

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
YEARS ENDED AUGUST 31, 2005 AND 2004

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
YEARS ENDED AUGUST 31, 2005 AND 2004

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Geller, Ragans, James, Oppenheimer & Creel

A Partnership Including Professional Associations
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

*American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Jewish Federation of Greater Orlando, Inc.
Maitland, Florida

We have audited the accompanying statements of financial position of The Jewish Federation of Greater Orlando, Inc. as of August 31, 2005 and 2004 and the related statements of activities, changes in net assets, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Federation'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 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 financial statements referred to above present fairly, in all material respects, the financial position of The Jewish Federation of Greater Orlando, Inc. as of August 31, 2005 and 2004 and the results of its activities and changes in cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Geller, Ragans, James, Oppenheimer & Creel

May 3, 2006

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2005 AND 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2005	Total 2004
ASSETS					
Cash and cash equivalents (Note 2)	\$ 824,846	\$ 1,112,932		\$ 1,937,778	\$ 3,609,462
Investments held by T.O.P. Foundation (Note 10)	5,576,948		\$ 239,593	5,816,541	5,340,444
Accounts receivable, primarily from local agencies	58,941			58,941	105,731
Accounts receivable	36,778			36,778	47,302
Contributions receivable (Notes 3 and 7)	781,203	3,842,450		4,623,653	5,131,016
Other assets	68,514			68,514	28,562
Note receivable (Notes 4 and 12)	1,600,000			1,600,000	1,600,000
Bond issue costs	288,013			288,013	300,544
Land, buildings and equipment (Notes 5, 6 and 7)	13,729,589			13,729,589	13,112,979
Total assets	\$ 22,964,832	\$ 4,955,382	\$ 239,593	\$ 28,159,807	\$ 29,276,040
LIABILITIES					
Notes payable (Notes 6, 7 and 12)	2,100,000			2,100,000	2,300,000
Bonds payable (Note 7)	7,125,000			7,125,000	8,350,000
Accounts payable	170,762			170,762	403,559
Accrued expenses	16,664			16,664	4,458
Allocations payable (Note 8)	1,377,767			1,377,767	1,238,341
Total liabilities	10,790,193			10,790,193	12,296,358
NET ASSETS					
Unrestricted	12,174,639			12,174,639	10,294,879
Temporarily restricted:		4,955,382		4,955,382	6,448,521
Facility support and expansion			239,593	239,593	236,282
Permanently restricted			239,593	239,593	16,979,682
Total net assets	12,174,639	4,955,382	239,593	17,369,614	16,979,682
Total liabilities and net assets	\$ 22,964,832	\$ 4,955,382	\$ 239,593	\$ 28,159,807	\$ 29,276,040

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED AUGUST 31, 2005 AND 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2005	Total 2004
Revenue and other support:					
Contributions	\$ 1,749,743	\$ 1,170,502		\$ 2,920,245	\$ 2,850,696
Donations received through T.O.P. (Note 10)	788,705		\$ 965	789,670	541,130
Investment income	1,300	12,708		14,008	27,020
Investment income - T.O.P. (Note 10)	688,055	11,572	4,572	704,199	606,059
Tuition income	57,851			57,851	57,935
Program fee and sponsorship revenue	87,726			87,726	158,322
Rental income - local agencies	423,380			423,380	384,315
Miscellaneous income	90,546			90,546	22,693
	<u>3,887,308</u>	<u>1,194,782</u>	<u>5,537</u>	<u>5,087,625</u>	<u>4,648,170</u>
Net assets released from restrictions (Note 9):					
Satisfaction of program restrictions	2,690,147	<u>(2,687,921)</u>	<u>(2,226)</u>		
	<u>6,577,453</u>	<u>(1,493,139)</u>	<u>3,311</u>	<u>5,087,625</u>	<u>4,648,170</u>
Total revenue and other support					
				596,608	573,001
Expenses:					
Allocations to affiliated organizations:					
Overseas	596,608				
Local community services and regional agencies	941,406			941,406	965,950
Grants paid through T.O.P. (Note 10)	1,017,772			1,017,772	1,056,124
Program services	389,816			389,816	323,093
Management and general Facility	761,773			761,773	292,271
Fund-raising	694,988			694,988	691,060
	<u>295,330</u>			<u>295,330</u>	<u>342,370</u>
Total expenses	<u>4,697,693</u>			<u>4,697,693</u>	<u>4,243,869</u>
Change in net assets	<u>\$ 1,879,760</u>	<u>\$ (1,493,139)</u>	<u>\$ 3,311</u>	<u>\$ 389,932</u>	<u>\$ 404,301</u>

