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Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2010 calendar year, or tax year beginning **07/01/10** and ending **06/30/11**

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization: **Salisbury Academy**
 Doing Business As: _____
 Number and street (or P O box if mail is not delivered to street address): **2210 Jake Alexander Blvd. N**
 City or town, state or country, and ZIP + 4: **Salisbury NC 28147**

D Employer identification number: **56-1826817**

E Telephone number: **704-636-3002**

F Name and address of principal officer: _____

G Gross receipts \$: **1,675,524**

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) () (insert no) 4947(a)(1) or 527

J Website: **www.salisburyacademy.org**

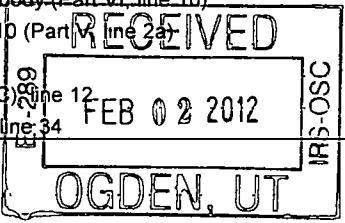
K Form of organization: Corporation Trust Association Other

L Year of formation: _____ **M** State of legal domicile: _____

H(c) Group exemption number: _____

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities To provide an enriching and challenging curriculum and educational community which encourages students to reach their full potential in mind, body and spirit.		
	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	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2010 (Part VII, line 5a)	5	40
	6 Total number of volunteers (estimate if necessary)	6	220
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	413,103	203,908
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,116,623	1,144,376
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	106	-1,570
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	221,722	244,140
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,751,554	1,590,854
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	940,201	1,020,388
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25)		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	576,905	607,245	
18 Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	1,517,106	1,627,633	
19 Revenue less expenses - Subtract line 18 from line 12	234,448	-36,779	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	3,271,116	3,248,057
	22 Net assets or fund balances - Subtract line 21 from line 20	3,165,076	3,178,799



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: *Robert Anderson* Date: *1/18/12*
 Robert Anderson Chair, Finance Committee

Type or print name and title

Paid Preparer Use Only

Preparer's name: **J. Alan Rutherford, CPA** Preparer's signature: *J. Alan Rutherford, CPA* Date: **01/15/12** Check if self-employed PTIN: **P00206851**

Firm's name: **J. Alan Rutherford, CPA, P.A.** Firm's EIN: **20-1842362**

Firm's address: **225 N Main St Ste 302 Salisbury, NC 28144** Phone no: **704-633-4060**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2010)

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Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission

To provide an enriching and challenging curriculum and educational community which encourages students to reach their full potential in mind, body and spirit.

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 \$ **1,145,846** including grants of \$) (Revenue \$)

Operation of Salisbury Academy, a JrK to 8th grade independent school preparing students socially, emotionally, intellectually, physically and spiritually to become lifelong learners.

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► **1,145,846**

Part IV Checklist of Required Schedules (continued)

	Yes	No
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? If "Yes," complete Schedule I, Parts I and II		X
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? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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? If "Yes," complete Schedule L, Part I		X
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? If "Yes," complete Schedule L, Part I		X
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? If "Yes," complete Schedule L, Part II		X
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? If "Yes," complete Schedule L, Part III		X
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? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
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? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
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? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
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)? If "Yes," complete Schedule R, Part V, line 2		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
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? If "Yes," complete Schedule R, Part VI		X
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		X

 Yes No

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 14		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
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. 40		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
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)?		X
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?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
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?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
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?		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
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? 12a		
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		
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		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O. 14b		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		X
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?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
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		X

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?		X
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?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		X
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? If "No," go to line 13	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
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	X	
b	Other officers or key employees of the organization		X
	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?		X
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?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **None**
- 18** Section 6104 requires an organization to make its Forms 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.
 Own website Another's website 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
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► **Janet McClure**
2210 Jake Alexander Blvd. N

Salisbury

NC 28144

704-636-3002

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

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
 - List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
 - List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations
- List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

