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Form 990  Department of the Treasury Internal Revenue Service	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) The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2010 Open to Public Inspection
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A For the 2010 calendar year, or tax year beginning 06-01-2010 and ending 05-31-2011		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization GRACELAND UNIVERSITY Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 1 UNIVERSITY PLACE City or town, state or country, and ZIP + 4 LAMONI, IA 501401641	D Employer identification number 42-0707114 E Telephone number (641) 784-5131 G Gross receipts \$ 56,085,137
	F Name and address of principal officer JOHN SELLARS 1 FOUNDERS DRIVE LAMONI,IA 50140	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
	I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
	J Website: ▶ WWW.GRACELAND.EDU	
	K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
L Year of formation 1895		M State of legal domicile IA

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities IT IS GRACELAND UNIVERSITY'S MISSION TO BE ONE OF THE FINEST UNIVERSITIES IN THE MIDWEST, DEVELOPING AND MAINTAINING STANDARDS FOR HIGH QUALITY BY ENHANCING STUDENT LEARNING AND PROMOTING COMMUNITIES OF EXCELLENCE		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	27
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	25
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	1,144
	6 Total number of volunteers (estimate if necessary)	6	252
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	443,617
	b Net unrelated business taxable income from Form 990-T, line 34	7b	-202,567
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	13,715,670	14,981,154
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	33,782,231	35,352,903
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	240,229	1,067,021
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	391,818	443,617
		48,129,948	51,844,695
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	10,031,492	11,223,030
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	20,769,751	20,133,929
	16a Professional fundraising fees (Part IX, column (A), line 11e)	48,833	35,588
	b Total fundraising expenses (Part IX, column (D), line 25) <u>▶1,612,213</u>		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	15,593,100	15,938,460
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	46,443,176	47,331,007
	19 Revenue less expenses Subtract line 18 from line 12	1,686,772	4,513,688
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	95,823,440	104,462,043
	21 Total liabilities (Part X, line 26)	45,821,964	45,592,524
	22 Net assets or fund balances Subtract line 21 from line 20	50,001,476	58,869,519

Part II Signature Block					
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. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
Sign Here	Signature of officer			2012-03-13 Date	
	JANICE TIFFANY VP BUSINESS & ADMIN SERVICES Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	KAY HEGARTY	Preparer's signature	KAY HEGARTY	Date
	Firm's name	▶ MCGLADREY & PULLEN LLP			Firm's EIN ▶
	Firm's address	▶ 221 THIRD AVENUE SE STE 300 CEDAR RAPIDS, IA 524011512			Phone no ▶ (319) 298-5333
May the IRS discuss this return with the preparer shown above? (see instructions)					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization’s mission

GRACELAND UNIVERSITY CREATES LEARNING COMMUNITIES WHERE STUDENTS DEVELOP THEIR POTENTIAL FOR MEANINGFUL AND PRODUCTIVE LIVES

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

✓

No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

✓

No

If “Yes,” describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 9,351,988 including grants of \$) (Revenue \$ 29,420,739)

EDUCATIONAL PROGRAMS, GENERAL/OTHER GRACELAND PRODUCES A LIBERAL ARTS EDUCATION OFFERED TO STUDENTS IN TRADITIONAL ON-CAMPUS PROGRAMS, SATELLITE (COMMUNITY COLLEGE) SITES, AND VIA DISTANCE LEARNING FORMATS 31 UNDERGRADUATE MAJORS ARE OFFERED, AS WELL AS MASTERS PROGRAMS IN EDUCATION, NURSING AND RELIGION GRACELAND UNIVERSITY IS A MEMBER OF THE NORTH CENTRAL ASSOCIATION AND IS ACCREDITED BY THE HIGHER LEARNING COMMISSION ACADEMIC SUPPORT INCLUDES ACCREDITATION AND ASSESSMENT ACTIVITIES, LIBRARIES, AND INSTRUCTIONAL TECHNOLOGY SUPPORT (1,958 FTE STUDENTS)

4b

(Code) (Expenses \$ 21,343,329 including grants of \$) (Revenue \$ 5,486,135)

STUDENT SERVICES PROGRAMS, GENERAL/OTHER STUDENT SERVICES ENCOMPASSES CULTURAL AND SOCIAL ACTIVITIES FOR STUDENTS, STUDENT GOVERNMENT, AND INTERCOLLEGIATE ATHLETICS IT ALSO INCLUDES THOSE OFFICES PROVIDING STUDENT SERVICES SUPPORT, INCLUDING ADMISSIONS, REGISTRAR AND OTHERS AUXILIARY SERVICES INCLUDES THE UNIVERSITY BOOKSTORE, FOOD SERVICE, RESIDENCE HALL, SNACK SHOP AND VENDING OPERATIONS

4c

(Code) (Expenses \$ 11,223,030 including grants of \$ 11,223,030) (Revenue \$)

STUDENT FINANCIAL AID PROGRAMS SCHOLARSHIPS, GRANTS AND OTHER STUDENT FINANCIAL ASSISTANCE WERE OFFERED TO APPROXIMATELY 99 5% OF OUR STUDENTS IN ON-CAMPUS AND SATELLITE PROGRAMS FUNDING IS PROVIDED THROUGH INSTITUTIONAL SOURCES, GOVERNMENT GRANT PROGRAMS ADMINISTERED BY THE UNIVERSITY, OR GOVERNMENT-SPONSORED LOAN PROGRAMS (2,073 STUDENTS)

4d

Other program services (Describe in Schedule O) See also Additional Data for Description

(Expenses \$ 801,094 including grants of \$) (Revenue \$ 446,029)

4e























Total program service expenses

\$ 42,719,441

Form 990 (2010)

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	Yes
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	Yes
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i> 	13	Yes
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i> 	14b	Yes
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Parts II and IV.</i> 	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Parts III and IV.</i> 	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i> 	17	Yes
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> 	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> 	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	118
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a	1,144
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	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)?	4a	No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			
8			
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11 Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?			
14a			
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	No

