

UNIVERSITY OF NEBRASKA FOUNDATION  
CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

Board of Trustees  
University of Nebraska Foundation  
Lincoln, Nebraska

We have audited the accompanying consolidated statements of financial position of the University of Nebraska Foundation as of June 30, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University of Nebraska Foundation at June 30, 2010 and 2009, and the results of its activities and the cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying information on pages 20 through 25 is presented for purposes of additional analysis and is 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 consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Dana F. Cole + Company, LLP

Lincoln, Nebraska  
September 20, 2010  
And July 15, 2011 for Note 14 and related changes

UNIVERSITY OF NEBRASKA FOUNDATION  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2010 AND 2009

	ASSETS		2010	2009
ASSETS				
Cash and cash equivalents			4,963,370	2,181,189
Temporary cash investments			250,363,702	280,983,661
Advances and deposits			10,289	10,289
Accounts receivable (net of reserve for bad debts of \$2,920 in 2010 and \$1,306 in 2009)			210,956	816,072
Accrued interest receivable			2,603,403	2,474,604
Student loan receivable			758,079	603,976
Matching funds receivable			1,000	1,000
Prepaid expenses			66,361	44,448
Pledges receivable - restricted (Note 8)			137,968,194	102,035,049
Investments - restricted (Note 2)			1,081,641,932	979,145,617
Property and equipment, net of depreciation (Note 9)			<u>7,878,130</u>	<u>8,590,136</u>
 TOTAL ASSETS			 <u>1,486,465,416</u>	 <u>1,376,886,041</u>
 LIABILITIES AND NET ASSETS				
LIABILITIES				
Advances and accounts payable			804,300	40,453
University of Nebraska benefits payable			1,770,059	1,275,651
Scholarships, research, fellowships and professorships payable			2,820,617	5,971,726
Accrued vacation payable			713,242	674,655
Taxes payable			162,559	57,421
Deferred annuities payable			23,040,950	22,130,740
Deposits held in custody for others			235,718,817	226,506,140
Deferred revenue			3,715,056	3,775,335
Total liabilities			<u>268,745,600</u>	<u>260,432,121</u>
 NET ASSETS				
Unrestricted			(12,202,961)	7,717,568
Temporarily restricted			593,682,260	429,879,951
Permanently restricted			<u>636,240,517</u>	<u>678,856,401</u>
Total net assets			<u>1,217,719,816</u>	<u>1,116,453,920</u>
 TOTAL LIABILITIES AND NET ASSETS			 <u>1,486,465,416</u>	 <u>1,376,886,041</u>

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

UNIVERSITY OF NEBRASKA FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010

	2010			
	Unre- stricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES</b>				
Gifts, bequests and life insurance proceeds	75,555	76,899,041	59,919,539	136,894,135
Investment income	24,028,655	12,364,672	(1,455,900)	34,937,427
Realized gain (loss) on sale of assets	7,035	493,924	(17,826,624)	(17,325,665)
Unrealized gain (loss) on assets		12,077,291	70,854,440	82,931,731
	<u>24,111,245</u>	<u>101,834,928</u>	<u>111,491,455</u>	<u>237,437,628</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>113,939,347</u>	<u>(83,415,989)</u>	<u>(30,523,358)</u>	
Total support and revenues	<u>138,050,592</u>	<u>18,418,939</u>	<u>80,968,097</u>	<u>237,437,628</u>
<b>EXPENDITURES</b>				
Salaries and wages	10,088,527			10,088,527
Payroll taxes	692,271			692,271
Employee benefits	2,086,565			2,086,565
Postage	260,575			260,575
Office supplies and expense	204,835			204,835
Professional services	173,702			173,702
Travel and entertainment	741,884			741,884
Telephone	208,495			208,495
Insurance and bonds	99,091			99,091
Repair and maintenance	317,422			317,422
Equipment rental/purchase	30,391			30,391
Office rent	1,503,796			1,503,796
University Towers expense	28,339			28,339
Promotion expense	2,184,756			2,184,756
Auto expense	110,497			110,497
Dues and subscriptions	143,818			143,818
Alumni Associations	1,028,000			1,028,000
Miscellaneous expense	123,886			123,886
Recruiting and moving expense	29,431			29,431
Data processing expense				
Meetings and conferences	220,076			220,076
Investment expense	4,722,134			4,722,134
Academic support	30,290,536			30,290,536
Student assistance	18,025,440			18,025,440
Faculty assistance	4,906,604			4,906,604
Research	6,094,543			6,094,543
Museum, library, and fine arts	1,026,656			1,026,656

