Domestic Violence Project, Inc.
d/b/a SafeHouse Center

Financial Report
September 30, 2012

Contents

plante moran

Plante & Moran, PLLC
27400 Northwestern Highway
P.O. Box 307
Southfield, MI 48037-0307
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Domestic Violence Project, Inc.
d/b/a SafeHouse Center

We have audited the accompanying balance sheet of Domestic Violence Project, Inc. d/b/a SafeHouse Center (a not-for-profit organization) (the "Organization") as of September 30, 2012 and 2011 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Domestic Violence Project, Inc. d/b/a SafeHouse Center'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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Domestic Violence Project, Inc. d/b/a SafeHouse Center as of September 30, 2012 and 2011 and the statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 our report dated February 28, 2013 on our consideration of Domestic Violence Project, Inc. d/b/a SafeHouse Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Plante & Moran, PLLC

February 28, 2013

Balance Sheet

	September 30, 2012	September 30, 2011
Assets		
Cash	$ 536,895	$ 468,316
Receivables - Net of allowances:		
Grant billings receivable and unbilled grant costs	180,799	270,589
Unconditional promises to give (Note 2)	71,275	92,486
Prepaid expenses and other current assets	32,028	25,360
Accrued rent receivable	-	1,350
Beneficial interest in the assets of the Ann Arbor Area Community Foundation (Note 8)	190,504	167,990
Donated use of building (Note 4)	3,132,096	3,161,924
Property and equipment - Net (Note 3)	64,289	76,243
Total assets	**$ 4,207,886**	**$ 4,264,258**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 14,526	$ 14,017
Due to funders (Note 7)	270,587	276,787
Accrued liabilities and other:		
Accrued compensation	24,165	19,785
Accrued compensated absences	33,444	37,677
Total liabilities	342,722	348,266
Net Assets		
Unrestricted	414,177	431,465
Temporarily restricted (Note 6)	3,322,839	3,356,379
Permanently restricted	128,148	128,148
Total net assets	3,865,164	3,915,992
Total liabilities and net assets	**$ 4,207,886**	**$ 4,264,258**

See Notes to Financial Statements.

Domestic Violence Project, Inc. d/b/a SafeHouse Center

Statement of Activities and Changes in Net Assets

	Year Ended							
	September 30, 2012				September 30, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support								
Contributions	$ 555,114	$ 119,802	$ -	$ 674,916	$ 559,240	$ 166,948	$ -	$ 726,188
In-kind donations	167,724	-	-	167,724	192,891	-	-	192,891
Government grants	827,726	-	-	827,726	943,566	-	-	943,566
Special event revenue - Net of direct benefits to donors	14,904	-	-	14,904	8,864	-	-	8,864
Change in beneficial interest	617	21,897	-	22,514	-	10,808	-	10,808
Interest income	1,235	-	-	1,235	2,432	-	-	2,432
Loss on disposal of fixed assets	(394)	-	-	(394)	-	-	-	-
Rental income	38,837	-	-	38,837	35,318	788	-	36,106
Miscellaneous income	11,455	-	-	11,455	13,787	-	-	13,787
Total revenue and support	1,617,218	141,699	-	1,758,917	1,756,098	178,544	-	1,934,642
Net assets released from restrictions	175,239	(175,239)	-	-	410,704	(410,704)	-	-
Total revenue, support, and net assets released from restrictions	1,792,457	(33,540)	-	1,758,917	2,166,802	(232,160)	-	1,934,642
Expenses								
Program services	1,401,860	-	-	1,401,860	1,534,693	-	-	1,534,693
Supporting services:								
Management and general	225,420	-	-	225,420	222,059	-	-	222,059
Fundraising	182,465	-	-	182,465	151,526	-	-	151,526
Total supporting services	407,885	-	-	407,885	373,585	-	-	373,585
Total expenses	1,809,745	-	-	1,809,745	1,908,278	-	-	1,908,278
(Decrease) Increase in Net Assets	(17,288)	(33,540)	-	(50,828)	258,524	(232,160)	-	26,364
Net Assets - Beginning of year	431,465	3,356,379	128,148	3,915,992	172,941	3,588,539	128,148	3,889,628
Net Assets - End of year	**$ 414,177**	**$ 3,322,839**	**$ 128,148**	**$ 3,865,164**	**$ 431,465**	**$ 3,356,379**	**$ 128,148**	**$ 3,915,992**

