

Form **990**

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

**2006**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

**A** For the 2006 calendar year, or tax year beginning **JUL 1, 2006** and ending **JUN 30, 2007**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	<b>C</b> Name of organization <b>DEVELOPMENT FOUNDATION OF THE NCCAT</b>		<b>D</b> Employer identification number <b>56-1884667</b>
		Number and street (or P O box if mail is not delivered to street address) Room/suite <b>276 NCCAT DRIVE</b>		<b>E</b> Telephone number <b>828-293-5202</b>
		City or town, state or country, and ZIP + 4 <b>CULLOWHEE, NC 28723</b>		<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____
		• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).		

**G** Website **WWW.NCCAT.ORG**

**J** Organization type (check only one)  501(c)(3) (insert no)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

*H and I are not applicable to section 527 organizations.*  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates **N/A**  
**H(c)** Are all affiliates included? **N/A**  Yes  No (if "No," attach a list)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number **N/A**

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **1,011,015.**

**M** Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Contributions to donor advised funds	1a			
	b	Direct public support (not included on line 1a)	1b	895,893.		
	c	Indirect public support (not included on line 1a)	1c			
	d	Government contributions (grants) (not included on line 1a)	1d			
	e	Total (add lines 1a through 1d) (cash \$ <b>895,893.</b> noncash \$ _____)	1e		895,893.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		3,660.	
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4			
	5	Dividends and interest from securities	5		84,438.	
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
c	Net rental income or (loss) Subtract line 6b from line 6a	6c				
7	Other investment income (describe _____)	7				
Expenses	8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	(B) Other	
	b	Less cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c			
	d	Net gain or (loss) Combine line 8c, columns (A) and (B)	8d			
	9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events Subtract line 9b from line 9a	9c			
	10a	Gross sales of inventory, less returns and allowances	10a	27,024.		
	b	Less cost of goods sold	10b	36,645.		
	c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c		<9,621.>	
	11	Other revenue (from Part VII, line 103)	11			
12	Total revenue Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		974,370.		
13	Program services (from line 44, column (B))	13		734,223.		
14	Management and general (from line 44, column (C))	14		53,085.		
15	Fundraising (from line 44, column (D))	15		29,166.		
16	Payments to affiliates (attach schedule)	16				
17	Total expenses Add lines 16 and 44, column (A)	17		816,474.		
18	Excess or (deficit) for the year Subtract line 17 from line 12	18		157,896.		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,273,944.		
20	Other changes in net assets or fund balances (attach explanation)	20		86,841.		
21	Net assets or fund balances at end of year Combine lines 18, 19, and 20	21		1,518,681.		

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SCANNED JUN 23 2008

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**Part I** Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0, noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 714,472, noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	714,472.	714,472.	STATEMENT 3	
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A	0.	0.	0.	0.
b Compensation of former officers, directors, key employees, etc listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	14,086.	14,086.		
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	2,194.	2,194.		
29 Payroll taxes	3,471.	3,471.		
30 Professional fundraising fees				
31 Accounting fees	8,965.		8,965.	
32 Legal fees				
33 Supplies				
34 Telephone				
35 Postage and shipping				
36 Occupancy				
37 Equipment rental and maintenance				
38 Printing and publications				
39 Travel	11,106.		11,106.	
40 Conferences, conventions, and meetings	4,329.		4,329.	
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	4,667.		4,667.	
43 Other expenses not covered above (itemize):				
a BANK CHARGES & FEES	1,166.		1,166.	
b INVESTMENT MANAGEMENT FEES				
c MISCELLANEOUS EXPENSE	9,898.		9,898.	
d COMPUTER SOFTWARE	365.		365.	
e INSURANCE	11,576.		11,576.	
f FUND RAISING EXPENSES	1,013.		1,013.	
g	29,166.			29,166.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	816,474.	734,223.	53,085.	29,166.

