



**FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008**

**NORTH DAKOTA STATE  
UNIVERSITY DEVELOPMENT  
FOUNDATION**

**NORTH DAKOTA STATE UNIVERSITY DEVELOPMENT FOUNDATION**

Table of Contents

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Page

**INDEPENDENT AUDITOR'S REPORT**

**FINANCIAL STATEMENTS**

Statement of Financial Position	2
Statement of Activities	3
Statement of Assets and Liabilities	4
Notes to Financial Statements	5



CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
North Dakota State University Development Foundation
Fargo, North Dakota

We have audited the accompanying financial statements of North Dakota State University Development Foundation for the years ended June 30, 2007 and 2008, and the related supplementary information for the year ended June 30, 2008. These financial statements are the responsibility of the Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the American Institute of Certified Public Accountants. 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 does not provide absolute assurance that a financial statement is free of all misstatements. Misstatements may exist that are not detected by an audit. However, if any misstatements do exist, they are not material. In our opinion, the financial statements and the supplementary information are presented fairly in all material aspects in accordance with the accounting principles generally accepted in the United States of America.

In our opinion, the accompanying 2008 financial statements as a whole are presented fairly in all material aspects in accordance with the accounting principles generally accepted in the United States of America. As described in Note 4 of the financial statements, the accompanying 2008 financial statements compare with the 2007 financial statements. In our opinion, the 2008 financial statements are presented in a different format than the 2007 financial statements.

In our opinion, the financial statements are presented fairly, in all material aspects, in accordance with the accounting principles generally accepted in the United States of America. We have audited the financial statements of North Dakota State University Development Foundation for the years ended June 30, 2007 and 2008, and the related supplementary information for the year ended June 30, 2008. These financial statements are the responsibility of the Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

Eide Bailly

Fargo, North Dakota
March 2010

**NORTH DAKOTA STATE UNIVERSITY DEVELOPMENT FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
Endowment investments	\$ 7,838,157	\$ 5,331,851
Investments	82,875,334	80,241,888
Receivables		
Unconditional sales	7,617,757	450,880
Investments	18,003	28,230
Accounts receivable and notes	1,441,840	522,541
Prepaid expenses	2,365,012	2,000,448
Prepaid expenses	45,844	80,051
Accounts payable of investments	542,540	5,845,000
Student investments by others, net	770,126	0
Gifts received for investments		
Gifts received for investments, net of accounts payable	37,133,447	30,051,800
Purchased investments, net of accounts payable	5,850,105	0
<b>Total assets</b>	<b>\$ 146,498,165</b>	<b>\$ 130,081,500</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,642,738	\$ 2,551,004
Endowment investments due to others	566,037	528,000
Investments due to others	94,346	825
Gifts received for investments	6,194,691	38,341
Notes and bonds payable	25,152,692	2,300,000
<b>Total liabilities</b>	<b>33,650,504</b>	<b>3,219,270</b>
<b>NET ASSETS</b>		
Endowment		
Investments	22,897,759	2,400,500
Prepaid expenses	85,296,947	8,232,500
Investments	4,652,955	0
<b>Total net assets</b>	<b>112,847,661</b>	<b>10,633,000</b>
<b>Total liabilities and net assets</b>	<b>\$ 146,498,165</b>	<b>\$ 130,081,500</b>