Part VI

Governance, Management, and Disclosure For each “Yes” response to lines 2 through 7b below, and for a “No” response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 27		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 25		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization’s assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization’s mailing address? If “Yes,” provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If “Yes,” does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? <i>If “No,” go to line 13</i>	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If “Yes,” describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization’s CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If “Yes” to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If “Yes,” has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization’s exempt status with respect to such arrangements?	16b		

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed CA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization JANICE TIFFANY 1 UNIVERSITY PLACE LAMONI, IA 501401641 (641) 784-5120

Check if Schedule O contains a response to any question in this Part VII ☒

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

Form **990** (2010)

Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								899,177	18,221	219,841

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶4

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

Yes

No

3 Yes

4 Yes

5 No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
SODEXO FOOD SERVICE 9801 WASHINGTON BLVD GAITHERSBURG, MD 20878	FOOD SERVICE	2,038,555
MCANINCH CORPORATION 4001 DELAWARE DES MOINES, IA 50315	CONSTRUCTION	316,802
GOULD EVANS ASSOCIATES 706 MASSACHUSETTS ST LAWRENCE, KS 66044	CONSTRUCTION CONSULTING	273,390
BAKER COMMUNICATION PO BOX 1046 NEWTON, IA 50208	TELEPHONE SYSTEM SUPPORT	183,855
ALADDIN CLEANING SERVICES PO BOX 26574 KANSAS CITY, MO 64196	JANITORIAL SERVICE	142,142

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶5

Form 990 (2010)

Part VIII

Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations 1d	6,716,333			
	e Government grants (contributions) 1e	1,838,493			
	f All other contributions, gifts, grants, and similar amounts not included above 1f	6,426,328			
	g Noncash contributions included in lines 1a-1f \$	2,183,924			
	h Total. Add lines 1a-1f ▶	14,981,154			
	Program Service Revenue	2a	Business Code		
TUITION AND FEES		611600	29,420,739	29,420,739	
b AUXILIARY ENTERPRISES		611600	5,486,135		5,486,135
c					
d					
e					
f All other program service revenue			446,029	446,029	
g Total. Add lines 2a-2f ▶		35,352,903			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) ▶				
	4 Income from investment of tax-exempt bond proceeds . . ▶				
	5 Royalties ▶				
	6a Gross Rents	(i) Real	(ii) Personal		
	b Less rental expenses	45,292			
	c Rental income or (loss)	10,738			
	d Net rental income or (loss) ▶	34,554			
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b Less cost or other basis and sales expenses	4,812,323			
	c Gain or (loss)	3,745,302			
	d Net gain or (loss) ▶	1,067,021			
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a				
	b Less direct expenses b				
	c Net income or (loss) from fundraising events . . ▶				
	9a Gross income from gaming activities See Part IV, line 19 . a				
	b Less direct expenses b				
	c Net income or (loss) from gaming activities . . ▶				
	10a Gross sales of inventory, less returns and allowances . a				
	b Less cost of goods sold b	893,465			
	c Net income or (loss) from sales of inventory . . ▶	484,402			
Miscellaneous Revenue	Business Code				
11a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d ▶					
12 Total revenue. See Instructions ▶		51,844,695	29,866,768	443,617	6,553,156

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22	11,223,030	11,223,030		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	684,642	59,688	446,395	178,559
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	13,991,666	12,524,920	895,802	570,944
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,910,167	1,671,281	151,772	87,114
9	Other employee benefits	2,706,091	2,227,734	306,097	172,260
10	Payroll taxes	841,363	736,142	66,850	38,371
a	Fees for services (non-employees)				
	Management	160,185	105,466	54,078	641
b	Legal	19,190	14,298	4,239	653
c	Accounting	69,000		69,000	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17	35,588			35,588
f	Investment management fees	217,036		217,036	
g	Other	4,012,708	3,927,701	57,776	27,231
12	Advertising and promotion	618,747	487,718	107,585	23,444
13	Office expenses	2,663,073	2,286,558	185,234	191,281
14	Information technology	585,655	512,413	46,533	26,709
15	Royalties				
16	Occupancy	1,701,588	1,629,518	42,456	29,614
17	Travel	923,745	791,726	22,991	109,028
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	81,256	73,023	8,525	-292
20	Interest	760,545	700,260	37,846	22,439
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,957,847	1,802,659	97,425	57,763
23	Insurance	681,687	602,244	70,468	8,975
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MISCELLANEOUS	929,338	813,014	94,902	21,422
b	COST OF GOODS SOLD	508,268	493,595	14,372	301
c	ACCRETION, MISC , MERCH	20,470	18,847	1,019	604
d	AMORTIZATION	19,122	17,606	952	564
e	PRINTING	9,000			9,000
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	47,331,007	42,719,441	2,999,353	1,612,213
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			10,204	1	10,310
	2	Savings and temporary cash investments			3,067,262	2	4,706,166
	3	Pledges and grants receivable, net			3,448,694	3	2,656,932
	4	Accounts receivable, net			2,311,000	4	3,717,497
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees <i>Complete Part II of Schedule L</i>				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) <i>Schedule L</i>				6	
	7	Notes and loans receivable, net				7	665,000
	8	Inventories for sale or use			403,212	8	379,737
	9	Prepaid expenses and deferred charges			819,127	9	853,732
	10a	Land, buildings, and equipment <i>cost or other basis Complete Part VI of Schedule D</i>	10a	84,097,917			
	b	Less accumulated depreciation	10b	47,890,492	37,358,966	10c	36,207,425
	11	Investments—publicly traded securities			22,604,607	11	26,955,466
	12	Investments—other securities <i>See Part IV, line 11</i>			14,111,943	12	13,049,192
	13	Investments—program-related <i>See Part IV, line 11</i>			4,081,752	13	4,072,502
	14	Intangible assets				14	
	15	Other assets <i>See Part IV, line 11</i>			7,606,673	15	11,188,084
	16	Total assets. Add lines 1 through 15 (must equal line 34)			95,823,440	16	104,462,043
Liabilities	17	Accounts payable and accrued expenses			14,368,706	17	14,489,145
	18	Grants payable				18	
	19	Deferred revenue			2,231,175	19	2,417,645
	20	Tax-exempt bond liabilities			19,880,000	20	19,370,000
	21	Escrow or custodial account liability <i>Complete Part IV of Schedule D</i>			575,730	21	570,813
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties			2,987,627	24	3,007,799
	25	Other liabilities <i>Complete Part X of Schedule D</i>			5,778,726	25	5,737,122
	26	Total liabilities. Add lines 17 through 25			45,821,964	26	45,592,524
Net Assets or Fund Balances		Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets			11,471,395	27	15,637,329
	28	Temporarily restricted net assets			15,948,148	28	19,138,978
	29	Permanently restricted net assets			22,581,933	29	24,093,212
		Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			50,001,476	33	58,869,519
	34	Total liabilities and net assets/fund balances			95,823,440	34	104,462,043

