

FRIENDS OF WOODSTOCK SCHOOL, INC.

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED JUNE 30, 2010 AND 2009

FRIENDS OF WOODSTOCK SCHOOL, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

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INDEPENDENT AUDITOR'S REPORT

February 22, 2011

Board of Directors
Friends of Woodstock School, Inc.
Mukilteo, Washington

We have audited the accompanying statements of financial position of Friends of Woodstock School, Inc. (a nonprofit corporation) as of June 30, 2010 and 2009 and the related statements of activity, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the management of Friends of Woodstock School, Inc. 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Friends of Woodstock School, Inc., as of June 30, 2010 and 2009, 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.


Jacobson Jarvis & Co, PLLC

FRIENDS OF WOODSTOCK SCHOOL, INC.

STATEMENTS OF FINANCIAL POSITION

YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	Restated <u>2009</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 492,883	\$ 402,362
Investments	1,967,094	2,003,522
Accrued interest receivable	4,125	3,901
Loan receivable	15,000	15,000
Promises to give - current	50,000	219,000
Prepays and deposits	55,994	450
Total Current Assets	<u>2,585,096</u>	<u>2,644,235</u>
Promises To Give - long term, net	216,562	292,225
Equipment, net of accumulated depreciation of \$11,838	-	-
Endowment Investments	684,530	543,830
Assets Held in Trust	<u>135,027</u>	<u>110,034</u>
	<u>\$ 3,621,215</u>	<u>\$ 3,590,324</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ -	\$ 970
Deferred revenue	60,700	-
Due to Kodai Friends International, Inc.	-	82,419
Grants payable	-	80,000
Total Current Liabilities	<u>60,700</u>	<u>163,389</u>
Net Assets		
Unrestricted	1,750,226	1,493,919
Temporarily restricted	1,109,697	1,342,514
Permanently restricted	700,592	590,502
Total Net Assets	<u>3,560,515</u>	<u>3,426,935</u>
	<u>\$ 3,621,215</u>	<u>\$ 3,590,324</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

STATEMENTS OF ACTIVITY

YEARS ENDED JUNE 30, 2010 AND 2009

	2010				2009 - Restated			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenue, and Other Support								
Contributions	\$ 132,933	\$ 698,496	\$ 110,090	\$ 941,519	\$ 181,111	\$ 79,739	\$ -	\$ 260,850
Conference revenue	64,357			64,357	-			-
Tour and other revenue	97,665			97,665	24,805			24,805
Interest and dividends	67,219	9,737		76,956	126,285	-		126,285
Net gain (loss) on investments	193,511	30,570		224,081	(528,524)	(32,446)		(560,970)
Gain (loss) on assets held in trust	9,298			9,298	(46,618)			(46,618)
Net assets released from restrictions	921,620	(921,620)		-	640,400	(640,400)		-
Transfer of net assets	-	-	-	-	-	(47,954)	47,954	-
Total Public Support, Revenue, and Other Support	<u>1,486,603</u>	<u>(182,817)</u>	<u>110,090</u>	<u>1,413,876</u>	<u>397,459</u>	<u>(641,061)</u>	<u>47,954</u>	<u>(195,648)</u>
Expenses								
Program	1,109,056			1,109,056	708,877			708,877
Management and general	99,246			99,246	101,353			101,353
Fundraising	21,994			21,994	15,347			15,347
Total Expenses	<u>1,230,296</u>			<u>1,230,296</u>	<u>825,577</u>			<u>825,577</u>
Loss on uncollectible promises to give	-	50,000	-	50,000	-	-	-	-
Total Expenses and Losses	<u>1,230,296</u>	<u>50,000</u>	<u>-</u>	<u>1,280,296</u>	<u>825,577</u>	<u>-</u>	<u>-</u>	<u>825,577</u>
Change in Net Assets	256,307	(232,817)	110,090	133,580	(428,118)	(641,061)	47,954	(1,021,225)
Net Assets - beginning of year	<u>1,493,919</u>	<u>1,342,514</u>	<u>590,502</u>	<u>3,426,935</u>	<u>1,922,037</u>	<u>1,983,575</u>	<u>542,548</u>	<u>4,448,160</u>
Net Assets - end of year	<u>\$ 1,750,226</u>	<u>\$ 1,109,697</u>	<u>\$ 700,592</u>	<u>\$ 3,560,515</u>	<u>\$ 1,493,919</u>	<u>\$ 1,342,514</u>	<u>\$ 590,502</u>	<u>\$ 3,426,935</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2010 AND 2009

