

**ALL CHURCH HOME FOR CHILDREN, INC.**

**FINANCIAL STATEMENTS AND AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

**ALL CHURCH HOME FOR CHILDREN, INC.**  
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**DECEMBER 31, 2005**

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April 28, 2006

The Board of Directors  
All Church Home For Children, Inc.  
Fort Worth, Texas

Independent Auditors' Report

We have audited the accompanying statement of financial position of All Church Home for Children, Inc. (the "Home") as of December 31, 2005, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Home'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 the Home's 2004 financial statements and, in our report dated April 13, 2005; we expressed an unqualified opinion on those 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 All Church Home for Children, Inc. as of December 31, 2005, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Sanford, Baumeister & Frazier, P.C.*

SANFORD, BAUMEISTER & FRAZIER, P.C.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2005**  
**WITH COMPARATIVE TOTALS FOR 2004**

<u>ASSETS</u>	<u>2005</u>	<u>2004</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 305,293	\$ 704,102
Accounts receivable	432,066	113,504
Accounts receivable - related party	99,134	-
Accrued interest receivable	96,986	253,947
Prepaid expenses	116,826	107,306
Contributions receivable	1,357,846	284,931
Investments - publicly traded/listed securities	32,756,213	47,168,227
Investments - non-publicly traded	16,851,820	1,000,000
Mineral interests and real estate	1,732,865	1,732,865
Beneficial interest in trust	6,208,747	5,836,020
Property and equipment, net	2,255,468	1,531,880
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 62,213,264</u></b>	<b><u>\$ 58,732,782</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued liabilities	\$ 124,826	\$ 207,940
Total Liabilities	<u>124,826</u>	<u>207,940</u>
<b><u>NET ASSETS</u></b>		
Unrestricted	60,152,004	57,430,302
Temporarily restricted	1,936,434	1,094,540
Total Net Assets	<u>62,088,438</u>	<u>58,524,842</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 62,213,264</u></b>	<b><u>\$ 58,732,782</u></b>

The accompanying notes to financial statements are an integral part of these statements.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
**WITH COMPARATIVE TOTALS FOR 2004**

	Unrestricted	Temporarily Restricted	Totals	
			2005	2004
<b><u>PUBLIC SUPPORT</u></b>				
Contributions	\$ 195,292	\$ 86,367	\$ 281,659	\$ 165,583
Capital campaign contributions		1,929,421	1,929,421	1,003,235
Estates and trusts	43,200		43,200	43,200
Special events, net of direct costs of \$69,475	119,491		119,491	97,247
<b>Total Public Support</b>	<b>357,983</b>	<b>2,015,788</b>	<b>2,373,771</b>	<b>1,309,265</b>
<b><u>REVENUE AND INVESTMENT RETURNS</u></b>				
Program service fees	779,041		779,041	540,142
Government grant income	430,450		430,450	63,758
Other income	24,887		24,887	1,583
Mineral and real estate properties, net of direct expenses of \$61,392	1,294,364		1,294,364	877,395
Investment income, net of investment advisory fees of \$305,577	565,166		565,166	1,122,351
Net realized and unrealized gains on investments	2,091,281		2,091,281	1,764,423
Change in value of beneficial interest in trust assets	852,367		852,367	809,910
<b>Total Revenue and Investment Returns</b>	<b>6,037,556</b>	<b>-</b>	<b>6,037,556</b>	<b>5,179,562</b>
Net Assets Released From Restrictions	1,173,894	(1,173,894)	-	-
<b>Total Support, Revenue and Investment Returns</b>	<b>7,569,433</b>	<b>841,894</b>	<b>8,411,327</b>	<b>6,488,827</b>
<b><u>EXPENSES</u></b>				
Program services	3,879,616		3,879,616	3,417,592
Fundraising	308,677		308,677	283,035
General and administrative	659,438		659,438	459,600
<b>Total Expenses</b>	<b>4,847,731</b>	<b>-</b>	<b>4,847,731</b>	<b>4,160,227</b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b>2,721,702</b>	<b>841,894</b>	<b>3,563,596</b>	<b>2,328,600</b>
<b><u>NET ASSETS</u></b> - Beginning of Year	<b>57,430,302</b>	<b>1,094,540</b>	<b>58,524,842</b>	<b>56,196,242</b>
<b><u>NET ASSETS</u></b> - End of Year	<b>\$ 60,152,004</b>	<b>\$ 1,936,434</b>	<b>\$ 62,088,438</b>	<b>\$ 58,524,842</b>