(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			
(1) Mr. Greg Alcorn Chair, Board of Dir	20.00	X		X			0	0	0	
(2) Mr. Robert Anderson Vice-Chair, Board	20.00	X		X			0	0	0	
(3) Mr. Clay Lindsay Secretary/Treasurer	20.00	X		X			0	0	0	
(4) Mr. Matt Barr Board Member	20.00	X					0	0	0	
(5) Mrs. Jo Cummings Board Member	20.00	X					0	0	0	
(6) Mr. Jay Dees Board Member	20.00	X					0	0	0	
(7) Mrs. Tiffany Hunter Board Member	20.00	X					0	0	0	
(8) Mrs. Kerry Kribbs Board Member	20.00	X					0	0	0	
(9) Mrs. Melody Lee Board Member	20.00	X					0	0	0	
(10) Mr. Bryan Overcash Board Member	20.00	X					0	0	0	
(11) Mr. Brad Whitley Board Member	20.00	X					0	0	0	
(12) Mr. Galeal Zino Board Member	20.00	X					0	0	0	
(13) Dianne Fisher Head of School	50.00			X			40,000	0	0	
(14)										
(15)										
(16)										

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			
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
(26)										
(27)										
(28)										
1b Sub-total							40,000			
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							40,000			

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 **0**

	Yes	No
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		X
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		X
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		X

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

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 **0**

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	35,000				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	168,908				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f			203,908			
Program Service Revenue		Busn Code					
	2a Tuition and fees		1,091,745	1,091,745			
	b Student activities		52,631	52,631			
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			1,144,376			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		120			120	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross Rents	(i) Real	(ii) Personal				
		b Less rental exps					
		c Rental inc or (loss)					
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less cost or other basis & sales exps		1,690			
		c Gain or (loss)		-1,690			
		d Net gain or (loss)		-1,690	-1,690		
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a		265,923			
		b Less direct expenses	b	82,980			
		c Net income or (loss) from fundraising events		182,943			182,943
	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					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Busn. Code					
11a Other income			61,197			61,197	
b							
c							
d All other revenue							
e Total. Add lines 11a-11d			61,197				
12 Total revenue. See instructions			1,590,854	1,142,686	0	244,260	

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				
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	40,000		40,000	
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	905,574	756,187	149,387	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	16,109	13,532	2,577	
9 Other employee benefits	58,705	56,868	1,837	
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion	10,260		10,260	
13 Office expenses	4,930		4,930	
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	5,158	5,158		
20 Interest	144,591		144,591	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	122,084	111,098	10,986	
23 Insurance	17,722	15,026	2,696	
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 Supplies	50,665	50,665		
b Student activities	41,574	41,574		
c Miscellaneous	39,617	31,203	8,414	
d Repairs and Maintenance	38,871		38,871	
e Utilities	36,313	30,866	5,447	
f All other expenses	95,460	33,669	61,791	
25 Total functional expenses. Add lines 1 through 24f	1,627,633	1,145,846	481,787	0
26 Joint costs. Check here <input 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) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	92,667	1	133,356
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	346,225	3	310,447
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		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)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 3,802,173		
	b Less accumulated depreciation	10b 1,013,216	2,823,302	10c 2,788,957
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11		8,922	15,297
16 Total assets. Add lines 1 through 15 (must equal line 34)		3,271,116	16	3,248,057
Liabilities	17 Accounts payable and accrued expenses	71,487	17	77,632
	18 Grants payable		18	
	19 Deferred revenue	384,226	19	393,502
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	2,709,363	23	2,707,665
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25		3,165,076	26
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	99,876	27	69,258
	28 Temporarily restricted net assets	6,164	28	
	29 Permanently restricted net assets		29	
	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		106,040	33	69,258
34 Total liabilities and net assets/fund balances		3,271,116	34	3,248,057

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	1,590,854
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,627,633
3	Revenue less expenses Subtract line 2 from line 1	3	-36,779
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	106,040
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3
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	69,258

Part XII Financial Statements and Reporting

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

1 Accounting method used to prepare the Form 990 Cash Accrual 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?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 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

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

Separate basis Consolidated basis Both consolidated and separate 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?

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	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization

Salisbury Academy

Employer identification number

56-1826817

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 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?

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

h Provide the following information about the supported organization(s)

(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	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

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 section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

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 from 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 ► <input type="checkbox"/>		
b 33 1/3% support test—2009. If the organization did not check a 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 ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		

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. 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).