	2010				2009			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ -	\$ 46,200	\$ -	\$ 46,200	\$ -	\$ 46,200	\$ -	\$ 46,200
Employee benefits	-	6,886	-	6,886	-	7,348	-	7,348
Payroll taxes	-	3,809	-	3,809	-	3,663	-	3,663
Total Payroll Expense	-	56,895	-	56,895	-	57,211	-	57,211
Grants made	973,548	-	-	973,548	708,390	-	-	708,390
Tour	87,700	-	-	87,700	-	-	-	-
Conference	42,932	-	-	42,932	-	-	-	-
Investment expense	-	-	17,763	17,763	-	-	15,347	15,347
Professional fees	-	15,582	-	15,582	-	16,978	-	16,978
Miscellaneous	4,436	6,687	345	11,468	487	5,392	-	5,879
Occupancy	-	9,012	-	9,012	-	9,027	-	9,027
Telephone	-	4,672	-	4,672	-	3,898	-	3,898
Travel	-	2,865	48	2,913	-	1,890	-	1,890
Printing	-	-	2,638	2,638	-	369	-	369
Postage and shipping	-	890	1,200	2,090	-	737	-	737
Maintenance	-	1,783	-	1,783	-	3,897	-	3,897
Supplies	440	860	-	1,300	-	1,004	-	1,004
Meetings	-	-	-	-	-	950	-	950
Total Expenses	<u>\$1,109,056</u>	<u>\$ 99,246</u>	<u>\$ 21,994</u>	<u>\$1,230,296</u>	<u>\$ 708,877</u>	<u>\$ 101,353</u>	<u>\$ 15,347</u>	<u>\$ 825,577</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Cash received from donors	\$1,005,713	\$ 734,850
Cash received from program participants	222,722	211
Cash received from investments	29,441	34,441
Cash paid for grants	(1,054,243)	(857,390)
Cash paid to vendors	(256,367)	(60,156)
Cash paid to employees	<u>(56,895)</u>	<u>(57,211)</u>
Net Cash Used by Operating Activities	<u>(109,629)</u>	<u>(205,255)</u>
Cash Flows from Investing Activities		
Purchases of investments	(444,062)	(2,130,490)
Proceeds from sale of investments	<u>534,122</u>	<u>2,126,766</u>
Net Cash Provided (Used) by Investing Activities	<u>90,060</u>	<u>(3,724)</u>
Cash Flows Provided by Financing Activities		
Proceeds from contributions restricted to Endowment	<u>110,090</u>	<u>-</u>
Change in Cash and Cash Equivalents	90,521	(208,979)
Cash and Cash Equivalents - beginning of year	<u>402,362</u>	<u>611,341</u>
Cash and Cash Equivalents - end of year	<u>\$ 492,883</u>	<u>\$ 402,362</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Reconciliation of Change in Net Assets to Net Cash		
Flows from Operating Activities		
Change in net assets	\$ 133,580	\$ (1,021,225)
Adjustments to reconcile change in net assets to net cash used by operating activities		
(Gain) loss on investments	(224,081)	560,970
(Gain) loss on assets held in trust	(9,993)	46,618
Reinvested investment earnings	(47,515)	(91,844)
Donation of annuities	(15,000)	(13,567)
Donation of marketable securities	(5,155)	(4,822)
Loss on uncollectible promises to give	50,000	-
Contributions restricted to endowment	(110,090)	-
Change in asset and liability accounts		
Promises to give	194,439	492,339
Prepaid expenses	(55,544)	-
Accounts payable	(970)	(180)
Deferred revenue	60,700	-
Grants payable	<u>(80,000)</u>	<u>(173,544)</u>
Net Cash Used by Operating Activities	<u>\$ (109,629)</u>	<u>\$ (205,255)</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

On July 1, 2006, Friends of Woodstock School (FWS) became the lawful successor foundation to KW International, Inc. (KWI). FWS is organized and operated exclusively for charitable and educational purposes, including support of educational programs in the United States and foreign countries. Its current mission focuses on Woodstock School. Further information can be found at www.fwsfoundation.org.

Basis of presentation

In accordance with financial accounting standards, 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.

Unrestricted net assets are available without restriction for support of FWS' operations.

Temporarily restricted net assets are restricted to be used for certain purposes or future periods by FWS. Temporarily restricted net assets are as follows:

	<u>June 30, 2009</u>	<u>Additions</u>	<u>Releases</u>	<u>Losses</u>	<u>June 30, 2010</u>
Capital projects	\$ 176,467	\$ 674,466	\$ (838,097)	\$ -	\$ 12,836
Scholarships	443,430	49,907	(53,523)	-	439,814
Staff development	377,617	14,430	(30,000)	(50,000)	312,047
Staff recruitment	345,000	-	-	-	345,000
	<u>\$ 1,342,514</u>	<u>\$ 738,803</u>	<u>\$ (921,620)</u>	<u>\$ (50,000)</u>	<u>\$ 1,109,697</u>

Permanently restricted net assets are endowment gifts given with the intent that the principal will be maintained intact in perpetuity, and the income may be used in support of various programs and purposes of Woodstock School.