UNIVERSITY OF NEBRASKA FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010

	2010			Total
	Unre- stricted	Temporarily Restricted	Permanently Restricted	
EXPENDITURES (Continued)				
Campus and building improvements	45,848,249			45,848,249
Deferred compensation	35,000			35,000
Paid to beneficiaries	3,107,595			3,107,595
Bad debt and collection expense	8,473			8,473
Depreciation	1,830,145			1,830,145
Total	<u>136,171,732</u>			<u>136,171,732</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS AND CHANGES	1,878,860	18,418,939	80,968,097	101,265,896
TRANSFERS AND RECLASSIFI- CATIONS BETWEEN FUNDS	<u>(21,799,389)</u>	<u>145,383,370</u>	<u>(123,583,981)</u>	
INCREASE (DECREASE) IN NET ASSETS	(19,920,529)	163,802,309	(42,615,884)	101,265,896
NET ASSETS, beginning of year	<u>7,717,568</u>	<u>429,879,951</u>	<u>678,856,401</u>	<u>1,116,453,920</u>
NET ASSETS, end of year	<u>(12,202,961)</u>	<u>593,682,260</u>	<u>636,240,517</u>	<u>1,217,719,816</u>

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

UNIVERSITY OF NEBRASKA FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009

	2009			
	Unre- stricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUES</b>				
Gifts, bequests and life insurance proceeds	31,289	85,218,271	42,855,265	128,104,825
Investment income	22,998,967	15,248,237	(477,847)	37,769,357
Realized gain (loss) on sale of assets	7,722	(12,672,962)	(29,971,610)	(42,636,850)
Unrealized gain (loss) on assets		<u>(39,266,722)</u>	<u>(124,159,889)</u>	<u>(163,426,611)</u>
	<u>23,037,978</u>	48,526,824	(111,754,081)	(40,189,279)
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>108,849,322</u>	<u>(79,539,983)</u>	<u>(29,309,339)</u>	<u>                                </u>
Total support and revenues	<u>131,887,300</u>	<u>(31,013,159)</u>	<u>(141,063,420)</u>	<u>(40,189,279)</u>
<b>EXPENDITURES</b>				
Salaries and wages	10,249,444			10,249,444
Payroll taxes	668,137			668,137
Employee benefits	1,942,254			1,942,254
Postage	290,393			290,393
Office supplies and expense	157,917			157,917
Professional services	427,782			427,782
Travel and entertainment	738,945			738,945
Telephone	226,202			226,202
Insurance and bonds	91,085			91,085
Repair and maintenance	314,003			314,003
Equipment rental/purchase	111,245			111,245
Office rent	1,367,538			1,367,538
University Towers expense	31,599			31,599
Promotion expense	1,806,800			1,806,800
Auto expense	156,540			156,540
Dues and subscriptions	183,411			183,411
Alumni Associations	858,000			858,000
Miscellaneous expense	119,115			119,115
Recruiting and moving expense	38,618			38,618
Data processing expense	729			729
Meetings and conferences	244,251			244,251
Investment expense	4,965,831			4,965,831
Academic support	29,169,282			29,169,282
Student assistance	17,721,243			17,721,243
Faculty assistance	5,330,678			5,330,678
Research	4,316,789			4,316,789
Museum, library, and fine arts	1,724,129			1,724,129

UNIVERSITY OF NEBRASKA FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009

	2009			Total
	Unre- stricted	Temporarily Restricted	Permanently Restricted	
EXPENDITURES (Continued)				
Campus and building improvements	43,638,301			43,638,301
Deferred compensation	38,750			38,750
Paid to beneficiaries	3,487,747			3,487,747
Bad debt and collection expense	(3,692)			(3,692)
Depreciation	1,576,857			1,576,857
Total	131,989,923			131,989,923
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS AND CHANGES	(102,623)	(31,013,159)	(141,063,420)	(172,179,202)
TRANSFERS AND RECLASSIFI- CATIONS BETWEEN FUNDS		(648,840)	648,840	
INCREASE (DECREASE) IN NET ASSETS	(102,623)	(31,661,999)	(140,414,580)	(172,179,202)
NET ASSETS, beginning of year	7,820,191	461,541,950	819,270,981	1,288,633,122
NET ASSETS, end of year	7,717,568	429,879,951	678,856,401	1,116,453,920