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Salisbury Academy

Employer identification number

56-1826817

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

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)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 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 Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 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 (ASC 958), 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 (ASC 958), 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 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$

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

3 Using the organization's acquisition, 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 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					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ %
- b Permanent endowment ▶ %
- c Term endowment ▶ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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

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

Part VI 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		167,582		167,582
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				167,582

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12)		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15)	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,590,854
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,627,633
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-36,779
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	-36,779

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	1,675,524
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	84,670
e	Add lines 2a through 2d	2e	84,670
3	Subtract line 2e from line 1	3	1,590,854
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	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c (This must equal Form 990, Part I, line 12)	5	1,590,854

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	1,712,303
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	84,670
e	Add lines 2a through 2d	2e	84,670
3	Subtract line 2e from line 1	3	1,627,633
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	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c (This must equal Form 990, Part I, line 18)	5	1,627,633

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, line 2, 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.

Part XI, Line 8 - Reconciliation of Changes - Other

Fundraising Costs	\$	82,980
Loss on Disposition of Assets	\$	1,690
Fundraising Costs	\$	-82,980
Loss on Disposition of Assets	\$	-1,690

Part XII, Line 2d - Revenue Amounts Included in Financials - Other

Part XIV Supplemental Information (continued)

Fundraising Costs	\$	82,980
Loss on Disposition of Assets	\$	1,690

Part XIII, Line 2d - Expense Amounts Included in Financials - Other

Fundraising Costs	\$	82,980
Loss on Disposition of Assets	\$	1,690

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

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

Salisbury Academy

Employer identification number
56-1826817

Part I

	YES	NO
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?	X	
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?	X	
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. The Organization solicited new students through newspaper advertisement. Included in the advertisement was the Organization's non-discrimination policy seeking diversity in its student body by encouraging students of all race, religion and ethnic origin to apply.	X	
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
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	X	
5 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. If you need more space, use Part II		X
6a Does the organization receive any financial aid or assistance from a governmental agency?		X
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		X
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	X	

Part II **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)

**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

Salisbury Academy

Employer identification number

56-1826817

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

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

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

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

	(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			
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total							

3 List all states in which the organization is registered or licensed to solicit contributions 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 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		<u>Special events</u> (event type)	<u>990PtVIII1c</u> (event type)	<u>None</u> (total number)	(add col (a) through col (c))
Revenue	1	Gross receipts	265,923	35,000	300,923
	2	Less Charitable contributions		35,000	35,000
	3	Gross income (line 1 minus line 2)	265,923		265,923
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses	82,980		82,980
	10	Direct expense summary Add lines 4 through 9 in column (d)			
11	Net income summary Combine line 3, column (d), and line 10				182,943

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

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))	
Revenue	1	Gross revenue				
Direct Expenses	2	Cash prizes				
	3	Noncash 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 line 1, column d, and line 7				

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?

9a Yes No

b If "No," explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

10a 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

		%
13a		%
13b		%

 - a The organization's facility
 - b An outside facility
- 14 Enter 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 of the third party

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 to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions)

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZComplete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010Open to Public
Inspection

Employer identification number

56-1826817**Salisbury Academy****Form 990, Part VI, Line 11b - Organization's Process to Review Form 990**

Form 990 is reviewed prior to filing by the Finance Committee.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

See attached.

Form 990, Part VI, Line 15a - Compensation Process for Top Official

Board uses relevant and regional data in determining salary for Head of School. Minutes of discussion are contemporaneously maintained, and decisions are reached by disinterested parties.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

No documents available to the public

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return **Salisbury Academy** Identifying number **56-1826817**

Business or activity to which this form relates
Indirect Depreciation

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	122,084

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	122,084
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Mortgages and Other Notes Payable

Forms
990 / 990-PF

2010

For calendar year 2010, or tax year beginning **07/01/10**, and ending **06/30/11**

Name
Salisbury Academy

Employer Identification Number
56-1826817

Form 990, Part X, Line 23 - Additional Information

Name of lender	Relationship to disqualified person
(1) F&M Mortgage	
(2) Dell Computer capital lease	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 2,707,665	11/10/11	11/10/16	59 Mo Pmts of \$17,433, bal	5.250
(2) 39,716	08/09/07	07/13/10	Monthly payment \$1,204	6.056
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) Real Property	
(2) Computers	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	2,708,165	2,707,665
(2)	1,198	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	2,709,363	2,707,665

