	192,053
Professional education course fees	70,425	-	70,425	48,602
Clinical study mailing reimbursements	-	-	-	58,695
Interest and dividends	51,628	-	51,628	18,337
Gain on investments	21,195	-	21,195	7,556
Other	29,433	-	29,433	24,927
Net assets released from restrictions (Note 11)	652,464	(652,464)	-	-
<b>Total revenue, gains, and other support</b>	<b>4,306,039</b>	<b>2,371,276</b>	<b>6,677,315</b>	<b>4,678,250</b>
<b>Expenses:</b>				
Public education	1,239,386	-	1,239,386	1,350,527
Patient services	513,892	-	513,892	466,160
Professional education	456,286	-	456,286	582,495
Community services	383,584	-	383,584	268,579
Research	282,042	-	282,042	472,117
Management and general	423,128	-	423,128	529,862
Fund-raising	801,369	-	801,369	809,818
<b>Total expenses</b>	<b>4,099,687</b>	<b>-</b>	<b>4,099,687</b>	<b>4,479,558</b>
<b>Increase in net assets</b>	<b>206,352</b>	<b>2,371,276</b>	<b>2,577,628</b>	<b>198,692</b>
Net assets, beginning of year	1,327,932	1,303,623	2,631,555	2,432,863
<b>Net assets, end of year</b>	<b>\$ 1,534,284</b>	<b>\$ 3,674,899</b>	<b>\$ 5,209,183</b>	<b>\$ 2,631,555</b>

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

## NATIONAL PSORIASIS FOUNDATION

### Statement of Functional Expenses

**Year Ended June 30, 2006** (With Comparative Totals for 2005)

	Program Services					Total
	Public Education	Patient Services	Professional Education	Community Services	Research	
Salaries	\$ 553,211	\$ 319,092	\$ 166,828	\$ 134,090	\$ 70,156	\$ 1,243,377
Employee benefits	54,833	31,628	16,536	13,291	6,953	123,241
Payroll taxes	51,354	29,621	15,487	12,448	6,513	115,423
Occupancy	90,630	52,337	27,197	22,051	11,529	203,744
Telecommunications	12,100	4,481	2,752	1,804	935	22,072
Awards and grants (Note 6)	-	-	-	-	65,000	65,000
Conferences and meetings	64,011	16,964	83,499	32,589	172	197,235
Printing and publications	157,729	11,223	19,865	45,061	1,495	235,373
Postage and handling	83,854	11,198	10,317	7,655	667	113,691
Travel	35,766	4,849	62,542	13,708	16,061	132,926
Professional and contract services	26,734	5,075	27,025	82,173	96,295	237,302
Supplies	18,022	7,399	6,686	2,747	1,210	36,064
Equipment maintenance and repair	33,418	8,145	9,815	9,594	1,631	62,603
Dues and subscriptions	3,048	1,114	696	959	196	6,013
Staff education and training	2,143	715	568	329	974	4,729
Insurance	6,419	3,663	2,384	1,376	717	14,559
Reporting and filing fees	2,613	1,396	1,001	576	303	5,889
Bank charges	66	-	-	-	-	66
Depreciation	29,906	4,862	2,574	2,031	1,003	40,376
Other	13,529	130	514	1,102	232	15,507
	<b><u>\$ 1,239,386</u></b>	<b><u>\$ 513,892</u></b>	<b><u>\$ 456,286</u></b>	<b><u>\$ 383,584</u></b>	<b><u>\$ 282,042</u></b>	<b><u>\$ 2,875,190</u></b>

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

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<b>Supporting Services</b>				
<b>Management and General</b>	<b>Fund- raising</b>	<b>Total</b>	<b>Total</b>	
			<b>2006</b>	<b>2005</b>
\$ 192,294	\$ 378,075	\$ 570,369	\$ 1,813,746	\$ 1,702,986
19,059	37,474	56,533	179,774	163,309
17,850	35,097	52,947	168,370	166,337
31,444	62,280	93,724	297,468	298,426
6,265	5,593	11,858	33,930	41,114
-	-	-	65,000	176,174
21,575	20,349	41,924	239,159	270,343
1,534	86,511	88,045	323,418	496,326
2,834	61,982	64,816	178,507	193,799
38,096	52,199	90,295	223,221	276,920
32,292	18,622	50,914	288,216	436,992
6,292	8,391	14,683	50,747	50,363
12,390	14,761	27,151	89,754	52,899
2,155	2,125	4,280	10,293	9,838
786	1,282	2,068	6,797	7,608
2,636	3,955	6,591	21,150	21,799
1,442	1,739	3,181	9,070	9,686
28,097	100	28,197	28,263	20,058
3,307	6,559	9,866	50,242	66,292
2,780	4,275	7,055	22,562	18,289
<b><u>\$ 423,128</u></b>	<b><u>\$ 801,369</u></b>	<b><u>\$ 1,224,497</u></b>	<b><u>\$ 4,099,687</u></b>	<b><u>\$ 4,479,558</u></b>