The accompanying notes to financial statements  
are an integral part of these statements.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
**WITH COMPARATIVE TOTALS FOR 2004**

**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

	2005	2004
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 3,563,596	\$ 2,328,600
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gains on investments	(2,091,281)	(1,764,423)
Non-cash change in value of beneficial interest in trust assets	(372,727)	(458,936)
Contributed stock	(46,506)	-
Depreciation	159,979	162,362
Temporarily restricted contributions	(2,015,788)	(1,053,907)
(Increase) decrease in operating assets:		
Accounts receivable	(318,562)	(82,435)
Accounts receivable - related party	(99,134)	-
Accrued interest receivable	156,961	8,280
Contributions receivable	(1,072,915)	(284,931)
Prepaid expenses	(9,520)	(8,004)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(83,114)	172,160
 Net Cash Used in Operating Activities	 (2,229,011)	 (981,234)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of property and equipment	(883,567)	(61,903)
Construction in progress	-	(160,118)
Proceeds from sale of investments	46,867,969	15,562,644
Purchase of investments	(50,382,810)	(10,868,868)
Net (increase) decrease in short-term investment funds	4,212,822	(4,042,905)
 Net Cash Provided by (Used in) Investing Activities	 (185,586)	 428,850
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Temporarily restricted contributions	2,015,788	1,053,907
 Net Cash Provided by Financing Activities	 2,015,788	 1,053,907
<b><u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	(398,809)	501,523
<b><u>CASH AND CASH EQUIVALENTS - Beginning of year</u></b>	704,102	202,579
<b><u>CASH AND CASH EQUIVALENTS - End of year</u></b>	\$ 305,293	\$ 704,102

The accompanying notes to financial statements are an integral part of these statements.

**ALL CHURCH HOME FOR CHILDREN, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2005  
WITH COMPARATIVE TOTALS FOR 2004**

	Program Services	Fund Raising	General and Administrative	Totals	
				2005	2004
Salaries and wages	\$ 2,107,830	\$ 75,084	\$ 283,533	\$ 2,466,447	\$ 2,065,574
Payroll taxes and employee benefits	576,088	20,492	77,522	674,102	623,696
<b>Total Personnel Expense</b>	<b>2,683,918</b>	<b>95,576</b>	<b>361,055</b>	<b>3,140,549</b>	<b>2,689,270</b>
Professional fees	78,855	132,000	95,495	306,350	269,107
Investment advisory fees			305,577	305,577	317,333
Foster care programs	271,390			271,390	186,078
Other taxes			61,392	61,392	66,095
Liability insurance	117,630		19,259	136,889	146,244
Utilities	127,220		11,274	138,494	123,913
Telephone	38,235		4,739	42,974	33,067
Occupancy	55,101		6,899	62,000	48,343
Supplies	49,988		18,854	68,842	54,217
Vehicles	75,046		2,842	77,888	60,205
Food	55,125		3,124	58,249	63,461
Clothing and personal care	18,217			18,217	14,314
Medical care	19,530			19,530	51,426
Youth and activities	45,890		474	46,364	46,107
Family assistance	18,851			18,851	16,181
Educational expenses	5,640		495	6,135	6,458
Development and promotion		150,576		150,576	122,724
Marketing and volunteers			25,196	25,196	26,983
Human resources	31,815		36,864	68,679	57,638
Board expenses			7,341	7,341	11,234
Dues	13,179		6,418	19,597	20,778
Farm and animal expenses	2,760			2,760	3,193
Miscellaneous	27,245		43,111	70,356	12,775
<b>Total Expenses Before Depreciation</b>	<b>3,735,635</b>	<b>378,152</b>	<b>1,010,409</b>	<b>5,124,196</b>	<b>4,447,144</b>
Depreciation of buildings and equipment	143,981		15,998	159,979	162,362
<b>Total Expenses</b>	<b>3,879,616</b>	<b>378,152</b>	<b>1,026,407</b>	<b>5,284,175</b>	<b>4,609,506</b>
Less: Expenses included with revenues on the statement of activities					
Special event expenses		(69,475)		(69,475)	(65,861)
Mineral and real estate properties			(61,392)	(61,392)	(66,095)
Investment advisory fees			(305,577)	(305,577)	(317,333)
<b>Total Expenses Included in the Expense Section of the Statement of Activities</b>	<b>\$ 3,879,616</b>	<b>\$ 308,677</b>	<b>\$ 659,438</b>	<b>\$ 4,847,731</b>	<b>\$ 4,160,217</b>