Joint Costs. Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A, (ii) the amount allocated to Program services \$ N/A,

(iii) the amount allocated to Management and general \$ N/A, and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► SEE STATEMENT 4	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
<b>a</b> ACTIVITIES AND PROGRAMS OF THE NORTH CAROLINA CENTER FOR THE ADVANCEMENT OF TEACHING   	
(Grants and allocations \$ 714,472. ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	734,223.
<b>b</b>   	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>c</b>   	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>d</b>   	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>e</b> Other program services (attach schedule) 	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>f</b> Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	734,223.

**Part IV Balance Sheets** (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	702,988.	46 727,755.
	47 a Accounts receivable	47a	47c
	b Less allowance for doubtful accounts	47b	
	48 a Pledges receivable	48a 7,669.	
	b Less allowance for doubtful accounts	48b	48c 7,669.
	49 Grants receivable		49 200,666.
	60 a Receivables from current and former officers, directors, trustees, and key employees		50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b
	61 a Other notes and loans receivable	61a	61c
	b Less allowance for doubtful accounts	61b	
	62 Inventories for sale or use	8,269.	62 9,667.
	63 Prepaid expenses and deferred charges		63 8,508.
	54 a Investments - publicly-traded securities STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	524,665.	54a 649,205.
b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55 a Investments - land, buildings, and equipment basis	55a		
b Less accumulated depreciation	55b	55c	
56 Investments - other		56	
57 a Land, buildings, and equipment, basis	57a 24,091.		
b Less accumulated depreciation STMT 5	57b 8,865.	57c 18,699.	
58 Other assets, including program-related investments (describe ▶ _____)		58	
59 Total assets (must equal line 74). Add lines 45 through 58	1,273,944.	59 1,618,696.	
Liabilities	60 Accounts payable and accrued expenses		60 100,015.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe ▶ _____)		65
66 Total liabilities. Add lines 60 through 65	0.	66 100,015.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted	179,713.	67 283,454.
	68 Temporarily restricted	472,387.	68 552,482.
	69 Permanently restricted	621,844.	69 682,745.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
73 Total net assets or fund balances Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	1,273,944.	73 1,518,681.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,273,944.	74 1,618,696.	





Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	85a N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
	85b N/A		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	85g N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	85h N/A		
86	501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) organizations. Enter. a Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
	87b N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89 a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u>		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u>		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			
90 a	List the states with which a copy of this return is filed <u>NONE</u>		
b	Number of employees employed in the pay period that includes March 12, 2006 <u>1</u>		
91 a	The books are in care of <u>DAVID LILLY</u> Telephone no <u>828-293-5202</u>		
	Located at <u>NCCAT, CULLOWHEE, NC</u> ZIP + 4 <u>28723</u>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>N/A</u>		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
91b			

**Part VI Other Information** (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c  Yes  No  
 If 'Yes,' enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here 92  Yes  No  
 and enter the amount of tax-exempt interest received or accrued during the tax year N/A

**Part VII Analysis of Income-Producing Activities** (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					3,660.
a MISCELLANEOUS INCOME					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14		84,438.
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory			03	<9,621.>	
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		<9,621.>	88,098.
105 Total (add line 104, columns (B), (D), and (E))					78,477.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See the instructions.)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93	RECOVERY OF EXPENSES VIA VARIOUS REIMBURSEMENTS

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13) N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Preparer of preparer (other than officer) is based on all information of which preparer has any knowledge

Please Sign Here: *[Signature]* Date 5/12/08  
 Signature of officer  
 Type or print name and title: DAVID J. LILLY, DIRECTOR OF DEVELOPMENT

Paid Preparer's Use Only: Preparer's signature *[Signature]* Date 5/12/08 Check if self-employed   
 Firm's name (or yours if self-employed), address, and ZIP + 4: DIXON HUGHES PLLC  
500 RIDGEFIELD COURT  
ASHEVILLE NC 28806  
 EIN: \_\_\_\_\_  
 Phone no: 828 254-2254

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust)

OMB No 1545-0047

**2006**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information-(See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

DEVELOPMENT FOUNDATION OF THE NCCAT

Employer identification number  
56 1884667

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 2 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶	0			

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None" See page 2 of the instructions )

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	0	

**Part III** Statements About Activities (See page 2 of the instructions)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Safe, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		X
3	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		
a	Did the organization have a section 403(b) annuity plan for its employees?		X
b	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement.		X
c	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g.		X
a	Did the organization make any taxable distributions under section 4966?	N/A	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	
c	Enter the total number of donor advised funds owned at the end of the tax year		N/A
d	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		N/A
e	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0.
f	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year		0.