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	51,844,695
2	Total expenses (must equal Part IX, column (A), line 25)	2	47,331,007
3	Revenue less expenses Subtract line 2 from line 1	3	4,513,688
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	50,001,476
5	Other changes in net assets or fund balances (explain in Schedule O)	5	4,354,355
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	58,869,519

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization GRACELAND UNIVERSITY	Employer identification number 42-0707114
--	--

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☒

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

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 exempt 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).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
(ii) a family member of a person described in (i) above?
(iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Additional Data

Software ID:

Software Version:

EIN: 42-0707114

Name: GRACELAND UNIVERSITY

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LEONARD BOSWELL BOARD MEMBER	1 00	X						0	0	0
O BROONER BOARD MEMBER	1 00	X						0	0	0
ROBERT P BRUCH BOARD MEMBER	2 00	X						0	0	0
DAVID CARMICHAEL MD BOARD MEMBER	1 00	X						0	0	0
DENISE DUDLEY BOARD MEMBER	4 00	X						0	0	0
CHERYL F HANSEN BOARD SECRETARY	1 00	X		X				0	0	0
LAURIE HEINTZ BOARD MEMBER	1 00	X						0	0	0
BARBARA HIGDON BOARD MEMBER	50	X						0	0	0
W GARY HOWARD BOARD MEMBER	1 00	X						0	0	0
LORI KALEIKAU BOARD MEMBER	3 00	X						0	0	0
MICHAEL LEWIS BOARD MEMBER	2 00	X						0	0	0
KENNETH B MCCLAIN BOARD CHAIR	10 00	X		X				0	0	0
KAY MUSSELL BOARD MEMBER	1 00	X						0	0	0
JENNINGS J NEWCOM BOARD VICE CHAIR	2 00	X		X				0	0	0
DAVID SCHAAL BOARD MEMBER	1 00	X						0	18,221	57,277
LLEWELLYN A SHEPHERDSON BOARD MEMBER	2 00	X						0	0	0
HELEN PEARSON SMITH BOARD MEMBER	4 00	X						0	0	0
JANET WORTHINGTON BOARD MEMBER	2 00	X						0	0	0
K MICHAEL ZABEL BOARD MEMBER	3 00	X						0	0	0
RONALD GILLILAN BOARD MEMBER	3 00	X						0	0	0
CM HARTNETT BOARD MEMBER	1 00	X						0	0	0
WA PENNINGTON BOARD MEMBER	4 00	X						0	0	0
MATTHEW BEEM BOARD MEMBER	1 00	X						0	0	0
ROBERT WHITE BOARD MEMBER	2 00	X						0	0	0
KAREN JEWELL BOARD MEMBER	2 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SHARON GRAYBILL BOARD MEMBER	50	X						0	0	0
BOB ACKERLEY BOARD MEMBER	2 00	X						0	0	0
JOHN SELLARS PRESIDENT	70 00			X				175,763	0	57,854
KATHLEEN CLAUSON-BASH VP INSTITUTIONAL EFFECTIVE	30 00			X				59,688	0	6,893
TOM POWELL VP STUDENT LIFE	50 00			X				11,818	0	574
JANICE TIFFANY VP BUSINESS SERVICES	50 00			X				90,711	0	7,104
GREG SUTHERLAND VP ENROLLMENT	50 00			X				83,972	0	8,383
KELLY EVERETT VP INSTITUTIONAL ADVANCEME	60 00			X				90,977	0	7,561
PARRIS WATTS VP ACADEMIC AFFAIRS	60 00			X				134,868	0	24,758
TALIA BROWN VP ENROLLMENT (INTERIM)	50 00			X				48,963	0	286
LOUISE CUMMINS-SIMMONS VP ENROLLMENT	50 00			X				0	0	0
CLAUDIA HORTON DEAN OF SCHOOL OF NURSING	50 00					X		101,264	0	0
STEVE ANDERS FORMER OFFICER	50 00						X	101,153	0	49,151

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services				
(Code) (Expenses \$	801,094	including grants of \$) (Revenue \$ 446,029)
TRIO PROGRAM-PUBLIC SERVICES PROVIDED TO SURROUNDING AREA CAMPUS TUTORING				

SCHEDULE D
(Form 990)

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
GRACELAND UNIVERSITY

Employer identification number
42-0707114

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4

Number of states where property subject to conservation easement is located ▶ _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b