**NORTH DAKOTA STATE UNIVERSITY DEVELOPMENT FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2009 AND 2008**

	2009			
	Restricted Net Assets		Unrestricted	TOTAL
	Temporarily	Permanently	Net Assets	
<b>REVENUES</b>				
Gifts	\$ 5,069,020	\$ 5,483,185	\$ 604,196	\$ 11,156,401
La b o r n e b e n e f i c i a r e s	-	(211,434)	-	(211,434)
	<u>5,069,020</u>	<u>5,271,751</u>	<u>604,196</u>	<u>10,944,967</u>
In r e s t r i c t e d n e t a s s e t s	584,806	5,286	4,092,232	4,682,324
U n r e s t r i c t e d n e t a s s e t s ( o s s e t s )	(2,075,357)	(8,889)	25,983	(2,058,263)
U n r e s t r i c t e d n e t a s s e t s ( d e r e c o g n i t i o n )	(52,461)	(9,636,420)	(12,716,583)	(22,405,464)
U n r e s t r i c t e d n e t a s s e t s ( n e t r e s e r v e s )	(29,837)	609,556	-	579,719
L i a b i l i t i e s a n d r e c e i v e d n e t a s s e t s ( n e t )	(543,515)	(98,847)	642,362	-
U n r e s t r i c t e d n e t a s s e t s	-	279	961,347	961,626
	<u>2,952,656</u>	<u>(3,857,284)</u>	<u>(6,390,463)</u>	<u>(7,295,091)</u>
N e t a s s e t s r e t a i n e d f o r r e s t r i c t e d p u r p o s e s	<u>(7,725,207)</u>	-	<u>7,725,207</u>	-
	<u>(4,772,551)</u>	<u>(3,857,284)</u>	<u>1,334,744</u>	<u>(7,295,091)</u>
<b>EXPENSES</b>				
P r o a s e c e				
U t i l i t i e s , a n d s c h o l a r s h i p s	-	-	4,656,981	4,656,981
N e t b u d g e t a r y e x p e n s e s , b u d g e t a n d r e v e n u e t r a n s f e r s	-	-	3,556,203	3,556,203
S o s e c e				
A d m i n i s t r a t i v e a n d m e m b e r e x p e n s e s	-	-	5,294,301	5,294,301
R e c r u i t m e n t e x p e n s e s	-	-	322,682	322,682
R e c r u i t m e n t d e r e c o g n i t i o n	-	-	1,345,551	1,345,551
	<u>-</u>	<u>-</u>	<u>15,175,718</u>	<u>15,175,718</u>
<b>NET INCREASE/DECREASE</b>	(4,772,551)	(3,857,284)	(13,840,974)	(22,470,809)
<b>NET TRANSFERS</b>	(1,746,841)	(77,928)	1,824,769	-
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>29,417,151</u>	<u>89,232,159</u>	<u>16,669,160</u>	<u>135,318,470</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 22,897,759</u>	<u>\$ 85,296,947</u>	<u>\$ 4,652,955</u>	<u>\$ 112,847,661</u>

See Notes to Financial Statements

2008

	2008		2007	
	Year	Perman	Net Assets	Net Assets
<b>ASSETS</b>				
Gifts	\$ 8,053,80	\$ 8,030,53	\$ 450,877	\$ 4,003,30
La b o r e n c o r e b e n e f i c a r e s		(, 27)		(, 27)
	8,053,80	4,83,837	450,877	3,488,407
In t e n t i o n e	453,33	0,03	3,033,3	5,20
R e z e r v e s (o s s e)	48,00	(3,22)	3,032	5,88
R e z e r v e f o r d e r e q u i r e m e n t s	(4,30)	(, 47)	(4,08)	(5,80)
A n n u a l m a i n t e n a n c e f e e s	(, 07)	05,57		8,84
L i a b i l i t i e s a n d r e c e i v a b l e s (n e t)	(, 00)	5,300	40,004	45,3
	20,34,23	4,00,04	(, 07)	5,34,22
N e t a s s e t s r e s e r v e f o r r e s t r i c t i o n s	(5,74)		5,047	
	2,77	4,00,04	(5,047)	5,34,22
<b>EXPENSES</b>				
P o a s e c e				
G i f t s, a n n u a l m a i n t e n a n c e f e e s			4, 22	4, 22
N e t a s s e t s m a n a g e m e n t e x p e n s e s			3,035,002	3,035,002
S u p p o r t e x p e n s e s				
A d m i n i s t r a t i v e a n d m a n a g e m e n t e x p e n s e s			4, 20, 4	4, 20, 4
R e c o n s t r u c t i o n e x p e n s e s			234,05	234,05
R e t i r e m e n t a n d d e r e q u i r e m e n t s			, 20	, 20
			3,557,507	3,557,507
<b>NET ASSETS</b>	2,77	4,00,04	(5,082)	,442
<b>NET TRANSFERS</b>	(8,45,00)	4,5,5	4,30,435	
<b>NET ASSETS, BEGINNING OF YEAR</b>	25,23,55	80,54,888	2,48,553	33,58,8
<b>NET ASSETS, END OF YEAR</b>	\$ 2,45	\$ 8,232,5	\$ 400,00	\$ 35,38,40

