

RISK AND
INSURANCE
MANAGEMENT
SOCIETY, INC.

CELEBRATING

60

YEARS

2010

ANNUAL

REPORT



TABLE OF CONTENTS

- | | |
|--|-----------------------|
| 1 Letter from Leadership | 7 Government Affairs |
| 2 RIMS Board of Directors | 8-9 Conference |
| 3 About the Risk and Insurance
Management Society, Inc. | 10 Technology |
| 4 Membership | 11 Publications |
| 5 Awards | 12 Treasurer's Report |
| 6 Professional Development | 13 Financials |

LETTER FROM RIMS LEADERSHIP

RIMS has leveraged the current global business climate to position the Society and its members at the forefront of the risk management industry. The past year was one of great strides on many fronts—legislative, regulatory, visibility of the profession, RIMS membership and more. In 2010 we were committed, as we continue to be, to enhancing member value by driving several important priorities. RIMS celebrated its 60th anniversary and with it we continued an aggressive growth strategy for RIMS as a society, for the profession and for our influence abroad.



With regard to the Society and its membership, RIMS gained 951 deputy members, 306 associate members and 268 new student members in 2010 and more than 70% of its chapters experienced positive growth. This was due in large part to expanded professional development opportunities; our recognition among students of risk management due to our fellowship and scholarship programs; and the lively and dynamic peer to peer exchange exclusive to RIMS membership. We have a wealth of talent among our members and the intellectual capital they have to offer one another is priceless.

RIMS made great strides for the profession of risk management in 2010 by helping to shape the most comprehensive overhaul of the nation's banking system in decades. The provisions that came out of Congress in 2010 included surplus lines legislation, as well as language that created a federal insurance office—satisfying two of RIMS' long-term legislative priorities. Risk committee mandates were also established, marking another legislative victory for RIMS in 2010.

In the past year, RIMS has worked to further its international strategy, as well. Our International Committee has done much to ensure that the content provided by RIMS is globally relevant and that we provide independent, diverse global risk management information to our members to enhance their ability to operate worldwide. One of our primary goals continues to be to extend risk management education globally.

In 2011, RIMS will continue to be a rich resource and watchful advocate for its members and industry partners. We will make the absolute most of our opportunity and capacity to lead our members around the world.

Sincerely,

Mary Roth, ARM

Scott B. Clark, AAI

RIMS 2010 BOARD OF DIRECTORS

(left to right)

Secretary and Director

Scott B. Clark, AAI,
Risk and Benefits Officer
School Board of Miami-Dade County, Florida

Vice President and Director

Deborah M. Luthi, ARM, CCSA
Risk Manager, Assurance & Internal Controls
San Francisco Public Utilities Commission

President and Director

Terry Fleming
Director, Division of Risk Management
Montgomery County, Maryland

Treasurer and Director

John R. Phelps, ARM, CPCU, CBCP
Director of Business Risk Solutions
Blue Cross and Blue Shield of Florida, Inc.

Directors

Janet E. Barnes, ARM
Risk Manager and Security Administrator
Snohomish County PUD No.1

Robert Cartwright Jr., CRM
Loss Prevention Manager
Bridgestone Retail Operations, LLC

Daniel H. Kugler, ARM, CEBS, CPCU, AIC, ACI
Assistant Treasurer, Corporate Risk Management
Snap-on Incorporated

W. Michael McDonald, ARM
Vice President, Risk Management
Quality Distribution, Inc.

Julie C. Pemberton, ARM
Manager, Enterprise Risk Management
Chiquita Brands International, Inc.

Michael D. Phillipus, ARM
Director, Insurance and Risk Management
ATP Oil & Gas Corporation

Richard J. Roberts, Jr., ALCM, ARM, CPCU, RF
Corporate Risk Manager
Ensign-Bickford Industries, Inc.

Wayne Salen, ARM, CHCM, CPSM
Director of Risk Management
Labor Finders International, Inc.

Frederick J. Savage, FCII, ARM
Director, Risk Management (San Ramon)
Chevron Corporation

Nowell Seaman, CIP, CRM
Manager, Risk Management and Insurance Services
University of Saskatchewan

Carolyn M. Snow, CPCU
Director, Insurance Risk Management
Humana Inc.

Joseph A. Restoule, CIP, CRM (Ex Officio)
Leader, Risk Management
NOVA Chemicals Corporation





ABOUT THE RISK AND INSURANCE MANAGEMENT SOCIETY, INC.

As the world's preeminent organization dedicated to advancing the practice of risk management, RIMS is a not-for-profit organization representing more than 3,500 industrial, service, nonprofit, charitable and government entities globally. Founded in 1950, RIMS brings networking, professional development and education opportunities to its membership of more than 10,000 risk management professionals. RIMS hosts an annual conference that boasts more than 400 exhibitors and attracts more than 10,000 attendees. For more information on RIMS, visit www.RIMS.org.



CONFERENCE PROGRAMMING COMMITTEE



IFRIMA (INTERNATIONAL)

RIMS 2010 STANDING COMMITTEES INCLUDE:

- Audit
- Conference Programming
- ERM
- Exhibits Advisory
- External Affairs
- Finance
- International
- Member & Chapter Services
- Nominating
- Professional Development Advisory Council
- Quality Advisory Council
- RIMS Canada Council
- Strategic Risk Management Development Council
- Standards and Practices
- Student Advisory Council
- Student Involvement
- Technology Advisory Council

MEMBERSHIP

Despite economic challenges in the field and a 5% increase in RIMS member dues, membership in dues-paying categories remained consistent in 2010. Between May 2010 and February 2011, RIMS garnered 951 new deputy members, 306 new associate members and 268 new student members. Over the year, the retention rate for risk management members averaged 87.2% while the retention of associate members averaged 69%.

Notable membership data for RIMS in 2010 includes:

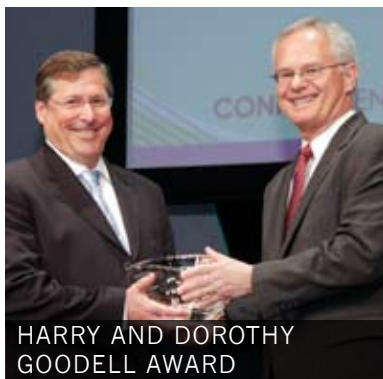
- 72% of RIMS chapters experienced positive membership growth during 2010 with 25% achieving a growth rate of 10% or more.
- The 2010 RIMS Benchmarking Survey was distributed to approximately 1,550 individuals.
- The RIMS Job Bank posted 364 open positions during 2010.
- The RIMS Buyers Guide expanded the number of advertisers to 2,710 companies in 2010.
- RIMS LinkedIn site (open to members and non-members) launched in June 2010. As of March 1, 2011, there were 6,120 members.