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**NATIONAL PSORIASIS FOUNDATION**

**Statement of Cash Flows**

<b>Year Ended June 30, 2006</b> <i>(With Comparative Totals for 2005)</i>	<b>2006</b>	<b>2005</b>
<b>Cash flows from operating activities:</b>		
Cash receipts:		
Contributions and educational grants	\$ 3,593,552	\$ 4,242,458
Legacies and bequests	919,660	69,639
Sales of patient education materials	31,156	83,497
Magazine advertising	160,562	164,003
Professional education course fees	75,705	61,752
Clinical study mailing reimbursements	10,554	49,247
Interest and dividends	51,628	18,337
Other	29,433	17,023
	<u>4,872,250</u>	<u>4,705,956</u>
Cash disbursements:		
Payroll and related expenses	2,137,830	2,010,214
Other operating expenses	2,024,878	2,531,088
	<u>4,162,708</u>	<u>4,541,302</u>
<b>Net cash provided by operating activities</b>	<b>709,542</b>	<b>164,654</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sales of investments	245,234	338,284
Purchases of investments	(303,749)	(533,534)
Purchases of furniture and equipment	(4,525)	(21,987)
	<u>(63,040)</u>	<u>(217,237)</u>
<b>Net cash used by investing activities</b>	<b>(63,040)</b>	<b>(217,237)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>646,502</b>	<b>(52,583)</b>
Cash and cash equivalents, beginning of year	1,127,931	1,180,514
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 1,774,433</u></b>	<b><u>\$ 1,127,931</u></b>

*The accompanying notes are an integral part of the financial statements.*

**NATIONAL PSORIASIS FOUNDATION**

**Statement of Cash Flows - Continued**

<b>Year Ended June 30, 2006</b> <i>(With Comparative Totals for 2005)</i>	<b>2006</b>	<b>2005</b>
Reconciliation of increase in net assets to net cash provided by operating activities:		
Increase in net assets	\$ 2,577,628	\$ 198,692
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Gain on investments	(21,195)	(7,556)
Contributed investments	(76,920)	(17,031)
Depreciation	50,242	66,292
(Increase) decrease in:		
Accounts receivable	49,391	30,814
Grants receivable	21,956	(21,956)
Pledges receivable - net	(1,149,765)	29,884
Legacies and bequests receivable	(657,812)	55,320
Inventory of literature	(7,904)	(27,021)
Prepaid expenses	19,280	(44,696)
Security deposits	-	(717)
Increase (decrease) in:		
Accounts payable	(68,699)	104,464
Grants payable	(80,000)	(175,000)
Accrued payroll, payroll taxes, and withholdings	8,464	11,736
Accrued vacation pay	15,596	10,681
Deferred income - special projects	29,280	(49,252)
<b>Net cash provided by operating activities</b>	<b><u>\$ 709,542</u></b>	<b><u>\$ 164,654</u></b>

*The accompanying notes are an integral part of the financial statements.*

# NATIONAL PSORIASIS FOUNDATION

## Notes to Financial Statements

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### 1. Organization and Significant Accounting Policies

**Organization** - Psoriasis has a devastating impact on the lives of individuals and their families. It is potentially physically disabling and emotionally devastating. It marks people as different and dictates that they learn to live in a society that can often be discriminatory and insensitive. The mission of National Psoriasis Foundation (the Foundation) is to improve the quality of life of people who have psoriasis and psoriatic arthritis. Through education and advocacy, the Foundation promotes awareness and understanding, ensures access to treatment and supports research that will lead to effective management and, ultimately, a cure. The Foundation is dedicated to educating, serving and empowering people with psoriasis and psoriatic arthritis.

The financial statements of National Psoriasis Foundation have been prepared in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. The significant accounting policies followed are described below:

**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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Cash and Cash Equivalents** - The Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents include bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurable limits of \$1,744,378 and \$1,118,295 at June 30, 2006 and 2005, respectively.

**Investments** - Investments are carried at market value. Net appreciation in fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation of those investments, is shown in the statement of activities.

**Receivables** - Receivables are recognized as goods and services are provided. The Foundation does not assess finance charges on past due amounts.

The Foundation considers all receivables at June 30, 2006 and 2005 to be fully collectible.

