

*Report of Independent Accountants'
Application of Agreed-Upon Procedures to
Assist the University in Complying
with NCAA Bylaws 6.2.3.1*

**OKLAHOMA STATE
UNIVERSITY**

Year Ended June 30, 2009

Report of Independent Accountants' Application of
Agreed-Upon Procedures to Assist the University
in Complying with NCAA Bylaws 6.2.3.1

OKLAHOMA STATE UNIVERSITY

June 30, 2009

| | |
|---|----|
| Report of Independent Accountants' Application of Agreed-Upon Procedures to Assist the University in Complying with NCAA Bylaws 6.2.3.1 | 1 |
| Intercollegiate Athletics Program Accounts of Oklahoma State University and the Oklahoma State University Foundation Statement of Revenues, Expenditures and Other Changes - Unaudited | 9 |
| Notes to Intercollegiate Athletics Program Accounts of Oklahoma State University and the Oklahoma State University Foundation Statement of Revenues, Expenditures and Other Changes - Unaudited | 10 |

Report of Independent Accountants' Application of Agreed-Upon Procedures
to Assist the University in Complying with NCAA Bylaws 6.2.3.1

Mr. V. Burns Hargis, President
Oklahoma State University
107 Whitehurst Hall
Stillwater, Oklahoma 74078-1015

We have audited the financial statements of Oklahoma State University (the "University") as of and for the year ended June 30, 2009 and have issued our report thereon dated October 28, 2009. Additionally, we have audited the financial statements of the intercollegiate athletics program of the University as of and for the year ended June 30, 2009 and have issued our report thereon dated November 20, 2009. We have also audited the financial statements comprising the accounts of the Oklahoma State University Foundation (the "OSU Foundation") restricted by donors to intercollegiate athletics activities as of and for the year ended June 30, 2009 and have issued our report thereon dated November 18, 2009.

We have performed the procedures enumerated below which were agreed to by the Board of Regents solely to assist the University in assessing compliance with National Collegiate Athletic Association ("NCAA") Constitution 6.2.3.1 for the year ended June 30, 2009. Management of the University is responsible for compliance with NCAA Constitution 6.2.3.1. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institution of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

Internal Control: Policies and Procedures Related to Intercollegiate Athletics – Agreed-Upon Procedures

We have performed the procedures enumerated below which were agreed to by the Board of Regents solely to assist you in evaluating the internal accounting control and management control procedures of the University in compliance with NCAA Constitution 6.2.3.1. Our procedures included tests of compliance with such internal accounting control and management control procedures in place during the period from July 1, 2008 through June 30, 2009. Our procedures were performed solely to assist you in determining compliance with NCAA Constitution 6.2.3.1. The Procedures we performed, and the results of these procedures, are summarized as follows:

OKLAHOMA STATE UNIVERSITY

REPORT OF INDEPENDENT ACCOUNTANTS' APPLICATION OF AGREED-UPON
PROCEDURES TO ASSIST THE UNIVERSITY IN COMPLYING WITH NCAA
BYLAWS 6.2.3.1--Continued

Year Ended June 30, 2009

Internal Control: Policies and Procedures Related to Intercollegiate Athletics – Agreed-Upon
Procedures--Continued

1. We obtained an organizational chart of the intercollegiate athletic department (the "Department") along with the University's policies and procedures manual. We obtained documentation of accounting systems and procedures. We also made certain inquiries of management regarding control consciousness, competence of personnel, and protection of records and equipment. We noted that expenditures of the Department are subject to University policies, procedures and internal control techniques. We tested those overall techniques, including items selected from the intercollegiate athletic program, to the extent considered necessary for purposes of expressing an opinion on the financial statements of the University and its intercollegiate athletic programs.
2. We toured the football equipment rooms at Boone Pickens Stadium with the Equipment Manager to determine the controls in place to protect the football equipment. In addition, we observed the inventory records maintained by the Equipment Manager.
3. In our discussions with Department personnel, we determined that the Department regularly trades tickets for goods or services. In addition, we understand that all Department ticket trades must be approved by the Coordinator of Athletic Gifts.
4. We inquired of the Associate Athletic Director regarding controls in place to ensure intercollegiate athletics financial aid is awarded in accordance with institutional and NCAA guidelines.
5. We inquired of the Associate Athletic Director and the Coordinator for Athletic Eligibility regarding the controls in place to ensure that intercollegiate athletics financial aid recipients are academically eligible. We obtained the documentation used to monitor academic progress, including reports filed with the NCAA reporting academic eligibility and student financial assistance and student scholarships.
6. We obtained the University's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the Department.
7. In accordance with Department policy, all contributions for or on behalf of the Department are to be channeled through the Foundation, a separate and legal entity from the University. Expenditures by the OSU Foundation for or on behalf of the Department are included in the accompanying Statement of Revenues, Expenditures, and Other Changes (the "Statement").