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
 STATEMENTS OF CHANGES IN NET ASSETS
 YEARS ENDED AUGUST 31, 2005 AND 2004

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, September 1, 2003	\$ 10,917,525	\$ 5,471,949	\$ 185,907	\$ 16,575,381
Change in net assets (Note 11)	<u>(622,646)</u>	<u>976,572</u>	<u>50,375</u>	<u>404,301</u>
Net assets, August 31, 2004	10,294,879	6,448,521	236,282	16,979,682
Change in net assets	<u>1,879,760</u>	<u>(1,493,139)</u>	<u>3,311</u>	<u>389,932</u>
Net assets, August 31, 2005	<u>\$ 12,174,639</u>	<u>\$ 4,955,382</u>	<u>\$ 239,593</u>	<u>\$ 17,369,614</u>

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2005 AND 2004

	2005	2004
Cash flows from operating activities:		
Change in net assets	\$ 389,932	\$ 404,301
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	469,160	383,368
Provision for doubtful accounts	(58,137)	(29,492)
Income from T.O.P. investments	(704,199)	(606,059)
Payment of grants through T.O.P.	1,017,772	1,056,124
Contributions invested in T.O. P.	(789,670)	(541,130)
(Increase) decrease in:		
Accounts receivable, local agencies	46,790	(38,656)
Accounts receivable	10,524	(32,350)
Contributions receivable	565,500	1,082,685
Other assets	(39,952)	45,726
Increase (decrease) in:		
Accounts payable	(232,797)	(293,044)
Accrued expenses	12,206	(9,636)
Allocations payable	139,426	80,523
Deferred income		(12,712)
Net cash provided by operating activities	826,555	1,489,648
Cash flows from investing activities:		
Payment for investment in T.O.P.		(68,000)
Purchase of property and equipment	(1,073,239)	(1,977,895)
Net cash used in investing activities	(1,073,239)	(2,045,895)
Cash flows from financing activities:		
Net proceeds from note payable - bank		1,099,100
Issuance of note receivable		(385,468)
Bond issue costs		(11,500)
Payments on bonds payable	(1,225,000)	(940,000)
Payments on notes payable	(200,000)	
Net cash used in financing activities	(1,425,000)	(237,868)
Net decrease in cash	(1,671,684)	(794,115)
Cash and cash equivalents, beginning	3,609,462	4,403,577
Cash and cash equivalents, ending	\$ 1,937,778	\$ 3,609,462
Cash paid for interest	\$ 157,900	\$ 106,757

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED AUGUST 31, 2005 AND 2004

	Management			Support Services			Total 2004
	Program Services	and General	Facility	Fund-Raising	Total	Total 2005	
Salaries	\$ 191,156	\$ 139,395	\$ 133,113	\$ 192,803	\$ 465,311	\$ 656,467	\$ 649,942
Employee benefits	15,055	11,915	10,485	14,260	36,650	51,705	39,856
Payroll taxes	10,852	9,608	9,988	14,826	34,422	45,274	45,832
Total salaries and benefits	217,063	160,918	153,586	221,879	536,383	753,446	735,630
Programs and events	61,350	3,742		17,114	20,856	82,206	98,910
Conferences							1,048
Awards	10,965	1,097		36	1,133	12,098	6,936
Occupancy costs	3,093	16,680		137	16,817	19,910	24,625
Facility administration			129,244		129,244	129,244	70,752
Bad debts		209,484			209,484	209,484	99,327
Interest		174,460			174,460	174,460	
Miscellaneous	45,904	124,603	427	11,607	136,637	182,541	128,978
Office machines (purchase, rentals and maintenance) and other maintenance		14,429	85		14,514	14,514	16,255
Office supplies	7,013	6,872	227	930	8,029	15,042	6,350
Postage	5,816	7,206		6,825	14,031	19,847	22,738
Printing	11,627	1,958	881	7,240	10,079	21,706	18,812
Professional fees		14,950			14,950	14,950	14,500
Telephone	524	6,748	7,530	3,126	17,404	17,928	13,501
Travel		4,082		1,289	5,371	5,371	7,064
Total administrative expense before depreciation and amortization	363,355	747,229	291,980	270,183	1,309,392	1,672,747	1,265,426
Depreciation and amortization	26,461	14,544	403,008	25,147	442,699	469,160	383,368
	\$ 389,816	\$ 761,773	\$ 694,988	\$ 295,330	\$ 1,752,091	\$ 2,141,907	\$ 1,648,794