**Inventory** - Inventory is valued at lower of cost (first-in, first-out) or market.

**Furniture and Equipment** - The Foundation follows the policy of capitalizing, at cost, all expenditures for furniture and equipment in excess of \$1,000.

Furniture and equipment received through donation are recorded at estimated fair value at date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 5 to 10 years.

## NATIONAL PSORIASIS FOUNDATION

### Notes to Financial Statements - Continued

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#### 1. Organization and Significant Accounting Policies - Continued

**Net Assets** - The accompanying financial statements have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of the Foundation's net assets in two classes, unrestricted and temporarily restricted, as follows:

- Unrestricted net assets represent net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time.

**Revenue Recognition** - The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Foundation reports gifts of furniture and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Temporarily restricted contributions are classified as unrestricted where the restriction is met in the same fiscal year the contribution is received.

**Donated Services** - Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services a) create or enhance nonfinancial assets, or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided support-group and other community-based program services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

**Functional Allocation of Expenses** - Costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

# NATIONAL PSORIASIS FOUNDATION

## Notes to Financial Statements - Continued

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### 1. Organization and Significant Accounting Policies - Continued

**Income Taxes** - Income taxes are not provided for in the financial statements since the Foundation is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Foundation is not classified as a private foundation. Revenue from certain advertising services provided by the Foundation has been classified by the Internal Revenue Service as unrelated business income. The Foundation files the appropriate tax returns for these activities and pays tax on any excess income from these activities. The Foundation's unrelated business activities did not result in any income tax expense paid for the years ended June 30, 2006 and 2005.

**Summarized Financial Information for 2005** - The financial statements include certain prior-year summarized comparative information by function and 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 June 30, 2005, from which the summarized information was derived.

**Reclassifications** - Certain information in the 2005 financial statements has been reclassified for comparative purposes to conform with the 2006 presentation.

### 2. Program and Supporting Services

#### Program Services

*Public Education* - Programs which educate the public about the causes, treatments, and diagnosis of psoriasis, including the Foundation's basic information and referral program, educational booklets, Internet website, national conference and community education meetings.

*Patient Services* - The Foundation's patient services include the Psoriasis Network groups (support groups), used UVB equipment list, physician referral program, and individual assistance.

*Professional Education* - Programs designed to improve the delivery of psoriasis care by health professionals. The Foundation's programs include *Psoriasis Forum* newsletter, exhibits at professional conventions, and PUVA and phototherapy courses.

*Community Services* - Community-based programs, including the Foundation's medical office and community literature program, insurance advocacy and government affairs.

*Research* - Programs include awards and grants made to institutions conducting psoriasis research in order to improve diagnosis and treatment, and eventually cure psoriasis, support of the Foundation's scientific meetings, and advocacy on research issues.

**NATIONAL PSORIASIS FOUNDATION**

**Notes to Financial Statements - Continued**

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**2. Program and Supporting Services - Continued**

**Supporting Services** - Management and general activities provide the necessary developmental, organizational, and managerial support for the effective operation of programs.

The fund-raising function encompasses direct and indirect costs for solicitation of contributions.

**3. Investments**

Investments consist of the following:

	<b>2006</b>	<b>2005</b>
Corporate bonds	\$ 530,139	\$ 373,943
Common stock	<u>201,679</u>	<u>201,245</u>
	<u>\$ 731,818</u>	<u>\$ 575,188</u>

**4. Pledges Receivable - Net**

Pledges receivable are due as follows:

	<b>2006</b>	<b>2005</b>
Within one year	\$ 1,173,690	\$ 332,829
One to five years	<u>998,929</u>	<u>659,714</u>
Gross pledges receivable	2,172,619	992,543
Less discount to present value (3 percent used for years ended June 30, 2006 and 2005)	<u>(66,065)</u>	<u>(35,754)</u>
Pledges receivable - net	<u>\$ 2,106,554</u>	<u>\$ 956,789</u>

**NATIONAL PSORIASIS FOUNDATION**

**Notes to Financial Statements - Continued**

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**5. Legacies and Bequests Receivable**

Legacies and bequests receivable are due as follows:

	<b>2006</b>	<b>2005</b>
Within one year	\$ 686,000	\$ 14,188
One to five years	<u>28,000</u>	<u>42,000</u>
	<u>\$ 714,000</u>	<u>\$ 56,188</u>

No discount has been applied to legacies and bequests receivable beyond one year since payments received will include interest earned on the funds and, therefore, present value of future receivables approximates current value.