**NORTH DAKOTA STATE UNIVERSITY DEVELOPMENT FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2009 AND 2008**

	2009	2008
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (22,470,809)	\$ 4,442
Change in cash, cash equivalents and restricted assets	1,345,551	1,420
Net gain and loss (a loss on investments (a loss on sale of property and investments)	24,463,727	5,082,441
Payment of cash and investments received	16,695	(24,441)
Change in non-cash assets and liabilities	(5,271,751)	(5,004,441)
Depreciation expense	1,839,129	(802,441)
Accretion	(193,131)	5,005,441
Provision for bad debts	34,231	(4,441)
Accounts payable and accrued liabilities	(1,336,750)	(245,800)
State and federal grants and other income	37,318	2,544,441
Investment income	(25,479)	(4,441)
Change in cash and cash equivalents	(1,186,443)	3,441
<b>NET ASSETS (SEE ITEM M OPERATING ACTIVITIES)</b>	(2,747,712)	2,30,00
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments and cash	22,547,419	53,54,441
Purchase and sale of investments, net of transaction costs and other income	(30,810,509)	(9,003,280)
Issuance of notes and contracts receivable	-	(9,000)
Proceeds from notes and contracts receivable	81,114	8,400
Proceeds from sale of property and investments	39,250	82,50
Property and investment purchases	(127,461)	(258,841)
Change in state funds and other income	(24,084)	(5,441)
Change in funds held by others	246,835	23,341
<b>NET ASSETS (SEE ITEM R INVESTING ACTIVITIES)</b>	(8,047,436)	(9,53,341)
<b>FINANCIAL ACTIVITIES</b>		
Payment of cash and investments received	5,271,751	5,004,441
Proceeds from issuance of bonds and notes payable	900,000	8,520,000
Principal payments on bonds and notes payable	(2,878,305)	(2,282,441)
<b>NET ASSETS (SEE ITEM M FINANCIAL ACTIVITIES)</b>	3,293,446	2,282,222
<b>NET CHANGE IN NET ASSETS (SEE ITEM W ABOVE)</b>	(7,501,702)	(84,841)
<b>NET ASSETS (SEE ITEM W ABOVE) AT BEGINNING OF YEAR</b>	15,339,859	155,041
<b>NET ASSETS (SEE ITEM W ABOVE) AT END OF YEAR</b>	\$ 7,838,157	\$ 533,85
<b>SUPPLEMENTAL DISCLOSURES</b>		
State and federal income taxes	\$ 1,235,511	\$ 3,441

**NORTH DAKOTA STATE UNIVERSITY DEVELOPMENT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009 AND 2008**

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

*Principal Activity*

The North Dakota State University Development Foundation (Foundation) is a non-profit organization established for the purpose of providing financial aid and other assistance to North Dakota State University and its related activities.

*Basis of Accounting*

The financial statements of the Foundation have been prepared on the accrual basis of accounting and are prepared in accordance with generally accepted accounting principles, except for the contribution of real estate.

*Concentration of Credit Risk*

The Foundation maintains a substantial amount of investments. Periodically, it may invest in securities that are in excess of the diversification guidelines.

*Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and certain disclosures of financial statements. Actual results could differ from those estimates.

*Cash Equivalents*

The Foundation considers all highly liquid investments that are readily convertible to cash with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents consist of money market funds and other investments that are held in a bank or other financial institution.

*Promises to Give*

Under the terms of the various agreements, the Foundation is obligated to provide financial aid to students, including the payment of tuition and other expenses. The Foundation's obligations are based on the terms of the agreements and are subject to the financial condition of the donor.

*Other Receivables*

The receivables are primarily due to the Foundation from contributions of individuals and organizations. These receivables are recorded at the time they are earned and are not subject to any discounting or other adjustments.



# NOTES TO FINANCIAL STATEMENTS

## Cash and cash equivalents held for others

and are a result of the consolidation of the financial statements of the entities held for others and of the consolidation of the financial statements of the entities held for others.

## Investments held for others

In the financial statements presented, the investments held for others are classified as follows: investments in equity securities, investments in debt securities, and investments in real estate.

## Contributions

Contributions received are recorded as assets, and contributions made are recorded as liabilities. Contributions received from individuals are recorded as contributions from individuals, and contributions received from corporations are recorded as contributions from corporations.

Contributions received from individuals are recorded as contributions from individuals, and contributions received from corporations are recorded as contributions from corporations. Contributions received from individuals are recorded as contributions from individuals, and contributions received from corporations are recorded as contributions from corporations.

## Donated Services

Many individuals, including the Board of Directors, have provided services to the organization without compensation. These services are recorded as contributions from individuals. The Board of Directors has provided services to the organization without compensation. These services are recorded as contributions from individuals.

## Donated Assets

From time to time, individuals and corporations have donated assets to the organization. These assets are recorded as contributions from individuals and contributions from corporations. Assets donated to the organization are recorded as contributions from individuals and contributions from corporations.

## Tax Exempt Status

The organization is a not-for-profit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The organization is a not-for-profit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

In July 2008, the organization received a ruling from the Internal Revenue Service (IRS) regarding its status as a not-for-profit organization. The organization is a not-for-profit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The organization is a not-for-profit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The organization is a not-for-profit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**NOTES TO FINANCIAL STATEMENTS**

*Subsequent Events*

The Board of Directors has approved the 2009 budget and the 2009 financial statements.