See notes to financial statements.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2005 AND 2004

1. Summary of significant accounting policies and general matters:

Nature of operations:

The Jewish Federation of Greater Orlando, Inc. (the "Federation") is a not-for-profit organization formed to provide social, financial, and human resource services to the Central Florida Jewish community. The Federation's primary mission is to foster and enhance the Jewish Community's relationship with the State of Israel while promoting both the welfare and education of Jews in Central Florida.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments:

Investments held by the Tampa-Orlando-Pinellas Jewish Foundation (T.O.P.) are maintained by T.O.P. in pooled or segregated investment funds. These funds are reported by T.O.P. and recorded by the Federation at their fair market value.

Land, buildings and equipment:

Land, buildings and equipment are stated at cost except for gifted property which is stated at the estimated fair market value at the date of the gift. Depreciation is provided on the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	15-40 years
Equipment	3-10 years

Amortization:

Amortization of bond issue costs is being provided using the straight-line method over a twenty-five year period, the term of the bonds.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2005 AND 2004

1. Summary of significant accounting policies and general matters (continued):

Contributions:

Gifts of cash and other assets are presented 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.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or solicited for a restricted purpose.

Net asset classes:

The accompanying financial statements present information regarding the Federation's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated by donor restrictions.

Unrestricted net assets may be designated for specific purposes by the Federation or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets are subject to donor stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to the stipulations. Temporarily restricted net assets consist principally of gifts restricted by donors for funding of specific programs.

Permanently restricted net assets are subject to donor stipulations requiring that they be maintained permanently, thereby restricting the use of principal. Usually, donor stipulations allow the income earned to be used currently for a designated purpose. Permanently restricted net assets consist principally of permanent endowment balances.

Cash:

Cash includes all highly liquid debt instruments purchased with a maturity of three months or less (cash equivalents).

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2005 AND 2004

1. Summary of significant accounting policies and general matters (continued):

Income taxes:

The Federation is exempt from payment of federal and state income taxes under Internal Revenue Code Section 501(c)(3).

2. Cash:

The Federation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Federation has not experienced any losses in such accounts. The Federation believes it is not exposed to any significant credit risk on cash and cash equivalents.

3. Contributions receivable:

At August 31, 2005 and 2004, contributions receivable consisted of the following:

<u>Unrestricted :</u>		
<u>Campaign Year</u>	<u>2005</u>	<u>2004</u>
2005	\$ 763,662	
2004	99,412	\$ 790,559
2003	32,853	99,798
2002	28,124	55,263
2001 and prior	<u>18,370</u>	<u>207,616</u>
	942,421	1,153,236
Provision for uncollectible contributions	<u>(161,218)</u>	<u>(286,032)</u>
	<u>\$ 781,203</u>	<u>\$ 867,204</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2005 AND 2004

3. Contributions receivable (continued):

<u>Temporarily Restricted:</u>	<u>2005</u>	<u>2004</u>
Community Capital Expansion	\$4,589,231	\$4,853,034
Net present value adjustment	(548,233)	(457,352)
Provision for uncollectible contributions	<u>(198,548)</u>	<u>(131,870)</u>
	<u>\$3,842,450</u>	<u>\$4,263,812</u>

Substantially all of the Federation's contributions receivable are due from contributors in Central Florida. Approximately fifty-percent (50%) of gross pledges receivable are due from three donors. Community Capital Expansion contribution receivables are generally due over a five-year period unless otherwise specified by the donor. Unrestricted contributions are due currently.