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

UNIVERSITY OF NEBRASKA FOUNDATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	<u>101,265,896</u>	<u>(172,179,202)</u>
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	1,830,145	1,576,857
Loss on sale of assets	17,325,665	42,636,850
Depreciation (Appreciation) of assets	(82,931,731)	163,426,611
Contribution to permanently restricted endowment funds	(59,918,539)	(42,855,265)
Real and personal property contributions received for the University	(350,572)	(725,647)
(Increase) Decrease in:		
Accounts receivable	605,116	(276,880)
Interest receivable	(128,799)	(198,324)
Prepaid expense	(21,913)	18,128
Pledges receivable	(35,933,145)	16,187,188
Increase (Decrease) in:		
Advances and accounts payable	763,847	8,074
University of Nebraska benefits payable	494,408	(1,131,124)
Scholarships, research, fellowships, and professorships payable	(3,151,109)	2,871,740
Accrued vacation payable	38,587	13,613
Taxes payable	105,138	(2,763)
Deferred annuities payable	910,210	(2,804,346)
Deposits held in custody for others	(16,534,722)	(11,140,366)
Deferred revenue	(60,279)	2,135,333
Total adjustments	<u>(176,957,693)</u>	<u>169,739,679</u>
Net cash provided by (used in) operating activities	<u>(75,691,797)</u>	<u>(2,439,523)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (increase) decrease in temporary cash investments	30,619,959	(50,630,146)
Net increase in student loans	(154,103)	(50,162)
Net (purchases) sales in investments	(11,134,077)	12,873,430
Purchase of property and equipment	<u>(776,340)</u>	<u>(2,950,791)</u>
Net cash provided by (used in) investing activities	<u>18,555,439</u>	<u>(40,757,669)</u>



UNIVERSITY OF NEBRASKA FOUNDATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution to permanently restricted endowment funds	<u>59,918,539</u>	<u>42,855,265</u>
Net cash provided by financing activities	<u>59,918,539</u>	<u>42,855,265</u>
NET INCREASE (DECREASE) IN CASH	2,782,181	(341,927)
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,181,189</u>	<u>2,523,116</u>
CASH AND CASH EQUIVALENTS, end of year	<u>4,963,370</u>	<u>2,181,189</u>
REQUIRED DISCLOSURE		
The Foundation expended no cash for interest or income taxes.	- 0 -	- 0 -
NONCASH TRANSACTIONS		
Change in deposits held in custody for others	9,212,677	(57,630,382)
Unrealized (gain) loss on assets	<u>(25,747,399)</u>	<u>46,490,016</u>
Net change in deposits held in custody for others	<u>(16,534,722)</u>	<u>(11,140,366)</u>

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

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the University of Nebraska Foundation (the Foundation) are described below to enhance the usefulness of the financial statements to the reader.

Nature of the Entity and Principles of Consolidation

The Foundation is a nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code whose purpose is to provide financial support of the University of Nebraska System. Its wholly-owned Limited Liability Company, University of Nebraska Technology Park, LLC (Tech Park) provides incubator facilities for emerging businesses.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis and include all funds controlled by and in the custody of the Foundation. Funds in control of the Foundation include Tech Park.

Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Foundation utilizes FASB ASC 958-205 "Financial Statements of Not-for-Profit Organizations." FASB ASC 958-205 sets standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories utilized by the Foundation follows:

Unrestricted Net Assets

Unrestricted net assets include revenues and expenses associated with the general operation of the Foundation and include gifts with no donor restrictions.

Property and equipment assets associated with the general operation of the Foundation are also included in this category.

Temporarily Restricted Net Assets

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met, trust activity, deferred gifts and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted or determined. Assets with restrictions imposed by the Foundation Board are categorized as temporarily restricted assets also.

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Permanently Restricted Net Assets

Permanently restricted net assets include gifts, trusts, and pledges receivable which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions and gifts which have been donor stipulated to provide loans to students.

Contributions

The Foundation utilizes FASB ASC 958-605, "Accounting for Contributions Received and Made." FASB ASC 958-605 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Foundation to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Pledges Receivable

Pledges receivable are recorded on the balance sheet as assets net of an approximate 3% allowance for uncollectible accounts and discounted at the present value and recorded as donations on the statement of activities. As payments are received on pledges, the amounts will be included as donations on the statement of activities for any difference not recorded as a donation and adjusted annually for the present value.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposit accounts, time deposit accounts and money market accounts.

Investments

The Organization utilizes FASB ASC 958-320, "Accounting for Certain Investments Held by Not-for-Profit Organizations." FASB ASC 958-320 sets standards of reporting at fair value certain investments, debt and equity securities, held by not-for-profit organizations.

Therefore, investments in equity securities that have a readily determinable fair value and all investments in debt securities are stated at fair value, with gains and losses included in the statements of activities. Fair value is determined by quoted market values.

Property and Equipment

Property and equipment assets, consisting of real estate, furniture, equipment and computer software, are stated at cost or, if contributed, at fair market value at date of contribution. The Foundation's policy is to capitalize property and equipment purchases in excess of \$500.

