

**CONSOLIDATED FINANCIAL STATEMENTS**

**University of North Alabama Foundation  
And Subsidiary**

**September 30, 2007 and 2006**

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# Parkhurst & Norvell

Certified Public Accountants

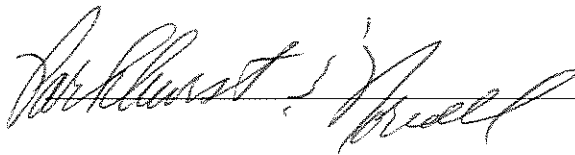
## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**University of North Alabama Foundation**

We have audited the accompanying consolidated statement of financial position of University of North Alabama Foundation (a nonprofit organization) and subsidiary as of September 30, 2007 and the related consolidated statement of activities, functional expenses, and cash flows for the year 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 audit. The consolidated financial statements of University of North Alabama Foundation and subsidiary as of September 30, 2006 were audited by other auditors whose report dated December 11, 2006, expressed an unqualified opinion on those statements.

We conducted our audit 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 consolidated 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 audit provides 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 University of North Alabama Foundation and subsidiary as of September 30, 2007 and 2006, and the changes 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.



December 16, 2007

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

University of North Alabama Foundation

September 30, 2007 and 2006

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<u>ASSETS</u>		
Current Assets:	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	\$ 3,965,049	\$ 5,096,649
Accounts Receivable	23,108	12,062
Pledges Receivable	25,000	514,386
Inventories	2,734	46,766
Interest Receivable	<u>7,385</u>	<u>8,518</u>
Total Current Assets	4,023,276	5,678,381
Total Investments	13,681,565	9,669,294
Fixed Assets:		
Donated Artifacts and Collectibles	263,650	213,650
Furniture and Equipment	<u>34,064</u>	<u>34,064</u>
	297,714	247,714
Less: Accumulated Depreciation	<u>33,801</u>	<u>31,459</u>
Total Fixed Assets	263,913	216,255
Other Assets		
Pledges Receivable	74,691	-
Other Assets	<u>-</u>	<u>90,503</u>
Total Other Assets	<u>74,691</u>	<u>90,503</u>
TOTAL ASSETS	<u>\$ 18,043,445</u>	<u>\$ 15,654,433</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

University of North Alabama Foundation

September 30, 2007 and 2006

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<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:	<u>2007</u>	<u>2006</u>
Accounts Payable	\$ 3,151	\$ 2,896
Obligations under Annuity Contracts - Current Portion	<u>65,197</u>	<u>58,725</u>
Total Current Liabilities	68,348	61,621
Obligations under Annuity Contracts - Deferred Portion	<u>369,528</u>	<u>340,932</u>
Total Liabilities	437,876	402,553
Net Assets:		
Unrestricted	292,934	355,319
Temporarily Restricted	5,821,930	3,671,014
Permanently Restricted	<u>11,490,705</u>	<u>11,225,547</u>
Total Net Assets	<u>17,605,569</u>	<u>15,251,880</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,043,445</u>	<u>\$ 15,654,433</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CONSOLIDATED STATEMENT OF ACTIVITIES