4. Note receivable:

The Federation has a note receivable due from the Jewish Senior Housing Council (JSHC). The Federation is essentially letting the JSHC use their line of credit (Note 6) to fund the pre-construction costs of a building, with the JSHC paying the interest on the line of credit, until the JSHC receives it's own funding. The note receivable balance was \$1,600,000 at August 31, 2005 and 2004. (Note 12)

5. Land, buildings and equipment:

	<u>2005</u>	<u>2004</u>
Land and improvements	\$ 2,094,410	\$ 2,146,320
Building and improvements	14,880,150	12,204,566
Construction in process	380,030	2,102,727
Equipment	<u>736,045</u>	<u>563,792</u>
	18,090,635	17,017,405
Less accumulated depreciation	<u>4,361,046</u>	<u>3,904,426</u>
	<u>\$ 13,729,589</u>	<u>\$ 13,112,979</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED AUGUST 31, 2005 AND 2004

6. Notes payable:

The Federation has an available line of credit of \$2,000,000. The line of credit is collateralized by real estate and is due in monthly payments of interest only at prime. The outstanding balance at August 31, 2005 and 2004 was \$1,600,000. The line of credit matures June, 2007 (Note 12).

The Federation has an outstanding note payable to The Hebrew Day School of Central Florida that matures on March 31, 2008. The balance at August 31, 2005 and 2004 was \$500,000 and \$700,000, respectively. The note bears no interest and principal is due in quarterly installments of \$50,000 each.

7. Bonds payable:

The Federation has entered into agreements with the Orange County Industrial Development Authority and banks for the issuance of tax-exempt and taxable bonds. The bonds, collateralized by letters of credit issued by the banks, Capital Expansion pledges, land, building and equipment and leases, call for annual sinking fund deposits and redemptions maturing in 2028. Interest on the bonds is payable monthly and is established at market value by the bond's remarketing agent. At August 31, 2005 interest was set at 2.50% and 3.60% for tax-exempt and taxable bonds, respectively. The agreements set the bond's maximum interest rate at the lower of 12% or the maximum amount allowed by law. Terms of the agreement require the Federation to meet certain financial standards and limit investments and the creation of additional liabilities, as defined in the agreement. Bonds payable at August 31, 2005 included \$5,125,000 of tax-exempt bonds and \$2,000,000 of taxable bonds. Balances at August 31, 2004 were \$5,250,000 for tax-exempt bonds and \$3,100,000 for taxable bonds.

Principal payments on long-term debt, including bonds and notes payable, of the Federation over the next five fiscal years are as follows:

<u>Year ending August 31,</u>	<u>Amount</u>
2006	\$ 430,000
2007	2,040,000
2008	345,000
2009	255,000
2010	265,000

Total interest expense was \$174,460 and \$104,520 in 2005 and 2004, respectively.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2005 AND 2004

8. Allocations payable:

Unrestricted fund allocations are payable to the United Jewish Appeal and to various local, regional and national agencies as follows:

	<u>2005</u>	<u>2004</u>
Allocations:		
United Jewish Appeal	\$ 596,608	\$ 573,001
Local agencies:		
Central Florida Hillel	15,360	15,360
Jewish Community Center	93,169	93,169
Jewish Family Services	121,440	121,440
Jewish Pavillion	30,800	
Holocaust Center	38,400	38,400
Kinneret	49,016	39,000
Hebrew Day School	80,255	80,256
Total local agencies	<u>428,440</u>	<u>387,625</u>
Total allocations	<u>1,025,048</u>	<u>960,626</u>
Grants:		
Central Florida Hillel	17,600	14,000
Jewish Community Center	106,750	78,750
Jewish Family Services	48,003	21,871
Holocaust Center	41,000	21,000
Kinneret	11,700	30,800
Hebrew Day School	90,800	68,600
Regional and national agencies	22,844	26,094
Other	14,022	16,600
Total grants	<u>352,719</u>	<u>277,715</u>
	<u>\$ 1,377,767</u>	<u>\$ 1,238,341</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2005 AND 2004