KNOW RISK? KNOW RIMS.



DALLAS-FORTH WORTH CHAPTER

AWARDS



RIMS honors the commitment of its chapters and the risk profession's trailblazers at its Annual Conference & Exhibition. Below are the professionals and RIMS chapters that were recognized for their extraordinary contributions to the Society and the industry in 2010.

Harry and Dorothy Goodell Award

Stephen M. Wilder, ARM

Vice President, Risk Management
The Walt Disney Company

RIMS' most prestigious honor, the Harry and Dorothy Goodell Award, pays tribute to an individual who has furthered the goals of the Society and the risk management discipline through outstanding service and achievement. The award is named in honor of RIMS' first president, Harry Goodell.



Ron Judd Heart of RIMS Award

Mark Ryan, ARM

Director of Casualty Insurance at
Occidental Petroleum Corporation

Presented to a RIMS member for outstanding performance in furthering risk management at the chapter level, the award recognizes the legacy of Ron Judd, who served as RIMS' Executive Director for 22 years.

Cristy Award

Stanley Jurewicz

Director of Risk Management
Florida State University, Jacksonville

Presented to the risk professional who earns the highest cumulative average on the three exams leading to the Associate of Risk Management (ARM) designation.



Richard W. Bland Memorial Award

Lance Kayfish

Risk Manager
City of Kelowna, British Columbia

Created by RIMS Kansas City Chapter in 1974 and recognizes outstanding performance by a deputy member who has impacted the risk management industry in the area of legislation or regulation.

Donald M. Stuart Award

Tina Gardiner, CRM, CIP

Manager of Insurance and Risk
The Regional Municipality of York

Created by RIMS Ontario Chapter in 1979, the award is granted annually to a Canadian risk professional to recognize outstanding contributions to the industry. The award is RIMS' highest honor for risk management in Canada.

RIMS Chapter Recognition Program Awards 2010 Membership Growth Awards

SuperStar Awards

(membership growth of at least 9%):

- Mid-Illinois
- Delaware Valley
- Cumberland
- Eastern Oklahoma
- Southwest Florida
- Northern Alberta
- Massachusetts
- Utah
- Ozarks Area
- Northeast Florida
- Carolinas
- Memphis
- Piedmont
- Mexico
- Southern Alberta
- Western Michigan
- Connecticut Valley
- Orange County
- British Columbia
- Maritime

Star Awards

(membership growth of 6%-9%):

- New York
- Quebec
- Central Florida
- Minnesota
- Atlanta
- Detroit
- Canadian Capital
- Arizona Central
- Greater Quad Cities
- Oregon

PROFESSIONAL DEVELOPMENT

LEARN RISK

In 2010, RIMS' professional development offerings expanded to provide members with flexibility and the best in industry insight. The Society developed a new three-day highly successful Enterprise-Wide Risk Management: Developing and Implementing workshop that it has implemented throughout the United States. The course is based on the *Enterprise-Wide Risk Management: Developing and Implementing* textbook developed by The Institutes.

RIMS also launched a new two-day RIMS Fellow Workshop, as well as a series of other workshops, including:

- Project Risk Management
- Global Insurance Management
- Integrating Enterprise Risk Management Into Strategic Planning

More than 4,600 risk professionals took part in RIMS' online professional development offerings!



In the online realms, RIMS conducted 6 webinars, covering topics ranging from healthcare to global risk to risk governance. CourseCasts covered topics such as D&O and Casualty Claims Handling Techniques. It also introduced a new online course, Special Topics in Risk Management.

In 2010, the Society offered 58 workshops, with more than 667 risk practitioners in attendance. RIMS also conducted seven in-company training programs for clients in the U.S. and Canada. Additionally, the RIMS Fellow® designation grew to 217 RF candidates and RF holders.

GOVERNMENT AFFAIRS

A YEAR OF VICTORIES



In 2010, RIMS saw members of the House and Senate reach an agreement on the most comprehensive overhaul of the nation's banking system in decades. The provisions included surplus lines legislation, as well as language that created a federal insurance office—satisfying two of RIMS' long-term legislative priorities. The conference report also contained "risk committee" provisions that RIMS helped to shape, marking another legislative victory for RIMS in 2010.

The year was marked by the House Financial Services Committee and Senate Banking Committee focusing on an overall effort to modernize the United States' federal financial regulatory structure, and RIMS took the opportunity to further its agenda on Capitol Hill with regard to the commercial insurance industry. The surplus lines language sustained throughout the negotiations contains RIMS' preferred definition of a "qualified risk manager," which allows more sophisticated insurance buyers to directly access the surplus lines or nonadmitted insurance market.

Additionally, the provision that allowed for the creation of a Federal Insurance Office (FIO) would allow the federal government to collect data and develop an overdue expertise on insurance matters. The FIO is designed to coordinate with the U.S. Trade Representative to jointly negotiate on international insurance matters, allowing the U.S. to further its influence abroad. RIMS also views the creation of the FIO as a necessary first step toward the creation of an optional federal charter for commercial property and casualty insurers.

The language in the Senate version of the bill and, ultimately the underlying text of the conference, requires "risk committees" to be comprised of independent directors and at least one "risk management expert" to consider enterprise wide risk, a result of RIMS' involvement in crafting the language.

On the regional front, RIMS maintained its focus on state legislative matters by bringing regional RIMS on the Hill events to both California and Connecticut.



CONFERENCES



In 2010, RIMS hosted its Annual Conference & Exhibition at the Boston Convention & Exhibition Center, April 25-29, 2010. Contingent commissions, climate change, crisis management, global risk and pending legislation, dubbed the “Shareholder Bill of Rights,” were just a few of the many topics covered in the 120+ sessions covering critical risk management issues.

Launched in 1963, RIMS Annual Conference & Exhibition attracts nearly 10,000 risk and insurance professionals at all experience levels, business executives with risk management interests, brokers, insurers and service providers for the ultimate educational and networking experience. The five-day event offers keynote presentations, special events and an expansive Exhibit Hall with more than 350 exhibitors.