Federal Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179B	Bonus	Basis for Depr	PerConv Meth	Prior	Current
Other Depreciation:										
1	Kindergarten Modular	7/01/96	160,655				160,655	40 MO S/L	56,310	4,016
7	K - Computer JK-C	10/01/97	500				500	5 MO S/L	500	0
	Sold/Scrapped 8/01/10									
40	K - Refrigerator - GE	9/01/96	500				500	7 MO S/L	500	0
43	Refrigerator - Hotpoint (staff)	5/01/00	500				500	7 MO S/L	500	0
44	Tables & Chairs	8/27/98	1,077				1,077	7 MO S/L	1,077	0
47	Trophy Case	6/01/00	1,275				1,275	7 MO S/L	1,275	0
48	7+Acres Jake Alexander Blvd	12/01/97	135,000				135,000	0 -- Land	0	0
54	Copier - Konica 2125	9/21/00	3,172				3,172	5 MO S/L	3,172	0
	Sold/Scrapped: 4/06/11									
57	Laminator/XE/25	7/11/99	1,293				1,293	5 MO S/L	1,293	0
58	4 Drawer vertical file cabinet (Fire King)	7/23/99	980				980	7 MO S/L	980	0
59	4 Drawer vertical file cabinet (Fire King)	7/23/99	980				980	7 MO S/L	980	0
63	School Bus - (#5) 1984 Int'l K	8/01/96	3,500				3,500	5 MO S/L	3,500	0
72	Level 1 complete kit-Organisms (1st)	8/07/99	525				525	3 MO S/L	525	0
73	Level 2 complete kit-Life cycles (2nd)	8/07/99	714				714	3 MO S/L	714	0
74	Level 3 complete kit-Subsystems (Science)	8/07/99	756				756	3 MO S/L	756	0
75	Level 4 complete kit-Environments (Science)	8/07/99	760				760	3 MO S/L	760	0
76	Level 5 complete kit-Energy (Science)	8/07/99	798				798	3 MO S/L	798	0
93	SMART Board 560 w/ Floor Stand & Proj	4/01/02	5,400				5,400	3 MO S/L	5,400	0
99	Desk - MS (60)	4/15/03	5,020				5,020	7 MO S/L	5,020	0
100	Desks - MS - 5th grade (20)	11/06/02	1,119				1,119	7 MO S/L	1,119	0
101	Booktrucks for library (2)	11/01/02	956				956	7 MO S/L	956	0
102	Barcode system for library	1/24/03	4,838				4,838	5 MO S/L	4,838	0
103	SMART board 560 w/ Floor Stand (7)	2/01/03	37,800				37,800	3 MO S/L	37,800	0
104	Digital piano	6/10/03	1,288				1,288	5 MO S/L	1,288	0
106	K Computer - Dell 2350 JKA	5/22/03	802				802	3 MO S/L	802	0
	Sold/Scrapped 6/30/11									
108	Readers Handbooks (6th - 8th)	8/03/02	1,350				1,350	3 MO S/L	1,350	0
110	Bleachers	5/01/03	11,268				11,268	7 MO S/L	11,268	0
111	Lunchtables (5)	5/01/03	4,100				4,100	7 MO S/L	4,100	0
112	Basketball goals	5/01/03	14,348				14,348	7 MO S/L	14,348	0
113	Lockers	5/01/03	19,160				19,160	7 MO S/L	19,160	0
114	Dryerase boards	5/01/03	7,988				7,988	7 MO S/L	7,988	0
119	1-8 Building	5/01/03	2,900,658				2,900,658	40 MO S/L	519,701	72,517
120	Dishtub/sink	5/01/03	2,175				2,175	7 MO S/L	2,175	0
121	Traulsen Two-door Refrigerator	5/01/03	2,389				2,389	7 MO S/L	2,389	0
122	Scotsman Ice Machine	5/01/03	1,400				1,400	7 MO S/L	1,400	0
123	Scotsman Ice Bin	5/01/03	500				500	7 MO S/L	500	0
124	2 Kitchen Worktables	5/01/03	1,185				1,185	7 MO S/L	1,185	0
125	Floor Buffer	1/21/04	4,251				4,251	5 MO S/L	4,251	0
126	Kindergarten Playground Equipment	11/05/03	8,360				8,360	7 MO S/L	7,962	398
127	K - Playground design, hardscapes & mulch	12/09/03	11,000				11,000	7 MO S/L	10,345	655
128	2-20' Flag poles	2/24/04	1,597				1,597	7 MO S/L	1,445	152
129	1- 25' flag pole	2/24/04	896				896	7 MO S/L	810	86
130	1.303 Acres, Woodleaf Road	4/26/04	32,582				32,582	0 -- Land	2,579	0
131	Receptionist Desk & Library Desk	8/11/03	1,613				1,613	7 MO S/L	1,593	20
132	Walnut Hutch	8/11/03	915				915	7 MO S/L	904	11
133	Kneespace Credenza	8/11/03	1,071				1,071	7 MO S/L	1,058	13
134	Bookcase - Head's Office	8/11/03	689				689	7 MO S/L	681	8
135	Loveseat - Lobby	10/14/03	646				646	7 MO S/L	623	23
136	Scoreboard, midnight blue - Gym	11/13/03	2,500				2,500	7 MO S/L	2,381	119
137	Doublesided school identification sign	2/24/04	4,082				4,082	10 MO S/L	2,586	408
138	16 cherry bookcases-library	8/11/03	2,990				2,990	5 MO S/L	2,990	0
139	12 split level tables-computer lab	8/29/03	4,632				4,632	5 MO S/L	4,632	0
140	2 split level tables-library	8/29/03	772				772	5 MO S/L	772	0
141	8 student huddle desk - Science	8/25/03	1,676				1,676	5 MO S/L	1,676	0
142	1-8 Playground equipment	5/01/03	11,450				11,450	15 MO S/L	5,391	763
143	Gym Flooring	5/01/03	45,900				45,900	15 MO S/L	21,611	3,060
145	Irrigation System	8/07/03	17,000				17,000	10 MO S/L	11,758	1,700
146	Dell Server	4/11/03	3,528				3,528	10 MO S/L	2,484	353
148	10 Dell Computers(4/11/03	8,736				8,736	5 MO S/L	8,736	0
149	Kitchen Worktable	5/01/03	765				765	7 MO S/L	765	0
150	2 Soccer goals with nets	8/29/03	1,250				1,250	7 MO S/L	1,220	30
151	1-8 Playground equipment - Add to Asset 1	5/01/03	580				580	15 MO S/L	273	39
152	Conference room table & 8 chairs	9/22/03	1,531				1,531	7 MO S/L	1,476	55
153	Lunchtable (1)	12/16/04	877				877	5 MO S/L	877	0
154	4 Drawer File Cabinet Fireproof	1/21/05	636				636	10 MO S/L	345	63