University of North Alabama Foundation

For the Year Ended September 30, 2007

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 84,805	\$ 710,331	\$ 229,275	\$ 1,024,411
In-Kind Contributions	50,000	-	-	50,000
Other Income	-	64,858	-	64,858
Transfers	(50,485)	(398)	50,883	-
Net Assets Released from Restriction	<u>535,876</u>	<u>(535,876)</u>	<u>-</u>	<u>-</u>
Total Support	620,196	238,915	280,158	1,139,269
Revenue:				
Interest and Dividends	19,491	442,119	-	461,610
Net Unrealized and Realized Gain on Investments	<u>-</u>	<u>1,469,882</u>	<u>-</u>	<u>1,469,882</u>
Total Revenue	<u>19,491</u>	<u>1,912,001</u>	<u>-</u>	<u>1,931,492</u>
TOTAL SUPPORT AND REVENUE	639,687	2,150,916	280,158	3,070,761
EXPENSES:				
Program Services	436,426	-	-	436,426
Support Services	265,646	-	-	265,646
Loss on Pledges	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
TOTAL EXPENSES	<u>702,072</u>	<u>-</u>	<u>15,000</u>	<u>717,072</u>
NET CHANGE IN ASSETS	(62,385)	2,150,916	265,158	2,353,689
NET ASSETS AT BEGINNING OF YEAR	<u>355,319</u>	<u>3,671,014</u>	<u>11,225,547</u>	<u>15,251,880</u>
NET ASSETS AT END OF YEAR	<u>\$ 292,934</u>	<u>\$ 5,821,930</u>	<u>\$ 11,490,705</u>	<u>\$ 17,605,569</u>

The Accompanying Notes are an Integral Part of these Financial Statements

# CONSOLIDATED STATEMENT OF ACTIVITIES

University of North Alabama Foundation

For the Year Ended September 30, 2006

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 78,526	\$ 440,239	\$ 500,524	\$ 1,019,289
In-Kind Contributions	7,000	-	-	7,000
Other Income	-	69,403	-	69,403
Transfers	9,480	(15,478)	5,998	0
Net Assets Released from Restriction	<u>490,713</u>	<u>(490,713)</u>	<u>-</u>	<u>-</u>
Total Support	585,719	3,451	506,522	1,095,692
Revenue:				
Interest and Dividends	15,091	436,637	-	451,728
Net Unrealized and Realized Gain on Investments	<u>-</u>	<u>462,099</u>	<u>-</u>	<u>462,099</u>
Total Revenue	<u>15,091</u>	<u>898,736</u>	<u>-</u>	<u>913,827</u>
TOTAL SUPPORT AND REVENUE	600,810	902,187	506,522	2,009,519
EXPENSES:				
Program Services	437,499	-	-	437,499
Support Services	<u>199,042</u>	<u>-</u>	<u>-</u>	<u>199,042</u>
TOTAL EXPENSES	<u>636,541</u>	<u>-</u>	<u>-</u>	<u>636,541</u>
NET CHANGE IN ASSETS	(35,731)	902,187	506,522	1,372,978
NET ASSETS AT BEGINNING OF YEAR	<u>391,050</u>	<u>2,768,827</u>	<u>10,719,025</u>	<u>13,878,902</u>
NET ASSETS AT END OF YEAR	<u>\$ 355,319</u>	<u>\$ 3,671,014</u>	<u>\$ 11,225,547</u>	<u>\$ 15,251,880</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Schedule of Program Services

University of North Alabama Foundation

For the Years Ended September 30, 2007 and 2006

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	<u>2007</u>	<u>2006</u>
Scholarships Awarded	\$ 147,365	\$ 167,902
Eminent Scholars Support	72,996	62,793
Academic Program Support	55,958	38,901
Alumni Program Support	30,054	45,099
Annuities	51,998	37,254
Other Program Support	<u>78,055</u>	<u>85,550</u>
 TOTAL PROGRAM SERVICES	 <u>\$ 436,426</u>	 <u>\$ 437,499</u>

The Accompanying Notes are an Integral Part of these Financial Statements



CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Schedule of Support Services

University of North Alabama Foundation

For the Year Ended September 30, 2007

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	Management & General	Fund Raising	Total Support Services
Contract Services	\$ 92,020	\$ 15,726	\$ 107,746
Banquets and Meals	17,954	19,686	37,640
Supplies	5,769	25,864	31,633
Advertising	-	1,488	1,488
Travel	1,300	6,482	7,782
Postage	3,915	4,310	8,225
Legal & Accounting	11,200	-	11,200
Telephone	972	-	972
Insurance	8,476	-	8,476
Depreciation	2,342	-	2,342
Printing and Copying	3,300	4,254	7,554
Membership Dues	4,406	5,235	9,641
Software & Maintenance	3,742	2,956	6,698
Staff Development	260	100	360
Fundraisers & Volunteers	4,492	181	4,673
Awards	6,086	9,647	15,733
Miscellaneous Expenses	<u>277</u>	<u>3,206</u>	<u>3,483</u>
 TOTAL SUPPORT SERVICES	 <u>\$ 166,511</u>	 <u>\$ 99,135</u>	 <u>\$ 265,646</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Schedule of Support Services