The accompanying notes to financial statements are an integral part of these statements.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

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**NOTE 1 - ORGANIZATION AND OPERATIONS**

The All Church Home For Children, Inc. (the "Home") was established in 1915 by the Women's Federation of Churches to receive and manage donations of cash and property, and to distribute resources exclusively for the purpose of caring for dependent and neglected children.

The Home is organized as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. This section exempts the Home from taxes on income. Accordingly, no provision for income taxes has been made in the financial statements. The Internal Revenue Service has classified the Home as a private foundation.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Home is presented to assist in understanding the Home's financial statements. The financial statements and notes are representations of the Home's management who are responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**FINANCIAL STATEMENT PRESENTATION**

The Home follows the guidance in Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Home is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The fund groups are reported in the three classes of net assets as follows:

Unrestricted Net Assets -- These funds have no external restrictions and can be used for any purpose designated by the Board.

Temporarily Restricted Net Assets -- These funds generally represent funds for which the donor has limited the use of the funds by stipulating how or when the funds are to be used. The restrictions are satisfied either by passage of time or by actions of the Home.

Permanently Restricted Net Assets -- These are funds that have been restricted by the donor and cannot be satisfied by the passage of time or by actions of the Home.

**USE OF ESTIMATES**

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

**CASH AND CASH EQUIVALENTS**

The Home considers only cash in banks and on hand as cash and cash equivalents. These cash equivalents are financial instruments that potentially subject the Home to concentrations of credit risk. The Home places its cash with high-credit-quality financial institutions and periodically maintains deposits in amounts that exceed FDIC insurance coverage. Management believes the risk of incurring material losses related to this credit risk is remote.

**ACCOUNTS RECEIVABLE**

The Home's accounts receivable consist principally of program service fees from governmental agencies. The Home utilizes the allowance method for recognition of bad debts. As of December 31, 2005, no allowance for doubtful accounts was deemed necessary. Bad debt expense was \$-0- for the year ended December 31, 2005.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**CONTRIBUTIONS RECEIVED AND CONTRIBUTIONS MADE**

Contributions are recognized when unconditional commitments are received and recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**CONTRIBUTED FACILITIES**

The Home utilizes the J. Garland Tillar Memorial Building and the J. Garland Tillar Memorial Recreation Building without charge. The buildings are not carried as assets since the J. Garland Tillar Trust retains ownership.

The Home also has leased ranch land and improvements located near Stephenville, Texas, from Texas Youth Development Corporation for \$10 per year for a three-year period beginning October 29, 1999. The Home has exercised an option to renew this lease annually through 2005 on the same terms.

No amounts related to the above have been reflected in the statement of activity as support or expense because no objective basis is available to measure the value of such use.

**PROPERTY AND EQUIPMENT**

Expenditures for buildings and equipment in excess of \$500 and having a useful life of one year or more are capitalized and recorded on the Home's books at cost. Donations of significant property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Home reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Home reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts. Resulting gains or losses are included in income.

Depreciation of buildings and equipment is computed on the straight-line basis over their estimated useful lives. The estimated useful lives range from five to thirty years. Depreciation expense for 2005 amounted to \$159,979 and is shown on the accompanying Statement of Functional Expenses.

**INVESTMENTS**

The Home follows the guidance in SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the Statement of Financial Position. Investments in non-publicly traded investment entities are recorded at fair value based on independent audits of these investment entities and their underlying investment securities. Investment income includes interest and dividends, net of investment expenses and is included in the Statement of Activities as increases in unrestricted net assets, unless the donor or law restricts the income or loss. Unrealized gains and losses are included in the change in net assets.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**MINERAL INTERESTS AND REAL ESTATE**

The Home's investments in real estate and mineral interests were acquired by contribution and recorded at the estimated fair market value (cost) at the date of receipt. Accordingly, the mineral interests have been amortized on the basis of cost recovery. These investments are carried at the lower of amortized cost or market value.