Assets included in Form 990, Part X ▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☒ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☒ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	38,472,135	37,510,314	55,439,287		
b Contributions	531,167	1,101,996	3,489,309		
c Investment earnings or losses	3,899,610	1,959,825	-15,650,320		
d Grants or scholarships					
e Other expenditures for facilities and programs	1,458,064	2,100,000	5,767,962		
f Administrative expenses					
g End of year balance	41,444,848	38,472,135	37,510,314		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 37 000 %

b

Permanent endowment ▶ 55 000 %

c

Term endowment ▶ 8 000 %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

3a(i)

☐ Yes

☐ No

(ii) related organizations

3a(ii)

☐ Yes

☐

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

☐ Yes

☐

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,006,727		1,006,727
b Buildings		61,041,671	28,048,784	32,992,887
c Leasehold improvements				
d Equipment		21,052,691	19,841,708	1,210,983
e Other		996,828		996,828
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				36,207,425

Schedule D (Form 990) 2010

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	51,844,695
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	47,331,007
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	4,513,688
4	Net unrealized gains (losses) on investments	4	3,412,046
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	942,309
9	Total adjustments (net) Add lines 4 - 8	9	4,354,355
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	8,868,043

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	97,583,846
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	3,412,046
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	60,392,707
e	Add lines 2a through 2d	2e	63,804,753
3	Subtract line 2e from line 1	3	33,779,093
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	217,036
b	Other (Describe in Part XIV)	4b	17,848,566
c	Add lines 4a and 4b	4c	18,065,602
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	51,844,695

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	90,522,339
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	54,653,934
e	Add lines 2a through 2d	2e	54,653,934
3	Subtract line 2e from line 1	3	35,868,405
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	217,036
b	Other (Describe in Part XIV)	4b	11,245,566
c	Add lines 4a and 4b	4c	11,462,602
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	47,331,007

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
	PART IV, LINE 2B	STUDENT DEPOSIT ACCOUNTS ARE HELD BY THE UNIVERSITY FOR VARIOUS STUDENT GROUPS ON CAMPUS AND ARE REPORTED AS LIABILITIES ON THE ORGANIZATION'S BALANCE SHEET
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	UNIVERSITY ENDOWMENT FUNDS ARE POOLED WITH AND HELD BY THE SPONSORING CHURCH, COMMUNITY OF CHRIST. ENDOWMENT DISTRIBUTIONS ARE USED FOR SCHOLARSHIP AND PROGRAM EXPENSES.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	FOOTNOTE REPORTING LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48. THE UNIVERSITY AND THE CENTER HAVE TAX DETERMINATION LETTERS FROM THE INTERNAL REVENUE SERVICE STATING THEY QUALIFY UNDER THE PROVISIONS OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (THE "CODE") AND ARE EXEMPT FROM FEDERAL INCOME TAXES. AS SUCH, THE UNIVERSITY AND THE CENTER ARE SUBJECT TO FEDERAL INCOME TAXES ONLY ON ANY NET UNRELATED BUSINESS INCOME UNDER THE PROVISIONS OF SECTION 511 OF THE CODE. THE UNIVERSITY IS ALSO EXEMPT FROM INCOME TAXES IN CANADA. THE UNIVERSITY AND THE CENTER FILE A FORM 990 (RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX) ANNUALLY. WHEN THESE RETURNS ARE FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE TAX POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD ULTIMATELY BE SUSTAINED. EXAMPLES OF TAX POSITIONS COMMON TO COLLEGES AND UNIVERSITY'S INCLUDE SUCH MATTERS AS THE FOLLOWING: THE TAX-EXEMPT STATUS AND VARIOUS POSITIONS RELATIVE TO POTENTIAL SOURCES OF UNRELATED BUSINESS TAXABLE INCOME (UBIT). UBIT IS REPORTED ON FORM 990-T, AS APPROPRIATE. THE BENEFIT OF A TAX POSITION IS RECOGNIZED IN THE FINANCIAL STATEMENTS IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES THAT IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR LITIGATION PROCESSES, IF ANY. TAX POSITIONS ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS. TAX POSITIONS THAT MEET THE "MORE LIKELY THAN NOT" RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50% LIKELY TO BE REALIZED ON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY. THE PORTION OF THE BENEFITS ASSOCIATED WITH TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE IS REFLECTED AS A LIABILITY FOR UNCERTAIN TAX BENEFITS IN THE ACCOMPANYING STATEMENT OF FINANCIAL POSITION ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION. AS OF MAY 31, 2011 AND 2010, THERE WERE NO UNCERTAIN TAX BENEFITS IDENTIFIED AND RECORDED AS A LIABILITY. FORMS 990 AND 990-T FILED BY THE UNIVERSITY AND THE CENTER ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN. FORMS 990 AND 990-T FILED BY THE UNIVERSITY AND THE CENTER ARE NO LONGER SUBJECT TO EXAMINATION FOR THE FISCAL YEARS ENDED MAY 31, 2007 AND PRIOR.
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGES IN NET ASSETS OF RELATED ENTITY - THE CENTER -864,227. UNREALIZED LOSS ON INTEREST RATE SWAP AGREEMENTS -349,066. MINIMUM PENSION LIABILITY ADJUSTMENT 2,155,602.
PART XII, LINE 2D - OTHER ADJUSTMENTS		REVENUE OF RELATED ENTITY - THE CENTER 60,392,707.
PART XII, LINE 4B - OTHER ADJUSTMENTS		SCHOLARSHIP/GRANT EXPENSE NETTED TO REVENUE 11,223,030. DISTRIBUTION FROM RELATED ENTITY - THE CENTER 6,603,000. INVESTMENT 22,536.
PART XIII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES OF RELATED ENTITY - THE CENTER 54,653,934.
PART XIII, LINE 4B - OTHER ADJUSTMENTS		SCHOLARSHIP/GRANT EXPENSE NETTED TO REVENUE 11,223,030. INVESMENT 22,536.