University of North Alabama Foundation

For the Year Ended September 30, 2006

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	Management & General	Fund Raising	Total Support Services
Contract Services	\$ 84,810	\$ 750	\$ 85,560
Supplies	5,203	14,517	19,720
Cost of Sales	-	115	115
Meals	10,045	8,378	18,423
Travel	1,377	1,166	2,543
Postage	1,701	4,619	6,320
Legal & Accounting	11,051	-	11,051
Telephone	1,149	-	1,149
Insurance	8,754	-	8,754
Depreciation	3,788	-	3,788
Printing and Copying	3,134	8,922	12,056
Membership Dues	1,996	4,750	6,746
Advertising	-	484	484
Credit Card Fees	25	15	40
Software & Maintenance	3,607	4,313	7,920
Staff Development	2,190	198	2,388
Gifts & Flowers	6,489	122	6,611
Fundraisers & Volunteers	-	193	193
Awards	50	4,671	4,721
Miscellaneous Expenses	460	-	460
TOTAL SUPPORT SERVICES	<u>\$ 145,829</u>	<u>\$ 53,213</u>	<u>\$ 199,042</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

University of North Alabama Foundation

For the Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 2,353,689	\$ 1,372,978
Adjustments to Reconcile Change in Net Assets to Net Cash used for Operating Activities:		
Depreciation	2,342	3,788
Realized and Unrealized Gain on Sale of Investments	(1,469,882)	(450,796)
(Increase) Decrease in Accounts Receivable	(11,046)	(5,037)
(Increase) Decrease in Pledges Receivable	414,695	(186,271)
(Increase) Decrease in Inventory	44,032	1,894
Decrease in Interest Receivable	1,133	3,706
Decrease in Other Assets	90,503	89,237
Increase in Accounts Payable	255	2,828
Increase (Decrease) in Amortization of Discount on Pledges Receivable	366	1,372
Increase (Decrease) in Obligation Under Annuity Contracts	35,068	(25,108)
In-Kind Donation of Artifacts and Collectibles	(50,000)	(7,000)
Contributions Restricted for Investment	<u>(229,275)</u>	<u>(499,333)</u>
Net Cash Provided by Operating Activities	1,181,880	302,258
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) Sale of Investments	(2,542,755)	(1,011,933)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions Restricted for Permanent Investment	<u>229,275</u>	<u>499,333</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(1,131,600)	(210,342)
Cash and Cash Equivalents at Beginning of Year	<u>5,096,649</u>	<u>5,306,991</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,965,049</u>	<u>\$ 5,096,649</u>

The Accompanying Notes are an Integral Part of these Financial Statements

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

University of North Alabama Foundation

September 30, 2007 and 2006

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ORGANIZATION'S ACTIVITIES

The University of North Alabama Foundation (the Foundation), is a nonprofit organization existing to assist the University of North Alabama (the University), a public institution of higher education, in promoting, sponsoring, fostering and carrying out activities to broaden educational opportunities for and services to the students and alumni.

#### BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of University of North Alabama Foundation and its wholly owned subsidiary, Campus Projects, LLC. All material interorganization transactions have been eliminated in consolidation.

#### CONTRIBUTIONS

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

University of North Alabama Foundation

September 30, 2007 and 2006

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### PLEDGES (Promises to Give)

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

#### ACCOUNTING METHOD

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

#### CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents as reported in the Statement of Cash Flows excludes cash restricted for long-term investment. Banks holding the Foundation's cash balances insure the account up to \$100,000 through the Federal Deposit Insurance Corporation. The Foundation requires collateral to support the credit risk for the amounts in excess of the insured limits. These cash funds are held in interest bearing accounts.