*Restrictions on Net Assets*

The following table shows the restrictions on net assets:

*Temporarily Restricted Net Assets* represent those contributions which are restricted by the donor for a specific period. The following table shows the temporarily restricted net assets:

	<u>2009</u>	<u>2008</u>
Stipends	\$ 4,098,389	\$ 5,458,805
NSU administrative expenses	6,502,191	8,444,000
NSU building and maintenance	11,998,600	5,534,485
Board of Directors	298,579	430,444
	<u>\$ 22,897,759</u>	<u>\$ 20,467,734</u>

*Permanently Restricted Net Assets* represent those contributions which have been accepted by the Board of Directors and are restricted for a specific purpose. The following table shows the permanently restricted net assets:

	<u>2009</u>	<u>2008</u>
Stipends	\$ 47,335,259	\$ 45,012,300
NSU administrative expenses	30,971,099	32,244,443
Board of Directors	6,990,589	8,432,223
	<u>\$ 85,296,947</u>	<u>\$ 85,688,966</u>

*Unrestricted Net Assets* represent those assets of the Board of Directors which are available for general operations.

*Operating Reserve*

Excess funds from operations of the organization are transferred to the operating reserve fund and are available for operations in subsequent years. The Board of Directors has approved the 2009 budget and the 2009 financial statements. The Board of Directors has approved the 2009 budget and the 2009 financial statements. The Board of Directors has approved the 2009 budget and the 2009 financial statements.

**NOTES TO FINANCIAL STATEMENTS**

*Statement of Cash Flows – Non-Cash Transactions*

The following table shows the non-cash transactions during 2009 and 2008:

	2009	2008
Securities received in exchange for cash	\$ 640,311	\$ 2,033,450
Securities received in exchange for cash	85,000	45,000
Payments of cash for the acquisition of securities	419,874	2,335,200

**NOTE 2 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are contracts that are enforceable by law. These promises are recorded at the present value of the cash flows that are expected to be received. The present value is determined using the market rate at the end of the reporting period. The market rate at the end of the reporting period is 2.25% for the period ending 30, 2009 and 3.25% for the period ending 30, 2008. The market rate at the end of the reporting period is 5% for the period ending 30, 2009 and 5% for the period ending 30, 2008. The market rate at the end of the reporting period is 5% for the period ending 30, 2009 and 5% for the period ending 30, 2008.

Receivables in exchange for cash	\$ 2,450,000
Receivables in exchange for cash	5,340,000
Receivables in exchange for cash	2,050,000
	<u>8,840,000</u>
Less: Allowance for doubtful accounts	(444,000)
Less: Reserves for doubtful accounts	(82,000)
	<u>\$ 8,314,000</u>

Unconditional promises to give are only a liability on the occurrence of the event that is the basis for the promise. The event is the occurrence of the event that is the basis for the promise.

**NOTE 3 - FAIR VALUE OF ASSETS**

Assets are recorded at fair value on the balance sheet as of 30, 2009 and 2008, respectively. The fair value of the assets is as follows:

	2009	2008
Accounts receivable	\$ 545,722	\$ 200,000
Prepaid expenses	75,000	1,080,000
U.S. Government Bonds and Municipal Bonds	12,927,305	1,554,200
U.S. Government Securities and Municipal Securities	52,100,758	5,554,200
Other non-current securities	141,134	43,000
Other cash	312,465	13,000
Other property	2,325,097	4,508,802
Partnership	15,000	5,000
Deferred tax	3,205,279	4,808,840
Minority interests	115,113	20,250
Intangible assets	10,055,032	0,000
Other assets	1,057,429	2,000,820
	<u>\$ 82,875,334</u>	<u>\$ 24,888,000</u>

**NOTES TO FINANCIAL STATEMENTS**

The table below presents assets and liabilities measured at various levels:

<u>June 30, 2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
Investments				
Cash and Cash Equivalents	\$ 545,227	\$	\$	\$ 545,227
U.S. Government Securities	5,000			5,000
Municipal Bonds	2,802,228	0,20,077		2,822,305
Corporate Bonds	4,803,827	3,235,777		8,039,604
Real Estate Securities	4,000	44,428		44,428
Other Securities		3,245,777		3,245,777
Commodities		2,020,477	304,487	2,324,964
Private Equity		5,000		5,000
Hedge Funds			3,205,277	3,205,277
Mezzanine Investments			5,377	5,377
Structured Investments			0,055,032	0,055,032
Other Investments			,05,427	,05,427
Other			70,247	70,247
Subtotal	<u>\$ 8,388,838</u>	<u>\$ 4,504,577</u>	<u>\$ 23,24,884</u>	<u>\$ 26,138,203</u>
<b>Liabilities</b>				
Accounts Payable	\$	\$	\$ 4,477	\$ 4,477

**NOTES TO FINANCIAL STATEMENTS**

The following table sets forth the assets and liabilities of the trust as of the dates indicated:

June 30, 2008	Line 1	Line 2	Line 3	Total
<b>Assets</b>				
Investments				
Cash	\$ 200,0	\$	\$	\$ 200,0
Corporate Bonds	3,342,30	3,327,7		4,684,30
Municipal Bonds				
Corporate Securities	,408,244	4,25,3		5,534,20
Municipal Securities				
Cash	,24	54,45		43,3
Cash		3,50,87		3,50,87
Cash			4,3	4,3
Cash				5,000
Cash			4,84,84	4,84,84
Cash			2,253	2,253
Cash			0,2,4	0,2,4
Cash			2,00,82	2,00,82
Cash				7
Cash			,45,88	,45,88
Cash			,0,4	,0,4
	<u>\$ 23,08,8</u>	<u>\$ 4,208,23</u>	<u>\$ 2,3,432</u>	<u>\$ 5,8,535</u>
<b>Liabilities</b>				
Accounts Payable	\$	\$	\$ 38,34	\$ 38,34

The assets of the trust consist of cash, corporate bonds, municipal bonds, corporate securities, municipal securities, cash, and cash. The liabilities of the trust consist of accounts payable. The trust is not a party to any contracts, commitments, or contingencies. The trust is not a party to any contracts, commitments, or contingencies. The trust is not a party to any contracts, commitments, or contingencies.

**NOTES TO FINANCIAL STATEMENTS**

The following table reconciles the ending balance of the investment account as of December 31, 2000 to the ending balance of the investment account as of December 31, 2001.

	<u>A o n</u>
Balance, beginning of year	\$ 2,343
Realized and unrealized losses net of tax	(3,083.32)
Purchases, sales, and settlements	(38.45)
on bonds	5.45
Receipts of interest	(, .5)
Dividends and other income	(24.83)
Change in net liability	(, 4)
	<u>(3.4)</u>
Balance, end of year	<u>\$ 23,248.84</u>

The following table reconciles the ending balance of the investment account as of December 31, 2001 to the ending balance of the investment account as of December 31, 2002.

*Return Objectives and Risk Parameters*

The fund's investment objectives, risks, charges, and expenses are described in the prospectus. The fund's investment objectives are to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income. The fund's investment strategy is to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income. The fund's investment strategy is to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income.

*Strategies Employed for Achieving Objectives*

The fund's investment strategy is to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income. The fund's investment strategy is to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income. The fund's investment strategy is to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income.

*Spending Policy*

The fund's investment strategy is to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income. The fund's investment strategy is to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income. The fund's investment strategy is to invest in a diversified portfolio of securities, including stocks, bonds, and other securities, to provide long-term capital appreciation and income.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CONTRACTS FOR DEED AND NOTES RECEIVABLE

	2009	2008
8% contract for deed, due on only year terms of \$405, net due in notes, on the date 2011, secured by a deed and balance	\$ 39,530	\$ 4,842
% contract for deed, due on monthly payments of \$,85, net due in notes, on the date 2008, secured by a deed	-	,045
5% note receivable, notes due on only year and net due on A 2013, secured by the same property and assets in terms of the notes	1,000,000	,000,000
8% note receivable, unsecured	31,050	3,050
% notes receivable, due on monthly payments of \$0, net due in notes, on the date 2013, 2012, unsecured	160,001	20,53
% contract for deed, due on monthly payments of \$,000 net due in notes, on the date 2014 of a year term of \$8, net due on the date 2015, secured by a deed	55,885	,35
% contract for deed, due on only year terms of \$,0 net due in notes, on the date 2012 of a year term of the same amount due on the date 2012, secured by a deed	155,374	,30
	<u>\$ 1,441,840</u>	<u>\$ ,522, 54</u>

Matrimonial contracts for deed and notes receivable ratios:

Year ended on 30,	Amount
2010	\$ 0,040
2011	,50
2012	2,332
2013	8,45
2014	,005,0
Unpaid	200,00
	<u>\$ ,44,840</u>