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions)

I certify that the organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization:
  - Type I
  - Type II
  - Type III-Functionally Integrated
  - Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 6 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b>					

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions)

**Part IV-A** Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.  
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	596,017.	848,969.	398,883.	399,205.	2,243,074.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	18,097.	39,914.	31,538.	23,998.	113,547.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	36,014.	17,517.	11,373.	14,217.	79,121.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	650,128.	906,400.	441,794.	437,420.	2,435,742.
24 Line 23 minus line 17	632,031.	866,486.	410,256.	413,422.	2,322,195.
25 Enter 1% of line 23	6,501.	9,064.	4,418.	4,374.	

26 Organizations described on lines 10 or 11. a Enter 2% of amount in column (e), line 24	26a	46,444.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	0.
c Total support for section 509(a)(1) test. Enter line 24, column (e)	26c	2,322,195.
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____	26d	79,121.
e Public support (line 26c minus line 26d total)	26e	2,243,074.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	96.5928%

27 Organizations described on line 12. a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year	(2005)	(2004)	(2003)	(2002)
	N/A			
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year	(2005)	(2004)	(2003)	(2002)
				N/A
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ and line 27b total	27c			N/A
d Add: Line 27a total	27d			N/A
e Public support (line 27c total minus line 27d total)	27e			N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)	27f			N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g			N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h			N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

**Part V Private School Questionnaire** (See page 9 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
_____			
_____			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )	32d	
_____			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )	33h	
_____			
_____			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 10 of the instructions)  
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check  a if the organization belongs to an affiliated group Check  b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is -                      The lobbying nontaxable amount is - Not over \$500,000                                      20% of the amount on line 40 Over \$500,000 but not over \$1,000,000                      \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000                      \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000                      \$225,000 plus 6% of the excess over \$1,500,000 Over \$17,000,000                                      \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities



FORM 990

INCOME AND COST OF GOODS SOLD  
INCLUDED ON PART I, LINE 10

STATEMENT 1

INCOME

1. GROSS RECEIPTS . . . . .	27,024	
2. RETURNS AND ALLOWANCES . . . . .		
3. LINE 1 LESS LINE 2 . . . . .		27,024
4. COST OF GOODS SOLD (LINE 13) . . . . .	36,645	
5. GROSS PROFIT (LINE 3 LESS LINE 4) . . . . .		<9,621>

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR . . . . .	8,269	
7. MERCHANDISE PURCHASED . . . . .	38,043	
8. COST OF LABOR . . . . .		
9. MATERIALS AND SUPPLIES . . . . .		
10. OTHER COSTS . . . . .		
11. ADD LINES 6 THROUGH 10 . . . . .		46,312
12. INVENTORY AT END OF YEAR . . . . .	9,667	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). . . . .		36,645



FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
SALOMON SMITH BARNEY	FMV	649,205.			649,205.
TO FORM 990, LINE 54A, COL B		649,205.			649,205.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
RICHARD E ROGERS 908 WOODLAWN DRIVE WILLIAMSTON NC 27892	DIRECTOR 0.00	0.	0.	0.
WILLIAM CASSELL 5509 A WEST FRIENDLY AVE GREENSBORO, NC 27410	DIRECTOR 0.00	0.	0.	0.
RICHARD SCHWARTZ P.O. BOX 2350 RALEIGH, NC 27602	DIRECTOR 0.00	0.	0.	0.
MARY JO ALLEN PO BOX 597 AHOSKIE NC 27910	DIRECTOR 0.00	0.	0.	0.
JAMES COWARD, JR. 705 WEST MAIN STREET SYLVA, NC 28779	DIRECTOR 0.00	0.	0.	0.
JAMES E HOLSHOUSER PO BOX 1227 PINEHURST NC 28370	DIRECTOR 0.00	0.	0.	0.
PHIL KIRK JR 3017 OLD ORCHARD ROAD RALEIGH NC 27607	DIRECTOR 0.00	0.	0.	0.

