

RADFORD UNIVERSITY FOUNDATION, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Radford University Foundation, Inc.
Radford, Virginia**

We have audited the accompanying consolidated statements of financial position of Radford University Foundation, Inc. and affiliate (the "Foundation") as of June 30, 2008 and 2007 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 the financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits 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 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 consolidated financial position of Radford University Foundation, Inc. and affiliate as of June 30, 2008 and 2007 and the changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of Radford University Foundation, Inc. and affiliate. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Joti, Flynn, Louren & Company, P. C.

Roanoke, Virginia
September 15, 2008

RADFORD UNIVERSITY FOUNDATION, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 1,813,035	\$ 2,975,625
Notes and other receivables	114,865	104,576
Contributions receivable	742,792	1,000,258
Grants receivable	-	433,779
Prepaid expenses	33,331	37,816
Inventory	88,805	82,894
Investments	40,367,814	40,999,711
Land held for sale	137,967	137,967
Cash value of life insurance	90,801	88,334
Land, buildings and equipment, at cost, net of accumulated depreciation	12,780,567	14,541,361
Collections of art	<u>2,147,531</u>	<u>2,146,531</u>
 Total assets	 <u>\$ 58,317,508</u>	 <u>\$ 62,548,852</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 95,705	\$ 547,228
Accrued expenses and other payables	49,484	33,853
Deferred rental income	2,965	10,872
Debt	725,391	1,178,110
Annuity and unitrust obligations	<u>1,076,251</u>	<u>1,315,425</u>
 Total liabilities	 <u>1,949,796</u>	 <u>3,085,488</u>
 Net Assets:		
Unrestricted	17,795,554	17,179,776
Temporarily restricted	17,645,569	22,354,681
Permanently restricted	<u>20,926,589</u>	<u>19,928,907</u>
 Total net assets	 <u>56,367,712</u>	 <u>59,463,364</u>
 Total liabilities and net assets	 <u>\$ 58,317,508</u>	 <u>\$ 62,548,852</u>

See accompanying notes to financial statements.

RADFORD UNIVERSITY FOUNDATION, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended June 30, 2008 and 2007

	2008			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Contributions	\$ 226,081	\$ 415,397	\$ 843,437	\$ 1,484,915
Contributions-in-kind	1,346,054	6,908	-	1,352,962
Income on long-term investments	10,593	182,771	-	193,364
Rental income	885,756	-	-	885,756
Other income	85,379	38,696	96,212	220,287
Loss on sale of real estate	(922,414)	-	-	(922,414)
Transfers	(180,540)	(1,357)	181,897	-
Net realized and unrealized gains (losses) on long-term investments	<u>24,889</u>	<u>(1,564,302)</u>	<u>(123,864)</u>	<u>(1,663,277)</u>
	1,475,798	(921,887)	997,682	1,551,593
Net assets released from restrictions	<u>3,787,225</u>	<u>(3,787,225)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>5,263,023</u>	<u>(4,709,112)</u>	<u>997,682</u>	<u>1,551,593</u>
EXPENSES:				
Program expenses:				
Student support	834,024	-	-	834,024
University program support	1,586,251	-	-	1,586,251
University program support- direct	62,232	-	-	62,232
Faculty and staff development	44,585	-	-	44,585
Depreciation	395,672	-	-	395,672
Interest	54,895	-	-	54,895
General and administrative expenses:				
In-kind expenses contributed	1,289,730	-	-	1,289,730
Other	296,274	-	-	296,274
Fundraising expenses	<u>83,582</u>	<u>-</u>	<u>-</u>	<u>83,582</u>
Total expenses	<u>4,647,245</u>	<u>-</u>	<u>-</u>	<u>4,647,245</u>
Change in net assets	<u>615,778</u>	<u>(4,709,112)</u>	<u>997,682</u>	<u>(3,095,652)</u>
NET ASSETS:				
Beginning	<u>17,179,776</u>	<u>22,354,681</u>	<u>19,928,907</u>	<u>59,463,364</u>
Ending	<u>\$17,795,554</u>	<u>\$17,645,569</u>	<u>\$ 20,926,589</u>	<u>\$56,367,712</u>
See accompanying notes to financial statements.				

2007

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 109,129	\$ 913,217	\$ 792,537	\$ 1,814,883
1,497,129	77,664	-	1,574,793
7,648	108,907	-	116,555
911,404	-	-	911,404
103,801	106,324	94,359	304,484
-	-	-	-
(3,805)	3,805	-	-
<u>1,756,685</u>	<u>13,726,902</u>	<u>27,045</u>	<u>15,510,632</u>
4,381,991	14,936,819	913,941	20,232,751
<u>2,165,268</u>	<u>(2,165,268)</u>	<u>-</u>	<u>-</u>
<u>6,547,259</u>	<u>12,771,551</u>	<u>913,941</u>	<u>20,232,751</u>
773,447	-	-	773,447
1,850,281	-	-	1,850,281
84,534	-	-	84,534
55,918	-	-	55,918
400,942	-	-	400,942
69,144	-	-	69,144
1,484,260	-	-	1,484,260
259,398	-	-	259,398
<u>131,169</u>	<u>-</u>	<u>-</u>	<u>131,169</u>
<u>5,109,093</u>	<u>-</u>	<u>-</u>	<u>5,109,093</u>
<u>1,438,166</u>	<u>12,771,551</u>	<u>913,941</u>	<u>15,123,658</u>
<u>15,741,610</u>	<u>9,583,130</u>	<u>19,014,966</u>	<u>44,339,706</u>
<u>\$ 17,179,776</u>	<u>\$ 22,354,681</u>	<u>\$ 19,928,907</u>	<u>\$ 59,463,364</u>