

THE CAMPUS FOR HUMAN DEVELOPMENT

FINANCIAL STATEMENTS

June 30, 2010 and 2009

THE CAMPUS FOR HUMAN DEVELOPMENT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Campus for Human Development
Nashville, Tennessee

We have audited the accompanying statements of financial position of The Campus for Human Development (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 The Campus for Human Development 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.

Frasier, Dean & Howard, PLLC

November 22, 2010
Nashville, Tennessee

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 1,971,391	\$ 2,232,355
Certificate of deposit	-	900,704
Investments	49,815	-
Accounts receivable	4,530	-
Contract and grants receivable	406,641	179,484
Contributions receivable, net	960,958	941,234
Prepaid expenses	<u>54,339</u>	<u>29,711</u>
Total current assets	3,447,674	4,283,488
Contributions receivable, net of current portion	1,539,178	2,032,153
Land, building and equipment, net	<u>11,262,299</u>	<u>1,674,908</u>
Total assets	<u><u>\$ 16,249,151</u></u>	<u><u>\$ 7,990,549</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 789,878	\$ 229,571
Note payable, current portion	<u>83,836</u>	<u>-</u>
Total current liabilities	873,714	229,571
Note payable, noncurrent portion	<u>3,241,522</u>	<u>-</u>
Total liabilities	<u>4,115,236</u>	<u>229,571</u>
Net assets:		
Unrestricted	9,633,779	3,016,228
Temporarily restricted	<u>2,500,136</u>	<u>4,744,750</u>
Total net assets	<u>12,133,915</u>	<u>7,760,978</u>
Total liabilities and net assets	<u><u>\$ 16,249,151</u></u>	<u><u>\$ 7,990,549</u></u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Grants and contracts	\$ 4,090,634	\$ -	\$ 4,090,634
Contributions	1,311,888	1,079,394	2,391,282
In-kind contributions	450,841	-	450,841
Other	34,944	-	34,944
Net assets released from restrictions	<u>3,324,008</u>	<u>(3,324,008)</u>	<u>-</u>
 Total revenues	 <u>9,212,315</u>	 <u>(2,244,614)</u>	 <u>6,967,701</u>
Expenses:			
Program services	2,228,887	-	2,228,887
Supporting services	<u>365,877</u>	<u>-</u>	<u>365,877</u>
 Total expenses	 <u>2,594,764</u>	 <u>-</u>	 <u>2,594,764</u>
 Change in net assets	 6,617,551	 (2,244,614)	 4,372,937
 Net assets - beginning of year	 <u>3,016,228</u>	 <u>4,744,750</u>	 <u>7,760,978</u>
 Net assets - end of year	 <u><u>\$ 9,633,779</u></u>	 <u><u>\$ 2,500,136</u></u>	 <u><u>\$12,133,915</u></u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributions	\$ 780,332	\$ 4,549,877	\$ 5,330,209
Grants and contracts	863,318	-	863,318
In-kind contributions	440,882	-	440,882
Other	70,866	-	70,866
Net assets released from restrictions	<u>1,308,649</u>	<u>(1,308,649)</u>	<u>-</u>
 Total revenues	 <u>3,464,047</u>	 <u>3,241,228</u>	 <u>6,705,275</u>
Expenses:			
Program services	2,052,799	-	2,052,799
Supporting services	<u>266,729</u>	<u>-</u>	<u>266,729</u>
 Total expenses	 <u>2,319,528</u>	 <u>-</u>	 <u>2,319,528</u>
 Change in net assets	 1,144,519	 3,241,228	 4,385,747
 Net assets - beginning of year	 <u>1,871,709</u>	 <u>1,503,522</u>	 <u>3,375,231</u>
 Net assets - end of year	 <u><u>\$ 3,016,228</u></u>	 <u><u>\$ 4,744,750</u></u>	 <u><u>\$ 7,760,978</u></u>

See accompanying notes.

**THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2010**

	Program Services					Supporting Services				
	Day Center	Guest House	Respite	Veterans	Odyssey	Room in the Inn	Management and General	Fundraising	Total	Total
Salaries and related expenses	\$ 219,801	\$ 197,751	\$ 313,248	\$ 210,294	\$ 173,118	\$ 82,842	\$ 1,197,054	\$ 32,534	\$ 177,676	\$ 1,374,730
Professional fees (including \$48,733 in-kind)	107,285	22,237	6,159	11,817	9,403	19,359	176,260	-	10,167	186,427
Food (including \$136,544 in-kind)	-	69,547	24,990	42,783	26,743	250	164,313	-	-	164,313
Rent expense in-kind	30,801	28,001	4,200	25,201	25,201	16,800	130,204	-	9,800	140,004
Utilities	46,440	22,953	7,973	12,703	10,424	4,730	105,223	-	22,863	128,086
Supplies	3,053	37,388	24,761	21,394	23,048	789	110,433	-	1,079	111,512
Bad debt expense	-	-	-	-	-	-	-	-	85,101	85,101
Insurance	16,588	21,867	7,540	12,064	7,540	4,524	70,123	-	5,296	75,419
Program materials	4,325	3,119	1,765	1,877	50,549	5,790	67,425	-	5,410	72,835
Depreciation	13,736	14,361	6,244	9,990	9,990	3,746	58,067	-	4,371	62,438
Maintenance and security	15,287	17,889	4,829	9,921	5,828	4,029	57,783	-	3,260	61,043
Laundry in-kind	14,727	11,571	2,104	5,785	5,786	12,623	52,596	-	-	52,596
Miscellaneous	766	418	30	55	241	-	1,510	34,573	39,234	40,744
Transportation	10,421	-	11,495	80	6,410	-	28,406	-	348	28,754
Office equipment maintenance	1,145	1,509	521	833	521	179	4,708	-	1,272	5,980
Birth certificates and fees	4,739	-	43	-	-	-	4,782	-	-	4,782
	\$ 489,114	\$ 448,611	\$ 415,902	\$ 364,797	\$ 354,802	\$ 155,661	\$ 2,228,887	\$ 67,107	\$ 365,877	\$ 2,594,764

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2009

	Day Center	Program Services				Supporting Services		
		Guest House	Respite	Veterans	Room in the Inn	Total	Management and General	Total
Salaries and related expenses	\$ 314,607	\$ 375,999	\$ 157,888	\$ 180,491	\$ 103,961	\$ 1,132,946	\$ 140,008	\$ 168,431
Food (including \$137,588 in-kind)	-	89,137	26,720	58,826	-	174,683	-	-
Supplies	7,890	81,790	21,097	32,224	1,992	144,993	3,071	3,071
Rent expense in-kind	30,801	53,202	4,200	25,201	16,800	130,204	9,800	9,800
Utilities	48,607	36,374	9,262	14,790	5,528	114,561	7,891	7,891
Professional fees	15,342	11,738	2,826	5,910	9,034	44,850	12,858	39,714
Depreciation	14,295	25,342	6,498	10,397	3,899	60,431	4,549	4,549
Miscellaneous	2,479	611	13,893	363	16,573	33,919	24,420	24,424
Program materials	2,347	44,976	4,423	1,649	2,070	55,465	1,135	1,297
Laundry in-kind	12,872	14,494	1,753	4,836	10,519	44,474	-	-
Insurance	9,478	16,773	4,341	6,859	2,495	39,946	2,836	2,836
Maintenance and security	6,939	20,661	4,035	6,059	1,247	38,941	3,077	3,077
Transportation	7,557	4,662	13,556	-	-	25,775	485	485
Office equipment maintenance	1,507	2,672	685	1,396	411	6,671	1,154	1,154
Birth certificates and fees	4,773	141	26	-	-	4,940	-	-
	\$ 479,494	\$ 778,572	\$ 271,203	\$ 349,001	\$ 174,529	\$ 2,052,799	\$ 211,284	\$ 266,729
								\$ 2,319,528