The 2010 conference featured keynote presentations from the world’s top authorities on leadership and business strategy, including:

- Gary Loveman, a former associate professor at the Harvard University Graduate School of Business Administration. He joined Harrah’s Entertainment as chief operating officer in 1998 and drew on his extensive background in retail marketing and service-management to develop and implement the gaming industry’s most sophisticated and successful loyalty program, Total Rewards.
- Nassim N. Taleb, a scholar of risk and model error, literary essayist, and derivatives trader. He is known for a multidisciplinary approach to the role that rare, high-impact events play on shaping economics, philosophy, finance, engineering and history. He is author of the New York Times best-seller *The Black Swan: The Impact of the Highly Improbable* which was hailed by the Times as one of the 12 most influential books since World War II.
- Rebecca Ryan, an energetic entrepreneur and the founder of Next Generation Consulting (NGC), a research and consulting firm that helps clients engage the next generation. NGC has conducted interviews, focus groups, and surveys with over 30,000 young professionals since 1998. Ryan is author of *Live First, Work Second: Getting Inside the Minds of the Next Generation* and was named the 2004 Entrepreneur of the Year by the U.S. Association for Small Business and Entrepreneurship, as well as the 2006 Communicator of the Year by Women in Communication.

THINK
FORWARD
THINK
RISK



CONFERENCES



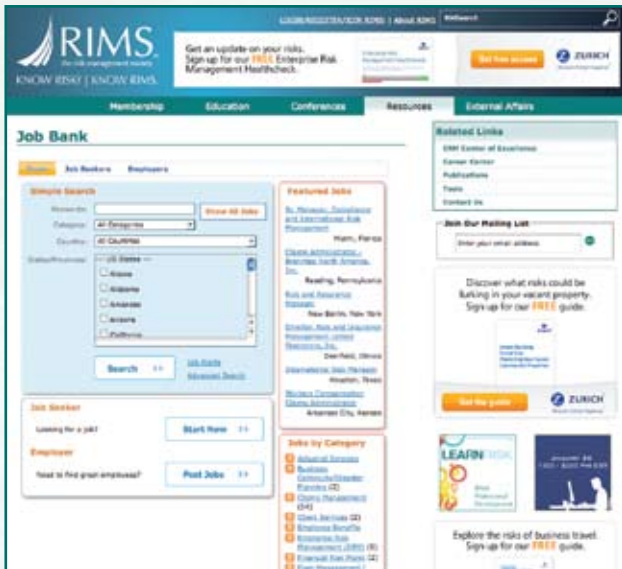
More than 350 expert speakers led 120+ sessions on a variety of critical risk management issues. **Hot Topic sessions** include:

- *Solar Storms: Protecting Your Operations Against the Sun's 'Dark Side'*
- *Insurance Purchasers Unite! Know Your Rights on Contingent Commissions*
- *Corporate Governance and the "Shareholder Bill of Rights"*

RIMS 2010 also offered Strategic Partner Sessions from leading insurers and brokers covering topics that address the needs and concerns of the risk management and insurance community. The Exhibit Hall featured more than 350 providers who offered the latest in products and services for the risk management profession, including insurers, claims services, disaster recovery, workers compensation providers and much more.

There were a number of networking opportunities for risk practitioners during the conference, including RIMS' fourth annual Community Service Day, supported by Aon; Spencer Educational Foundation's annual golf and hockey tournament fundraisers; the Exhibit Hall Lunch & Learn roundtable discussions; and an opening reception dubbed *32 degrees Fahrenheit*, at which guests dined on an array of ethnic delicacies representing Boston's cultural diversity.





TECHNOLOGY

UPGRADING RIMS ONLINE PRESENCE



In 2010, RIMS launched a redesigned website, still housed at www.RIMS.org. The dramatically restyled site, created by RIMS' in-house web team, represents RIMS' commitment to the growing needs of its members and the risk management community, as a whole. The site's homepage welcomes visitors with bold new colors, sleek design, easy-to-use mega menus and tabbed boxes that ease navigation and feature content centered on RIMS' dedication to advancing the practice of risk management.

Based on extensive input from RIMS members, the redesigned site offers:

- improved navigational features, including a reorganization of pages and use of categorized mega menus
- enhanced homepage layout that delivers rich and accessible content
- modern, uncomplicated design.

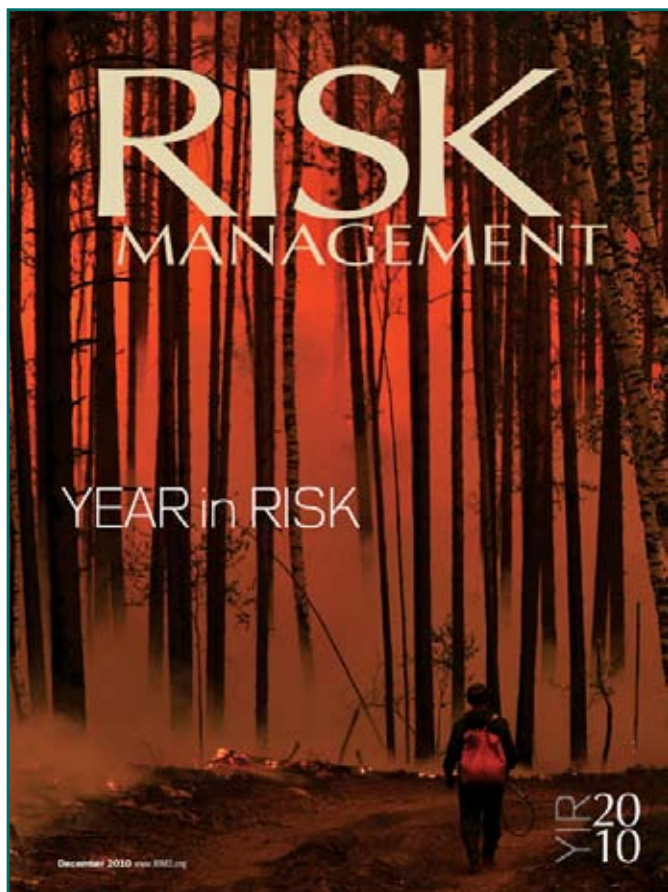


Each year, RIMS.org attracts more than 450,000 unique visitors who explore continuing education opportunities, retrieve information about RIMS Annual Conference & Exhibition, visit the ERM Center of Excellence, take advantage of the many RIMS tools and publications and learn about legislative issues that affect their industry. The redesigned site, the development of which began in late 2009, streamlines the accessibility of this content.