DEVELOPMENT FOUNDATION OF THE NCCAT

56-1884667

MARY D MCDUFFIE 276 NCCAT DRIVE CULLOWHEE NC 28723	DIRECTOR 0.00	0.	0.	0.
WILLIAM I LONG 349 WEST 20TH STREET NEW YORK NY 10011	DIRECTOR 0.00	0.	0.	0.
RICHARD THOMPSON 112 IRONWOOD PLACE CHAPEL HILL NC 27514	DIRECTOR 0.00	0.	0.	0.
ED TUCKER 422 SOUTH CHURCH STREET CHARLOTTE, NC 28202	DIRECTOR 0.00	0.	0.	0.
WILLIS WHICHARD 84402 WINSLOW CHAPEL HILL NC 27517	DIRECTOR 0.00	0.	0.	0.
WILLIAM MCINTYRE 3746 YADKINVILLE ROAD WINSTON-SALEM, NC 27106	DIRECTOR 0.00	0.	0.	0.
JUDY PHILLIPS 405 COMMONS WALK CIRCLE MORRISVILLE NC 27560	DIRECTOR 0.00	0.	0.	0.
DOROTHY THORNBURG P.O. BOX 8 WEBSTER, NC 28788	DIRECTOR 0.00	0.	0.	0.
DEANNA LEE 301 SOUTH COLLEGE STREET CHARLOTTE NC 28288	DIRECTOR 0.00	0.	0.	0.
ALLEN BURRUS PO BOX 27 HATTERAS NC 27943	DIRECTOR 0.00	0.	0.	0.
ANTHONY FOXX 705 EAST 10TH STREET CHARLOTTE NC 28202	DIRECTOR 0.00	0.	0.	0.
LINDA SUGGS 105 PEMBER PLACE MORRISVILLE NC 27560	DIRECTOR 0.00	0.	0.	0.

TOTALS INCLUDED ON FORM 990, PART V-A

0.	0.	0.
----	----	----

- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box  **X**
- Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

**Part II Additional (not automatic) 3-Month Extension of Time.** You must file original and one copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <b>DEVELOPMENT FOUNDATION OF THE NCCAT</b>	Employer identification number <b>56-1884667</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>NCCAT</b>	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions. <b>CULLOWHEE, NC 28723</b>	

Check type of return to be filed (File a separate application for each return):

Form 990     Form 990-EZ     Form 990-T (sec. 401(a) or 408(a) trust)     Form 1041-A     Form 5227     Form 8870

Form 990-BL     Form 990-PF     Form 990-T (trust other than above)     Form 4720     Form 8069

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

• The books are in the care of **DAVID LILY**  
Telephone No. **828-293-5202**      FAX No. \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **MAY 15, 2008**

6 For calendar year \_\_\_\_\_, or other tax year beginning **JUL 1, 2006**, and ending **JUN 30, 2007**

6 If this tax year is for less than 12 months, check reason.  Initial return     Final return     Change in accounting period

7 State in detail why you need the extension  
**MANAGEMENT AND EXTERNAL AUDITOR ARE IN PROCESS OF GATHERING AND PROVIDING DATA REQUIRED BY THE RETURN PREPARER.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	8c	\$	N/A

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **[Signature]** Title **CPA** Date **2/8/2008**

**Notice to Applicant. (To Be Completed by the IRS)**

- We have approved this application. Please attach this form to the organization's return
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other \_\_\_\_\_

Director \_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name <b>DIXON HUGHES PLLC</b>
	Number and street (include suite, room, or apt. no.) or a P.O. box number <b>500 RIDGEFIELD COURT</b>
	City or town, province or state, and country (including postal or ZIP code) <b>ASHEVILLE NC 28806</b>

823832 05-01-07

# BURLESON EARLEY & KEEL, PLLC

C E R T I F I E D P U B L I C A C C O U N T A N T S

To the Board of Directors of  
The Development Foundation of the North Carolina Center for the  
Advancement of Teaching, Inc.  
Cullowhee, NC

In planning and performing our audit of the financial statements of The Development Foundation of the North Carolina Center for the Advancement of Teaching, Inc. for the year ended June 30, 2007, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated August 17, 2007 on the financial statements of The Development Foundation of the North Carolina Center for the Advancement of Teaching, Inc.