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The Foundation follows the policy of reducing the property and equipment by depreciation applicable to the related assets. Depreciation is computed by the straight-line method over the estimated useful life of the asset ranging from three to 31 1/2 years. Assets are depreciated to a normal estimated salvage value.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Corporation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation has adopted the provisions of FASB ASC 740-10, "Accounting for Income Taxes", under the provisions of FSP FIN 48-3. The Foundation continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Use of Estimates

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

Compensated Absences

Employees of the Foundation are entitled to paid vacation days, depending on the job classification and length of service. The Foundation adopted the policy of accruing vacation pay at year end.

Reclassifications

Certain reclassifications have been made to the 2009 consolidated financial statements to conform to the 2010 financial statement presentation. Such reclassifications had no effect on previously reported net assets.

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. INVESTMENTS

The Foundation has adopted FASB ASC 820-10, "Fair Value Measurements", which provides a framework for measuring fair value under generally accepted accounting principles. FASB ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in FASB ASC 820-10, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the fiscal year ended June 30, 2010, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Marketable Equity Securities

The fair value of marketable equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. INVESTMENTS (Continued)

The table below presents the balances of assets measured at June 30, 2010 at fair value on a recurring basis.

	2010			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S., State and Local				
Government securities				
and sovereign debt	53,563,598	53,563,598		
Other bonds	16,417,146	16,417,146		
Common stock	336,589,614	336,589,614		
Mutual funds	397,637,113	397,637,113		
Limited partnerships	183,970,296			183,970,296
Preferred stock	<u>13,152,664</u>		<u>13,152,664</u>	
Total	<u>1,001,330,431</u>	<u>804,207,471</u>	<u>13,152,664</u>	<u>183,970,296</u>

The changes in the financial assets for which the Foundation has used Level 3 inputs to determine fair value are as follows:

June 30, 2009	- 0 -
Transfers and reclassifications	162,566,198
Net realized gains	(2,849,564)
Net unrealized gains	1,051,810
Interest, dividends, other income/losses	5,221,697
Investment management fees	(1,157,384)
Purchases	92,670,832
Distributions	<u>(73,533,293)</u>
June 30, 2010	<u>183,970,296</u>

Management evaluates securities for other than temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial conditions and near-term prospects of the issuer, and (3) the intent and ability of the Foundation to retain its investments in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold securities for the foreseeable future, no declines are deemed to be other than temporary.

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. INVESTMENTS (Continued)

The investments in equity securities with a readily determinable fair market quotation and debt securities are stated at fair value. All other investments purchased by the Foundation are stated at cost or fair value or appraised value at date of receipt for those investments received as donations.

	2010		
	Book Value	Unrealized Gain (loss)	Fair Value
INVESTMENTS STATED AT FAIR VALUE			
U.S., State and Local Government			
securities and sovereign debt	48,623,711	4,939,887	53,563,598
Other bonds	15,617,843	799,303	16,417,146
Common stock	322,594,610	13,995,004	336,589,614
Mutual funds	399,009,053	(1,371,940)	397,637,113
Limited partnerships	220,793,861	(36,823,565)	183,970,296
Preferred stock	<u>12,804,740</u>	<u>347,924</u>	<u>13,152,664</u>
	<u>1,019,443,818</u>	<u>(18,113,387)</u>	<u>1,001,330,431</u>
	2009		
	Book Value	Unrealized Gain (loss)	Fair Value
INVESTMENTS STATED AT FAIR VALUE			
U.S., State and Local Government			
securities and sovereign debt	51,062,128	3,366,132	54,428,260
Other bonds	20,389,239	(1,158,478)	19,230,761
Common stock	340,465,403	(22,437,021)	318,028,382
Mutual funds	414,946,336	(68,822,603)	346,123,733
Limited partnerships	217,204,910	(54,638,712)	162,566,198
Preferred stock	<u>74,651</u>	<u>23,540</u>	<u>98,191</u>
	<u>1,044,142,667</u>	<u>(143,667,142)</u>	<u>900,475,525</u>
		Book Value 2010	Book Value 2009
INVESTMENTS STATED AT OTHER THAN FAIR VALUE			
Certificates of deposit, savings and money funds		19,229,283	18,505,369
Real estate		27,367,904	27,732,094
Real estate mortgage and contracts		24,741,436	24,167,493
Mineral rights and royalties		31	31
Miscellaneous		4,022,967	3,414,888
Cash value of life insurance		4,741,388	4,641,725
Annuity contracts		<u>208,492</u>	<u>208,492</u>
		<u>80,311,501</u>	<u>78,670,092</u>

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. INVESTMENTS (Continued)

	Book Value 2010	Book Value 2009
TOTAL INVESTMENTS		
Stated at fair value	1,001,330,431	900,475,525
Stated at other than fair value	<u>80,311,501</u>	<u>78,670,092</u>
	<u>1,081,641,932</u>	<u>979,145,617</u>