OKLAHOMA STATE UNIVERSITY

REPORT OF INDEPENDENT ACCOUNTANTS' APPLICATION OF AGREED-UPON
PROCEDURES TO ASSIST THE UNIVERSITY IN COMPLYING WITH NCAA
BYLAWS 6.2.3.1--Continued

Year Ended June 30, 2009

Affiliated and Outside Organizations – Agreed-Upon Procedures

8. We obtained the audited financial statements of the OSU Foundation and reconciled the revenues and expenditures included in the amounts reported in the Statement.
9. We obtained a summary of revenues and expenses for or on behalf of the Department from affiliated and outside organizations.

Athletics Department Statement of Revenues and Expenditures - Agreed-Upon Procedures

Agreed-Upon Procedures for Revenues

10. We compared tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets for football and men's basketball to the related revenues and recalculated totals. The results of this testing are as follows:
 - For football, the Ticket Office reported ticket revenue of \$14,216,508. This amount was compared to the total revenue of \$14,239,460 as reported by the Department in the Statement, for a difference of \$22,952. This difference is attributed to year-end adjusting journal entries and away games ticket sales.
 - For men's basketball, the Ticket Office reported ticket revenue of \$4,655,956. This amount was compared to the total revenue of \$4,654,419 as reported by the Department in the Statement, for a difference of \$1,537. This difference is attributed to year-end adjusting journal entries and away games ticket sales.
11. We compared and agreed student fees reported by the Department in the Statement to student enrollments during the reporting period. We obtained and documented an understanding of the institution's methodology for allocating student fees to intercollegiate athletics programs and recalculated totals, noting no differences.
12. We selected a sample of contractual agreements pertaining to revenues derived from away games and guaranteed contests during the reporting period and compared and agreed each selection to the Department's general ledger and the Statement and recalculated totals, noting no differences.

OKLAHOMA STATE UNIVERSITY

REPORT OF INDEPENDENT ACCOUNTANTS' APPLICATION OF AGREED-UPON
PROCEDURES TO ASSIST THE UNIVERSITY IN COMPLYING WITH NCAA
BYLAWS 6.2.3.1--Continued

Year Ended June 30, 2009

Agreed-Upon Procedures for Revenues--Continued

13. We compared each major revenue account for contributors to prior period amounts. We obtained and documented an understanding of any significant variations. We noted that the Department does not budget for contributions. There were no contributions received directly by the Department during the reporting period.
14. We obtained the Summary of Revenues (the "Summary") from affiliated and outside organizations as of the end of the reporting period from the Department. We judgmentally selected three transactions from the Summary and compared and agreed each selection to supporting documentation, the Department's general ledger and recalculated totals, noting no differences. We obtained the independent auditor's report for the Foundation as of and for the year ended June 30, 2009.
15. We compared direct state or other governmental support recorded by the Department during the reporting period with corroborative supporting documentation and recalculated totals, noting no differences.
16. We compared direct institutional support recorded by the Department during the reporting period with corroborative supporting documentation and recalculated totals, noting no differences.
17. There was no indirect institutional support recorded by the Department during the reporting period.
18. There were no agreements related to the Department's participation in revenues from tournaments during the reporting period. We compared and agreed the related NCAA/Conference distribution revenues to the Department's general ledger and recalculated totals, noting no differences.
19. We obtained and inspected the agreement related to the Department's participation in revenues from broadcast, television radio and internet rights to gain an understanding of the relevant terms and conditions. We compared and agreed related revenues to the Department's general ledger, and the Statement and recalculated totals, noting no differences.