We will review the status of these comments at our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and will be pleased to discuss any of these comments in further detail with you at your convenience, to perform any additional study of these matters; or to assist you in implementing the recommendations. Our comments are summarized as follows:

## Procedural Recommendations

- **Memorabilia Store Inventory** - this recommendation continues from the previous year that inventory withdrawals for other than sales transactions be recorded in the general ledger on a monthly basis using the appropriate expense accounts for the purpose of the withdrawal.
- **Memorabilia Store Posting** - this recommendation continues from the previous year that inventory levels be adjusted monthly in the general ledger as they relate to sales in order to provide an indication of the relationship of the store sales to the cost of sales.
- **Pledge Monitoring** - this recommendation continues from the previous year for the regular review of the status of the outstanding pledges by appropriate levels of management and follow up communications with donors as considered beneficial.
- **Restricted Net Assets Balance Review** - the Organization is utilizing a function within the software to separate the temporarily and permanently restricted revenues and their related expenses. Currently, this is being accomplished using the "class" function. This allows management to review revenues and expenses by "class" for each restricted program. There is not a process currently whereby management reviews the balance of the remaining restricted net assets by program for accuracy. We recommend that the Organization explore other processes, both within the software and outside of it, that will allow for review of these balances on at least a quarterly basis.
- **Transaction Initiation, Approval, and Processing** - written policies and procedures do not exist for the approval of transactions and journal entries into the general ledger. The current policies are not formal. Through our test of your controls as they are understood, we did note a few minor exceptions with respect to account posting and minor inconsistencies in the approval process. It is our recommendation that, through consideration of the utilization of additional persons in the internal control process, management develop written procedures for the initiation, approval and processing of transactions in each aspect of your internal control system.

### Utilization of Accrual Accounting

- **Pledge Recognition** - this recommendation continues from the previous year related to the recording in the general ledger of the pledge activity. It is further recommended that, to facilitate this, the pledge should be recorded in both Raiser's Edge and in Quickbooks. This will allow for the reconciliation of the subsidiary ledgers in both systems to provide assurance to management that the balances of the pledges are accurate.
- **Recording Investment Activity and Adjusting to Market Value** - the investment activity for the Smith Barney accounts is not being recorded monthly in the general ledger. This activity includes earnings, expenses, sales and purchases. Additionally, a monthly entry is necessary to record the fluctuation of that period in the market value of the investments. We recommend that the Organization develop a spreadsheet that allows them to derive all of the required information from the monthly statements and formulate the necessary journal entry to reflect these amounts in the general ledger on a monthly basis.
- **Recognizing Grants and Contributions** - grant awards and contributions are earned in a variety of ways. They can be considered earned when they are awarded, when the revenue is received, or when the expenses associated with the purpose of the grant have been incurred or expended. We recommend that each grant be recorded into your general ledger based on when it is earned to facilitate the recognition of your revenues on the accrual basis of accounting. This can be accomplished by recording a receivable for grants for which the revenue has been earned.
- **Accounts Payable Functionality within Software** - currently the expenses are recorded in the general ledger as the disbursement checks are issued. We recommend that you begin to process the expenses in Quickbooks utilizing the "Enter Bills" and "Pay Bills" functions. This will allow you to produce an accounts payable listing of all outstanding invoices that have been received to be utilized in managing your cash flow. You can select a group of invoices to be paid and print the checks in a batch. This process will provide for recognition of the expenses in the period that they are incurred based on the invoice and/or service date, in accordance with the accrual basis of accounting.

This report is intended solely for the information and use of the Board of Directors, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

*Burlason, Earley & Keel, PLLC*

Certified Public Accountants  
August 17, 2007