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$4,372,937	\$4,385,747
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	62,438	64,980
Realized and unrealized gains	(651)	-
Grants received for long-term puposes	(3,221,503)	-
Contributions restricted for capital campaign	(797,893)	(4,299,877)
Donation of land, building, and equipment	-	(443,500)
Provision for loss on uncollectible contributions	83,601	-
Change in operating assets and liabilities:		
Accounts receivable	(4,530)	-
Contracts and grants receivable	(227,157)	(107,110)
Contributions receivable for operations	1,800	118,499
Prepaid expenses	(24,628)	(26,102)
Accounts payable and accrued expenses	560,307	85,397
Net cash provided by (used in) operating activities	<u>804,721</u>	<u>(221,966)</u>
Cash flows from investing activities:		
Sale of certificates of deposit	900,704	-
Purchase of certificates of deposit	-	(20,072)
Purchase of investments	(301,072)	-
Sale of investments	251,908	-
Purchase of land, building and equipment	<u>(9,649,829)</u>	<u>(719,025)</u>
Net cash used in investing activities	<u>(8,798,289)</u>	<u>(739,097)</u>
Cash flows from financing activities:		
Proceeds from contributions restricted for capital campaign	1,185,743	2,067,724
Grants received for long-term purposes	3,221,503	-
Proceeds from borrowings on long-term debt	<u>3,325,358</u>	<u>-</u>
Net cash provided by financing activities	<u>7,732,604</u>	<u>2,067,724</u>
Net decrease (increase) in cash and cash equivalents	(260,964)	1,106,661
Cash and cash equivalents - beginning of year	<u>2,232,355</u>	<u>1,125,694</u>
Cash and cash equivalents - end of year	<u><u>\$1,971,391</u></u>	<u><u>\$2,232,355</u></u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

The Organization

The Campus for Human Development ("Campus") is a religious non-profit organization based in Nashville, Tennessee. Campus is committed to providing enhanced services to the homeless while improving the system by which these services are delivered. Campus administers a variety of programs to provide a continuum of care that is emergency and long-term, residential and educational. Following is a description of selected Campus programs. The Guest House serves homeless substance abusers by offering shelter to individuals who are undergoing alcohol and drug addiction treatment through a partnership with the Metro Health Department and Veteran's Administration. The Day Center serves homeless individuals with daytime shelter throughout the year. Respite offers homeless individuals who are medically fragile a place to recover. The Veterans program provides transitional housing and supportive services to homeless veterans. Room In The Inn, in partnership with more than 170 Middle Tennessee congregations, provides shelter for an average of 250 men, women, and children each evening during the winter months.

Accounting Standards Codification

The Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") became the sole authoritative source of generally accepted accounting principles in the United States of America for periods ending after September 15, 2009. The FASB ASC incorporates all authoritative literature previously issued by a standard setter. Adoption of the FASB ASC had no effect on Campus' financial statements.

Basis of Presentation

In accordance with FASB ASC guidance, Campus 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. In addition, Campus is required to present a statement of cash flows. Net assets of Campus are presented as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met, either by actions of Campus and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2010 and 2009

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Basis of Presentation (Continued)

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by Campus. Generally, donors of these assets may permit Campus to use all or part of the income earned for general or specific purposes. Campus currently has no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Campus considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured.

Land, Building and Equipment

Campus capitalizes all expenditures for land, building and equipment in excess of \$1,000. Purchases of land, building and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 5 – 27.5 years.

Income Taxes

Campus is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is not a private foundation.