OKLAHOMA STATE UNIVERSITY

REPORT OF INDEPENDENT ACCOUNTANTS' APPLICATION OF AGREED-UPON
PROCEDURES TO ASSIST THE UNIVERSITY IN COMPLYING WITH NCAA
BYLAWS 6.2.3.1--Continued

Year Ended June 30, 2009

Agreed-Upon Procedures for Revenues--Continued

20. We obtained and inspected agreements related to the Department's participation in revenues from royalties, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed the related revenues to the Department's general ledger and the Statement and recalculated totals, noting no differences.
21. There was no sports-camp revenue recorded by the Department during the reporting period.
22. We obtained and inspected endowment agreements to gain an understanding of the relevant terms and conditions. We compared and agreed the classification and use of endowment and investment income reported in the Statement during the reporting period to the uses of income defined within the related endowment agreements and recalculated totals, noting no differences.
23. We compared and agreed each operating revenue category reported in the Statement during the reporting period to supporting schedules provided by the Department, noting no differences.
24. We compared and agreed a sample of revenue receipts to adequate supporting documentation, noting no differences.
25. We compared each major revenue account to prior period amounts and budget estimates. We obtained and documented an understanding of any significant variation in excess of \$50,000 between the current year amount and the prior period or budget amount.

OKLAHOMA STATE UNIVERSITY

REPORT OF INDEPENDENT ACCOUNTANTS' APPLICATION OF AGREED-UPON
PROCEDURES TO ASSIST THE UNIVERSITY IN COMPLYING WITH NCAA
BYLAWS 6.2.3.1--Continued

Year Ended June 30, 2009

Agreed-Upon Procedures for Expenses

26. We judgmentally selected five students from the listing of the Department student aid recipients during the reporting period. We obtained an individual student-account detail for each selection and compared total aid allocated from the related aid award letter to the student's account and recalculated totals, noting no differences.
27. We obtained and inspected contractual agreements pertaining to expenses recorded by the Department from guaranteed contests during the reporting period. We compared and agreed related amounts expensed by the Department to the general ledger and the Statement and recalculated totals, noting no differences.
28. We obtained and inspected a listing of coaches employed by the Department and related entities during the reporting period. We selected five coaches' contracts that must include football, and men's and women's basketball from the above listing. We compared and agreed the financial terms and condition of each selection to the related coaching salaries, benefits, and bonuses recorded by the Department and related entities in the statement during the reporting period. The Department does not send 1099's to employees and the five coaches selected did not receive 1099's during fiscal year 2009. We obtained W-2's for the calendar year 2008 and agreed coaching salaries, benefits, and bonuses paid by the Department per the W-2's to the payroll system for 2008 and recalculated totals, noting no differences.
29. There were no coaches employed by third parties during the reporting period.
30. We selected five support staff/administrative personnel employed by the Department and related entities during the reporting period. The Department does not send 1099's to employees and the five support staff/administrative personnel selected did not receive 1099's during fiscal year 2009. We obtained W-2's for the calendar year 2008 agreed coaching salaries, benefits, and bonuses paid by the Department per the W-2's to the payroll system and recalculated totals, noting no differences.
31. There were no support staff/administrative personnel employed by third parties during the reporting period.
32. We selected two employees receiving severance payments from the Department during the reporting period and agreed each severance payment to the related termination letter or employment record and recalculated totals, noting no differences.

OKLAHOMA STATE UNIVERSITY

REPORT OF INDEPENDENT ACCOUNTANTS' APPLICATION OF AGREED-UPON
PROCEDURES TO ASSIST THE UNIVERSITY IN COMPLYING WITH NCAA
BYLAWS 6.2.3.1--Continued

Year Ended June 30, 2009

Agreed-Upon Procedures for Expenses--Continued

33. We obtained and documented an understanding of the Department's recruiting expense policies. We compared and agreed to existing institutional and NCAA – related policies.
34. We obtained and documented an understanding of the Department's team travel policies. We compared and agreed to existing institutional and NCAA – related policies.
35. There was no indirect facilities support recorded by the Department during the reporting period.
36. We compared and agreed a sample of operating expenses during the reporting period to supporting schedules provided by the Department, noting no differences.
37. We compared and agreed each operating expenses category reported in the Statement during the above operating expense supporting schedules to supporting documentation, noting no differences.
38. We compared each major expense account to prior period amounts and budget estimates. We obtained and documented an understanding of any significant variations in excess of \$50,000 between the current year amount and the prior period or budget amounts.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the accompanying Statement of Revenues, Expenditures and Other Changes or other specified elements, accounts or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we were not engaged to, and did not, conduct a study and evaluation of the system of internal controls of the University or its intercollegiate athletics program, the objective of which would be the expression of an opinion on the system of internal accounting controls of the University or its intercollegiate athletics program in effect during the period from July 1, 2008 through June 30, 2009. Accordingly, we do not express such an opinion. Had we performed additional procedures, or had we made a study and evaluation of the system of internal accounting controls, other matters might have come to our attention that would have been reported to you. This report relates only to the procedures specified above and does not extend to any financial statements of the University or its intercollegiate athletics program.