PUBLICATIONS

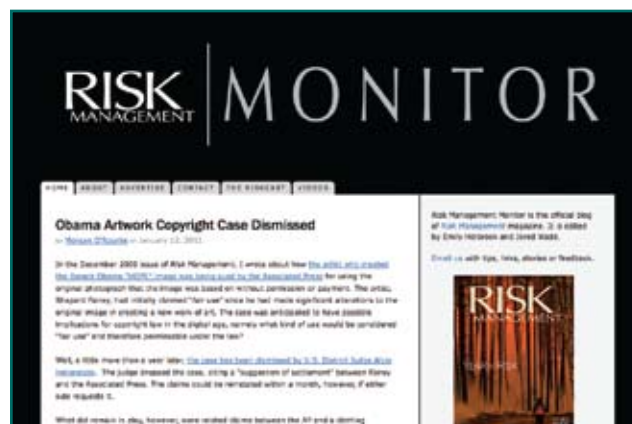
RISKWIRE GOES IN-HOUSE

In 2010, the Publications Department took over the editorial development of the daily RiskWire news alert that RIMS provides to all its members. Under in-house direction, the digital newsletter provided breaking coverage of important risk management events from the earthquakes in Haiti and Chile to the corporate crises for Toyota and BP — news that propelled the readership to record-breaking heights. In all, more RIMS members read RiskWire in 2010 than in any year since its creation in 2003. And with a re-design for RiskWire planned in 2011, RIMS expects the product's value to the Society to continue to grow in the years to come.



Additionally in 2010, *Risk Management* magazine's official blog, the Risk Management Monitor was named to the LexisNexis Insurance Law Community's Top 50 Insurance Blogs for 2009. Honorees are chosen for writing, scope of information covered, timeliness, analysis, practicality and frequency of posting.

The popularity of the print edition of the magazine remained strong in 2010, with ten issues produced.



TREASURER'S REPORT

This commentary highlights some areas of the December 31, 2010 audited financial statements of Risk and Insurance Management Society, Inc. (RIMS) and Subsidiary. All numbers are rounded to the nearest thousand:

◆ Consolidated Balance Sheet

- Net assets (retained earnings/reserves) at the end of 2010 are \$10.067M, an increase of \$1.233M over 2009. This change is a result of variances in both revenues and expenses, as discussed below.

◆ Consolidated Statements of Revenues, Expenses and Change in Net Assets

• Revenues

- Conference is \$910K higher, consisting of increased:
 - registration income of \$586K
 - exhibit income of \$127K
 - hotel room credits of \$95K
- Advertising has increased by \$249K, consisting of more online advertising income.
- Publications are down by \$128K because of falling magazine subscription revenues.
- Professional development is \$174K more due to our new ARM-E programs.
- Investment income is \$1.053M less. Since investment returns are not included in the budget, no programs are affected by market swings.

• Expenses

- Conference is up by \$522K because exhibit arrangements, sponsorship items, and shuttle bus expenditures increased. The Orlando convention center did not charge RIMS for the 2009 exhibit hall, and Orlando's labor pool was much less expensive than Boston's labor costs in 2010.
- Publications are down by \$219K less because two employees transferred to Marketing.
- Marketing is up by \$243K because two employees transferred from Publications, and RIMS incurred costs for the celebration of our 60th Anniversary.
- G&A, finance and IT increased \$434K, reflecting \$515K of contribution expense:
 - \$450K pledged to Spencer Educational Foundation, Inc.
 - \$50K paid to McGannon Foundation, Inc.
 - \$10K paid to the Red Cross for Haiti
 - \$5K paid to Spencer for a table at the annual dinner

◆ Consolidated Statements of Cash Flows

- The changes from 2010 to 2009 on this schedule have been discussed above.

RIMS pledges to provide timely and innovative information, education, networking and advocacy to its members. The efforts of all the staff and volunteers who contribute every day to the success of this organization are greatly appreciated.

Respectfully submitted,
 Carolyn M. Snow, CPCU
 Treasurer, Risk and Insurance Management Society, Inc.

**RISK AND INSURANCE MANAGEMENT
SOCIETY, INC. AND SUBSIDIARY**

Consolidated Audited Financial Statements
(With Supplemental Information)

December 31, 2010 and 2009

RISK AND INSURANCE MANAGEMENT SOCIETY, INC. AND SUBSIDIARY

Table of Contents

Report of Independent Auditors	1
<u>Consolidated Financial Statements:</u>	
Consolidated Balance Sheet	2
Consolidated Statement of Revenues, Expenses and Change in Net Assets	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5 – 12
<u>Supplemental Information:</u>	
Independent Auditors' Report on Supplemental Information	13
Consolidating Balance Sheet	14
Consolidating Statement of Revenues, Expenses and Change in Net Assets	15

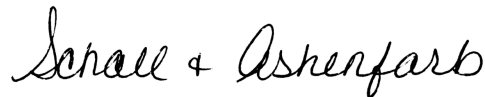
REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Risk and Insurance Management Society, Inc. and Subsidiary

We have audited the accompanying consolidated balance sheet of Risk and Insurance Management Society, Inc. and Subsidiary (the "Organization") as of December 31, 2010 and 2009, and the related consolidated statements of revenues, expenses and change in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Risk and Insurance Management Society, Inc. and Subsidiary as of December 31, 2010 and 2009, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Schall & Ashenfarb
Certified Public Accountants, LLC

