

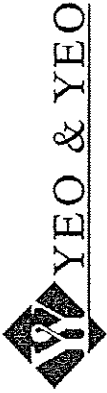
**Shelter Association of Washtenaw County**

**Annual Financial Statements  
and Auditors' Report**

**June 30, 2011 and 2010**

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## Independent Auditors' Report

To the Board of Directors  
Shelter Association of Washtenaw County  
Ann Arbor, Michigan

We have audited the accompanying statement of financial position of Shelter Association of Washtenaw County (a non-profit corporation) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Shelter Association of Washtenaw County's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audits provide a reasonable basis for our opinion.

In our opinion, the 2011 and 2010 financial statements referred to above present fairly, in all material respects, the financial position of Shelter Association of Washtenaw County, as of June 30, 2011 and 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2011 on our consideration of the Shelter Association of Washtenaw County's internal control over financial reporting and on our tests of its provisions of laws and regulations contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

*Yeo & Yeo, P.C.*

Ann Arbor, Michigan

October 5, 2011

**Shelter Association of Washtenaw County**  
**Statement of Financial Position**  
**June 30, 2011 and 2010**

	2011	2010
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 200,230	\$ 289,341
Receivables		
Other	170,065	112,692
United Way Allocation	74,763	52,134
Promises to give	81,134	10,819
Investments	1,432,182	1,347,780
Prepaid expenses	46,907	78,073
Total current assets	<u>2,005,281</u>	<u>1,890,839</u>
Promises to give, net of current portion		
Property and equipment	84,542	-
Property and equipment	107,477	10,215
Less accumulated depreciation	(7,446)	(1,787)
Net property and equipment	<u>100,031</u>	<u>8,428</u>
Total assets	<u>\$ 2,189,854</u>	<u>\$ 1,899,267</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 5,391	\$ 21,580
Deferred revenue	25,000	57,426
Accrued payroll and withholdings	78,197	44,115
Total current liabilities	<u>108,588</u>	<u>123,121</u>
Net assets		
Unrestricted		
Undesignated	563,589	400,774
Board designated	250,000	250,000
Temporarily restricted	240,439	98,134
Permanently restricted	1,027,238	1,027,238
Total net assets	<u>2,081,266</u>	<u>1,776,146</u>
Total liabilities and net assets	<u>\$ 2,189,854</u>	<u>\$ 1,899,267</u>

See Accompanying Notes To Financial Statements

**Shelter Association of Washtenaw County**  
**Statement of Activities**  
**For the Years Ended June 30, 2011 and 2010**

	June 30, 2011			June 30, 2010		
	Unrestricted	Temporarily Permanently		Unrestricted	Temporarily Permanently	
		Restricted	Restricted		Restricted	Restricted
Revenue and Support						
Contributions	\$ 596,302	\$ 237,712	\$ -	\$ 834,014	\$ 459,392	\$ -
In-kind donations	52,259	-	-	52,259	41,764	-
Grants	2,446,495	5,600	-	2,452,095	2,339,475	-
United Way Allocation	8,545	74,763	-	83,308	-	-
Special event revenue (net)	67,251	-	-	67,251	144,466	-
Net realized and unrealized gains on investments	144,159	-	-	144,159	46,674	-
Interest income	17,972	-	-	17,972	21,067	-
Miscellaneous income	41,559	-	-	41,559	48,626	-
Total revenue and support	3,374,542	318,075	-	3,692,617	3,101,464	-
Net assets released from restrictions						
Satisfaction of usage restrictions	175,770	(175,770)	-	-	97,134	(97,134)
Total revenue, support and net assets released from restrictions	3,550,312	142,305	-	3,692,617	3,198,598	(45,000)
Expenses						
Program services	2,782,426	-	-	2,782,426	2,638,647	-
Support services	356,097	-	-	356,097	306,204	-
Management and general	248,974	-	-	248,974	204,880	-
Fundraising	3,387,497	-	-	3,387,497	3,149,731	-
Total expenses	162,815	142,305	-	305,120	48,867	(45,000)
Change in net assets	650,774	98,134	1,027,238	1,776,146	601,907	143,134
Net assets - beginning of the year	\$ 813,589	\$ 240,439	\$ 1,027,238	\$ 2,081,266	\$ 650,774	\$ 98,134
Net assets - end of the year	\$ 1,464,363	\$ 338,573	\$ 2,054,476	\$ 3,857,412	\$ 1,252,681	\$ 1,027,238