NOTE 3. LEASE COMMITMENTS

The Foundation entered into an amended lease agreement for rental of office space on the 2nd and 3rd floors in Lincoln, beginning September 1, 2007 and extending through August 31, 2017. The annual rental is \$577,136 through calendar year 2012, with a possible increase based on the consumer price index for the period from January 1, 2013 through August 31, 2017. The Foundation had also entered into a contract for rental of office space in Omaha for 15 years beginning on November 1, 2008 with increases every 60 months. The annual rental is \$388,075 for the first 5 years and \$418,713 for the next 5 years. The Foundation entered into an amended lease agreement for office space in Kearney for the period from November 1, 2008 to October 31, 2011 at a rental rate of \$3,500 per month. The minimum rentals for leases with guaranteed terms for the five fiscal years after June 30, 2010 are as follows:

June 30, 2011	1,007,211
June 30, 2012	979,211
June 30, 2013	965,211
June 30, 2014	985,636
June 30, 2015	995,849

NOTE 4. RETIREMENT PLAN

The Foundation sponsors a retirement plan that covers employees of the Foundation and Tech Park with one year of service who work in excess of 1,000 hours annually and have attained the age of 21 years or previous participation in the TIAA-CREF or Fidelity annuity plan. Participation in the plan is mandatory upon attainment of age 30. The plan is an annuity arrangement under Code Section 403b(1) of the Internal Revenue Code using annuities under TIAA-CREF and Fidelity Investments. Under the plan, the employee chooses to contribute either 5.5% or 3.5% of their salary to the plan and the Foundation matches the amount with either 8.0% or 6.5% of salary, respectively. The Foundation and Tech Park contributions to the plans for years ending June 30, 2010 and 2009 were \$677,138 and \$639,632, respectively.

NOTE 5. CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances and certificates of deposit at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the fiscal year, the Foundation's cash in bank balances exceeded the federally insured limits. The Foundation has maintained its cash balances and certificates of deposit at financial institutions in accordance with all Foundation policies and procedures.



UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. CONTINGENCIES AND COMMITMENTS

The Foundation is involved in several legal actions. The Foundation believes it has defenses for all such claims, believes the claims are substantially without merit, and is vigorously defending the actions. In the opinion of management, the final dispositions of these matters will not have a material effect on the Foundation financial position.

NOTE 7. RESTRICTED NET ASSETS

Net assets are restricted by donors for various purposes in support of activities at the University of Nebraska, including the campuses at Lincoln, Kearney, Omaha and the Medical Center in Omaha. The purposes include scholarships, fellowships, research, academic support and campus building and improvements. Only income from the permanently restricted net assets is available for these purposes.

The amounts of the net assets are as follows:

Temporarily restricted - charitable trusts and annuities	30,386,898
Temporarily restricted - available for specific purposes	511,285,108
Temporarily restricted - discretion of Foundation Board	52,010,254
Permanently restricted - endowment	632,041,652
Permanently restricted - student loans	<u>4,198,865</u>
	<u>1,229,922,777</u>

NOTE 8. PLEDGES RECEIVABLE

Promises to give, net of discount to present value at 6% and allowance for doubtful accounts, are due to be collected as follows:

	2010	2009
Gross amount due in		
One year or less	45,081,063	21,871,202
One to five years	98,416,082	91,140,506
More than five years	<u>18,566,740</u>	<u>15,534,858</u>
	162,063,885	128,546,566
Less discount to present value	<u>19,828,634</u>	<u>23,355,794</u>
	142,235,251	105,190,772
Less allowance for doubtful accounts - 3%	<u>4,267,057</u>	<u>3,155,723</u>
	<u>137,968,194</u>	<u>102,035,049</u>

The discount will be recognized as contribution income in years 2011 through 2038.

In addition, the Foundation has been informed of intentions to give in the form of possible future bequests, currently of indeterminable value, that have not been reflected in the accompanying financial statements because they are not unconditional promises.

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9. PROPERTY AND EQUIPMENT

The property and equipment of the Foundation at June 30, 2010 and 2009 are as follows:

	2010	2009
Property	1,686,205	1,683,196
Leasehold improvements	3,125,252	2,985,716
Aircraft	4,176,933	4,176,933
Automobiles	292,184	206,204
Furniture, equipment and software	<u>6,595,458</u>	<u>6,205,387</u>
	15,876,032	15,257,436
Less accumulated depreciation	<u>7,997,902</u>	<u>6,667,300</u>
Net property and equipment	<u>7,878,130</u>	<u>8,590,136</u>

NOTE 10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, receivables, accounts payable, accrued liabilities, and deferred revenue approximate fair value due to the short-term nature of the items. The carrying amounts of pledges receivable due in more than one year are based on the discounted net present value of the expected future cash flows.