Cash and cash equivalents

Cash and cash equivalents represent checking, savings, and money market accounts, which can exceed federally insured limits at times. FWS has not experienced any significant losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Investments

Investments are stated at fair value and consist of the following:

	<u>2010</u>	<u>2009</u>
Equity securities	\$ 1,211,567	\$ 1,199,813
Equity mutual funds	494,775	550,432
Fixed income funds	943,338	796,767
Cash held for investment	1,944	340
	<u>\$ 2,651,624</u>	<u>\$ 2,547,352</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loan receivable

Loan receivables consist of one loan to SAGE, Inc. (a related party). The note is interest free, and is due in full by March 18, 2011. No allowance has been recorded for this amount as it is estimated to be fully collectible.

Promises to give

Promises to give are shown at net realizable value. Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give as of June 30, 2010 are due as follows:

Receivable in less than one year	\$ 50,000
Receivable in one to five years	<u>295,000</u>
	345,000
Less allowance for uncollectible promises to give	(50,000)
Less discount to present value	<u>(28,438)</u>
	<u>\$ 266,562</u>

Promises to give receivable in more than one year are discounted to present value using a risk-free rate of return of 3% to 4%.

Furniture and equipment

Furniture and equipment are stated at cost or, if donated, at fair value at the date of donation. Furniture and equipment costing over \$1,000 are capitalized and depreciated over their useful lives of three to five years using the straight-line method.

Donated assets

Donated marketable securities and other non-cash donations are recorded as contributions at their fair value at the date of donation.

Restricted and unrestricted support

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restrictions expire (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 as net assets released from restrictions.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gifts of equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activity and of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited.

Income taxes

The Internal Revenue Service has recognized Friends of Woodstock School, Inc. as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Reclassifications

Certain accounts in the June 30, 2009 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the net assets or change in net assets as of or for the year ended June 30, 2009.

NOTE B - WOODSTOCK OLD STUDENT ASSOCIATION NORTH AMERICA

In July 2009, the Boards of FWS and the Woodstock Old Students Association in North America (WOSA-NA) entered into an arrangement where FWS agreed to act in certain instances as a fiscal agent for WOSA-NA, which is presently a constituted unincorporated organization but whose exact nature is in flux. In the process of executing this agreement, some assets and liabilities of WOSA-NA were transferred to FWS. Subsequent to year end, the Boards of FWS and WOSA-NA have voted to pursue merging the two organizations.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE C - FAIR VALUE MEASUREMENTS

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as 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. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

Assets carried at fair value on a recurring basis (at least annually) using level 1 inputs include equity securities and mutual funds. Assets carried at fair value on a recurring basis using level 2 inputs include fixed income securities. At June 30, 2010, assets valued on a recurring basis using level 3 inputs are as follows:

	Cash Surrender	
	Value of	Life
	<u>Life Insurance</u>	<u>Income Gifts</u>
Fair Value as of July 1, 2009	\$ 39,945	\$ 70,089
Additions	15,000	-
Total gains or losses (realized and unrealized) included in change in net assets	<u>695</u>	<u>9,298</u>
Fair Value as of June 30, 2010	<u>\$ 55,640</u>	<u>\$ 79,387</u>

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return which is a level 3 input.

NOTE D - PRIOR PERIOD RESTATEMENT

During the year ended June 30, 2010, certain errors were discovered relating to amounts accrued in 2007 for grants to foreign teachers to assist in their resettlement at the completion of their employment contracts. It was determined that the amounts recorded as payable were overstated and, as such, a correction was made in the current year.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE D - PRIOR PERIOD RESTATEMENT (Continued)

The effect of this correction was a decrease in grants payable and an increase unrestricted net assets in the amount of \$33,000 as of June 30, 2008. This adjustment had no effect on the change in net assets for the years ended June 30, 2010 or 2009.

NOTE E - CONCENTRATION

Promises to give from the Downs Foundation were 85.5% and 83.2% of total promises to give as of June 30, 2010 and 2009, respectively.

NOTE F - ASSETS HELD IN TRUST

FWS is named as remainderman in certain charitable remainder trust agreements administered by others (life income gifts and life insurance policies). The terms of these agreements provide for the disbursement of the trust assets to FWS upon the death of the final beneficiary. During the life of the beneficiaries, certain payments are made from trust assets as prescribed in the agreements.

NOTE G - ENDOWMENTS

FWS' endowment funds consist of four individual funds established for the purpose of providing scholarships, as well as certain assets held in perpetual trust. The organization's endowment funds only include donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

FWS accounts for its endowments in accordance with the "Uniform Prudent Management of Institutional Funds Act," (UPMIFA) as stated in the Revised Code of Washington (RCW) 24.55. This law superseded RCW 24.44, the "Uniform Management of Institutional Funds Act," effective July 1, 2009.