See Accompanying Notes To Financial Statements

**Shelter Association of Washtenaw County**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2011**

	Program Services	Management and General	Fundraising	2011
Salaries and wages	\$ 1,152,232	\$ 204,826	\$ 174,898	\$ 1,531,956
Employee benefits	141,463	38,904	11,167	191,534
Payroll taxes	110,368	23,375	10,248	143,991
Total payroll expenses	1,404,063	267,105	196,313	1,867,481
Conferences and meetings	1,032	1,857	2,270	5,159
Contracted services	92,225	2,940	-	95,165
Equipment repair and maintenance	991	1,029	-	2,020
Insurance	28,379	16,284	-	44,663
Occupancy - repair and maintenance	3,763	-	-	3,763
Occupancy - utilities	57,629	4,337	-	61,966
Postage and shipping	469	783	6,573	7,825
Printing and publications	-	2,090	18,815	20,905
Professional fees	-	17,500	-	17,500
Specific assistance to individuals	1,014,135	-	-	1,014,135
Supplies	132,383	11,575	9,571	153,529
Telephone	13,546	1,693	1,693	16,932
Travel	6,434	3,419	-	9,853
Other	21,212	25,161	13,739	60,112
Depreciation	6,165	324	-	6,489
Total expenses	\$ 2,782,426	\$ 356,097	\$ 248,974	\$ 3,387,497

**Shelter Association of Washtenaw County**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2010**

	Program Services	Management and General	Fundraising	2010
Salaries and wages	\$ 1,084,459	\$ 177,436	\$ 147,083	\$ 1,408,978
Employee benefits	97,309	29,270	7,795	134,374
Payroll taxes	93,601	20,624	9,079	123,304
<b>Total payroll expenses</b>	<b>1,275,369</b>	<b>227,330</b>	<b>163,957</b>	<b>1,666,656</b>
Conferences and meetings	660	1,187	1,451	3,298
Contracted services	102,139	3,159	-	105,298
Equipment repair and maintenance	378	426	-	804
Insurance	25,558	14,875	-	40,433
Occupancy - repair and maintenance	1,542	-	-	1,542
Occupancy - utilities	62,467	4,721	-	67,188
Postage and shipping	240	399	3,356	3,995
Printing and publications	-	1,687	15,187	16,874
Professional fees	-	15,981	-	15,981
Specific assistance to individuals	1,029,744	-	-	1,029,744
Supplies	107,741	8,524	7,048	123,313
Telephone	13,799	1,725	1,725	17,249
Travel	5,839	3,541	-	9,380
Other	11,887	22,581	12,156	46,624
Depreciation	1,284	68	-	1,352
<b>Total expenses</b>	<b>\$ 2,638,647</b>	<b>\$ 306,204</b>	<b>\$ 204,880</b>	<b>\$ 3,149,731</b>

See Accompanying Notes To Financial Statements

**Shelter Association of Washtenaw County**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2011 and 2010**

	2011	2010
Cash flows from operating activities:		
Change in net assets	\$ 305,120	\$ 3,867
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation	6,489	1,352
Net realized and unrealized (gains) losses on investments	(144,159)	(46,674)
Loss on sale of asset	780	-
Increase (decrease) in:		
Receivables	(234,859)	(52,406)
Prepaid expenses	31,166	(42,742)
Accounts payable	(16,189)	(11,919)
Accrued liabilities	34,082	(110)
Deferred revenue	(32,426)	(74,734)
Net cash used by operations	(49,996)	(223,366)
Cash flows from investing activities:		
Purchase of investments	(570,747)	(3,057,631)
Proceeds from sale of investments	630,504	3,148,169
Additions to property and equipment	(98,872)	(6,910)
Net cash (used) provided by investing activities	(39,115)	83,628
Net change in cash and cash equivalents	(89,111)	(139,738)
Cash and cash equivalents, beginning of the year	289,341	429,079
Cash and cash equivalents, end of the year	\$ 200,230	\$ 289,341