SCHEDULE E

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

►Complete if the organization answered "Yes" to Form 990, Part IV, line 13,
or Form 990-EZ, Part VI, line 48.
► Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
GRACELAND UNIVERSITY

Employer identification number

42-0707114

Part I

- 1 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?
- 2 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?
- 3 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 use Part II

- 4 Does the organization maintain the following?
- a Records indicating the racial composition of the student body, faculty, and administrative staff?
- b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
- c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
- 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, use Part II

- 5 Does the organization discriminate by race in any way with respect to
- a Students' rights or privileges?

b Admissions policies?

c Employment of faculty or administrative staff?

d Scholarships or other financial assistance?

e Educational policies?

f Use of facilities?

g Athletic programs?

h Other extracurricular activities?

If you answered "Yes" to any of the above, please explain If you need more space, use Part II

- 6a Does the organization receive any financial aid or assistance from a governmental agency?

b Has the organization's right to such aid ever been revoked or suspended?

If you answered "Yes" to either line 6a or line 6b, explain on Part II

- 7 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," explain on Part II

YES NO

1

Yes

2

Yes

3

Yes

4a

Yes

4b

Yes

4c

Yes

4d

Yes

5a

No

5b

No

5c

No

5d

No

5e

No

5f

No

5g

No

5h

No

6a

Yes

6b

Yes

7

Yes

Part III Supplemental Information

Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information (see instructions).

Identifier	Return Reference	Explanation
EXPLANATION OF NONDISCRIMINATORY POLICY PUBLICATION	SCHEDULE E, PART I, LINE 3	IT IS THE POLICY OF GRACELAND UNIVERSITY TO EXTEND EQUAL OPPORTUNITIES TO ALL APPLICANTS FOR EMPLOYMENT, TO ALL EMPLOYEES SEEKING ADVANCEMENT, AND TO ALL STUDENTS APPLYING FOR ENROLLMENT WHO MEET THE BASIC CRITERIA ESTABLISHED. IT IS FURTHER THE POLICY OF GRACELAND UNIVERSITY NOT TO DISCRIMINATE AGAINST ANY EMPLOYEES, PROSPECTIVE EMPLOYEE, STUDENT, OR PROSPECTIVE STUDENT, ON THE BASIS OF RACE, COLOR, RELIGION, AGE, SEX, NATIONAL ORIGIN, SEXUAL ORIENTATION, OR DISABILITY. GRACELAND UNIVERSITY IS COMMITTED TO THE ELIMINATION OF THOSE CONDITIONS AND ATTITUDES FROM WHICH DISCRIMINATION IS SPAWNED AND DESIRES TO GIVE LEADERSHIP IN SOLVING THOSE PROBLEMS THAT IMPEDE THE BROAD APPLICATION OF JUSTICE AND EQUITY IN ALL HUMAN RELATIONSHIPS. A UNIVERSITY WITH A CHRISTIAN COMMISSION HAS A MANDATE TO SEARCH FOR AND APPLY THESE PRINCIPLES OF FAIRNESS IN ALL ASPECTS OF ITS OPERATION OVER AND ABOVE ITS LEGAL OBLIGATION TO COMPLY WITH THE TENANTS OF EQUAL OPPORTUNITY REQUIREMENTS.
EXPLANATION OF GOVERNMENT FINANCIAL ASSISTANCE	SCHEDULE E, PART I, LINE 6	6A) IN 2009-2010 THE UNIVERSITY RECEIVED GRANTS FROM THE U.S. DEPARTMENT OF EDUCATION (STUDENT SCHOLARSHIPS AND FINANCIAL AID GRANTS) AND THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (NURSING STUDENT GRANTS). THE UNIVERSITY ALSO RECEIVED FUNDS FROM THE DEPARTMENT OF EDUCATION FOR TRIO PROGRAM FUNDING. 6B) BASED ON THE DEPARTMENT OF EDUCATION RULING IN 1999, FEDERAL LOANS WERE NOT AWARDED TO STUDENTS IN OUR DISTANCE LEARNING (OUTREACH) PROGRAM BETWEEN 1999 AND DECEMBER 2003. THE PROGRAM WAS MODIFIED AND ONCE AGAIN APPROVED FOR TITLE IV ELIGIBILITY DURING THE 03-04 FISCAL YEAR.

OMB No 1545-0047

Open to Public Inspection

42-0707114

3 Activities per Region (Use Part V if additional space is needed)

Schedule F (Form 990) 2010

1

(i) Method of valuation (book, FMV, appraisal, other)

3 Enter total number of other organizations or entities ►

Part III

[illegible]

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*

☐

Yes

☒

No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*

☐

Yes

☒

No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*

☐

Yes

☒

No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*

☐

Yes

☒

No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*

☐

Yes

☒

No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*

☐

Yes

☒

No

Part V **Supplemental Information**

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Identifier	Return Reference	Explanation
METHOD USED TO ACCOUNT FOR EXPENDITURES		SCHEDULE F, PART I, LINE 3 OUR EXPENSES FOR INTERNATIONAL RECRUITING ARE SPENT DOMESTICALLY WE HAVE LIMITED TRAVEL ABROAD FOR THESE PURPOSES

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
GRACELAND UNIVERSITY

Employer identification number

42-0707114

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☒

Mail solicitations

e

☒

Solicitation of non-government grants

b

☒

Internet and e-mail solicitations

f

☒

Solicitation of government grants

c

☒

Phone solicitations

g

☐

Special fundraising events

d

☒

In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☒ Yes ☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
PRO COM INC PO BOX 27 LAMONI, IA 50140	TELEMARKETING FUNDRAISING		No	37,911	12,584	25,327
J NELSON BADDER 230 CONDIT DR LAMONI, IA 50140	FUNDRAISING		No	5,000	12,752	-7,752
Total ▶				42,911	25,336	17,575

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events.

Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

Revenue		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (Add col (a) through col (c))
		(event type)	(event type)	(total number)	
	1	Gross receipts			
	2	Less Charitable contributions			
	3	Gross income (line 1 minus line 2)			
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses			
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Combine lines 3 and 10 in column (d). ▶			

Part III Gaming.

Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Direct Expenses	1	Gross revenue			
	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor <input type="checkbox"/> Yes % <input type="checkbox"/> No	<input type="checkbox"/> Yes % <input type="checkbox"/> No	<input type="checkbox"/> Yes % <input type="checkbox"/> No	
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Combine lines 1 and 7 in column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

Yes

No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

Yes

No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

Yes

No

b

If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c

If "Yes," enter name and address

Name

Address

16 Gaming manager information

Name

Gaming manager compensation \$

Description of services provided

Director/officer

Employee

Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

Yes

No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
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Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
GRACELAND UNIVERSITY

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

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Open to Public
Inspection

Employer identification number
42-0707114

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2

Enter total number of section 501(c)(3) and government organizations

▶

3

Enter total number of other organizations

▶

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
See Additional Data Table					

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 SCHOLARSHIPS/GRANTS ARE PROVIDED TO STUDENTS THROUGH FINANCIAL AID, BASED ON FINANCIAL NEED AND FEDERAL OR STATE MANDATED REGULATIONS DONOR RESTRICTED SCHOLARSHIPS ARE ALSO MONITORED AND DISTRIBUTED THROUGH FINANCIAL AID PROCESSES TO COVER EDUCATIONAL EXPENSES ESTIMATED OR CHARGED BY THE UNIVERSITY

Software ID:
Software Version:
EIN: 42-0707114
Name: GRACELAND UNIVERSITY

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
ACADEMIC SCHOLARSHIPS	373	2,013,292			
GRANTS IN AID	982	7,823,710			
LEADERSHIP GRANTS	24	24,000			
PRIVATE COLLEGE TUITION EXCHANGE	4	69,020			
SKILLPATH GRANT	7	47,170			
SODEXHO GRANT	3	26,440			
STUDENT PRIZES AND AWARDS	1	350			
COC APPOINTEE GRANT	12	60,122			
CANADIAN MAPLE LEAF GRANT	25	24,250			
CERTIFICATE AWARDS	4	3,500			
ACADEMIC SCHOLARSHIPS - ADDITIONAL	255	563,456			
DHHS SCHOLARSHIPS	63	80,900			
SSS SUPPLEMENTAL GRANT	5	6,000			
SEOG GRANTS	375	302,525			
IOWA STATE GRANTS	15	4,576			
CCLP SCHOLARSHIPS	23	173,719			

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

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Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
GRACELAND UNIVERSITY

Employer identification number

42-0707114

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input checked="" type="checkbox"/> Discretionary spending account</div><div><input checked="" type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input checked="" type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: <div><div>a Receive a severance payment or change-of-control payment from the organization or a related organization?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a	No
		4b	Yes
		4c	No
5	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 5a or 5b, describe in Part III	5a	No
		5b	No
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 6a or 6b, describe in Part III	6a	No
		6b	No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JOHN SELLARS	(i)	175,763	0	0	16,000	41,854	233,617	0
	(ii)	0	0	0	0	0	0	0
(2) PARRIS WATTS	(i)	134,868	0	0	10,000	14,758	159,626	0
	(ii)	0	0	0	0	0	0	0
(3) STEVE ANDERS	(i)	101,153	0	0	0	49,151	150,304	0
	(ii)	0	0	0	0	0	0	0
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III

Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
	PART I, LINE 1A	THE PRESIDENT'S WIFE ACCOMPANIES HIM TO CERTAIN EVENTS WHEN DEEMED NECESSARY FOR THE GOOD OF THE UNIVERSITY. THE PRESIDENT HAS AUTHORITY OVER HIS OFFICE BUDGET, BUT NO FUNDS ARE AVAILABLE TO HIM FOR PERSONAL USE. THE PRESIDENT IS PROVIDED A RESIDENCE WHICH IS USED FOR UNIVERSITY FUNCTIONS. THE FAIR MARKET VALUE RENTAL OF \$18,000 PER YEAR, THE VALUE OF HOUSEKEEPING SERVICES OF \$2,204, AND THE VALUE OF UTILITIES/MAINTENANCE/OTHER PROVIDED OF \$7,697 IS INCLUDED IN NONTAXABLE BENEFITS ON SCH J, PART II, COLUMN (D).
	PART I, LINE 4B	457(F) PLANS: JOHN SELLARS \$16,000; PARRIS WATTS \$10,000.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
GRACELAND UNIVERSITY

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

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2010

Open to Public Inspection

Employer identification number
42-0707114

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A IOWA HIGHER EDUCATION LOAN AUTHORITY	42-1235696		02-01-2003	15,900,000	CONSTRUCTION-CHILLER PLANT/HELENE CENTER, REFINANCING TWO PRIOR BOND ISSUES		X		X		X
B IOWA FINANCE AUTHORITY	52-1699886	462463AB6	09-25-2008	6,135,000	RESCH SCIENCE HALL RENOVATION		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	15,927,058		6,161,292					
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow	5,170,943							
7	Issuance costs from proceeds	229,057		136,307					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	10,500,000		598,693					
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %					
6	Total of lines 4 and 5	0 %		0 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IVArbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2	Is the bond issue a variable rate issue?	X		X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X		X					
b	Name of provider	BANK OF AMERICA		BANK OF AMERICA					
c	Term of hedge	25 0000000000000		25 0000000000000					
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?	X			X				
6	Did the bond issue qualify for an exception to rebate?	X			X				

Part VSupplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons
▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

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2010
Open to Public Inspection