NOTE 11. AGENCY FUNDS

The Foundation holds and invests certain endowment and other funds in trust on behalf of the University. Such funds approximated \$236 million and \$227 million at June 30, 2010 and 2009, respectively.

NOTE 12. DONOR-DESIGNATED ENDOWMENTS

The Foundation's endowment consists of approximately 4,400 individual funds established for a variety of purposes. Its endowment includes both donor-restricted fund and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. DONOR-DESIGNATED ENDOWMENTS (Continued)

as temporarily restricted net assets until those amounts are appropriate for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various fund, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity, debt securities and illiquid alternative investments that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4.5%, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to earn a real (inflation-adjusted) rate of return of at least 5.5% per year net of investment management fees and transaction costs, when measured over rolling five-year period. Actual return in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Foundation has a policy of appropriating for distribution each year 4.5% of the average fair market value of the prior 20 quarters. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. This policy is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment Net Asset Composition by Type of Fund as of June 30, 2010 is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds		632,041,652	632,041,652
Board-designated endowment funds	<u>139,539,576</u>	<u>        </u>	<u>139,539,576</u>
	<u>139,539,576</u>	<u>632,041,652</u>	<u>771,581,228</u>

UNIVERSITY OF NEBRASKA FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. DONOR-DESIGNATED ENDOWMENTS (Continued)

Changes in endowment net assets as of June 30, 2010 are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, beginning of year	117,365,603	651,506,989	768,872,592
Contributions	7,109,753	20,908,370	28,018,123
Investment income, net of expenses	8,326,749	(19,621,371)	(11,294,622)
Net appreciation (depreciation)	16,250,353	162,869,192	179,119,545
Amounts appropriated for expenditure	(9,512,882)	(30,526,636)	(40,039,518)
Reclassification for change in policy	<u>                    </u>	<u>(153,094,892)</u>	<u>(153,094,892)</u>
Endowment net assets, end of year	<u>139,539,576</u>	<u>632,041,652</u>	<u>771,581,228</u>

NOTE 13. SUBSEQUENT EVENTS

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 20, 2010, the date the financial statements were available to be issued.

NOTE 14. CHANGE OF ACCOUNTING POLICY

Subsequent to June 30, 2010 and after the financial statements were issued, the Foundation elected to change its accounting policy regarding the presentation of permanently restricted income funds and capital gains and losses as temporarily restricted and unrestricted net assets retroactive to June 30, 2010. The net change was to reduce permanently restricted net assets by \$211,852,711, increase temporarily restricted net assets by \$174,057,699, and decrease unrestricted net assets by \$27,566,930. The change is presented on the statement of activities as a “transfer and reclassification between funds”.

ACCOMPANYING INFORMATION

UNIVERSITY OF NEBRASKA FOUNDATION  
 COMBINING STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2010

	Temporarily Restricted			Permanently Restricted		
	Unrestricted	Restricted	Deferred Gifts, Life and Pooled Income Funds	Endowment Funds	Loan Funds	Total
<b>ASSETS</b>						
<b>ASSETS</b>						
Cash and cash equivalents	4,697,500	265,870				4,963,370
Temporary cash investments	29,104	246,214,124		4,120,474		250,363,702
Advances and deposits	10,289					10,289
Accounts receivable	14,283	196,673				210,956
Accrued interest receivable	2,253,529		349,874			2,603,403
Student loan receivable		12,267		6,950	738,862	758,079
Matching funds receivable		1,000				1,000
Prepaid expenses	66,361					66,361
Pledges receivable (Note 8)		85,949,134		52,019,060		137,968,194
Investments - restricted (Note 2)	(20,136,819)	468,695,971	53,834,327	575,788,450	3,460,003	1,081,641,932
Property and equipment, net of depreciation (Note 9)	6,318,492	1,452,920		106,718		7,878,130
<b>TOTAL ASSETS</b>	<u>(6,747,261)</u>	<u>802,787,959</u>	<u>54,184,201</u>	<u>632,041,652</u>	<u>4,198,865</u>	<u>1,486,465,416</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Advances and accounts payable	27,503	20,444	756,353			804,300
University of Nebraska benefits payable	1,770,059					1,770,059
Scholarships, research, fellowships and professorships payable	2,820,617					2,820,617
Accrued vacation payable	713,242					713,242
Taxes payable	124,279	38,280				162,559
Deferred annuities payable			23,040,950			23,040,950
Deposits held in custody for others		235,718,817				235,718,817
Deferred revenue		3,715,056				3,715,056
<b>Total liabilities</b>	<u>5,455,700</u>	<u>239,492,597</u>	<u>23,797,303</u>			<u>268,745,600</u>
<b>NET ASSETS</b>	<u>(12,202,961)</u>	<u>563,295,362</u>	<u>30,386,898</u>	<u>632,041,652</u>	<u>4,198,865</u>	<u>1,217,719,816</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>(6,747,261)</u>	<u>802,787,959</u>	<u>54,184,201</u>	<u>632,041,652</u>	<u>4,198,865</u>	<u>1,486,465,416</u>