**Shelter Association of Washtenaw County**  
**Notes to Financial Statements**  
**June 30, 2011**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Shelter Association of Washtenaw County (the "Shelter Association") is a Michigan non-profit organization, based in Ann Arbor, Michigan, offering a variety of services and intensive case management to individuals who are experiencing homelessness. Services include immediate needs related to food, clothing, and transportation. Extended assistance related to substance abuse treatment, health care, permanent housing, and money management may also be provided. The Shelter Association also participates in the Shelter Plus Care Program, which is aimed at moving clients from overnight shelters to a subsidized apartment of similar setting. In 2010 the Shelter Association became the lead agency for two additional rent subsidy programs -- The Tenant Based Rent Assistance Program and the federally funded Homelessness Prevention/Rapid Re-Housing Program. Sources of revenues are grants and contributions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Net assets of the Shelter Association, and changes therein, are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are both reported as unrestricted support. Other restricted gifts are reported as restricted support and temporarily or permanently restricted net assets.

**Shelter Association of Washtenaw County**  
**Notes to Financial Statements**  
**June 30, 2011**

Income Tax Status

The Shelter Association is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization other than a private foundation, as described in Section 509(a). The Shelter Association files information returns in the U.S. Federal and Michigan jurisdiction. The statute of limitations is generally three years for federal returns and four years for Michigan returns.

Risks and Uncertainties

The Shelter Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

**NOTE 2 – PROMISES TO GIVE**

Promises to give are scheduled to be collected as follows:

	2011	2012	2013	2014	2010
	\$ -	\$ 81,134	\$ 80,380	\$ 11,600	\$ 10,819
	<u>173,114</u>				<u>10,819</u>
Less discount to net present value	<u>(7,438)</u>				<u>-</u>
	<u>\$ 165,676</u>				<u>\$ 10,819</u>

All recognized promises to give as of June 30, 2011 are unconditional. No allowance was deemed necessary for promises to give as they were deemed fully collectible by management. The current year long-term promises to give are discounted using the applicable federal rate of 4.05%.

Promises to give activity for 2011 is detailed as follows:

Balance beginning of the year	\$	10,819
Less collections		(82,855)
Add new pledges		245,150
Change in discount to fair value of pledges		<u>(7,438)</u>
Balance end of the year	\$	<u>165,676</u>

**Shelter Association of Washtenaw County**  
**Notes to Financial Statements**  
**June 30, 2011**

**NOTE 3 – INVESTMENTS**

The fair value of the investment account consisted of the following at June 30:

	Fair Value	
	2011	2010
Cash	\$ 4,399	\$ 70,758
Money market funds	134,788	239,677
Certificates of deposit	211,974	269,512
Mutual funds	1,081,021	767,833
<b>Total investments</b>	<b>\$ 1,432,182</b>	<b>\$ 1,347,780</b>

Investment income is composed of the following at June 30:

	2011	2010
Dividends and interest	\$ 17,972	\$ 21,067
Realized gain on sale of investments	7,636	2,535
Unrealized gain on investments	136,523	44,139
<b>Total</b>	<b>\$ 162,131</b>	<b>\$ 67,741</b>

Investment fees for the year ended June 30, 2011 and 2010 amounted to \$6,223 and \$3,340, respectively.