March 22, 2011

RISK AND INSURANCE MANAGEMENT SOCIETY, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2010 AND 2009

	12/31/10	12/31/09
Assets		
Current assets:		
Cash and cash equivalents (Notes 1d and 1e)	\$557,332	\$525,677
Advertising receivables, less allowance for doubtful accounts of \$0 and \$1,712 (Note 1f)	258,325	150,566
Other receivables	95,480	37,910
Prepaid conference expenses	451,754	537,198
Other prepaid expenses and deposits	724,270	374,056
Total current assets	2,087,161	1,625,407
Non-current assets:		
Investments held for chapters	43,523	46,529
Investments, at fair value (Notes 1g and 2)	13,055,798	11,496,305
Property and equipment, net (Notes 1h and 3)	1,495,996	1,739,350
Total non-current assets	14,595,317	13,282,184
Total assets	\$16,682,478	\$14,907,591
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$927,895	\$591,139
Deferred conference revenue (Note 1i)	2,906,955	3,033,086
Deferred dues revenue (Note 1i)	1,171,926	1,119,990
Other deferred revenue (Note 1i)	477,473	451,002
Grant payable (Note 4)	150,000	0
Deferred rent, current portion (Note 1j)	73,456	44,443
Total current liabilities	5,707,705	5,239,660
Non-current liabilities:		
Grant payable, net of current portion (Note 4)	150,000	0
Deferred rent, net of current portion (Note 1j)	713,620	787,076
Liability for chapter investments	43,523	46,529
Total non-current liabilities	907,143	833,605
Total liabilities	6,614,848	6,073,265
Commitments and contingencies (Note 6)		
Net assets: (Note 1k)		
Unrestricted		
Operations	9,877,535	8,834,326
Board designated:		
Strategic and enterprise risk practice fund	190,095	0
Total net assets	10,067,630	8,834,326
Total liabilities and net assets	\$16,682,478	\$14,907,591

The attached notes and auditors' report are an integral part of these consolidated financial statements.

RISK AND INSURANCE MANAGEMENT SOCIETY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>12/31/10</u>	<u>12/31/09*</u>
	Total	Total
	<u>Unrestricted</u>	<u>Unrestricted</u>
Revenues, Gains and Other Support:		
Conference	\$7,090,371	\$6,180,626
Membership dues	2,169,978	2,131,528
Advertising	1,134,398	885,260
Publications	763,354	891,185
Membership and chapter services	499,161	507,825
Professional development	768,016	594,368
Other revenue	277,565	311,456
Investment income (Note 2)	1,531,000	2,583,812
Loss on disposal of fixed assets	0	(18,662)
Total revenues, gains and other support	<u>14,233,843</u>	<u>14,067,398</u>
Expenses (Note 7):		
Program services:		
Conference	3,655,383	3,133,369
Publications	1,179,072	1,398,072
Professional development	953,292	876,931
Marketing	1,111,830	869,108
Member and chapter services	606,980	589,133
Government affairs	490,455	486,966
Strategic and enterprise risk practice	59,905	0
Total program services	<u>8,056,917</u>	<u>7,353,579</u>
Supporting services:		
General and administration	4,531,386	4,097,583
Membership recruitment	412,236	422,032
Total supporting services	<u>4,943,622</u>	<u>4,519,615</u>
Total expenses	<u>13,000,539</u>	<u>11,873,194</u>
Change in net assets	1,233,304	2,194,204
Net assets - beginning of year	<u>8,834,326</u>	<u>6,640,122</u>
Net assets - end of year	<u><u>\$10,067,630</u></u>	<u><u>\$8,834,326</u></u>

*Reclassified for comparative purposes.

The attached notes and auditors' report are an integral part of these consolidated financial statements.

RISK AND INSURANCE MANAGEMENT SOCIETY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	12/31/10	12/31/09
Cash flows from operating activities:		
Change in net assets	\$1,233,304	\$2,194,204
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation and amortization	450,907	558,497
Loss on disposal of property and equipment	0	18,662
Net realized and unrealized gains on investments	(1,232,521)	(2,288,306)
(Increase)/decrease in assets:		
Advertising receivables	(107,759)	(28,362)
Other receivables	(57,570)	(23,047)
Prepaid conference expenses	85,444	(53,326)
Other prepaid expense and deposits	(350,214)	(42,659)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	336,756	(347,740)
Deferred conference revenue	(126,131)	183,254
Deferred dues revenue	51,936	(67,091)
Other deferred revenue	26,471	(19,086)
Grant payable	300,000	(100,000)
Deferred rent	(44,443)	(15,429)
Total adjustments	(667,124)	(2,224,633)
Net cash provided by/(used for) operating activities	566,180	(30,429)
Cash flows from investing activities:		
Purchases of investments	(9,875,595)	(4,570,873)
Proceeds from sales of investments	9,548,623	4,084,516
Purchases of property and equipment	(207,553)	(141,988)
Net cash used for investing activities	(534,525)	(628,345)
Net increase/(decrease) in cash and cash equivalents	31,655	(658,774)
Cash and cash equivalents - beginning of year	525,677	1,184,451
Cash and cash equivalents - end of year	\$557,332	\$525,677
Supplemental Information:		
Interest and taxes paid	\$0	\$0

The attached notes and auditors' report are an integral part of these consolidated financial statements.

RISK AND INSURANCE MANAGEMENT SOCIETY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 1 - Summary of Significant Accounting Policies

a. Organization

Risk and Insurance Management Society, Inc. ("RIMS") is a non-profit organization dedicated to advancing professional standards of risk management. RIMS is the world's largest association for risk management, representing more than 3,600 industrial, service, not-for-profit, charitable and governmental entities. RIMS serves 10,000 individuals responsible for the risk management function in 80 chapters across the United States, Canada and Japan.

Global Risk Management Institute, Inc. ("GRMI"), a related organization, was incorporated in 1999 to engage in activities that support and encourage the advancement of the study of subjects related to risk management and increase the qualifications of risk management professionals across businesses and industries. GRMI administers the RIMS Fellow® (RF) and the Canadian Risk Management® (CRM) designations.

b. Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting. As such, revenue is recognized when earned and expenses when incurred.

c. Consolidation Policy

The consolidated financial statements include the accounts of RIMS and GRMI (hereafter referred to as the "Organization"). All significant inter-organization transactions and balances have been eliminated in consolidation.

d. Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, cash and cash equivalents include operating cash accounts, petty cash and highly liquid, short-term instruments with original maturities of three months or less, except money market funds held for long-term investment purposes.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash and cash equivalents and investments held at financial institutions that management deems to be creditworthy. At times, the Organization's operating cash accounts exceeded the federally insured limit. The Organization has not experienced losses in such accounts. The Organization believes it is not exposed to any significant credit risk on its cash and cash equivalents.

f. Advertising Receivables

Advertising receivables represent amounts due from clients for advertisements placed in The Risk Management Magazine as well as on the RIMS website, and are due under normal trade terms from these clients. Senior management reviews accounts receivable on a regular basis to determine if any receivables will potentially be uncollectible. Any balances that are determined to be uncollectible are included, together with a general

reserve, in the allowance for doubtful debts account. Any subsequent write-offs are written off against the allowance. Management believes that no allowance for doubtful accounts as of December 31, 2010 and 2009 are required. However, actual write-offs might exceed the recorded allowance.