#### EQUIPMENT

Equipment is carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, generally 5 to 7 years. As permitted by SFAS No. 93, the Foundation does not recognize depreciation on fine art and furniture collectibles. In addition, the Foundation utilizes certain facilities and equipment owned by the University. Such facilities and equipment are not recorded on the books of the Foundation.

#### INCOME TAXES

The Foundation has been granted tax-exempt status as provided by Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying statement.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### ESTIMATES

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

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

University of North Alabama Foundation

September 30, 2007 and 2006

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### INVESTMENTS

Investments are composed of various stocks, mutual funds and real estate and are carried at Fair Market Value.

#### INVENTORIES

Inventory is stated at the lower of cost or market, using the first-in, first-out method of inventory valuation.

### NOTE 2: PLEDGES RECEIVABLE

As of September 30, 2007 and 2006, the Foundation has pledges receivable totaling \$99,691 and \$514,386, respectively. No allowance has been made for uncollectible amounts. Most pledges receivable are restricted by donors for scholarships or are available for general operating support purposes. All pledges receivable at September 30, 2007 and 2006 are due within one to four years. The total pledges receivable as of September 30, 2007 are permanently restricted. Pledges receivable as of September 30, 2006 includes \$50,000 temporarily restricted and \$470,520 permanently restricted. Net pledges receivable were discounted to present value at September 30, 2007 and 2006 using a discount rate of 5%. The net effect at September 30 is as follows:

	<u>2007</u>	<u>2006</u>
Total Pledges Receivable	\$ 105,000	\$ 520,520
Unamortized Discount	<u>(5,309)</u>	<u>6,134</u>
NET PLEDGES RECEIVABLE	<u>\$ 99,691</u>	<u>\$ 514,386</u>

### NOTE 3: INVESTMENTS

Investments are reported at their market value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at fair value based upon the most recently reported bid prices. Short-term investments are valued at cost which approximates market. Certain other investments are valued at fair value as determined by the Foundation or its trustee banks.

Realized and unrealized investment gains or losses are determined by comparison of asset cost to net proceeds received at the time of disposal and changes in the difference between market values and cost, respectively. These amounts are reflected in the financial statements as net unrealized and realized gain or loss on investments.

The Foundation has established a common investment fund for its restricted funds which allows for the commingling of various trust assets into the common investment fund. The common investment fund is maintained at two separate trustee banks, and investment in the funds is limited only to the trust funds of the Foundation.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

University of North Alabama Foundation

September 30, 2007 and 2006

NOTE 3: INVESTMENTS (CONTINUED)

Investments held by the Foundation consisted of the following at September 30:

	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and Cash Equivalents	\$ 131,055	\$ 131,055	\$ 160,855	\$ 160,855
U. S. Government Obligations & Bonds	2,452,759	2,586,939	1,829,094	2,022,261
Common and Preferred Stock & Mutual Funds	<u>9,374,326</u>	<u>10,963,571</u>	<u>7,267,161</u>	<u>7,486,179</u>
TOTAL INVESTMENTS	<u>\$11,958,140</u>	<u>\$13,681,565</u>	<u>\$ 9,096,255</u>	<u>\$ 9,508,440</u>

NOTE 4: FIXED ASSETS

Fixed Assets consisted of the following at September 30:

	<u>2007</u>	<u>2006</u>
Collectibles	\$ 263,650	\$ 213,650
Furniture and Equipment	24,364	24,364
Computer Software	<u>9,700</u>	<u>9,700</u>
	\$ 297,714	\$ 247,714
Less Accumulated Depreciation	<u>(33,801)</u>	<u>31,459</u>
TOTAL FIXED ASSETS	<u>\$ 263,913</u>	<u>\$ 216,255</u>