Campus follows FASB ASC guidance related to unrecognized tax benefits. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Campus has no tax penalties or interest reported in the accompanying financial statements. Tax years that remain open for examination include years ended June 30, 2007 through 2010. Adoption of this pronouncement had no impact on Campus' financial position or activities.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2010 and 2009

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Contributions Receivable

Contributions are recognized when the donor makes a promise to give to Campus that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Campus uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Materials and Services

Donated materials and equipment, if any, are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt.

Donated use of facilities is recorded at the estimated fair market value.

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.

Additionally, a number of non-professional volunteers donated approximately 170,000 and 139,000 hours for the years ended June 30, 2010 and 2009, respectively, to Campus' program services. However, these services do not meet the requirements above and have not been recorded.

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 functional expenses. Accordingly, certain costs have been allocated among program and support services based on estimates by management.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2010 and 2009

NOTE 2 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are as follows at June 30:

	<u>2010</u>	<u>2009</u>
Contributions receivable	\$ 2,820,219	\$ 3,284,234
Less:		
Discount on contributions receivable	(208,482)	(282,847)
Allowance for doubtful accounts	<u>(111,601)</u>	<u>(28,000)</u>
Net contributions receivable	<u>\$ 2,500,136</u>	<u>\$ 2,973,387</u>

The discount rates used to determine the present value of contributions receivable ranged from 0.37% to 3.53% at June 30, 2010 and from 1.11% to 3.53% at June 30, 2009.

Contributions receivable are scheduled to be received as follows:

	<u>2010</u>	<u>2009</u>
Receivable in less than one year, net	\$ 960,958	\$ 941,234
Receivable in one to five years, net	1,252,441	1,757,007
Receivable in more than five years, net	<u>286,737</u>	<u>275,146</u>
	<u>\$ 2,500,136</u>	<u>\$ 2,973,387</u>

NOTE 3 – LAND, BUILDING AND EQUIPMENT

Land, building and equipment is summarized as follows at June 30:

	<u>2010</u>	<u>2009</u>
Real estate	\$ 550,597	\$ 550,597
Leasehold improvements – Eighth Avenue South	1,046,161	1,046,161
Furniture and laundry equipment	519,691	153,147
Automobiles	35,550	35,550
Office equipment	514,611	121,950
Construction in progress	<u>9,668,469</u>	<u>777,844</u>
	12,335,079	2,685,249
Less: accumulated depreciation	<u>(1,072,780)</u>	<u>(1,010,341)</u>
	<u>\$ 11,262,299</u>	<u>\$ 1,674,908</u>

There are restrictions on certain property owned by Campus. The real estate restrictions by the Department of Housing and Urban Development (“HUD”) require Campus to operate the transitional housing facilities for a period of ten years from the initial occupancy. Additionally, Metropolitan Development and Housing Agency (“MDHA”) grant funds have placed restrictions on leasehold improvements and office equipment that require Campus to use the assets for the benefit of homeless individuals.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2010 and 2009

NOTE 3 – LAND, BUILDING AND EQUIPMENT (Continued)

At June 30, 2010 and 2009, construction in progress totaling \$9,668,469 and \$777,844, respectively, consisted of architect and engineering fees, construction materials, and builder fees incurred related to the construction of a new building for all Campus programs and administrative functions. The total anticipated cost for the new building is approximately \$13 million.

NOTE 4 – NOTE PAYABLE

During July 2009, Campus secured financing in the amount of \$3,800,000 related to the construction of the new building. The construction loan contains an initial interest-only period of one year ending June 30, 2010. The loan is secured by a deed of trust and requires \$800,000 to be deposited into an escrow account as a debt service reserve. Amounts outstanding at June 30, 2010 related to the construction loan totaled \$3,325,358.