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

UNIVERSITY OF NEBRASKA FOUNDATION  
COMBINING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Deferred Gifts, Life and Pooled Income Funds	Endowment Funds	Loan Funds	Total
ASSETS				Permanently Restricted		
ASSETS						
Cash and cash equivalents	2,103,956	77,233				2,181,189
Temporary cash investments	4,294,889	204,014,430	295,853	66,740,436	5,638,053	280,983,661
Advances and deposits	10,289					10,289
Accounts receivable	113,599	702,473				816,072
Accrued interest receivable	2,103,743		370,861			2,474,604
Student loan receivable		9,260		645	594,071	603,976
Matching funds receivable		1,000				1,000
Prepaid expenses	39,006	5,442				44,448
Pledges receivable (Note 8)		85,222,020		16,813,029		102,035,049
Investments - restricted (Note 2)		343,871,743	46,310,425	584,659,190	4,304,259	979,145,617
Property and equipment, net of depreciation (Note 9)	<u>7,018,674</u>	<u>1,464,744</u>		<u>106,718</u>		<u>8,590,136</u>
<b>TOTAL ASSETS</b>	<u>15,684,156</u>	<u>635,368,345</u>	<u>46,977,139</u>	<u>668,320,018</u>	<u>10,536,383</u>	<u>1,376,886,041</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Advances and accounts payable	24,531	15,922				40,453
University of Nebraska benefits payable	1,275,651					1,275,651
Scholarships, research, fellowships and professorships payable	5,971,726					5,971,726
Accrued vacation payable	674,655					674,655
Taxes payable	20,025	37,396				57,421
Deferred annuities payable			22,130,740			22,130,740
Deposits held in custody for others		226,506,140				226,506,140
Deferred revenue		3,775,335				3,775,335
Total liabilities	<u>7,966,588</u>	<u>230,334,793</u>	<u>22,130,740</u>			<u>260,432,121</u>
<b>NET ASSETS</b>	<u>7,717,568</u>	<u>405,033,552</u>	<u>24,846,399</u>	<u>668,320,018</u>	<u>10,536,383</u>	<u>1,116,453,920</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>15,684,156</u>	<u>635,368,345</u>	<u>46,977,139</u>	<u>668,320,018</u>	<u>10,536,383</u>	<u>1,376,886,041</u>

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





UNIVERSITY OF NEBRASKA FOUNDATION  
COMBINING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted			Permanently Restricted			Total All Funds
		Restricted	Deferred Gifts, Life and Pooled Income Funds	Total	Endowment Funds	Loan Funds	Total	
EXPENDITURES (Continued)								
Recruiting and moving expense	29,431							29,431
Meetings and conferences	220,076							220,076
Investment expense	4,722,134							4,722,134
Academic support	30,290,536							30,290,536
Student assistance	18,025,440							18,025,440
Faculty assistance	4,906,604							4,906,604
Research	6,094,543							6,094,543
Museum, library, and fine arts	1,026,656							1,026,656
Campus and building improvements	45,848,249							45,848,249
Deferred compensation	35,000							35,000
Paid to beneficiaries	3,107,595							3,107,595
Bad debt and collection expense	8,473							8,473
Depreciation	1,830,145							1,830,145
Total	<u>136,171,732</u>							<u>136,171,732</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANS- FERS AND CHANGES	1,878,860	11,270,340	7,148,599	18,418,939	80,647,934	320,163	80,968,097	101,265,896
Transfers and reclassifications between funds	<u>(21,799,389)</u>	<u>146,991,470</u>	<u>(1,608,100)</u>	<u>145,383,370</u>	<u>(116,926,300)</u>	<u>(6,657,681)</u>	<u>(123,583,981)</u>	
INCREASE (DECREASE) IN NET ASSETS	(19,920,529)	158,261,810	5,540,499	163,802,309	(36,278,366)	(6,337,518)	(42,615,884)	101,265,896
NET ASSETS, beginning of year	<u>7,717,568</u>	<u>405,033,552</u>	<u>24,846,399</u>	<u>429,879,951</u>	<u>668,320,018</u>	<u>10,536,383</u>	<u>678,856,401</u>	<u>1,116,453,920</u>
NET ASSETS, end of year	<u>(12,202,961)</u>	<u>563,295,362</u>	<u>30,386,898</u>	<u>593,682,260</u>	<u>632,041,652</u>	<u>4,198,865</u>	<u>636,240,517</u>	<u>1,217,719,816</u>