OKLAHOMA STATE UNIVERSITY

REPORT OF INDEPENDENT ACCOUNTANTS' APPLICATION OF AGREED-UPON
PROCEDURES TO ASSIST THE UNIVERSITY IN COMPLYING WITH NCAA
BYLAWS 6.2.3.1--Continued

Year Ended June 30, 2009

This report is intended solely for the specified user listed above and is not intended to be and should not be used by anyone other than the specified user.

Cole & Reed P.C.

Oklahoma City, Oklahoma
November 20, 2009

INTERCOLLEGIATE ATHLETICS PROGRAM OF OKLAHOMA STATE UNIVERSITY
AND THE OKLAHOMA STATE UNIVERSITY FOUNDATION

STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES--UNAUDITED

For the Fiscal Year Ended June 30, 2009

| | Football | Men's Basketball | Women's Basketball | Men's Olympic Sports | Women's Olympic Sports | Nonprogram Specific | Total |
|---|----------------------|---------------------|-----------------------|----------------------------|------------------------------|------------------------|------------------------|
| Operating Revenues: | | | | | | | |
| Ticket Sales | \$14,239,460 | \$4,654,419 | \$336,140 | \$273,289 | \$23,588 | \$670,505 | \$20,197,401 |
| Student Activity Fee | - | - | - | - | - | 1,855,696 | 1,855,696 |
| Guarantees | 320,000 | 135,000 | - | 117,981 | 3,594 | - | 576,575 |
| Contributions | 5,056,809 | 6,598,254 | 193,062 | 1,200,431 | 582,484 | 15,639,655 | 29,270,695 |
| Compensation/Benefits by Third Party | - | - | - | - | - | - | - |
| Direct State of Other Government Support | - | - | - | - | - | 600,000 | 600,000 |
| Direct Institutional Support | - | - | - | - | - | 2,272,244 | 2,272,244 |
| Indirect Facilities & Administrative Support | - | - | - | - | - | - | - |
| NCAA/Conference Income | 7,732,910 | 2,697,849 | 8,934 | 151,742 | 128,457 | 989,878 | 11,709,770 |
| Radio/TV Rights | - | - | - | - | - | 2,500,000 | 2,500,000 |
| Program Sales, Concessions & Parking | 341,309 | 43,188 | 16,790 | 22,906 | 2,698 | 206,310 | 633,201 |
| Royalties, Advertisements & Sponsorships | - | - | - | - | - | 1,747,888 | 1,747,888 |
| Sports Camp Revenue | - | - | - | - | - | - | - |
| Endowment and Investment Income | (43,706) | (20,476) | (2,965) | (207,416) | (188,154) | (17,010,536) | (17,473,253) |
| Other | 232,679 | - | 4,244 | 32,900 | 6,860 | 1,786,497 | 2,063,180 |
| Total Revenue | 27,879,461 | 14,108,234 | 556,205 | 1,591,833 | 559,527 | 11,258,137 | 55,953,397 |
| Expenditures and mandatory transfers: | | | | | | | |
| Financial Aid | 1,489,112 | 225,681 | 229,490 | 566,418 | 1,080,102 | 3,487,401 | 7,078,204 |
| Guarantees | 740,000 | 525,699 | 136,057 | 47,969 | 7,199 | - | 1,456,924 |
| Coaching Salaries/Benefits/Bonuses Paid by University and Related Entities | 4,821,920 | 1,725,751 | 939,570 | 1,980,971 | 1,394,387 | - | 10,862,599 |
| Coaching Other Compensation and Benefits Paid by Third Party | - | - | - | - | - | - | - |
| Support Staff/Admin Salaries/Benefits/Bonuses Paid by University and Related Entities | 820,702 | 223,741 | 136,689 | 201,105 | 185,826 | 6,837,027 | 8,405,090 |
| Support Staff/Admin Other Compensation Paid by Third Party | - | - | - | - | - | - | - |
| Severance Payments | - | - | - | - | - | 143,074 | 143,074 |
| Recruiting | 291,421 | 257,548 | 62,078 | 134,391 | 99,268 | - | 844,706 |
| Team Travel | 1,976,046 | 565,305 | 301,954 | 901,755 | 769,630 | - | 4,514,690 |
| Equipment, Uniforms and Supplies | 416,406 | 94,595 | 50,860 | 204,253 | 298,264 | 1,069,237 | 2,133,615 |
| Game Expenses | 147,842 | 114,356 | 105,922 | 88,919 | 69,363 | 1,095,564 | 1,621,966 |
| Fund Raising, Marketing and Promotion | - | - | - | - | - | 1,593,396 | 1,593,396 |
| Direct Facilities, Maintenance and Rental | 113,202 | 37,699 | 19,319 | 32,623 | 56,667 | 9,368,991 | 9,628,501 |
| Spirit Groups | - | - | - | - | - | 354,443 | 354,443 |
| Indirect Facilities and Admin Support | - | - | - | - | - | - | - |
| Medical Expenses and Medical Insurance | 82,632 | 45,320 | 16,542 | 63,767 | 128,924 | 395,380 | 732,565 |
| Membership and Dues | 32,486 | 25,687 | 5,825 | 11,344 | 13,903 | 34,217 | 123,462 |
| Other Operating Expenses | 1,566,830 | 1,324,673 | 114,028 | 769,849 | 534,743 | 22,179,082 | 26,489,205 |
| Mandatory Transfers of Principal and Interest | - | - | - | - | - | - | - |
| Total Expenditures and mandatory transfers | 12,498,599 | 5,166,055 | 2,118,334 | 5,003,364 | 4,638,276 | 46,557,812 | 75,982,440 |
| Other Changes: | | | | | | | |
| Nonmandatory transfers to unexpended plant fund | - | - | - | - | - | - | - |
| Excess (deficiency) of revenue and other changes over expenditures and mandatory transfers | \$ 15,380,862 | \$ 8,942,179 | \$ (1,562,129) | \$ (3,411,531) | \$ (4,078,749) | \$ (35,299,675) | \$ (20,029,043) |

