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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Seti League Inc.

We have audited the accompanying balance sheet of The Seti League Inc. (a not-for-profit corporation) as of December 31, 1999 and the related statement of activities and change in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of The Seti League Inc. as of December 31, 1999 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

The 1998 financial statements were compiled by us and our report dated August 2, 1999 stated that we did not audit or review those financial statements, and accordingly express no opinion or other form of assurance on them.

Handwritten signature of A. J. Goldberger in cursive, followed by the initials "AJG".

March 2, 2001

THE SETI LEAGUE INC.  
(a not-for-profit corporation)

BALANCE SHEETS  
DECEMBER 31, 1999 (audited) and 1998 (compiled)

	<u>ASSETS</u>	
	<u>1999</u>	<u>1998</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ <u>110,764</u>	\$ <u>41,581</u>
Total Current Assets	<u>110,764</u>	<u>41,581</u>

<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Liabilities	<u>-</u>	<u>-</u>
Total Liability	-	-
NET ASSETS		
Fund balance	<u>110,764</u>	<u>41,581</u>
Total liabilities and net assets	\$ <u>110,764</u>	\$ <u>41,581</u>

See notes to financial statements.

THE SETI LEAGUE INC.  
(a not-for-profit corporation)

STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS  
FOR YEARS ENDED DECEMBER 31, 1999 (audited) and 1998 (compiled)

	<u>1999</u>	<u>1998</u>
Contribution Income	\$ 243,016	\$ 172,511
Operating expenses	<u>177,511</u>	<u>171,065</u>
Increase in net assets from operations	65,505	1,546
Non-operating revenues:		
Interest income	942	0
Dividend Income	<u>2,736</u>	<u>1,173</u>
INCREASE IN NET ASSETS	69,183	2,719
Net assets - beginning of year	<u>41,581</u>	<u>38,862</u>
NET ASSETS - END OF YEAR	\$ <u>110,754</u>	\$ <u>41,581</u>

See notes to financial statements.

THE SETI LEAGUE INC.

STATEMENT OF CASH FLOWS  
FOR YEARS ENDED DECEMBER 31, 1999 (audited) AND 1998 (compiled)

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Increase in net assets	\$ 69,183	\$ 2,719
Increase(Decrease) in liabilities:		
Accounts payable	<u>-</u>	<u>(1,588)</u>
Net cash provided by operating activities	<u>-</u>	<u>(1,588)</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	69,183	1,031
Cash and cash equivalents - beginning of year	<u>41,581</u>	<u>40,550</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u>110,764</u>	\$ <u>41,581</u>

See notes to financial statements.

THE SETI LEAGUE INC.  
(a not-for-profit organization)

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Seti League Inc. (the organization) sponsors astronomical research, education, lectures and events in the search for evidence of extraterrestrial intelligence. The organization is supported primarily through donor contributions, grants, and The Orville N. Greene Foundation. Approximately 41% and 58% of the organizations support for the years ended December 31, 1999 and 1998, respectively, came from allocations from The Orville N. Greene Foundation. In addition, for the year ended December 31, 1999 the organization received a grant of \$100,000 from The Randal Charitable Trust.

Estimates

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

Income Taxes

The Organization is not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the organization considers all highly liquid investments available for current use with initial maturity of three months or less to be cash equivalents.

A. J. GOLDBERGER  
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769 EAST 187th STREET  
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AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

To the Board of Directors of  
The Seti League Inc.

Our report on our audit of the basic financial statement of The Seti League Inc. (not-for-profit corporation) for the year ended December 31, 1999 appears on page 1. These audits were made for the purpose of expressing an opinion on the basic financial statements taken as a whole. The supplementary schedule of operating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



March 2, 2001

THE SETI LEAGUE INC.  
(a not-for-profit corporation)

SUPPLEMENTARY SCHEDULES OF EXPENSES  
FOR YEARS ENDED DECEMBER 31, 1999 (audited) AND 1998 (compiled)

	<u>1999</u>	<u>1998</u>
Expenses		
Salaries	\$ 93,519	\$ 86,991
Payroll taxes	6,352	5,602
Employee benefits	7,765	0
Advertising	972	3,481
Bank charges	920	847
Data processing	628	443
Dues & subscriptions	768	1,489
Filing fees	325	320
Insurance	1,302	0
Stationery & office	30,793	24,710
Pension expense	9,771	0
Postage	54	153
Professional fees	3,435	5,029
Telephone	1,510	1,717
Travel	<u>19,425</u>	<u>18,787</u>
	\$ <u>177,511</u>	\$ <u>149,268</u>

See auditors' report on supplementary schedules.