Future principal payments on the note are as follows at June 30, 2010:

Year Ending June 30,	
2011	\$ 83,836
2012	89,451
2013	95,441
2014	<u>3,056,630</u>
	<u>\$ 3,325,358</u>

Subsequent to June 30, 2010, this construction loan was converted to a term note among various financial institutions totaling \$3,799,998. The term note requires monthly principal and interest payments of \$28,814 and bears interest at the banks' prime rate plus 25 basis points (minimum ranging from 4.625% - 4.825%). The term note matures June 30, 2014 and is amortized over a 20-year period.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods at June 30:

	<u>2010</u>	<u>2009</u>
Unconditional promises to give due in future periods	\$ 2,500,136	\$ 341,234
Contributions receivable for capital campaign	-	2,632,153
Contributions received for capital campaign	<u>-</u>	<u>1,771,363</u>
	<u>\$ 2,500,136</u>	<u>\$ 4,744,750</u>

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2010 and 2009

NOTE 6 – DONATED MATERIALS AND SERVICES

Campus received in-kind contributions as follows during the years ended June 30:

	<u>2010</u>	<u>2009</u>
Rental facilities	\$ 140,004	\$ 140,004
Food	136,544	137,588
Other	72,964	118,816
Laundry services	52,596	44,474
Professional fees	<u>48,733</u>	<u>-</u>
	<u>\$ 450,841</u>	<u>\$ 440,882</u>

The property located at Eighth Avenue South is leased on a long-term basis from MDHA. The payment of monthly rent is currently suspended and Campus recorded in-kind rent of \$89,479 for 2010 and 2009, respectively. The lease requires the property to be used for programs to help the homeless and the Guest House operations. The property at 625 Benton Avenue is used by Campus programs. This property is provided to Campus by MDHA, and requires the property to be used to assist the homeless. The payment of monthly rent is suspended and Campus recorded in-kind rent of \$36,000 for 2010 and 2009, respectively. The property located on Fifteenth Avenue is used by Campus programs. The property is provided to Campus by Belmont University and requires the property to be used for transitional housing. The payment of monthly rent is suspended and Campus recorded in-kind rent of \$14,525 for 2010 and 2009, respectively.

In-kind food represents donations of food to Campus and meals provided to individuals participating in Campus' various programs.

NOTE 7 – CONCENTRATIONS

Campus receives a significant amount of its support from contracts and grants from government agencies. Campus also receives a significant amount of financial and other support from religious organizations. A major reduction of support from these organizations, should this occur, could have a material effect on the financial position of Campus.

In addition, cash and cash equivalent balances are held primarily by financial institutions and at times may exceed federally insured limits.

NOTE 8 – EMPLOYEE RETIREMENT PLAN

Campus adopted a defined contribution plan effective January 1, 1997. The Plan covers all employees who are at least 21 years of age and have completed 90 days of service. Campus does not match employee contributions to the defined contribution plan.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2010 and 2009

NOTE 9 – COMMUNITY FOUNDATION OF MIDDLE TENNESSEE INVESTMENTS

The Community Foundation of Middle Tennessee, a separate nonprofit organization, maintains investments on behalf of Campus. The Community Foundation has ultimate authority and control over the investments; accordingly, the net assets of Campus do not include these investments.

Investment earnings on its pro-rata share of the Community Foundation's assets are expected to be reinvested and added to the principal balance. The balance of the endowment fund held for the benefit of Campus totaled approximately \$20,000 and \$17,000 at June 30, 2010 and 2009, respectively.

NOTE 10 – CAPITAL CAMPAIGN

During fiscal year 2007, Campus was approved for a \$1.6 million grant from the Tennessee Housing Development Agency. During fiscal year 2009, Campus was approved for a \$1.5 million grant from the Metropolitan Development and Housing Agency. These funds are to be used for the construction of a new building, as well as improvements to existing structures. Campus intends to fund the project through additional grants, contributions, and outside financing with a goal of \$13 million of contributions.

NOTE 11 – SUBSEQUENT EVENT

Campus evaluated subsequent events through November 22, 2010, when these financial statements were available to be issued. Other than described below, management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

During July 2010, Campus converted a construction loan to a term loan totaling \$3,799,998 as described in Note 4.