NOTE 5: PROGRAM SUPPORT

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated to Other Program Support as follows:

	<u>2007</u>	<u>2006</u>
Decade Reunions	\$ -	\$ 18,284
Sportsman Club	7,257	5,578
UNA Coffee Table Books	18,857	1,838
UNA Magazine	-	20,223
Leo II	44,281	22,313
Coby Hall Campaign	-	1,628
Lowell Guthrie Carillon Fund	-	8,000
Shoals Symphony at UNA	2,789	-
LM Harrison Plaza	3,569	-
Other Program Support	<u>1,302</u>	<u>7,686</u>
TOTAL OTHER PROGRAM SUPPORT	<u>\$ 78,055</u>	<u>\$ 85,550</u>

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

University of North Alabama Foundation

September 30, 2007 and 2006

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NOTE 6: NET ASSETS RELEASED FROM RESTRICTIONS

Donor-imposed restrictions on temporarily restricted net assets were satisfied for the years ended September 30 as follows:

	<u>2007</u>	<u>2006</u>
Purpose for which restricted contributions were used:		
Program Services	\$ 253,605	\$ 221,117
Instruction	130,587	101,694
Scholarships	<u>151,684</u>	<u>167,902</u>
 TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	 <u>\$ 535,876</u>	 <u>\$ 490,713</u>

NOTE 7: NATURE AND AMOUNT OF TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at September 30:

	<u>2007</u>	<u>2006</u>
Program Services	\$ 1,638,123	\$ 1,121,604
Instruction	1,961,229	1,254,675
Scholarships	<u>2,222,578</u>	<u>1,294,735</u>
 TOTAL TEMPORARILY RESTRICTED NET ASSETS	 <u>\$ 5,821,930</u>	 <u>\$ 3,671,014</u>

NOTE 8: NATURE AND AMOUNT OF PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets in the following amounts are restricted to investments in perpetuity, the income which is expendable for the following purposes at September 30:

	<u>2007</u>	<u>2006</u>
Program Services & Instruction	\$ 4,957,238	\$ 4,925,919
Scholarships	<u>6,533,467</u>	<u>6,299,628</u>
 TOTAL PERMANENTLY RESTRICTED NET ASSETS	 <u>\$11,490,705</u>	 <u>\$11,225,547</u>

NOTE 9: ANNUITY GIFTS AND OBLIGATIONS

Gifts are made to the Organization in the form of gift annuities. A gift annuity is a simple contract between the donor and University of North Alabama Foundation. In exchange for the donor's contribution, UNA Foundation promises to make fixed, guaranteed payments for life to the annuitant. The amount is based on the age of the annuitant, in accordance with UNA Foundation's rate schedule. The rate schedule are those suggested by the American Council on Gift Annuities. The annuity payments are a general obligation of UNA Foundation.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

University of North Alabama Foundation

September 30, 2007 and 2006

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NOTE 9: ANNUITY GIFTS AND OBLIGATIONS (CONTINUED)

Obligations under annuity contracts at September 30 are as follows:

	<u>2007</u>	<u>2006</u>
Current Portion	\$ 65,197	\$ 58,725
Deferred	<u>369,528</u>	<u>340,932</u>
 TOTAL ANNUITY OBLIGATIONS	 <u>\$ 434,725</u>	 <u>\$ 399,657</u>

NOTE 10: CONTRIBUTED SERVICES

Land has been transferred from UNA Foundation to the University of North Alabama for the benefit of the Foundation. The UNA Foundation received a credit for this transfer that was used to offset contributed services provided by the University. The credit provided to the Foundation for the years ended September 30, 2007 and 2006 was \$90,503 and \$84,810, respectively. There was no further credit available to the Foundation at September 30, 2007.

NOTE 11: CAMPUS PROJECTS, LLC

Campus Projects, LLC was created in 2005 with the sole member being University of North Alabama Foundation. In 2005, the Foundation transferred assets to the LLC that did not meet the objectives of the Foundation.