9. Assets released from donor restrictions:

Net assets during the years ended August 31, 2005 and 2004 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished:

	2005	2004
Community Capital Expansion	\$ 2,682,277	\$ 183,708
T.O.P.	7,870	3,228
	\$ 2,690,147	\$ 186,936

10. Investments held by T.O.P.:

T.O.P. was established by the Jewish Federations of Tampa, Orlando and Pinellas to enhance fund-raising for the Federations. T.O.P. receives gifts, bequests and contributions for the purpose of distributing and investing the principal and/or income for charitable, educational and religious purposes. The Presidents of each of the Federations appoints an equal number of members of the Board of T.O.P. and T.O.P. appoints board members from each of the three communities to serve on each community's grant and distribution committee. In addition, the Federations share in certain income and expenses of T.O.P.

The Federation accounts for its interest in the net assets of T.O.P. in accordance with Financial Accounting Standards Board Statement No. 136, "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others" (FAS 136).

The Federations' interest in assets held by T.O.P. include:

1. Endowment funds from which the Federation receives annual distributions as specified by the donor.
2. Donations that specify the Federation as the ultimate beneficiary.
3. Donations that give the Federation variance power over the disbursement of funds.

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED AUGUST 31, 2005 AND 2004

10. Investments held by T.O.P. (continued):

T.O.P. invests funds it holds for the benefit of others in marketable securities and other instruments on a pooled or segregated basis, as appropriate to the fund.

The following summarizes the composition of investments held by T.O.P. at August 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Marketable securities	\$ 5,435,250	\$ 5,020,019
Land held for resale	25,000	25,000
Notes and mortgage receivable	1,013	1,013
State of Israel bonds	267,576	183,547
Other	<u>87,702</u>	<u>110,865</u>
	<u>\$ 5,816,541</u>	<u>\$ 5,340,444</u>

The following approximates the breakdown of marketable securities at August 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Corporate stocks	34%	46%
Government obligations	9	11
Corporate bonds	25	24
Mutual funds	<u>31</u>	<u>19</u>
	<u>100%</u>	<u>100%</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEARS ENDED AUGUST 31, 2005 AND 2004

10. Investments held by T.O.P. (continued):

The following summarizes the activity of Federation assets held by T.O.P.:

	<u>2005</u>	<u>2004</u>
Gifts of cash	\$ 717,474	\$ 486,158
In-kind contributions	<u>72,196</u>	<u>54,972</u>
	<u>789,670</u>	<u>541,130</u>
Interest and dividends, net of management fees	148,917	159,440
Realized and unrealized gains	<u>555,282</u>	<u>446,619</u>
	<u>704,199</u>	<u>606,059</u>
Federation investments in TOP	<u> </u>	<u>68,000</u>
Total increases	1,493,869	1,215,189
Grants paid	<u>1,017,772</u>	<u>1,056,124</u>
Net change	<u>\$ 476,097</u>	<u>\$ 159,065</u>

THE JEWISH FEDERATION OF GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED AUGUST 31, 2005 AND 2004

11. Prior Period Adjustment:

During the year ended August 31, 2005, it was discovered that bond interest related to construction had not been capitalized during the year ended August 31, 2004. The financial statements of the prior year have been restated to reflect the capitalization of interest on the statement of financial position and its effect on the statement of activities. The following schedule reflects the effect of this adjustment to August 31, 2004:

	<u>Increase (Decrease)</u>
Land, buildings, and equipment	\$ 104,520
Management and general expenses	(104,520)

12. Subsequent event:

Subsequent to August 31, 2005, the Federation received \$1,600,000 for payment on the note receivable of this amount included in the Statement of Financial Position at August 31, 2005 (Note 4). The Federation in return paid down their line of credit (Note 6) by approximately \$1,500,000 subsequent to August 31, 2005.