The accompanying notes are an integral part of this financial statement.

OKLAHOMA STATE UNIVERSITY

NOTES TO INTERCOLLEGIATE ATHLETICS PROGRAM ACCOUNTS OF OKLAHOMA STATE UNIVERSITY AND THE OKLAHOMA STATE UNIVERSITY FOUNDATION STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES--UNAUDITED

Year Ended June 30, 2009

NOTE A--BASIS OF PRESENTATION

The accompanying Statements of Revenues, Expenditures and Other Changes (the "Statement") have been prepared on the accrual basis of accounting and is presented in a manner which intends to report all activity of the Oklahoma State University (the "University") intercollegiate athletics program, including activity reported by the Oklahoma State University Foundation (the "Foundation") related to intercollegiate athletics. The activity of Cowboy Athletics, Inc., has only been included in the Statement as described in Note C. Unrestricted revenues are recorded when earned and expenditures are recorded when incurred. Restricted revenues are reported when expended rather than when received. The revenues and expenditures have been classified on a basis consistent with the account structure of the University.

The Foundation accounts for contributions received and made in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 116, *Accounting for Contributions Received and Contributions Made*. Gift revenue for fiscal years 2009 and 2008 includes \$6,554,016 and \$5,048,763, respectively, of unconditional promises to give received by the Foundation. This was not included in the Statement in accordance with NCAA guidelines.

The Foundation accounts for investments held in accordance with the provisions of SFAS No. 124, *Accounting for Certain Investments Held by Not-For-Profit Organizations*. Investment income revenue (losses) for fiscal years 2009 and 2008 includes (\$18,070,654) and \$4,767,328, respectively, in net realized and unrealized gains (losses) on investments.

NOTE B--OUTSIDE BOOSTER ORGANIZATIONS

Several booster organizations, known as the POSSE, have been established on behalf of the University's intercollegiate athletics program. These organizations are under the financial control of the Foundation in that they are subject to the Foundation's internal accounting control policies and procedures. Activity of the POSSE is included in the accompanying Statement to the extent it is included in the accounts of the Foundation.