Federal Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179B	Bonus	Basis for Depr	PerConv Meth	Prior	Current
155	20 Folding Utility Tables	1/26/05	2,400				2,400	7 MO S/L	1,857	343
156	Open Court Minibook Set - 1st Grade	8/13/04	1,348				1,348	3 MO S/L	1,348	0
158	Track Lighting	10/15/04	10,466				10,466	10 MO S/L	6,018	1,047
159	Install Track Lighting	3/10/05	1,085				1,085	10 MO S/L	579	108
160	Blinds for Building	8/13/04	4,884				4,884	10 MO S/L	2,890	488
161	HP 2420Printer - P-16	1/02/06	531				531	5 MO S/L	478	53
162	Kindergarten Deck	3/21/06	2,124				2,124	10 MO S/L	903	212
163	Latitude D510 Laptops (3)	1/18/06	4,050				4,050	5 MO S/L	3,578	472
164	36"x42" Cast Bronze Plaque (Step-Up)	7/28/05	3,300				3,300	15 MO S/L	1,082	220
165	F&M Scoreboard-midnight blue-Gym	3/29/06	4,260				4,260	7 MO S/L	2,587	608
166	Powder Coated Player Bench (2) 15'	6/30/06	1,238				1,238	10 MO S/L	495	124
167	Volleyball Referee Stand	6/23/06	667				667	10 MO S/L	267	67
168	Music Cottage	5/22/06	9,154				9,154	40 MO S/L	915	229
169	Music Cottage-remainder	12/31/06	35,459				35,459	40 MO S/L	3,103	886
170	Fire System - Kindergarten	5/07/07	1,823				1,823	10 MO S/L	577	183
171	Sound system-gymnasium	6/19/07	4,920				4,920	7 MO S/L	2,109	702
172	Scoreboard-Soccer	4/04/07	4,133				4,133	10 MO S/L	1,343	414
173	Alert Alarms - Burglar Alarm	8/14/06	3,721				3,721	10 MO S/L	1,457	372
174	HP Laserjet P-26	3/17/08	550				550	5 MO S/L	248	110
175	Telephone Sys Lease Buyout	6/19/08	1,275				1,275	5 MO S/L	510	255
176	8 Laptops, Dell lease	8/17/07	7,279				7,279	5 MO S/L	4,125	1,456
177	18 Dell PCs, lease	8/17/07	18,717				18,717	5 MO S/L	10,606	3,744
178	Admin PCs (5) Dell lease	8/17/07	2,936				2,936	5 MO S/L	1,664	587
179	Server, Dell lease	8/17/07	2,845				2,845	5 MO S/L	1,612	569
180	Firewall, Dell lease	8/17/07	969				969	5 MO S/L	549	194
181	(2) Switches, Dell lease	8/17/07	376				376	5 MO S/L	213	76
182	Tape backup, Dell lease	8/17/07	1,525				1,525	5 MO S/L	864	153
	Sold/Scrapped- 1/03/11									
183	Scoreboard wiring, Brooks Elec	9/30/07	850				850	7 MO S/L	334	121
184	Scoreboard I-beams	8/21/07	575				575	10 MO S/L	163	57
185	Kyocera Copier KM3530	5/15/08	2,500				2,500	5 MO S/L	1,083	500
186	Kyocera Copier KM4035	5/15/08	3,200				3,200	5 MO S/L	1,387	640
187	Bronze Plaque sitting area	7/17/07	545				545	15 MO S/L	106	36
188	Microscope FB1363	1/23/08	695				695	7 MO S/L	240	99