NOTES TO FINANCIAL STATEMENTS

NOTE 8 - NOTES AND BONDS PAYABLE

	2009	2008
5. % bonds a y b r e, d e n s e a n n a n s a r e n s o f \$ 8 0, 0 4 5, n e d n n r e s, o r e c e b e 2 0 0 8, s e c u r e d b y A n n r e n e a n d a n d b u d n { }	\$ 1,197,671	\$ 2,303
1. a a b r e a r e s b o n d s a y b r e, 2.5% 4. a u g u s t 3 0, 2 0 0 8, n e d n n r e s, o r e c e b e 2 0 2 4, s e c u r e d b y r e n e c e n e a n d a n d b u d n { 2 }	3,580,000	3,45,000
2. % n o t e a y b r e, d e n s e a n n a n s a r e n s o f \$ , 8 0 0, n e d n n r e s, o r e c e b e 2 0 0 3, s e c u r e d	13,541	0.00
4.8 % b o n d s a y b r e d e n s e a n n a n s a r e n s o f \$ 5, 8, n e d n n r e s, o r e c e b e 2 0 2 0, s e c u r e d b y r e n e { 3 }	2,894,023	3,030
0.8% n o t e a y b r e, d e n s e a n n a n s a r e n s o f \$ 8 0, 3 0, n e d n n r e s, o r e c e b e 2 0 0 2, s e c u r e d b y a n n a n e { 4 }	1,975,470	2,55,05
1. a a b r e a r e s b o n d s a y b r e, 2.4% a u g u s t 3 0, 2 0 0 8, n e d n n r e s, o r e c e b e 2 0 2 0, s e c u r e d b y r e n e a n d a n d b u d n a n d a n d { 5 }	2,556,000	4,328,000
5. % b o n d s a y b r e, d e n s e a n n a n s a r e n s o f \$ 2 4 3, 0, n e d n n r e s, o r e c e b e 2 0 2 0, s e c u r e d b y r e n e a n d a n d b u d n a n d a n d { 5 }	7,255,371	3,00,502
1. a a b r e a r e s b o n d s a y b r e, 2.4% a u g u s t 3 0, 2 0 0 8, n e d n n r e s, o r e c e b e 2 0 2 0, s e c u r e d b y r e n e a n d a n d b u d n a n d a n d { 6 }	979,800	2,000
5. % b o n d s a y b r e, d e n s e a n n a n s a r e n s o f \$ 2, 0 4, n e d n n r e s, o r e c e b e 2 0 2 0, s e c u r e d b y r e n e a n d a n d b u d n a n d a n d { 6 }	3,813,470	3,888
4.2% n o t e a y b r e, d e n s e a n n a n s a r e n s o f \$ 4, 4 3 2 n e d n n r e s, o r e c e b e 2 0 3 8, s e c u r e d { }	887,346	
	<u>\$ 25,152,692</u>	<u>\$ 2,303</u>

NOTES TO FINANCIAL STATEMENTS

{1} The bond on a need to cons. c on of the NLS by a n ten p orec o of the s of 20 ya s. Mo a re ten Bonds ss ed by a ss o ny, No a ca. The bond on a s a sed o re y o co ny o em re a o res q re se a nna nca a nd nres, a y ens on re bonds. nde re s q re a se, re no pd on s res ons be fo re a re a axes, ns a nce, re a nd a nre a nca nd o re cos s nc den o re o me s q re o re y. re a sed o re y s nc ded o re y n re a nca sa re nsa nd re bonds a re been reco deda sa d rec ob a on q re no pd on. W me s q re o re y w it a nre o re no pd on re nre bonds re a d nre. re bonds re a a need by re no pd on.

{2} The bond on a need to cons. c on of the NLS by me ten p orec o of the s of 20 ya n re s y a c re s re ten Bonds ss ed by a ss o ny, No a ca. The bond on a s a sed o re y o co ny o em re a o res q re se a nna nca a nd nres, a y ens on re bonds. nde re s q re a se, re no pd on s res ons be fo re a re a axes, ns a nce, re a nd a nre a nca nd o re cos s nc den o re o me s q re o re y. re a sed o re y s nc ded o re y n re a nca sa re nsa nd re bonds a re been reco deda sa d rec ob a on q re no pd on. W me s q re o re y w it a nre o re no pd on re nre bonds re a d nre. re bonds re a a need by re no pd on. re s o re y s s by a sed o No a ca Sa re n re s y (NLS) o re m re a o res q re se a nna nca a nd nres, a y ens on re bonds, o re re q re bonds, sa re cos s nc ed by re no pd on nc den o re o me s q re o re y. NLS a sa no t on ca c re re a nd a nd b d n a ce a nd re s o on re a y re n q re bonds.

{3} The bond on a need to cons. c on a nd re n q of ce sa ce, oc re oo s, re n oo sa nd re a d a c re s n re a o do re fo se by NLS o re re a re of 5 ya n re s y a c re s re ten Bonds ss ed by a ss o ny, No a ca. The bond on a s a sed re sa ce n re a o do re fo re y o a ca nd a s a need re a se o d o re nsa nd n re, x re sa nd re re nre, o cceds q re bonds. re a se o d o re nsa nd n re, x re sa nd re re nre a re been nc ded o re y n re re a nca sa re nsa nd re bonds a re been reco deda sa d rec ob a on q re no pd on. re sa ce, re a se o d o re nsa nd n re, x re sa nd re re nre a re been s by a sed o No a ca Sa re n re s y (NLS) o re m re a o res q re se a nna a o do re sa ce re n, re se a nna nca a nd nres, a y ens on re bonds sa re cos s nc ed by re no pd on nc den o re a se. NLS re a y re a nd/o bond nca w be re d ced by con b ons re ce re d by re no pd on o re s o re c.

