

FINANCIAL YEAR IN REVIEW

Faw, Casson & Co., LLP • Certified Public Accountants

INDEPENDENT AUDITORS REPORT

Board of Directors, Salisbury University Foundation, Inc.
Salisbury, Maryland

We have audited the accompanying statements of financial position of Salisbury University Foundation, Inc. as of June 30, 2008 and 2007 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Salisbury University Foundation, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 4 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audits of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

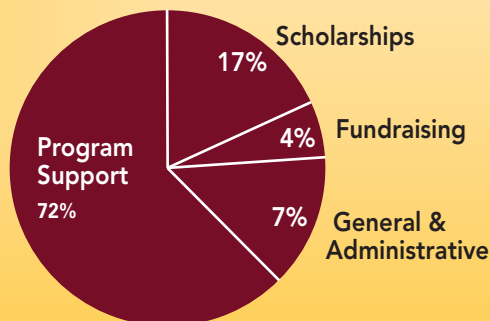
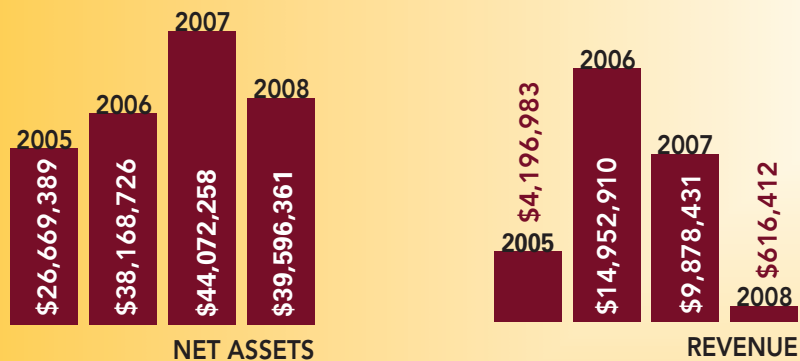
Salisbury, Maryland
September 22, 2008

Faw, Casson & Co., LLP

	June 30, 2007	June 30, 2008	% of Change
Total Assets	\$52,724,083	\$46,247,983	-12.28%
Net Assets	\$ 44,072,258	\$ 39,596,361	-10.16%
Total Revenue	\$ 9,878,431	\$616,412	-93.76%
Program & Operating Expenses	\$ 3,974,899	\$ 5,092,309	28.11%
Change in Net Assets		(\$4,475,897)	

PROGRAM & OPERATING EXPENSES

72%	Program Support	\$ 3,649,739
11%	Scholarships	\$ 867,877
4%	Fundraising	\$ 179,048
10%	General & Administrative	\$ 395,645
	Total	\$ 5,092,309



STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
REVENUES				
Grants	\$ -	\$ 422,789	\$ 143,295	\$ 566,084
Donations	165,208	2,018,495	13,885	2,197,588
Underwriting - Public Radio	-	258,360	-	258,360
Rental Income	317,126	262,686	-	579,812
Sales, Service and Other Income	43,252	366,842	15,898	425,992
Investment Income (Loss)	(146,589)	(22,292)	(3,386,966)	(3,555,847)
Gain on Sale of Assets	26,458	21,973	9,918	58,349
Actuarial and Other Adjustment of Annuity Trust Fund	-	-	86,074	86,074
Net Assets Released from Restrictions, Net of Transfers	4,195,425	(2,564,257)	(1,631,168)	-
TOTAL REVENUES	4,600,880	764,596	(4,749,064)	616,412
EXPENSES				
Programs:				
Nabb Research	37,068	-	-	37,068
Henson School of Science and Tech.	133,673	-	-	133,673
Salisbury Community TV	239,270	-	-	239,270
Athletic and Recreation Admin.	367,374	-	-	367,374
Fulton School of Liberal Arts	95,318	-	-	95,318
Scholarships	867,877	-	-	867,877
Salisbury Symphony	47,521	-	-	47,521
Rentals	613,620	-	-	613,620
WSCL Public Radio Support	822,715	-	-	822,715
Perdue School of Business	172,354	-	-	172,354
Salisbury University of Distinction	111,358	-	-	111,358
Other University Programs	1,009,468	-	-	1,009,468
Fundraising Expenses	179,048	-	-	179,048
General and Administrative Expenses	395,645	-	-	395,645
TOTAL EXPENSES	5,092,309	-	-	5,092,309
INCREASE IN NET ASSETS	(491,429)	764,596	(4,749,064)	(4,475,897)
NET ASSETS AT BEGINNING OF YEAR	2,989,636	7,574,209	33,508,413	44,072,258
NET ASSETS AT END OF YEAR	\$ 2,498,207	\$ 8,338,805	\$ 28,759,349	\$ 39,596,361