g. Investments

Investments consist of equity and debt mutual funds, fixed income securities, and money market funds held for long-term investment. Investments are carried at readily determinable fair value with realized and unrealized gains and losses included in the statement of revenues, expenses and change in net assets. Interest and dividend income are recorded as revenue when earned.

h. Property and Equipment

Property and equipment are recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,000. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years, or the lesser of the minimum lease period or the asset's useful life for leasehold improvements. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

Certain costs of internally developed software and website development are capitalized in accordance with FASB Accounting Standards Codification (ASC) 350-40 (formerly Statement of Position 98-1 "*Accounting for the Cost of Computer Software Developed or Obtained for Internal Use*") and ASC 350-50 (formerly Emerging Issues Task Force 00-2 "*Accounting for Website Development Costs*"). These costs are amortized over the estimated useful lives of the software and website which is estimated to be four years.

i. Deferred Revenue

Deferred revenue consists of member dues, professional development, magazine subscriptions, conference attendance and exhibit fees received in advance. Revenue related to member dues is recognized over the membership period. Revenue related to magazine subscriptions is recognized over the related subscription period. Revenue and related expenses applicable to the conference, professional development and exhibits are recognized in the financial period when the event is held.

j. Deferred Rent

A deferred rent liability has been recorded to reflect the benefit of lease incentives included in the office space lease. The benefits of these incentives, including free rent and a tenant improvement allowance, will be recognized equally over the term of the lease.

k. Unrestricted Net Assets

Unrestricted net assets are funds that are currently available to support the Organization's daily operations. In addition, the board of directors has designated a fund for strategic and enterprise risk management.

l. Temporarily Restricted Net Assets

The Organization reports gifts of cash and other assets as restricted support if they are received with donor restrictions 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 consolidated statement of revenues, expenses and change in net assets as net assets released from restrictions.

m. Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the consolidated statement of revenues, expenses and change in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

n. Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of American requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

o. Tax Status

RIMS is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. RIMS is subject to tax on its net revenue from unrelated business income from mailing list rentals and advertising. RIMS has charitable contributions deduction carry forwards of approximately \$957,000 and \$442,000 at December 31, 2010 and 2009, respectively. These contributions carry-forwards expire in 2022 if not utilized by then. RIMS Canada Council, formerly the Canadian Risk Management Council, a program of RIMS, is exempt from tax under Canadian tax laws.

GRMI is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has also determined that GRMI is not a private foundation. GRMI is required to report unrelated business income to the Internal Revenue Service and the state of New York. GRMI earned no unrelated business income during the years ended December 31, 2010 and 2009.

p. Accounting for Uncertainty of Income Taxes

RIMS has adopted the provisions of FASB ASC 740, *Income Taxes*, which applies to positions taken or expected to be taken in a tax return. Organizations are required to recognize the effects of tax positions if they are more likely than not of being sustained. RIMS does not believe its financial statements include any uncertain tax positions.

q. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through March 22, 2011, the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date through our evaluation date that would require adjustment to or disclosure in the financial statements.

Note 2 - Investments

FASB ASC 820 (formerly SFAS No. 157) establishes a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that RIMS has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The fair value of investments held is as follows:

At December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Stocks (including mutual funds)	\$8,872,647	\$0	\$8,872,647
Bonds (including mutual funds)	3,522,293	308,920	3,831,213
Certificates of deposit	136,777	0	136,777
Money market funds	<u>215,161</u>	<u>0</u>	<u>215,161</u>
	<u>\$12,746,878</u>	<u>\$308,920</u>	<u>\$13,055,798</u>

At December 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Stocks (including mutual funds)	\$7,702,647	\$0	\$7,702,647
Bonds (including mutual funds)	3,265,902	192,985	3,458,887
Certificates of deposit	143,202	0	143,202
Money market funds	<u>191,569</u>	<u>0</u>	<u>191,569</u>
	<u>\$11,303,320</u>	<u>\$192,985</u>	<u>\$11,496,305</u>

The Level 2 investments represent the Canadian strip bonds and discount bonds held at CIBC by the RIMS Canada Council. RIMS was unable to obtain independent verification of the market value of these bonds.

Included in the certificates of deposit is collateral of \$136,777 and \$143,202 at December 31, 2010 and 2009, respectively, given against a letter of credit. The letter of credit was obtained to serve as a deposit for the Organization's lease (see Note 6).

Investment income consisted of the following:

	<u>12/31/10</u>	<u>12/31/09</u>
Interest and dividends	\$328,949	\$316,629
Net realized and unrealized gains on investments	1,229,521	2,288,306
Less: investment management fees	<u>(27,470)</u>	<u>(21,123)</u>
Total	<u>\$1,531,000</u>	<u>\$2,583,812</u>

Note 3 - Property and Equipment

Property and equipment consists of the following:

	<u>12/31/10</u>	<u>12/31/09</u>
Leasehold improvements	\$1,344,459	\$1,343,280
Computer software	1,006,870	863,354
Furniture and office equipment	662,571	630,313
Computer hardware	<u>580,858</u>	<u>550,298</u>
	3,594,758	3,387,245
Less: accumulated depreciation and amortization	<u>(2,098,762)</u>	<u>(1,647,895)</u>
Net property and equipment	<u>\$1,495,996</u>	<u>\$1,739,350</u>

Depreciation and amortization expense was \$505,960 and \$558,497 in 2010 and 2009, respectively.

Note 4 - Related Party Transactions

RIMS provides office space and administrative services to its New York Chapter, and Spencer Educational Foundation, Inc. (the "Foundation"), an affiliated organization, for which it receives administrative fees. The fees from its New York Chapter amounted to \$37,000 and \$35,700 in 2010 and 2009, respectively. The fees from the Foundation amounted to \$140,290 and \$133,290 in 2010 and 2009, respectively. The fees are included in other revenue on the consolidated statement of revenues, expenses and change in net assets.

During 2007, RIMS pledged \$300,000 to the Foundation to support its operations. The final payment of that pledge was made during 2009.

During 2010, RIMS pledged \$450,000 to the Foundation to support its operations. As of December 31, 2010 the total grant payable to the Foundation was \$300,000.