Domestic Violence Project, Inc. d/b/a SafeHouse Center

Statement of Functional Expenses

	Year Ended							
	September 30, 2012				September 30, 2011			
	Program	Management and General	Fundraising	2012 Total	Program	Management and General	Fundraising	2011 Total
Salaries	$ 676,878	$ 134,265	$ 114,819	$ 925,962	$ 749,106	$ 126,920	$ 109,380	$ 985,406
Payroll taxes	59,263	10,041	8,653	77,957	65,978	11,178	9,634	86,790
Employee benefits	95,117	16,997	12,043	124,157	85,926	21,187	10,594	117,707
Total salaries and related expenses	831,258	161,303	135,515	1,128,076	901,010	159,285	129,608	1,189,903
Specific assistance to individuals	62,543	-	-	62,543	83,134	-	-	83,134
Accounting fees	-	26,179	-	26,179	-	19,928	-	19,928
Office expenses	66,041	5,158	12,117	83,316	86,738	6,995	8,579	102,312
Occupancy	356,336	5,352	2,676	364,364	354,626	5,329	2,664	362,619
Information technology	1,400	105	105	1,610	1,270	95	95	1,460
Travel	6,777	1,165	588	8,530	9,126	985	50	10,161
Conferences, conventions, and meetings	4,306	-	-	4,306	4,406	-	-	4,406
Interest	-	14,836	-	14,836	-	15,196	-	15,196
Depreciation	10,220	670	670	11,560	8,608	532	532	9,672
Insurance	21,888	1,333	874	24,095	21,137	1,258	969	23,364
Special events	-	-	12,986	12,986	-	-	13,894	13,894
Other professional fees	31,248	-	18,125	49,373	55,108	-	-	55,108
Advertising and promotion	8,397	-	11,884	20,281	7,090	-	8,750	15,840
Bad debt	-	8,829	-	8,829	-	12,403	-	12,403
Miscellaneous	1,446	490	412	2,348	2,440	53	331	2,824
Less special event expenses - Direct benefit to donors	-	-	(13,487)	(13,487)	-	-	(13,946)	(13,946)
Total functional expenses	**$ 1,401,860**	**$ 225,420**	**$ 182,465**	**$ 1,809,745**	**$ 1,534,693**	**$ 222,059**	**$ 151,526**	**$ 1,908,278**

Domestic Violence Project, Inc. d/b/a SafeHouse Center

Statement of Cash Flows

	Year Ended September 30, 2012	Year Ended September 30, 2011
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (50,828)	$ 26,364
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation	11,560	9,672
Loss on sale of property and equipment	394	-
Bad debt expense	8,829	12,403
Amortization of present value discount on donated use of building	30,588	29,759
Change in beneficial interest in assets of the Ann Arbor Community Foundation	(22,514)	(10,808)
Changes in operating assets and liabilities which provided (used) cash:		
Grant billings receivable and unbilled grant costs	89,790	(90,233)
Unconditional promises to give	11,622	177,770
Prepaid expenses and other current assets	(6,668)	(11,032)
Accrued rent receivable	1,350	(1,350)
Accounts payable	509	(3,598)
Accrued liabilities and other	147	(26,326)
Net cash provided by operating activities	74,779	112,621
Cash Flows from Investing Activities - Purchase of property and equipment	-	(30,377)
Cash Flows from Financing Activities - Due to funders	(6,200)	(5,840)
Net Increase in Cash	68,579	76,404
Cash - Beginning of year	468,316	391,912
Cash - End of year	**$ 536,895**	**$ 468,316**

Note 1 - Nature of Activities and Significant Accounting Policies

Nature of Organization - SafeHouse Center (the "Organization") is a nonprofit organization based in Ann Arbor, Michigan, which provides services to survivors of domestic violence and sexual assault who live or work in Washtenaw County, Michigan. Services include a 24-hour crisis line, emergency shelter for survivors of domestic violence and their children, counseling and support groups, legal advocacy, referrals and accompaniment, children's services, post-residential support, referral for counseling and education, alcohol and other drug information and assessment, and assistance in finding housing, employment, and transportation. SafeHouse Center is funded by various grants from federal, state, local, and community agencies, as well as contributions from the general public.

Significant accounting policies are as follows:

Accrued Rent Receivable - The leases described in Note 5 provide for escalating rates. The revenue from the leases is recognized on the straight-line method over the term of the respective lease. The receivable represents amounts that have been recognized that will be collected in future years.

Property and Equipment - Property and equipment are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives of 5 to 10 years. Costs of maintenance and repairs are charged to expense when incurred.