**NOTE 4 – GRANTS**

The following represents details of grant revenue for the fiscal year ended June 30, 2011 and 2010:

	2011	2010
Washtenaw County - PATH	\$ 105,525	\$ 88,229
Washtenaw County - Emergency	160,000	180,000
Washtenaw County - Health Plan	95,000	84,750
Salvation Army	241,572	125,784
Emergency Shelter Grant (ESG) Program	38,866	60,019
Homelessness Prevention and Rapid Re-Housing	757,295	802,956
Tenant Based Rental Assistance	109,141	53,179
National Emergency Food and Shelter	11,608	43,958
Shelter Plus Care	279,643	284,743
City Human Services	241,815	241,815
City Night Shelter Association	-	30,500
Ann Arbor DDA	218,000	20,000
Michigan State Department of Housing Authority	11,777	-
Corporation for Supportive Housing	5,600	-
Michigan Department of Community Health	4,310	4,545
Foundations and other organizations	132,455	292,314
Washtenaw County Children's Health Services	31,295	23,419
Michigan Coalition Against Homelessness	8,193	3,264
<b>Total</b>	<b>\$ 2,452,095</b>	<b>\$ 2,339,475</b>

**Shelter Association of Washtenaw County**  
**Notes to Financial Statements**  
**June 30, 2011**

**NOTE 5 – SPECIAL FUND-RAISING EVENTS**

The Shelter Association hosts events during the year to raise funds for program services.

A summary of fund-raising activities during the year ended June 30, 2011 is as follows:

	Posters	Who's Who & Golf Outing	Total Events
Total contributed revenue	\$ -	\$ 93,948	\$ 93,948
Direct expenses	-	(26,697)	(26,697)
Net revenue from events	\$ -	\$ 67,251	\$ 67,251

A summary of fund-raising activities during the year ended June 30, 2010 is as follows:

	Posters	Who's Who & Golf Outing	Total Events
Total contributed revenue	\$ 8,260	\$ 182,047	\$ 190,307
Direct expenses	(7,284)	(38,557)	(45,841)
Net revenue from events	\$ 976	\$ 143,490	\$ 144,466

**NOTE 6 – OPERATING AGREEMENT – DOWNTOWN SHELTER (ROBERT J. DELONIS CENTER)**

On December 1, 2003, the Shelter Association entered into a sub-agreement with the Washtenaw Housing Alliance (a not-for-profit organization and lead agency designated by Washtenaw County) to operate the new downtown shelter located at 312 W. Huron Street through July 31, 2017. The Shelter Association is also responsible for providing integrated, comprehensive services to the homeless. Washtenaw County is the owner of the facility (including furniture, fixtures, and equipment) and bears

responsibility for maintenance and repairs. Washtenaw County does not charge rent, but does require the Shelter Association to pay the utilities. The Shelter Association finances operations through various government and local grants and contributions.

**NOTE 7 – NET ASSETS RELEASED FROM RESTRICTIONS**

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

	2011	2010
Time restrictions	\$ 72,036	\$ -
Purpose restrictions:		
United Way	52,134	52,134
Housing deposit	5,600	-
Bethlehem United Church of Christ	46,000	45,000
Total	\$ 175,770	\$ 97,134

**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted assets are available for the following purposes at June 30:

	2011	2010
Time restrictions	\$ 165,676	\$ -
Salaries	-	46,000
Program activities	74,763	52,134
Total	\$ 240,439	\$ 98,134

**Shelter Association of Washtenaw County**  
**Notes to Financial Statements**  
**June 30, 2011**

**NOTE 9 – BOARD DESIGNATED NET ASSETS**

The Board of Directors of the Shelter Association has voluntarily designated \$250,000 as of June 30, 2011 and 2010, respectively, whose purpose is to be held for emergency expenses.

**NOTE 10 – RETIREMENT PLAN**

The Shelter Association has a defined contribution salary deferral plan qualified under Internal Revenue Code Section 408 (p). Under the plan, the Shelter Association matches employee contributions 100% up to 3% of each participant's wages. The contributions to the plan amount to \$13,879 and \$14,336 for the year ended June 30, 2011 and 2010, respectively.

**NOTE 11 – CONTINGENCIES**

The Shelter Association participates in several federally assisted grant programs. These programs are subject to financial and compliance audits by the grantor or its representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of the funds. Management feels that any liability for reimbursement which could arise as the result of a grantor audit would not be material.

**NOTE 12 – FAIR VALUE MEASUREMENTS**

Fair value is defined as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Shelter Association's financial assets and liabilities are not indicators of the risks associated with those instruments.