189	Sadlier Math 5-6	2/20/08	564				564	3 MO S/L	439	125
190	Sadlier Math 5th	2/06/08	1,708				1,708	3 MO S/L	1,376	332
191	Phonics/Spelling K-3	1/23/08	2,070				2,070	3 MO S/L	1,668	402
192	Houghton-Miller English 3rd 18	8/03/07	923				923	3 MO S/L	898	25
193	Houghton-Miller English 4th 18	8/03/07	923				923	3 MO S/L	898	25
194	Houghton-Miller English 6th 21	8/03/07	1,191				1,191	3 MO S/L	1,158	33
195	Kindergarten Roof	11/18/08	16,970				16,970	10 MO S/L	2,687	1,697
196	Dell-7 Vostra 1510 Laptops (7)	6/19/09	4,909				4,909	5 MO S/L	982	982
197	Dell 3130 Printer P-28	6/19/09	290				290	5 MO S/L	58	58
198	Epson, 2 Projectors (2)	9/12/08	998				998	5 MO S/L	366	200
199	Roof Modification, Stout	11/13/08	486				486	10 MO S/L	81	49
200	Scorer's table	8/27/08	1,395				1,395	7 MO S/L	365	200
201	Gym padding, contributed	1/08/09	406				406	7 MO S/L	87	58
202	Soccer padding, contributed	1/08/09	181				181	7 MO S/L	39	26
203	Acoustical panels in Gym, Contrib	12/12/08	22,816				22,816	7 MO S/L	5,161	3,259
204	Prog in Math 1st, 20	9/08/08	694				694	3 MO S/L	424	232
205	Prog in Math 3rd, 12	9/08/08	762				762	3 MO S/L	466	254
206	Prog in Math 4th, 17	9/08/08	1,046				1,046	3 MO S/L	639	349
207	Prog in Math 5th, 20	10/03/08	1,254				1,254	3 MO S/L	732	418
208	Prog in Math 6th, 20	10/03/08	1,254				1,254	3 MO S/L	732	418
209	Sadlier Math 6th	2/06/08	1,652				1,652	3 MO S/L	1,330	322
210	Sadlier Math 7th	2/06/08	1,254				1,254	3 MO S/L	1,010	244
211	Sadlier Math 8th	2/06/08	1,254				1,254	3 MO S/L	1,010	244
212	Choral Risers (4)	9/27/09	2,670				2,670	7 MO S/L	286	381
213	Hot Water heating wiring ART	12/05/09	620				620	40 MO S/L	9	16
214	One Laptop #5-LAP	4/13/03	1,642				1,642	5 MO S/L	1,642	0
	Sold/Scrapped. 1/03/11									
215	Dell Optiplex 380 (4)	8/06/10	2,768				2,768	5 MO S/L	0	508
216	Dell Latitude D830	6/06/11	650				650	5 MO S/L	0	11
217	Dell Latitude E5510 (2)	8/06/10	2,517				2,517	5 MO S/L	0	461
218	Dell Mini Netbooks (10)	8/06/10	3,839				3,839	5 MO S/L	0	704
219	Wired Mice for Netbooks (10)	6/05/11	100				100	5 MO S/L	0	2
220	Dell Vostro 3500 (6)	6/20/11	3,906				3,906	5 MO S/L	0	0
221	Dell Mini 1018 Netbooks (10)	6/20/11	3,278				3,278	5 MO S/L	0	0
222	Wired Mice for Netbooks (10)	6/05/11	100				100	5 MO S/L	0	2
223	Dell 1510X Projectors (5)	8/06/10	3,905				3,905	5 MO S/L	0	716
224	Interactive Projector	6/20/11	2,033				2,033	5 MO S/L	0	0