The Organization reports gifts of property, plant, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of property, plant, and equipment 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 property, plant, and equipment are reported as restricted support. Absent explicit donor stipulations about how long the property, plant, and equipment must be maintained, the Organization reports expirations of donor restrictions over time based on an estimate of the useful lives of the donated or acquired property, plant, and equipment.

Classification of Net Assets - Net assets of the Organization are classified as unrestricted, temporarily restricted, or permanently restricted, depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net 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 and changes in net assets as net assets released from restrictions.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Permanently restricted net assets are limited by donor-imposed restrictions that require that the gift be maintained in perpetuity.

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. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

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.

Grants - Grant revenue determined to be exchange transactions is recognized as services are provided. Grant revenue received in excess of that earned is recorded as deferred revenue.

Management has determined that grant billings receivable are fully collectible and has not recorded an allowance for doubtful accounts.

Approximately 47 percent and 49 percent of the Organization's revenue for the years ended September 30, 2012 and 2011, respectively, is from grants passed through various organizations. Of the total grant revenue, approximately 53 percent and 55 percent is passed through the Michigan Department of Human Services and Michigan Department of Community Health for the years ended September 30, 2012 and 2011, respectively.

Federal Income Taxes - The Organization is exempt from income tax under provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Organization and has concluded that as of September 30, 2012 and 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to fiscal year 2009.

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

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 and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk - Balances maintained at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times, the Organization may have bank balances in excess of the FDIC insurance limits. As a result, the Organization evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Functional Allocation of Expenses - The costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including February 28, 2013, which is the date the financial statements were available to be issued.

Reclassification - Certain reclassifications were made to amounts in the 2011 financial statements to conform to the classifications used in 2012. There was no impact on reported net assets, changes in net assets, or cash flows for 2011.

Note 2 - Unconditional Promises to Give

Unconditional promises to give as of September 30 consist of the following:

	2012	2011
United Way allocation and time restrictions	$ 76,220	$ 98,051
Discount to net present value (6 percent in 2012 and 2011)	(1,997)	(1,237)
Allowance for uncollectible promises to give	(2,948)	(4,328)
Net contributions receivable	$ 71,275	$ 92,486
Amounts due in:		
Less than one year	$ 48,400	$ 76,195
One to five years	27,820	21,856
Total	$ 76,220	$ 98,051

Note 3 - Property and Equipment

Property and equipment are summarized as follows:

	2012	2011
Computer and office equipment	$ 23,080	$ 23,080
Leasehold improvements	84,640	87,592
Total cost	107,720	110,672
Accumulated depreciation	43,431	34,429
Net property and equipment	$ 64,289	$ 76,243

Depreciation expense was $11,560 for 2012 and $9,672 for 2011.

Note 4 - Operating Leases

SafeHouse Center leases its office space for $1 per year from the County of Washtenaw under an agreement expiring in 2045. The related promise to give (at net present value) and in-kind rent income and expense have been reflected in the financial statements based on the fair rental value of the property of $218,733 per year.

Note 4 - Operating Leases (Continued)

SafeHouse Center also has various leases for equipment that are classified as operating leases. The following table is the future minimum payment schedule:

2013	$	6,438
2014		66
Total	$	6,504

Total rent expense on these leases for 2012 and 2011 was approximately $7,389 and $11,728, respectively.

Note 5 - Minimum Future Rentals

SafeHouse Center subleases a portion of its leased property under certain operating leases having initial or remaining noncancelable lease terms in excess of one year.

Minimum future rentals to be received on noncancelable leases as of September 30, 2012 for each of the next five years and in the aggregate are:

Years Ending September 30		Amount
2013	$	45,428
2014		46,176
2015		33,276
2016		26,700
2017		22,250
Total	$	173,830

Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2012 and 2011 are restricted for the following:

	2012	2011
Purpose restricted:		
Health clinic	$ 1,253	$ 2,884
Fresh Start	15,841	24,481
Programs for children	7,549	1,615
Programs for older women	73,289	52,863
Shelter security	105	105
Shelter staffing	7,180	-
Other programs	14,251	19,233
Time restricted:		
United Way allocation	34,113	34,113
Promises to give	37,162	59,161
Long-term building lease	3,132,096	3,161,924
Total temporarily restricted net assets	$ 3,322,839	$ 3,356,379

Note 7 - Amounts Owed to Funders

SafeHouse Center and the Michigan Department of Human Services (DHS) signed a settlement agreement and release on November 28, 2007 regarding an appeal for unallowable questioned costs in audits for the years 2000-2003.

SafeHouse Center agreed to pay DHS $483,856 no later than calendar year 2033. No payment schedule is specified. Interest and penalties are due only if assessed by a federal agency and are not waived.