**6. Grants Payable**

Grants payable are due as follows:

	<b>2006</b>	<b>2005</b>
Within one year	\$ 30,000	\$ 55,000
One to five years	<u>-</u>	<u>55,000</u>
	<u>\$ 30,000</u>	<u>\$ 110,000</u>

During the year ended June 30, 2006, a grant payable of \$55,000 was relieved due to conditions of the grant not being met. Grant expense was also reduced by this amount.

No discount has been applied to grants payable beyond one year since the amount has been determined to be immaterial.

**NATIONAL PSORIASIS FOUNDATION**

**Notes to Financial Statements - Continued**

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**7. Deferred Income - Special Projects**

Deferred income is as follows:

	<b>2006</b>	<b>2005</b>
Advertising revenue	\$ 4,200	\$ 200
Annual conference	19,143	9,523
Phototherapy course	1,960	6,300
Psoriasis score card	5,251	5,251
Survey panels	<u>30,000</u>	<u>10,000</u>
	<u>\$ 60,554</u>	<u>\$ 31,274</u>

**8. Commitments**

**Operating Leases** - The Foundation has entered into noncancelable leases for office space and equipment which will expire between November 1, 2007 and August 31, 2010.

Future minimum lease payments are as follows:

<b>Years Ending June 30</b>	<b>Amount</b>
2007	\$ 294,865
2008	294,865
2009	294,865
2010	294,865
2011	<u>54,971</u>
	<u>\$ 1,234,432</u>

Rent expense for the years ended June 30, 2006 and 2005 was \$297,468 and \$298,426, respectively.

**Line of Credit** - The Foundation has a \$250,000 line of credit agreement with US Bank. Interest is payable at the bank's prime rate (8.25 percent at June 30, 2006). The line is not secured and is due on demand. There were no outstanding borrowings at June 30, 2006 and 2005.

## NATIONAL PSORIASIS FOUNDATION

### Notes to Financial Statements - Continued

#### 9. Unrestricted Net Assets - Designated

It is the Foundation's policy to maintain a minimum financial reserve equal to three months of projected fixed operating expenses. The amount of unrestricted net assets designated by the Board of Trustees under this policy was set at \$760,000 and \$727,000 at June 30, 2006 and 2005, respectively.

The Board of Trustees has established a "quasi" endowment fund. Spending of the endowment principal and earnings will begin only after the endowment has reached a minimum of \$500,000 and is limited to five percent of the principal per year. The balance of the endowment fund was \$410,576 and \$148,212 at June 30, 2006 and 2005, respectively.

The Board of Trustees established the Jones Legacy Fund to which seventy percent of the unrestricted bequests would be designated and would be targeted for research and special projects subject to a majority vote by the Board. The balance of the Jones Legacy Fund was \$1,135,974 and \$247,605 at June 30, 2006 and 2005, respectively.

#### 10. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2006	2005
Amgen education meetings	\$ -	\$ 29,956
Awareness walks	10,000	-
Chief residents meeting	60,000	58,310
Event scholarships	-	11,125
Fialkov diet	4,500	4,500
Finding a Cure Campaign	682,726	70,574
Finding a Cure Campaign - for use in future periods	1,968,372	941,789
Discovery	46,255	39,551
Halprin Award	4,157	4,157
Individual assistance	3,087	3,799
National conference	-	5,000
Psoriatic arthritis research	2,528	32,378
Spanish translation	1,750	-
Support groups	23,973	20,952
Youth program	15,369	10,344
For use in future periods	<u>852,182</u>	<u>71,188</u>
	<u>\$ 3,674,899</u>	<u>\$ 1,303,623</u>

## NATIONAL PSORIASIS FOUNDATION

### Notes to Financial Statements - Continued

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#### 11. Net Assets Released from Restrictions

During the year ended June 30, 2006, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

Amgen education meetings	\$	29,956
Chief residents meetings		58,310
Event scholarships		11,125
Finding a Cure Campaign		448,805
Discovery		30,000
Individual assistance		712
National conference		5,000
Psoriatic arthritis research		30,000
Support groups		9,368
For use in future periods		<u>29,188</u>
	\$	<u>652,464</u>

#### 12. Tax Deferred Annuity Plan

The Foundation has a tax deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The Plan is available to all full-time employees of the Foundation, who may make contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code. The Foundation did not make any contributions to the Plan for the years ended June 30, 2006 or 2005.

#### 13. Joint Cost Activity

The Foundation prepares a publication which is considered a joint cost activity. Costs associated with the preparation of this publication are allocated to program and fund-raising activities as of June 30, as follows:

	2006	2005
Public education	\$ 155,534	\$ 185,608
Fund-raising	<u>8,186</u>	<u>9,769</u>
	<u>\$ 163,720</u>	<u>\$ 195,377</u>