Note 5 - Pension Plan

RIMS has a defined contribution 401(k) profit sharing plan (the "Plan") that covers all employees who have attained the age of 21 and have completed at least three months of service. RIMS matches half of the participant's contributions to the Plan, up to 2% of the individual participant's compensation. In addition, during 2010 and 2009, RIMS elected to make a safe-harbor contribution of 4% of staff's salary each payroll period, and may make a discretionary profit sharing contribution to the Plan at the end of each plan year. Expenses for this plan amounted to \$297,317 and \$253,009 for the year ended December 31, 2010 and 2009, respectively.

Note 6 - Commitments and Contingencies

RIMS has entered into several leases for office space and office equipment under noncancellable operating lease agreements expiring in various years through 2019.

In September 2004, RIMS entered into an operating lease for office space commencing March 1, 2005 and expiring 13 years and 10 months later. The lease contains a four month rent abatement period and escalation clauses whereby the base rent increases at the beginning of year six and at the beginning of year eleven. In addition, the landlord made concessions to reimburse RIMS for leasehold improvements.

Future minimum rental payments on the office lease, by year through expiration, are as follows:

December 31, 2011	\$605,133
2012	605,133
2013	605,133
2014	605,133
2015	605,133
Thereafter	<u>1,793,298</u>
Total	<u>\$4,818,963</u>

Rent expense for office space, including escalation and maintenance charges, was \$542,623 and \$574,163 for the years ended December 31, 2010 and 2009, respectively. Equipment lease expense was \$121,546 and \$119,541 for the years ended December 31, 2010 and 2009, respectively.

Commitments for Conference Facilities

RIMS has entered into various contracts for future conferences and events. Due to the nature of these contracts it is impractical to estimate the total commitment.

Note 7 - Description of Programs and Supporting Services

Conference

This department is responsible for the planning and production of RIMS meetings, events and RIMS Annual Conference & Exhibition, which is the definitive event for risk professionals, attracting approximately 10,000 risk professionals (members, non-members and exhibitors) worldwide. This prestigious event offers its attendees the widest range of educational programs, networking opportunities and communication of significant happenings that impact risk management.

Publications

Risk Management magazine is RIMS flagship publication. It is produced ten times a year and includes articles of interest to professionals responsible for risk and insurance management in business and industrial firms, public administration and government, insurance companies, agents and brokers, business services and others allied to the field. By providing in-depth analysis of the world of risk, *Risk Management* magazine is a vital source of pertinent information for business. The magazine is supported by its official blog, the Risk Management Monitor, which offers daily coverage and analysis of the latest risk-related news and issues. In addition, RiskWire, an exclusive news service for RIMS members, provides an executive summary and links to the most important risk management stories of the day.

Professional Development

This department implements educational programs through courses, workshops, webinars, coursecasts, and in-company training. It also implements the RIMS Enterprise Risk Management Summit each year. Online courses are offered through partnerships with vendors. It also administers the programs for the RIMS Fellow® (RF) designation, the RIMS

Anita Benedetti Student Involvement Program, and the Canadian Risk Management® (CRM) designation.

Marketing

RIMS employs a centralized approach to its marketing and communications efforts, and has unified this service for all its products, services and events under a single division. This methodology enables RIMS to maximize its impact and budgets by cross marketing its strategic objectives in all its communications efforts. Marketing vehicles involve an integrated approach primarily focused on electronic, web-based and print materials and communications, social media, as well as media relations. RIMS media relations division acts as a resource to major dailies, trade publications and the general media. Through press releases, articles and interviews, RIMS media relations supports RIMS positions on key issues to risk managers and the public. Using this approach, the department fulfills its mandate to expand awareness of risk management to a broad audience.

Member and Chapter Services

The member area includes the Member and Chapter Services, Student Advisory and International Committees as well as maintaining the inventory for the RIMS online store and Career Center/Job Bank.

The chapter services group provides support and administrative services to RIMS' 80 chapters, including leadership information, support of web sites, development of resource materials, and provision of both traditional face-to-face and online training of chapter officers.

Government Affairs

Government Affairs focuses on U.S. federal, state and Canadian federal and provincial legislative and regulatory issues that impact the risk management community. In addition, the department prepares witnesses and drafts testimony for members appearing before all governmental and non-governmental bodies. It maintains a standing External Affairs Committee that is responsible for crafting RIMS position statements, composing letters to members of Congress, and establishing RIMS legislative priorities each. Furthermore, it conducts lobbying at all levels of government through an assortment of strategies including the annual lobbying event, RIMS on the Hill legislative conference, which brings approximately 50 risk managers to Washington, D.C. to further the agenda of the risk management community. The Government Affairs department maintains constant contact with its members throughout North America regarding all legislative developments via the RIMS website, newsletters and e-mail alerts.

Strategic and Enterprise Risk Practice

This practice enlarges the value proposition for risk management as a strategic business discipline to encompass value creation and capture (the upside of uncertainty), as well as value protection (the downside of uncertainty). In leading new research and the development of innovative – yet pragmatic – strategic and operational risk practices that are applicable across all types of organizations, the practice's main objective is to drive incremental and recurring revenue streams for RIMS by broadening its membership and delivering specific products and services that provide unique and practical value for its

current and new members. The department serves as a “voice of the enterprise risk practitioner” for RIMS’ other departments with respect to the content of conferences, publications, marketing, interviews, workshops, surveys, seminars, webinars, etc., and serves as an internal consultant for RIMS’ own ERM program.

General and Administration

This includes the office of the Executive Director, Finance and Administration, Governance, Board of Directors and other support functions. The majority of expenses relate to salaries, rent, computer systems, records management and other support functions.

Membership Recruitment

This includes all member marketing, recruiting and retention expenses including membership packets, benefits brochures and the RIMS booth used during the Annual Conference & Exhibition.

The department also reviews and monitors program goals for member recruitment and retention.

Note 8 - RIMS Canada Council

RIMS Canada Council is a program of RIMS established under Canadian law. RIMS Canada supports, promotes and coordinates risk management in Canada by means of standing committees. RIMS Canada Council also coordinates the annual RIMS Canada Conference, hosted by one of the 10 local Canadian chapters.