Federal Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus Sec % 179Bonus	Basis for Depr	PerConv Meth	Prior	Current
225	ResponseCard RF w LCD (63)	6/05/11	3,285		3,285	5 MO S/L	0	55
226	Carts (10)	10/06/10	719		719	5 MO S/L	0	108
227	Algebra 1 books w test gen (15)	10/04/10	1,072		1,072	3 MO S/L	0	268
228	Common Sense DVD	8/23/10	472		472	5 MO S/L	0	79
229	Willy Wonka show kit	10/27/10	562		562	5 MO S/L	0	75
230	Folding Chairs w 2 Trucks (150)	6/24/11	3,123		3,123	7 MO S/L	0	0
231	2011 Thomas Minotour Bus	10/14/10	52,626		52,626	5 MO S/L	0	7,894
232	Fibrant Wiring	3/31/11	4,471		4,471	5 MO S/L	0	224
233	K Computer Dell 2350 K-A	5/22/03	802		802	3 MO S/L	802	0
234	14 Dell Computers	4/11/03	12,230		12,230	5 MO S/L	12,230	0
	Sold/Scrapped 6/30/11							
235	1 Laptop Dell Lease	8/17/07	910		910	5 MO S/L	516	182
	Sold/Scrapped 6/30/11							
236	4 Dell PCs lease	7/17/07	4,159		4,159	5 MO S/L	2,357	832
	Sold/Scrapped: 6/30/11							
	Total Other Depreciation		<u>3,827,113</u>		<u>3,827,113</u>		<u>914,389</u>	<u>122,084</u>
	Total ACRS and Other Depreciation		<u>3,827,113</u>		<u>3,827,113</u>		<u>914,389</u>	<u>122,084</u>
	Grand Totals		3,827,113		3,827,113		914,389	122,084
	Less: Dispositions and Transfers		24,940		24,940		22,083	1,167
	Less: Start-up/Org Expense		0		0		0	0
	Net Grand Totals		<u>3,802,173</u>		<u>3,802,173</u>		<u>892,306</u>	<u>120,917</u>

Form **8868**
(Rev. January 2011)

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension-check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print	Name of exempt organization Salisbury Academy	Employer identification number 56-1826817
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P O box, see instructions 2210 Jake Alexander Blvd. N	
	City, town or post office, state, and ZIP code For a foreign address, see instructions Salisbury NC 28147	

Enter the Return code for the return that this application is for (file a separate application for each return)

01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

Janet McClure
2210 Jake Alexander Blvd. N

NC 28144

- The books are in the care of ▶ **Salisbury** Telephone No ▶ **704-636-3002** FAX No ▶ **704-636-0778**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **02/15/12**, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶ calendar year or

▶ tax year beginning **07/01/10**, and ending **06/30/11**

2 If this tax year entered in line 1 is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 1-2011)