**CONCENTRATION OF CREDIT RISK**

The Home currently invests primarily in U.S. Government obligations, corporate stocks and bonds, open and closed-end mutual funds and investment partnerships. Management believes diversity within the portfolio avoids significant concentration of credit risk with respect to these investments.

**DONATED SERVICES**

No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of such services. However, a number of volunteers donate significant amounts of their time to the Home.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing program, fund-raising and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

**COMPARATIVE DATA**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Home's financial statements for the year ended December 31, 2004, from which the summarized information was derived.

**NOTE 3 - BENEFICIAL INTEREST IN TRUST**

The Home has a 50% beneficial interest in a trust. The Home's share of the net assets of the Trust is reflected at estimated fair value. The composition of the Home's share of the net assets of the Trust as of December 31, 2005 is as follows:

Marketable short-term investments	\$ 639,237
Marketable fixed income securities	1,752,798
Marketable equity securities	3,466,497
Real estate and other	<u>350,215</u>
Total Beneficial Interest in Trust	<u>\$ 6,208,747</u>

The Home received cash distributions of \$479,640 and recognized an unrealized increase in the value of the trust of \$372,727 during the year ended December 31, 2005 resulting in a net increase in value of beneficial interest in trust assets of \$852,367.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

**NOTE 4 - INVESTMENTS**

**PUBLICLY TRADED/LISTED SECURITIES**

Investments in publicly traded debt and equity securities as well as open and closed-end listed mutual funds are carried at fair market value and are comprised of the following as of December 31, 2005:

	Fair Market Value	Cost	Cumulative Unrealized Appreciation (Depreciation)
Short-term investment funds	\$ 1,182,958	\$ 1,182,958	\$ -0-
U. S. Government debt securities	4,266,073	4,318,929	(52,856)
Corporate debt securities	2,373,230	2,419,768	(46,538)
Fixed income and balanced mutual funds	2,610,627	2,894,705	(284,078)
Equity securities	11,819,765	10,813,646	1,006,118
Equity mutual funds	10,503,560	9,191,953	1,311,608
<b>Total Publicly Traded/Listed Securities</b>	<b>\$ 32,756,213</b>	<b>\$ 30,821,959</b>	<b>\$ 1,934,254</b>

**NON-PUBLICLY TRADED SECURITIES**

Investments in non-publicly traded investment holding company entities are carried at fair value which is based on an independent audit of the entities and their underlying investment securities. Following are these non-publicly traded investments as of December 31, 2005:

	Fair Value	Cost	Cumulative Unrealized Appreciation (Depreciation)
Cadogan Alternative Strategies Fund Ltd.	\$ 3,323,326	\$ 3,150,000	\$ 173,326
Cypress Management	3,372,051	3,150,000	222,051
Norcom Capital Government Plus Offshore	3,409,903	3,150,000	259,903
QED Partners	3,338,106	3,150,000	188,106
<b>Subtotal – Bond Surrogate Funds</b>	<b>13,443,386</b>	<b>12,600,000</b>	<b>843,386</b>
MLM Index TM Fund	1,162,567	1,125,000	37,567
The Willowbridge Fund	886,339	1,125,000	(238,661)
<b>Subtotal – Managed Futures</b>	<b>2,048,906</b>	<b>2,250,000</b>	<b>(201,094)</b>
BA Cayman Fund Ltd.	1,359,528	981,945	377,583
<b>Total Non-Publicly Traded Securities</b>	<b>\$ 16,851,820</b>	<b>\$ 15,831,945</b>	<b>\$ 1,019,875</b>

**MINERAL INTERESTS AND REAL ESTATE**

Investments in mineral interests and real estate are carried at the lower of cost or estimated fair value net of accumulated cost recovery. As of December 31, 2005, estimated fair value was \$2,085,791 per the bank trustee and cost was \$1,732,865. Therefore, the balance reflected on the statement of financial condition is \$1,732,865.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

**NOTE 4 – INVESTMENTS - Continued**

**INVESTMENT RETURNS**

The following schedules summarize the investment returns on all investments, all of which are unrestricted, for the year ended December 31, 2005:

Dividends	\$ 608,242
Interest	262,501
Less: Investment advisory fees	<u>(305,577)</u>
Net Investment Income	<u>\$ 565,166</u>
Net realized gains on investment securities	\$ 7,301,564
Net unrealized gains (losses) on investment securities	<u>(5,210,283)</u>
Net Realized and Unrealized Gains on Investments	<u>\$ 2,091,281</u>
Mineral income	\$ 1,281,076
Real estate income	74,680
Less: Mineral expense	(50,625)
Less: Real estate expense	<u>(10,767)</u>
Net Mineral and Real Estate Income	<u>\$ 1,294,364</u>

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following as of December 31, 2005:

Land	\$ 716,959
Buildings and improvements	3,040,092
Construction in progress	12,678
Furniture, fixtures and equipment	637,786
Automobiles	<u>278,908</u>
Total Property and Equipment	4,686,423
Less: Accumulated Depreciation	<u>(2,430,955)</u>
Net Property and Equipment	<u>\$ 2,255,468</u>

**NOTE 6 – ACCOUNTS RECEIVABLE AND OTHER RELATED PARTY TRANSACTIONS**

The net related party accounts receivable balance of \$99,134 as of December 31, 2005 is due from The Bridge Youth and Family Services ("the Bridge"). This organization became a related entity of the Home effective October 1, 2005 due to the Combination Agreement in regards to the Bridge's programs and operations. See Note 11 for additional details. The net receivable balance of \$99,134 consists of funds due for operating activities of \$49,134 and a loan advance of \$50,000. The loan advance was repaid on January 3, 2006.

Additionally, effective October 1, 2005, the Home entered into a one year lease agreement with the Bridge for the use of certain premises and other assets at \$1,000 per month. The Bridge is paying the Home \$1,000 per month for one year effective October 1, 2005 for management services.

**ALL CHURCH HOME FOR CHILDREN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

**NOTE 7 – CONTRIBUTIONS RECEIVABLE**

The Home recognizes unconditional pledges as support in the period the pledge is made and reports them as contributions in the statement of activities. Contributions receivable at December 31, 2005 are expected to be received as follows:

Year Ending December 31, 2006	\$ 931,023
Year Ending December 31, 2007	379,723
Year Ending December 31, 2008	27,740
Year Ending December 31, 2009	3,400
Year Ending December 31, 2010	7,800
Thereafter	<u>8,160</u>
Total	<u>\$ 1,357,846</u>

No allowance for uncollectible contributions is considered necessary as of December 31, 2005. Bad debt expense was \$-0- for the year ended December 31, 2005.

**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes as of December 31, 2005:

<u>Restricted Purpose</u>	<u>Amount</u>
Contributions restricted for future building expansion	\$ 1,922,079
Providing care to children	<u>14,355</u>
Totals	<u>\$ 1,936,434</u>

**NOTE 9 – EMPLOYEE BENEFIT PLAN**

The Home sponsors a 401(k) plan for all qualified employees. The Home matches employee contributions at a rate of \$1.00 for each employee dollar up to 3% of the employee's salary and then an additional \$0.50 for each employee dollar up to an additional 2% of the employee's salary. Employer contributions to the Plan amounted to \$48,470 during the year ended December 31, 2005.

**NOTE 10 – COMMITMENTS**

The Home has committed to invest a total of \$2,000,000 in the BA 2001 Cayman Fund Ltd. As of December 31, 2005 the Home has invested \$1,100,000 in this fund of funds limited partnership.

Effective March 6, 2006, the Home committed to pay a construction contractor \$1,559,766 for the construction of new buildings to be completed during the year ending December 31, 2006.

**NOTE 11 – COMBINATION AGREEMENT**

Effective October 1, 2005 a "Combination Agreement" was signed which merged the programs and operations of The Bridge Youth and Family Services into the Home's operations. The Home did not assume any liabilities of the Bridge. The Bridge will remain in existence for a period of time to hold or invest any assets held by it, to receive donations and to satisfy expenses and liabilities, and thereafter will dissolve. Prior to and upon the date of dissolution all assets will be transferred to the Home according to the Combination Agreement. As of December 31, 2005 the only assets transferred to the Home from the Bridge were four used Vans.