Assets and liabilities of RIMS Canada Council are as follows:

	<u>12/31/10</u>	<u>12/31/09</u>
Cash and cash equivalents	\$124,100	\$97,198
Prepaid conference expenses	87,004	119,347
Investments	<u>461,569</u>	<u>417,199</u>
Net assets	<u>\$672,673</u>	<u>\$633,744</u>

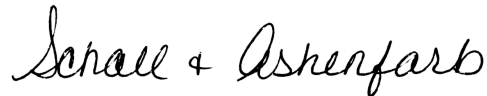
Revenues and expenses of RIMS Canada Council are as follows:

	<u>12/31/10</u>	<u>12/31/09</u>
Other revenue	\$100,381	\$166,945
Interest and investment income	23,171	39,051
Foreign exchange transaction gain	22,357	61,316
Expenses	<u>(114,963)</u>	<u>(149,512)</u>
Change in net assets	<u>\$30,946</u>	<u>\$117,800</u>

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors of
Risk and Insurance Management Society, Inc.

Our report on our audits of the consolidated financial statements of the Risk and Insurance Management Society, Inc. and Subsidiary ("the Organization") for the years ended December 31, 2010 and December 31, 2009 appears on page 1. Those audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating schedules on pages 14-15 are presented for the purpose of additional analysis of the consolidated financial statements rather than to represent the financial position and change in net assets of the individual entities. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.



Schall & Ashenfarb
Certified Public Accountants, LLC

March 22, 2011

RISK AND INSURANCE MANAGEMENT SOCIETY, INC. AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
AT DECEMBER 31, 2010 AND 2009

	12/31/10			12/31/09		
	Risk and Insurance Management Society, Inc.	Global Risk Management Institute	Consolidated	Risk and Insurance Management Society, Inc.	Global Risk Management Institute	Consolidated
Assets						
Current assets:						
Cash and cash equivalents	\$472,582	\$84,750	\$557,332	\$485,983	\$39,694	\$525,677
Advertising receivables, less allowance for doubtful accounts of \$0 and \$1,712	258,325		258,325	150,566		150,566
Other receivables	95,480		95,480	37,910		37,910
Prepaid conference expenses	451,754		451,754	537,198		537,198
Other prepaid expenses and deposits	724,270		724,270	374,056		374,056
Total current assets	2,002,411	84,750	2,087,161	1,585,713	39,694	1,625,407
Non-current assets:						
Investments held for chapters	43,523		43,523	46,529		46,529
Investments, at fair value	12,515,939	539,859	13,055,798	11,056,493	439,812	11,496,305
Property and equipment, net	1,495,996		1,495,996	1,739,350		1,739,350
Total non-current assets	14,055,458	539,859	14,595,317	12,842,372	439,812	13,282,184
Total assets	\$16,057,869	\$624,609	\$16,682,478	\$14,428,085	\$479,506	\$14,907,591
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	927,895		\$927,895	\$591,139		\$591,139
Deferred conference revenue	2,906,955		2,906,955	3,033,086		3,033,086
Deferred dues revenue	1,171,926		1,171,926	1,119,990		1,119,990
Other deferred revenue	477,473		477,473	451,002		451,002
Grant payable	150,000		150,000	0		0
Deferred rent, current portion	73,456		73,456	44,443		44,443
Total current liabilities	5,707,705	0	5,707,705	5,239,660	0	5,239,660
Non-current liabilities:						
Grant payable, net of current portion	150,000		150,000			0
Deferred rent, net of current portion	713,620		713,620	787,076		787,076
Liability for chapter investments	43,523		43,523	46,529		46,529
Total non-current liabilities	907,143	0	907,143	833,605	0	833,605
Total liabilities	6,614,848	0	6,614,848	6,073,265	0	6,073,265
Net assets:						
Unrestricted						
Operations	9,252,926	624,609	9,877,535	8,354,820	479,506	8,834,326
Board designated:						
Strategic and enterprise risk practice fund	190,095		190,095			0
Total net assets	9,443,021	624,609	10,067,630	8,354,820	479,506	8,834,326
Total liabilities and net assets	\$16,057,869	\$624,609	\$16,682,478	\$14,428,085	\$479,506	\$14,907,591

The attached notes and auditors' report are an integral part of these consolidated financial statements.

RISK AND INSURANCE MANAGEMENT SOCIETY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	12/31/10			12/31/09*		
	Risk and Insurance Management Society, Inc.	Global Risk Management Institute	Consolidated	Risk and Insurance Management Society, Inc.	Global Risk Management Institute	Consolidated
Revenues, Gains and Other Support:						
Conference	\$7,090,371		\$7,090,371	\$6,180,626		\$6,180,626
Membership dues	2,169,978		2,169,978	2,131,528		2,131,528
Advertising	1,134,398		1,134,398	949,255		949,255
Publications	763,354		763,354	827,190		827,190
Membership and chapter services	499,161		499,161	541,377		541,377
Professional development	659,566	\$108,450	768,016	544,368	\$104,700	649,068
Other revenue	277,565		277,565	223,204	87,164	310,368
Investment income	1,472,340	58,660	1,531,000	2,496,648		2,496,648
Loss on disposal of fixed assets			0	(18,662)		(18,662)
Total revenues, gains and other support	14,066,733	167,110	14,233,843	13,875,534	191,864	14,067,398
Expenses:						
Program services:						
Conference	3,655,383		3,655,383	3,133,369		3,133,369
Publications	1,179,072		1,179,072	1,398,072		1,398,072
Professional development	933,212	20,080	953,292	864,381	12,550	876,931
Marketing	1,111,830		1,111,830	869,108		869,108
Member and chapter services	606,980		606,980	589,133		589,133
Government affairs	490,455		490,455	486,966		486,966
Strategic and enterprise risk practice	59,905		59,905	0		0
Total program services	8,036,837	20,080	8,056,917	7,341,029	12,550	7,353,579
Supporting services:						
General and administration	4,529,459	1,927	4,531,386	4,091,854	5,729	4,097,583
Membership recruitment	412,236		412,236	422,032		422,032
Total supporting services	4,941,695	1,927	4,943,622	4,513,886	5,729	4,519,615
Total expenses	12,978,532	22,007	13,000,539	11,854,915	18,279	11,873,194
Change in net assets	1,088,201	145,103	1,233,304	2,020,619	173,585	2,194,204
Net assets - beginning of year	8,354,820	479,506	8,834,326	6,334,201	305,921	6,640,122
Net assets - end of year	\$9,443,021	\$624,609	\$10,067,630	\$8,354,820	\$479,506	\$8,834,326

*Reclassified for comparative purposes.

The attached notes and auditors' report are an integral part of these consolidated financial statements.