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

UNIVERSITY OF NEBRASKA FOUNDATION  
COMBINING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009

	Temporarily Restricted				Permanently Restricted			
			Deferred Gifts, Life and Pooled Income Funds	Total	Endowment Funds	Loan Funds	Total	Total All Funds
	Unrestricted	Restricted						
<b>SUPPORT AND REVENUES</b>								
Gifts, bequests and life insurance proceeds	31,289	81,281,129	3,937,142	85,218,271	42,855,265		42,855,265	128,104,825
Investment income	22,998,967	12,860,638	2,387,599	15,248,237	(767,029)	289,182	(477,847)	37,769,357
Realized gain (loss) on sale of assets	7,722	(12,798,417)	125,455	(12,672,962)	(29,428,844)	(542,766)	(29,971,610)	(42,636,850)
Unrealized gain (loss) on assets		(32,244,097)	(7,022,625)	(39,266,722)	(123,372,525)	(787,364)	(124,159,889)	(163,426,611)
Total support and revenues	23,037,978	49,099,253	(572,429)	48,526,824	(110,713,133)	(1,040,948)	(111,754,081)	(40,189,279)
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>								
	108,849,322	(68,952,838)	(10,587,145)	(79,539,983)	(29,302,973)	(6,366)	(29,309,339)	
24      Total	131,887,300	(19,853,585)	(11,159,574)	(31,013,159)	(140,016,106)	(1,047,314)	(141,063,420)	(40,189,279)
<b>EXPENDITURES</b>								
Salaries and wages	10,249,444							10,249,444
Payroll taxes	668,137							668,137
Employee benefits	1,942,254							1,942,254
Postage	290,393							290,393
Office supplies and expense	157,917							157,917
Professional services	427,782							427,782
Travel and entertainment	738,945							738,945
Telephone	226,202							226,202
Insurance and bonds	91,085							91,085
Repair and maintenance	314,003							314,003
Equipment rental/purchase	111,245							111,245
Office rent	1,367,538							1,367,538
University Towers expense	31,599							31,599
Promotion expense	1,806,800							1,806,800
Auto expense	156,540							156,540
Dues and subscriptions	183,411							183,411
Alumni Associations	858,000							858,000
Miscellaneous expense	119,115							119,115

UNIVERSITY OF NEBRASKA FOUNDATION  
COMBINING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted			Permanently Restricted			Total All Funds
		Restricted	Deferred Gifts, Life and Pooled Income Funds	Total	Endowment Funds	Loan Funds	Total	
EXPENDITURES (Continued)								
Recruiting and moving expense	38,618							38,618
Data processing expense	729							729
Meetings and conferences	244,251							244,251
Investment expense	4,965,831							4,965,831
Academic support	29,169,282							29,169,282
Student assistance	17,721,243							17,721,243
Faculty assistance	5,330,678							5,330,678
Research	4,316,789							4,316,789
Museum, library, and fine arts	1,724,129							1,724,129
Campus and building improvements	43,638,301							43,638,301
Deferred compensation	38,750							38,750
Paid to beneficiaries	3,487,747							3,487,747
Bad debt and collection expense	(3,692)							(3,692)
Depreciation	1,576,857							1,576,857
Total	<u>131,989,923</u>							<u>131,989,923</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS AND CHANGES	(102,623)	(19,853,585)	(11,159,574)	(31,013,159)	(140,016,106)	(1,047,314)	(141,063,420)	(172,179,202)
Transfers and reclassifications between funds		<u>(4,128,196)</u>	<u>3,479,356</u>	<u>(648,840)</u>	<u>781,522</u>	<u>(132,682)</u>	<u>648,840</u>	
INCREASE (DECREASE) IN NET ASSETS	(102,623)	(23,981,781)	(7,680,218)	(31,661,999)	(139,234,584)	(1,179,996)	(140,414,580)	(172,179,202)
NET ASSETS, beginning of year	<u>7,820,191</u>	<u>429,015,333</u>	<u>32,526,617</u>	<u>461,541,950</u>	<u>807,554,602</u>	<u>11,716,379</u>	<u>819,270,981</u>	<u>1,288,633,122</u>
NET ASSETS, end of year	<u>7,717,568</u>	<u>405,033,552</u>	<u>24,846,399</u>	<u>429,879,951</u>	<u>668,320,018</u>	<u>10,536,383</u>	<u>678,856,401</u>	<u>1,116,453,920</u>

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