Management has established a projected payment schedule of $250 per month starting in October 2008 and then $1,753 per month starting in February 2010 and ending in December 2032. The present value of the projected future payment stream (with interest assumed at 6 percent) is recorded as a liability.

The principal payments for each of the five years following fiscal year 2012 are as follows:

2013	$ 6,582
2014	6,988
2015	7,419
2016	7,876
2017	8,362
Thereafter	206,653
Total	$ 243,880

The Organization also has a $26,707 liability recorded for amounts due to other funders. Payment dates are not specified.

Note 8 - Community Foundation

In 2003, the Organization transferred $123,440 to the Ann Arbor Area Community Foundation (AAACF) for the the Shirley Trout/SafeHouse Center Fund for Women, and $4,708 to establish the SafeHouse Center Endowment Fund. AAACF holds and manages the funds transferred. In accordance with ASC 958-605-25, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, the fair market value of these funds is recorded as an asset by the Organization. The fair market value of these funds, as reflected in the financial statements, is $190,504 and $167,990 at September 30, 2012 and 2011, respectively. There were no contributions received by the Organization in 2012 and 2011.

In addition, certain funds donated by outside donors for the benefit of the Organization are held and managed by AAACF. Such contributions are subject to variance power maintained by AAACF. The fair market value of these funds is $17,219 and $13,473 at September 30, 2012 and 2011, respectively. Earnings are available for distribution to the Organization for operations at the discretion of AAACF; therefore, interest and principal balances are not reflected in the financial statements.

Note 9 - In-kind Donations

Donated items received by the Organization and used in its programs have been reflected in the financial statements at their estimated fair values. Approximately $167,700 and $192,900 of donated goods and services were recognized as revenue for the years ended September 30, 2012 and 2011, respectively.

The Organization receives volunteer services that are not recordable under generally accepted accounting principles. The value of the volunteer services is not disclosed, as no objective basis is available to measure the value of such services.

Note 10 - Fair Value

Accounting standards require certain assets be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Note 10 - Fair Value (Continued)

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Organization measures the beneficial interest funds held at the Ann Arbor Area Community Foundation (AAACF) at fair value on a recurring basis. The fair value of the beneficial interest was determined primarily based on Level 3 inputs. The Organization estimates the fair value of these investments based upon the Organization's relative share of assets held and reported by AAACF, unless the facts and circumstances indicate the fair value would be different from the present value of the estimated future distributions.

The Organization's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy or realized or unrealized gains or losses during the years ended September 30, 2012 and 2011.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended September 30 are as follows:

	Beneficial Interest in Community Foundation Endowment
Balance at September 30, 2011	$ 167,990
Change in value of funds held by others	22,514
Balance at September 30, 2012	$ 190,504

Note 10 - Fair Value (Continued)

		Beneficial Interest in Community Foundation Endowment
Balance at September 30, 2010	$	157,182
Change in value of funds held by others		10,808
Balance at September 30, 2011	$	167,990

Note 11 - Donor-restricted and Board-designated Endowments

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of trustees of the Organization 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 Organization 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 temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Note 11 - Donor-restricted and Board-designated Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of September 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 55,610	$ 128,148	$ 183,758
Board-designated endowment funds	6,746	-	-	6,746
Total funds	$ 6,746	$ 55,610	$ 128,148	$ 190,504

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ -	$ 39,842	$ 128,148	$ 167,990
Investment return - Change in beneficial interest	617	21,897	-	22,514
Reclassification	6,129	(6,129)	-	-
Endowment net assets - End of year	$ 6,746	$ 55,610	$ 128,148	$ 190,504

Endowment Net Asset Composition by Type of Fund as of September 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 33,713	$ 128,148	$ 161,861
Board-designated endowment funds	-	6,129	-	6,129
Total funds	$ -	$ 39,842	$ 128,148	$ 167,990

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ -	$ 29,034	$ 128,148	$ 157,182
Investment return - Change in beneficial interest	-	10,808	-	10,808
Endowment net assets - End of year	$ -	$ 39,842	$ 128,148	$ 167,990

Note 11 - Donor-restricted and Board-designated Endowments (Continued)

Return Objectives and Risk Parameters and Strategies for Achieving Objectives

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The funds are held in beneficial interest at the Ann Arbor Area Community Foundation (AAACF) and are invested following AAACF's investment policy.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The endowment funds are subject to the investment and distribution policies of AAACF. The Organization determines annually whether it will accept the distribution designated by AAACF or ask that it be reinvested for growth.