{4} The bond on re red nca re nre a nca re re nre fo re ca se q a re ca s. The bond on a s a sed re a ca s o No a ca Sa re n re s y o re m re a o res q re a re y nca a nd nres, a y ens on re a nre fo re re q re a n. re n re s y s res ons be fo a re cos s nc ed n o re a nre a nre nca q re a ca s. on co re on q a n a y re nre, o me s q re a ca s w be a nre re d o No a ca Sa re n re s y.

{5} The bond on a need to cons. c on of the NLS by a b smess b d n orec o of the a re of 20 ya n re s y a c re s re ten Bonds ss ed by re y o a o, No a ca. re y a s a med re bond o cceds o re no pd on o a y re nre a o res q re se a nna nres, a y ens a nd na re nre s q a y n re a a o ps on re a a bre re bonds a nd re se a nna nca a nd nres, a y ens on re re xed a re bonds. re nca a y re nre on re a a bre re bonds be p ded o a y re nre on do no re d re s re, ced o re o re c. nde re re s q re a n, re no pd on s res ons be fo re a re a axes, ns a nce, re a nd a nre a nca nd o re cos s nc den o re o me s q re o re y. re o re y s nc ded o re y n re a nca sa re nsa nd re bonds a re been reco deda sa d rec ob a on q re no pd on. W me s q re o re y w it a nre o re NLS re nre bonds re a d nre. re bonds re a a need by re no pd on. re s o re y s a sed o NLS o re m re a o res q re se a nna nres, on y a y re nre on re a a bre re bonds re se a nna nca a nd nres, a y re nre on re re xed a re bonds o re re q re bonds, sa re cos s nc ed by re no pd on nc den o re o me s q re o re y. NLS a sa no t on ca c re re o re y on re a y re nre q re bonds.

**NOTES TO FINANCIAL STATEMENTS**

The bond proceeds are used to construct the ... of 20 years ... bonds ...

The bond proceeds are used to construct the ... of 30 years ... bonds ...

Rebated to the ...

Year ended June 30,	Amount
2010	\$ 8,380
2011	5,000
2012	3,028
2013	8,54
2014	3,305
<b>Total</b>	<b>20,452.05</b>
	<b>\$ 25,520.2</b>

**NOTE 9 - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets released from donor restrictions by net expenses ...

	2009	2008
Program expenses	\$ 4,490,801	\$ 4,033,442
Administrative expenses	2,094,975	2,424
Capital expenses	556,964	8,430
Net assets released from donor restrictions	297,050	205,510
Net assets released from donor restrictions and the net assets released from donor restrictions	285,417	232,400
<b>Net assets released from donor restrictions</b>	<b>\$ 7,725,207</b>	<b>\$ 50,04</b>

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - EMPLOYEE BENEFIT PLANS

Tax Deferred Annuity

The fund on a salary deferral plan... The fund on a salary deferral plan...

Pension Plan

The fund on a defined contribution pension plan... The fund on a defined contribution pension plan...

NOTE 11 - FUND RAISING COSTS

The fund on net fundraising costs of \$... The fund on net fundraising costs of \$...

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments... The fair value of financial instruments...

The following table summarizes the fair value of financial instruments... The following table summarizes the fair value of financial instruments...

Cash and cash equivalents - The following table summarizes the fair value of cash and cash equivalents...

Present value discounting of unconditional promises to give - The fair value of unconditional promises to give...

Notes and bonds payable - The fair value of notes and bonds payable is determined based on the fair value of the underlying assets...

Split interest agreements - The fair value of split interest agreements is determined based on the fair value of the underlying assets...

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - COMMITMENTS AND CONTINGENCIES

In the year ended on the consolidated costs of \$ 003, 2 for the cons. c on of a me p re s y res den's residence on the a s of No a ca t s a re in re s y. The o s e a s co re da i re ya t end a n a dd on cost of \$4 5,280. The f cos, of t cons, c on of re b d n a s co re d by f s f o t re no nd on's t s res. In a dd on, t re no nd on a s a t re d o co re \$3 3,855, of s t o a nd a nd s a n cos, s re t res, ed by t re p re s y.