OKLAHOMA STATE UNIVERSITY

NOTES TO INTERCOLLEGIATE ATHLETICS PROGRAM ACCOUNTS OF OKLAHOMA STATE UNIVERSITY AND THE OKLAHOMA STATE UNIVERSITY FOUNDATION
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES--UNAUDITED--
Continued

Year Ended June 30, 2009

NOTE C--REVENUES AND EXPENDITURES RELATED TO CAPITAL TRANSACTIONS

Major capital activities in the Athletic Department are generally funded in whole or in part from non-operating sources. Capital expenditures are generally capitalized in the Athletic Department's accounting records and depreciated over the useful life of the related asset. Therefore, such capital expenditures are excluded from the accompanying Statement, and the depreciation of such capital items is reflected in the accompanying Statement as expenditures over the useful life of the related assets. The following is a roll-forward of capital assets by type for the year ending June 30, 2009:

| | Balance July 1, 2008 | Additions | Transfers | Disposals | Balance June 30, 2009 |
|---------------------------------|----------------------------|-----------------------|------------------|-------------|-----------------------------|
| COST OF CAPITAL ASSETS | | | | | |
| Buildings | \$ 181,605,389 | \$ - | \$ - | \$ - | \$ 181,605,389 |
| Land improvements | 7,980,607 | - | 502,434 | - | 8,483,041 |
| Equipment | 2,615,111 | 115,873 | - | - | 2,730,984 |
| Land | 38,949,764 | 88,000 | - | - | 39,037,764 |
| Construction in progress | <u>1,092,490</u> | <u>409,944</u> | <u>(502,434)</u> | <u>-</u> | <u>1,000,000</u> |
| Total cost of capital assets | 232,243,361 | 613,817 | - | - | 232,857,178 |
| ACCUMULATED DEPRECIATION | | | | | |
| Buildings | (34,314,200) | (4,266,787) | - | - | (38,580,987) |
| Land improvements | (5,392,639) | (361,467) | - | - | (5,754,106) |
| Equipment | <u>(1,888,184)</u> | <u>(175,971)</u> | <u>-</u> | <u>-</u> | <u>(2,064,155)</u> |
| Total accumulated depreciation | <u>(41,595,023)</u> | <u>(4,804,225)</u> | <u>-</u> | <u>-</u> | <u>(46,399,248)</u> |
| NET BOOK VALUE | <u>\$ 190,648,338</u> | <u>\$ (4,190,408)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 186,457,930</u> |

OKLAHOMA STATE UNIVERSITY

NOTES TO INTERCOLLEGIATE ATHLETICS PROGRAM ACCOUNTS OF OKLAHOMA STATE UNIVERSITY AND THE OKLAHOMA STATE UNIVERSITY FOUNDATION STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES – UNAUDITED--
Continued

Year Ended June 30, 2009

NOTE D--LONG-TERM DEBT

The scheduled maturities of the revenue bonds and note payable are as follows for the years ending June 30:

| | <u>Bonds</u> | <u>Note</u> | <u>Total Principal</u> | <u>Interest</u> | <u>Total Payments</u> |
|-----------|----------------------|---------------------|----------------------------|----------------------|---------------------------|
| 2010 | \$ 1,200,000 | \$ 575,000 | \$ 1,775,000 | \$ 2,825,721 | \$ 4,600,721 |
| 2011 | 1,240,000 | 595,000 | 1,835,000 | 2,759,753 | 4,594,753 |
| 2012 | 1,295,000 | 610,000 | 1,905,000 | 2,687,883 | 4,592,883 |
| 2013 | 1,355,000 | 635,000 | 1,990,000 | 2,610,114 | 4,600,114 |
| 2014 | 1,325,000 | 660,000 | 1,985,000 | 2,528,148 | 4,513,148 |
| 2015-2019 | 7,590,000 | 3,700,000 | 11,290,000 | 11,254,284 | 22,544,284 |
| 2020-2024 | 9,580,000 | - | 9,580,000 | 8,848,541 | 18,428,541 |
| 2025-2029 | 12,210,000 | - | 12,210,000 | 6,218,074 | 18,428,074 |
| 2030-2034 | 15,520,000 | - | 15,520,000 | 2,912,938 | 18,432,938 |
| 2035 | 3,600,000 | - | 3,600,000 | 90,000 | 3,690,000 |
| | <u>\$ 54,915,000</u> | <u>\$ 6,775,000</u> | <u>\$ 61,690,000</u> | <u>\$ 42,735,456</u> | <u>\$ 104,425,456</u> |

Future minimum lease payments under ODFA lease obligation are as follows for the years ending June 30:

| | |
|---|-------------------|
| 2010 | \$ 135,421 |
| 2011 | <u>56,415</u> |
| Total minimum lease payments | 191,836 |
| Less amounts representing interest | <u>9,753</u> |
| Net present value of minimum lease payments | <u>\$ 182,083</u> |