Name of the organization
GRACELAND UNIVERSITY

Employer identification number
42-0707114

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) AVA CARMICHAEL EAGLES	MS EAGLES IS A FAMILY MEMBER OF DAVID CARMICHAEL, BOARD MEMBER	82,711	MS EAGLES IS AN EMPLOYEE OF THE FILING ORGANIZATION AND RECEIVED REPORTABLE COMPENSATION OF \$82,711 DURING CALENDAR YEAR 2010		No
(2) BARB SUTHERLAND	MS SUTHERLAND IS THE SPOUSE OF GREG SUTHERLAND, OFFICER	31,893	MS SUTHERLAND IS AN EMPLOYEE OF THE FILING ORGANIZATION AND RECEIVED REPORTABLE COMPENSATION OF \$31,893 DURING CALENDAR YEAR 2010		No
(3) KEVIN BROWN	MR BROWN IS THE SPOUSE OF TALIA BROWN, INTERIM OFFICER	32,420	MR BROWN IS AN EMPLOYEE OF THE FILING ORGANIZATION AND RECEIVED REPORTABLE COMPENSATION OF \$32,420 DURING CALENDAR YEAR 2010		No
(4) TAMMY EVERETT	MS EVERETT IS THE SPOUSE OF KELLY EVERETT, OFFICER	65,353	MS EVERETT IS AN EMPLOYEE OF THE FILING ORGANIZATION AND RECEIVED REPORTABLE COMPENSATION OF \$65,353 DURING CALENDAR YEAR 2010		No
(5) LEE BASH	MR BASH IS THE SPOUSE OF KATHLEEN CLAUSON-BASH, OFFICER	32,000	MR BASH IS AN INDEPENDENT CONTRACTOR OF THE FILING ORGANIZATION RECEIVING REPORTABLE COMPENSATION OF \$32,000 DURING CALENDAR YEAR 2010		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

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2010

Open to Public Inspection

Name of the organization
GRACELAND UNIVERSITY

Employer identification number
42-0707114

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art	X	1	70,522	FMV
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications	X		397	FMV
5 Clothing and household goods	X		1,547	FMV
6 Cars and other vehicles .				
7 Boats and planes				
8 Intellectual property . .				
9 Securities—Publicly traded	X	17	2,104,312	FMV
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests .				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other . .				
15 Real estate—Residential .				
16 Real estate—Commercial				
17 Real estate—Other . .				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts . .				
23 Scientific specimens . .				
24 Archeological artifacts .				
25 Other ► (TRAVEL)	X	10	5,553	FMV
SOFTWARE - ROSETTA				
26 Other ► (STONE)	X	1	698	FMV
EQUIPMENT FOR WOMEN'S				
27 Other ► (SOCCER)	X	1	665	FMV
15 TICKETS TO THEATRE				
28 Other ► (PRODUCTION)	X	1	230	FMV
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29			0
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a	Yes	No	No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes		
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No	No
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
METHOD FOR DETERMINING NUMBER OF CONTRIBUTORS	PART I, COLUMN (B)	THE QUANTITY LISTED REPRESENTS THE NUMBER OF GIFTS DURING THE YEAR

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

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2010

Open to Public
Inspection

Name of the organization GRACELAND UNIVERSITY	Employer identification number 42-0707114
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		HELEN PEARSON SMITH, BOARD MEMBER AND ROBERT BRUCH, BOARD MEMBER HAVE A FAMILY RELATIONSHIP

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE ORGANIZATION HAS 7 MEMBERS WHO ARE A SINGLE CLASS OF MEMBERS AND ARE COLLECTIVELY REFERRED TO AS THE "CORPORATE BODY" - 3 MEMBERS OF THE FIRST PRESIDENCY OF THE COMMUNITY OF CHRIST - 3 MEMBERS OF THE PRESIDING BISHROPIC OF THE COMMUNITY OF CHRIST - 1 MEMBER WHO IS THE ACTING PRESIDENT OF THE COUNCIL OF TWELVE APOSTLES OF THE COMMUNITY OF CHRIST

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		PER THE ARTICLES OF INCORPORATION, THE BOARD OF TRUSTEES MAY CONSIST OF 12-27 MEMBERS - 9 TRUSTEES ARE ELECTED BY THE WORLD CONFERENCE OF THE COMMUNITY OF CHRIST - UP TO 9 TRUSTEES MAY BE APPOINTED BY THE CORPORATE BODY - UP TO 9 TRUSTEES MAY BE APPOINTED BY THE BOARD OF TRUSTEES - TRUSTEES MAY BE REMOVED BY THAT GROUP (WORLD CONFERENCE, CORPORATE BODY , OR BOARD OF TRUSTEES) THAT ELECTED OR APPOINTED SUCH TRUSTEE, EXCEPT THE CORPORATE BODY MAY ACT FOR THE WORLD CONFERENCE IN THE REMOVAL OF A TRUSTEE ELECTED BY THE WORLD CONFERENCE IN ANY INTERIM PERIOD BETWEEN WORLD CONFERENCES

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		UPON COMPLETION, BUT PRIOR TO FILING, THE PREPARED FORM 990 IS PROVIDED TO OFFICERS THROUGH THE GROUP PORTAL OF MY GRACELAND FOR THEIR REVIEW. AN IN-DEPTH REVIEW OF THE PREPARED FORM 990 IS CONDUCTED WITH THE BUSINESS SERVICES COMMITTEE OF THE BOARD OF TRUSTEES. CHANGES ARE MADE, IF NEEDED, AND A REVISED FORM 990 IS PROVIDED THROUGH THE GROUP PORTAL OF MY GRACELAND. THE PREPARED FORM 990 IS SUBMITTED BY THE DUE DATE, (INCLUDING EXTENSION (S)). THE SUBMITTED FORM 990 IS AVAILABLE UPON REQUEST, AND ONCE POSTED TO GUIDESTAR, IS AVAILABLE TO THE WORLD.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ANNUALLY, EACH BOARD MEMBER AND OFFICER OF THE UNIVERSITY, AND ALL STAFF, TRUSTEES, ADVISORS AND OTHER PERSONS REGULARLY INVITED TO ATTEND MEETINGS OF THE BOARD, SHALL SIGN A STATEMENT WHICH AFFIRMS THAT SUCH PERSON HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND UNDERSTANDS THAT GRACELAND UNIVERSITY IS A TAX-EXEMPT ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX, AND OTHER TAX EXEMPTIONS, IT MUST ENGAGE PRIMARILY AND SOMETIMES EXCLUSIVELY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX EXEMPT PURPOSES VOTING MEMBERS OF THE BOARD ARE REQUIRED TO DISCLOSE ANY POSSIBLE CONFLICTS OF INTEREST THE REMAINING MEMBERS OF THE BOARD WILL THEN DISCUSS AND DETERMINE IF SUCH A CONFLICT EXISTS, IF IT IS AVOIDABLE, OR IF IT IS IN THE BEST INTEREST OF THE BOARD AND UNIVERSITY TO PROCEED SHOULD ANY BOARD MEMBER BE FOUND TO BE CONCEALING A CONFLICT OF INTEREST, APPROPRIATE DISCIPLINARY AND CORRECTIVE ACTION WILL BE TAKEN