Fair values of assets measured on a recurring basis at June 30, 2011 are as follows:

	Fair Value Measurements using:		
	Balance at June 30, 2011	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Promises to give	\$ 165,676	-	\$ 165,676
Money Market Mutual Fund	134,788	134,788	-
Mutual Funds	1,081,021	1,081,021	-
Certificates of Deposit - securities	211,974	211,974	-
	<u>\$ 1,593,459</u>	<u>\$ 1,427,783</u>	<u>\$ 165,676</u>

**Shelter Association of Washtenaw County**  
**Notes to Financial Statements**  
**June 30, 2011**

Fair values of assets measured on a recurring basis at June 30, 2010 are as follows:

	Fair Value Measurements using:			
	Balance at June 30, 2010	Quoted prices in Active Markets for Identical Assets (Level 1)		Significant Unobservable Inputs (Level 3)
Money Market Mutual Fund	\$ 239,677	\$ 239,677		\$ -
Mutual Funds	767,833	767,833		-
Certificates of Deposit - securities	269,512	269,512		-
	<u>\$ 1,277,022</u>	<u>\$ 1,277,022</u>		<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The fair value of promises to give is estimated at the present value of future cash flows. The promises to give are scheduled to be collected as described in note 2.

**NOTE 13 - DONOR AND BOARD RESTRICTED ENDOWMENTS**

The Shelter Association's endowment consists entirely of donor-restricted endowment funds and is classified based on those donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Shelter Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment

funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Shelter Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets unless otherwise specified by the donor. In accordance with UPMIFA, the organization exercises the standard of ordinary business care and prudence when determining the amount of earnings and gains to appropriate for expenditure of to accumulate within the endowment fund. The Shelter Association considers the following factors in exercising this standard of care: (1) The long-term and short-term needs of the organization in carrying out its charitable purpose; (2) The present and anticipated financial requirements of the organization; (3) The expected total return on investments (4) Price level trends; and (5) General economic conditions.

The endowment net asset composition by type of fund as of June 30, 2011 is as follows:

	Unrestricted	Permanently Restricted	Total
Donor-restricted	<u>\$ 185,267</u>	<u>\$ 1,027,238</u>	<u>\$ 1,212,505</u>

**Shelter Association of Washtenaw County**  
**Notes to Financial Statements**  
**June 30, 2011**

Changes in endowment net assets for the year ended June 30, 2011 are as follows:

	Unrestricted	Permanently Restricted	Total
Beginning of year	\$ 28,846	\$ 1,027,238	\$ 1,056,084
Contributions	59,056	-	59,056
Distributions	(20,000)	-	(20,000)
Investment income	15,330	-	15,330
Unrealized gain (loss)	102,035	-	102,035
End of year	\$ 185,267	\$ 1,027,238	\$ 1,212,505

The endowment net asset composition by type of fund as of June 30, 2010 is as follows:

	Unrestricted	Permanently Restricted	Total
Donor-restricted	\$ 28,846	\$ 1,027,238	\$ 1,056,084

The changes in endowment net assets for the year ended June 30, 2010 are as follows:

	Unrestricted	Permanently Restricted	Total
Beginning of year	\$ (9,314)	\$ 1,027,238	\$ 1,017,924
Contributions	-	-	-
Distributions	(20,000)	-	(20,000)
Investment income	10,917	-	10,917
Unrealized gain (loss)	47,243	-	47,243
End of year	\$ 28,846	\$ 1,027,238	\$ 1,056,084

Return Objectives and Risk Parameters

The Shelter Association has adopted a policy to ensure a total return (yield plus capital appreciation) necessary to preserve and enhance (in real dollar terms) the principal of the funds, and at the same time, provide a dependable source of support for current projects of the Shelter Association.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Shelter Association's return objective is to optimize total real rate of return (adjusted for inflation) as measured over a three to five year market period against appropriate weighted market indices. The asset mix of the endowment fund is to range approximately within the following limits: fixed income instruments and equity instruments not to exceed total investment balances by 20 percent to 40 percent and 60 percent to 80 percent, respectively.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Shelter Association's finance committee will review annually and recommend a spending percentage not to exceed 5% of the prior fiscal year end balances of the endowment account.