The re a t re d f o n re s, re n o f re d e re o re n, ne des cons, c on n o res of \$ 8, 3 445 a s of 30, 200 w a t re a re s o re t B y a t re o re t re d o n a re {5}. The no nd on a s co re d o bo o n a na dd on \$3 t o n o f a n ce co re t o n o re t o re c. The a n b e f a t z e da n d t re t t o re c t co re d s b s e t e n o re d t e o t re s e f a n e a t t e n s.

The no nd on a da n n o a d e re d co re n g o n a a n re n w a t re p re s den o t re in re s y, w a o re s me d i s t o s, o n s b s e t e n o ya t end. P e t i e a re re n, t t re no nd on a d i t p re s den t \$4 500 s b s e t e n o ya t end.

NOTE 14 - PRIOR PERIOD ADJUSTMENT

The a n a o n a s re a re d s f a n e a s a re re n s f o t re ya t end e d 30, 2008 a nd s me a s s e s a s o f 30, 200 t o n e d e t h e o n d o n o t s e s o t r a n d s n e re s, s t r e d by o re s t t re m e t r e c o f t r a d s re n t o n me a s s e s a s o f 30, 200 w a s a n n e a s e o t me a s s e s o f \$ t, 5,0 4 (\$8,04 4 2 t e o a t y re s, c e d a n d \$ t, 4 002 re a m e n y re s t t e t. The re t r e c o n t re ya t end e d 30, 200 a s h o, b e e n d e r e m e d.

**NOTES TO FINANCIAL STATEMENTS**

As a result of the 2008 financial statement restatement, the financial statements were restated to reflect the impact of the restatement of the 2008 financial statements:

	2008 (As a result of restatement)	2008 (As a result of restatement)	2008 (As a result of restatement)
<b>ASSETS</b>			
Accounts receivable	\$ 5,338,850	\$ 5,338,850	\$
Prepaid expenses	28,230	28,230	(45,880)
Other assets	2,048	2,048	-
Investments	80,050	80,050	-
Other assets	5,845,700	5,845,700	(10,000)
Other assets	30,058	30,058	-
Other assets	0,048	0,048	-
<b>Total assets</b>	<b>\$ 12,504,200</b>	<b>\$ 13,038,500</b>	<b>\$ (534,300)</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,550,400	\$ 2,550,400	\$
Other liabilities	528,000	528,000	-
Other liabilities	38,340	38,340	-
Other liabilities	2,300	2,300	-
<b>Total liabilities</b>	<b>\$ 3,200,700</b>	<b>\$ 3,200,700</b>	<b>\$</b>
<b>NET ASSETS</b>			
Other assets	20,435	20,435	(8,000)
Other assets	8,000	8,000	(554,300)
Other assets	0,000	0,000	-
<b>Total net assets</b>	<b>\$ 24,844,200</b>	<b>\$ 25,384,000</b>	<b>\$ (539,800)</b>
<b>Total liabilities and net assets</b>	<b>\$ 12,504,200</b>	<b>\$ 13,038,500</b>	<b>\$ (534,300)</b>

NOTES TO FINANCIAL STATEMENTS

	2008			2007		
	(As a percentage of total assets)	(As a percentage of total assets)	(As a percentage of total assets)	(As a percentage of total assets)	(As a percentage of total assets)	(As a percentage of total assets)
<b>LIABILITIES</b>						
Accounts payable	\$ 15,400	\$ 8,053,800	\$ (888,480)	\$ 88,400	\$ 8,030,500	\$ 85,000
Accrued liabilities				(1,200)	(1,200)	
Income tax payable	453,330	453,330	0,000	0,000	0,000	
Deferred income taxes	48,000	48,000	(3,220)	(3,220)	(3,220)	
Other liabilities	(4,300)	(4,300)	(4,300)	(4,300)	(4,300)	
Long-term debt		(4,000)	4,000	83,800	(5,500)	0,840
Other non-current liabilities	(40,400)	(40,400)				
Other non-current liabilities				5,300	5,300	
Other non-current liabilities	43,852	20,340,230	(8,238,000)	4,253,450	4,040,040	3,552,000
Other non-current liabilities	(54,040)	(54,040)				
Other non-current liabilities	24,800	24,800	(8,238,000)	4,253,450	4,040,040	3,552,000
<b>LIABILITIES</b>	24,800	24,800	(8,238,000)	4,253,450	4,040,040	3,552,000
<b>LIABILITIES</b>	(8,445,400)	(8,445,400)		4,550,000	4,550,000	
<b>LIABILITIES, BEGINNING OF YEAR</b>	24,450	25,243,550	(8,040,400)	8,028,000	80,450,888	(1,440,000)
<b>LIABILITIES, END OF YEAR</b>	\$ 20,435,400	\$ 24,440,000	\$ (8,445,400)	\$ 8,445,400	\$ 84,232,500	\$ (1,554,000)