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE CHAIRMAN OF THE BOARD WILL WORK WITH OTHER BOARD MEMBERS TO DETERMINE THE COMPENSATION FOR THE CEO THE CEO SETS THE COMPENSATION FOR THE TOP MANAGEMENT AND OFFICERS, WITH APPROVAL OF THE BOARD IN EXECUTIVE SESSION VICE PRESIDENTS SET THE COMPENSATION FOR KEY EMPLOYEES, WITH APPROVAL OF THE CEO IN ALL CASES, COMPARABLE SALARY DATA FROM SIMILAR INSTITUTIONS IS REVIEWED, AS WELL AS A COMPARISON OF POSITIONS WITHIN THE INSTITUTION ALL COMPENSATION DECISIONS ARE DOCUMENTED CONTEMPORANEOUSLY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS AND THE CONFLICT OF INTEREST POLICY ARE AVAILABLE TO THE PUBLIC UPON REQUEST. FINANCIAL STATEMENTS ARE POSTED TO THE EMMA SITE BECAUSE OF PUBLIC TAX-EXEMPT BOND ISSUES. OTHERWISE, FINANCIAL STATEMENTS ARE NOT PROVIDED TO THE PUBLIC.

Identifier	Return Reference	Explanation
DEFERRED COMPENSATION FROM DEFINED BENEFIT RETIREMENT PLAN	FORM 990, PART VII, SECTION A	GRACELAND UNIVERSITY MAINTAINS A DEFINED BENEFIT RETIREMENT PLAN. INFORMATION WITH REGARD TO THE INCREASE IN ACTUARIAL VALUE IS NOT AVAILABLE ON AN EMPLOYEE BY EMPLOYEE BASIS, AND THEREFORE CANNOT BE REPORTED IN COLUMN (F). OTHER COMPENSATION EMPLOYEES EARN A BENEFIT WHICH IS 1.1% TIMES THEIR YEARS OF SERVICE TIMES THEIR HIGHEST 3 YEARS AVERAGE PAY. GRACELAND MADE NO CASH CONTRIBUTION TO THE DEFINED BENEFIT PLAN DURING THE 2010 CALENDAR YEAR, BUT RATHER ELECTED TO USE A CREDIT BALANCE HELD BY THE PLAN TO COVER REQUIRED CONTRIBUTIONS. EMPLOYEES THAT PARTICIPATE IN THE PLAN LISTED ON FORM 990, PART VII, SECTION A INCLUDE KATHLEEN CLAUSON, JANICE TIFFANY, GREG SUTHERLAND, TALIA BROWN, STEVE ANDERS, CLAUDIA HORTON, AND KELLY EVERETT.

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 3,412,046 CHANGES IN NET ASSETS OF RELATED ENTITY - THE CENTER -864,227 UNREALIZED LOSS ON INTEREST RATE SWAP AGREEMENTS - 349,066 MINIMUM PENSION LIABILITY ADJUSTMENT 2,155,602 TOTAL TO FORM 990, PART XI, LINE 5 4,354,355

Identifier	Return Reference	Explanation
NUMBER OF VOLUNTEERS	FORM 990, PART I, LINE 6	THE ALUMNI BOARD (NON-VOTING ADVISORY BOARD) IS MADE UP OF VOLUNTEERS TOTALING 24, OTHERS ACROSS CAMPUS ARE ONE PERSON VOLUNTEERING IN THE UNIVERSITY LIBRARY , 7 VOLUNTEERING HOUSING FOR TRAVELING STUDENT GROUPS, A GROUP OF 120 VOLUNTEERING GROUNDKEEPING ASSISTANCE, AND INTERNALLY , A GROUP OF 100, VOLUNTEERING WITH GROUNDS CLEANUP FOR A GRAND TOTAL OF 252

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
GRACELAND UNIVERSITY

Employer identification number
42-0707114

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)					
(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) GRACELAND COLLEGE CENTER FOR PROFESSIONAL DEVELOPMENT AND LIFELONG LEARNING 6900 SQUIBB RD MISSION, KS 66202 43-1685651	D/B/A SKILLPATH SEMINARS, ADULT EDUCATION/TRAINING	MO	501(C)(3)	LINE 9	N/A	Yes	
(2) COMMUNITY OF CHRIST 1001 W WALNUT STREET INDEPENDENCE, MO 64050 44-0552038	CHURCH	MO	501(C)(3)	LINE 1	N/A		No

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

Yes

No

No

No

No

No

No

No

No

No

No

No

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SKILL PATH THE CENTER	C	6,603,000	CASH
(2) COMMUNITY OF CHRIST	C	113,333	CASH
(3) COMMUNITY OF CHRIST	E	4,475,000	NOTE PAYABLE
(4) COMMUNITY OF CHRIST	E	19,880,000	LOAN GUARANTEE
(5)			
(6)			

Schedule R (Form 990) 2010

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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