Interpretation of Relevant Law

FWS has determined that 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 is appropriate. As a result of this interpretation, the organization 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, as applicable, 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 as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE G - ENDOWMENTS (Continued)

In accordance with UPMIFA, FWS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investment;
- (6) Other resources of the organization; and
- (7) The investment policies of the organization.

Return Objectives and Risk Parameters

FWS has adopted investment policies for endowment assets that focus on long-term results. At a minimum, these policies attempt to provide a predictable stream of funding to programs supported by FWS while seeking to maintain the purchasing power of the endowment assets. Under the policy, the endowment assets are invested in a manner that is intended to produce maximum long-term total returns consistent with reasonable risk to principal for their asset category.

Strategies Employed for Achieving Objectives

To satisfy its long term total return objectives, FWS relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. FWS targets a diversified asset allocation that places a greater emphasis on equity-based investments, both foreign and domestic, to achieve its long-term objectives within prudent risk basis. The current allocation ratio is 60% equities and 40% fixed income and cash. FWS employs various external investment management firms to deploy these strategies for the organization.

FWS' investment policy guidelines are reviewed and reconfirmed or revised on at least an annual basis. Performance of the organization's investments is reviewed on a regular basis by the Board of Directors.

Spending Policy and How the Investment Objectives Relate to Spending Policy

FWS' Endowed Funds were established by written Agreements with the originating donors. Under the Agreements, the corpus is protected in perpetuity and only the temporarily restricted portion of the Fund can be spent unless authorized by the originating donor.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the organization to retain as a fund of perpetual duration.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE G - ENDOWMENTS (Continued)

In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in the unrestricted net assets were \$76,273 and \$82,576 for the years ended June 30, 2010 and 2009, respectively. These deficiencies resulted from unfavorable market fluctuations.

Endowment net assets consist of the following at June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Hezlep Endowment	\$ (70,652)	\$ -	\$ 238,122	\$ 167,470
Bishop Pickett Scholarship	-	47,777	151,140	198,917
Joseph Schoonmaker Scholarship	-	5,395	159,951	165,346
Elizabeth Shillington Scholarship	-	7,039	51,379	58,418
KG Singh Scholarship	(5,621)	-	100,000	94,379
Donor-restricted endowment funds	<u>\$ (76,273)</u>	<u>\$ 60,211</u>	<u>\$ 700,592</u>	<u>\$ 684,530</u>

Changes in endowment net assets for the year ended June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	<u>\$ (82,576)</u>	<u>\$ 35,904</u>	<u>\$ 590,502</u>	<u>\$ 543,830</u>
Investment return:				
Investment income	-	9,737	-	9,737
Net appreciation (realized and unrealized)	11,753	30,570	-	42,323
Total investment return	11,753	40,307	-	52,060
Contributions	-	-	110,090	110,090
Expenditures	(5,450)	(16,000)	-	(21,450)
Endowment net assets, end of year	<u>\$ (76,273)</u>	<u>\$ 60,211</u>	<u>\$ 700,592</u>	<u>\$ 684,530</u>

Endowment net assets consist of the following at June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Hezlep Endowment	\$ (79,041)	\$ -	\$ 238,122	\$ 159,081
Bishop Pickett Scholarship	-	34,452	151,000	185,452
Joseph Schoonmaker Scholarship	(3,535)	-	153,426	149,891
Elizabeth Shillington Scholarship	-	1,452	47,954	49,406
Donor-restricted endowment funds	<u>\$ (82,576)</u>	<u>\$ 35,904</u>	<u>\$ 590,502</u>	<u>\$ 543,830</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

NOTE G - ENDOWMENTS (Continued)

Changes in endowment net assets for the year ended June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (18,340)	\$ 67,414	\$ 542,548	\$ 591,622
Investment return:				
Investment income	-	22,539	-	22,539
Net depreciation (realized and unrealized)	<u>(64,236)</u>	<u>(34,243)</u>	<u>-</u>	<u>(98,479)</u>
Total investment return	(64,236)	(11,704)	-	(75,940)
Contributions	-	-	-	-
Expenditures	-	(19,806)	-	(19,806)
Reclassification	<u>-</u>	<u>-</u>	<u>47,954</u>	<u>47,954</u>
Endowment net assets, end of year	<u>\$ (82,576)</u>	<u>\$ 35,904</u>	<u>\$ 590,502</u>	<u>\$ 543,830</u>

NOTE H - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2010 through February 22, 2011, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at June 30, 2010, including the estimates inherent in the processing of financial statements.