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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**A** For the 2010 calendar year, or tax year beginning **JUL 1, 2010** and ending **JUN 30, 2011**

<b>B</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	<b>C</b> Name of organization <b>MONTANA STATE UNIVERSITY-NORTHERN FOUNDATION</b>		<b>D</b> Employer identification number <b>81-0375335</b>
	Doing Business As		<b>E</b> Telephone number <b>406-265-3711</b>
	Number and street (or P O box if mail is not delivered to street address)	Room/suite	<b>G</b> Gross receipts \$ <b>1,687,749.</b>
	<b>PO BOX 1691</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or country, and ZIP + 4 <b>HAVRE, MT 59501</b>		<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
<b>F</b> Name and address of principal officer: <b>SHAUNA ALBRECHT</b> <b>SAME AS C ABOVE</b>			<b>H(c)</b> Group exemption number ▶
<b>I</b> 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			
<b>J</b> Website: ▶ <b>N/A</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation: <b>1977</b> <b>M</b> State of legal domicile: <b>MT</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities <b>MSU NORTHERN FOUNDATION WAS ORGANIZED TO PROMOTE AND DEVELOP MSU-NORTHERN THROUGH FUND RAISING</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>12</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>12</b>
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a)	<b>5</b>	<b>0</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>0</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VII, line 2g)	<b>1,326,141.</b>	<b>1,187,453.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>146,000.</b>	<b>0.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>212,761.</b>	<b>238,808.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>-148,083.</b>	<b>261,488.</b>
	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>1,536,819.</b>	<b>1,687,749.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>269,138.</b>	<b>263,044.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>142,311.</b>	<b>134,044.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>126,443.</b>	<b>0.</b>	<b>0.</b>
<b>Expenses</b>	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>598,300.</b>	<b>674,238.</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>1,009,749.</b>	<b>1,071,326.</b>
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>527,070.</b>	<b>616,423.</b>
	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
<b>Net Assets or Fund Balances</b>	<b>21</b> Total liabilities (Part X, line 26)	<b>5,796,918.</b>	<b>6,104,909.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>2,068,300.</b>	<b>1,759,868.</b>
		<b>3,728,618.</b>	<b>4,345,041.</b>

**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

<b>Sign Here</b>	Signature of officer <i>Cathy Sielstad</i>		Date <i>2/9/12</i>
	Type or print name and title <b>CATHY SIELSTAD, DIRECTOR OF OPERATIONS</b>		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>THOMAS M. RYGG, CPA</b>	Preparer's signature <i>Thomas M Rygg</i>	Date <i>2/9/12</i>
	Firm's name ▶ <b>GALUSHA, HIGGINS AND GALUSHA, PC</b>	Firm's EIN ▶	Check if self-employed <input type="checkbox"/> PTIN
	Firm's address ▶ <b>P. O. BOX 1530 HAVRE, MT 59501</b>	Phone no. <b>406-265-3201</b>	

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No*646 23*

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FOUNDATION

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**Part III** Statement of Program Service Accomplishments

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

☒ X

- 1 Briefly describe the organization's mission

**TO PROVIDE SUPPORT FOR THE MONTANA STATE UNIVERSITY NORTHERN THROUGH  
FUND RAISING ACTIVITIES.**

- 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 \$ 263,044. including grants of \$ 263,044.) (Revenue \$ \_\_\_\_\_)  
**SCHOLARSHIPS - THIS ACTIVITY PROVIDES SCHOLARSHIPS FOR STUDENTS AT  
MSU-NORTHERN**

4b (Code \_\_\_\_\_) (Expenses \$ 256,119. including grants of \$ 256,119.) (Revenue \$ \_\_\_\_\_)  
**ATHLETICS - PROVIDES SUPPORT TO MSU-NORTHERN  
ATHLETIC PROGRAMS IN THE FORM OF SCHOLARSHIPS  
AND DIRECT SUPPORT**

4c (Code \_\_\_\_\_) (Expenses \$ 70,883. including grants of \$ 70,883.) (Revenue \$ \_\_\_\_\_)  
**SPECIAL PROJECTS - PROVIDES SUPPORT FOR SPECIAL  
PROJECTS AT MSU-NORTHERN**

- 4d Other program services (Describe in Schedule O)

(Expenses \$ 87,508. including grants of \$ 87,508.) (Revenue \$ \_\_\_\_\_)

4e Total program service expenses **677,554.**

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**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> 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>	<b>X</b>	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors?	<b>X</b>	
<b>3</b> 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>		<b>X</b>
<b>4</b> <b>Section 501(c)(3) organizations.</b> 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>		<b>X</b>
<b>5</b> 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>		
<b>6</b> 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>		<b>X</b>
<b>7</b> 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>		<b>X</b>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<b>X</b>	
<b>9</b> 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>		<b>X</b>
<b>10</b> 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>	<b>X</b>	
<b>11</b> 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		
<b>a</b> 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>	<b>X</b>	
<b>b</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>	<b>X</b>	
<b>c</b> 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>		<b>X</b>
<b>d</b> 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>		<b>X</b>
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<b>X</b>	
<b>f</b> 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>		<b>X</b>
<b>12a</b> 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>	<b>X</b>	
<b>b</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>		<b>X</b>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		<b>X</b>
<b>b</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>		<b>X</b>
<b>15</b> 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 United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		<b>X</b>
<b>16</b> 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 United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		<b>X</b>
<b>17</b> 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</i>		<b>X</b>
<b>18</b> 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>		<b>X</b>
<b>19</b> 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>		<b>X</b>
<b>20a</b> Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		<b>X</b>
<b>b</b> If "Yes" to line 20a, did the organization attach its audited financial statements to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

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**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> 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>		<b>X</b>
<b>22</b> 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>	<b>X</b>	
<b>23</b> 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? <i>If "Yes," complete Schedule J</i>		<b>X</b>
<b>24a</b> 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 through 24d and complete Schedule K. If "No," go to line 25</i>		<b>X</b>
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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>		<b>X</b>
<b>25b</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>		<b>X</b>
<b>26</b> 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>		<b>X</b>
<b>27</b> 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>		<b>X</b>
<b>28</b> 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)		
<b>28a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>28c</b> 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>		<b>X</b>
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<b>X</b>
<b>32</b> 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>		<b>X</b>
<b>33</b> 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>		<b>X</b>
<b>34</b> 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>		<b>X</b>
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)?		<b>X</b>
<b>a</b> 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> <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>37</b> 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>		<b>X</b>
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	<b>X</b>	

**Note.** All Form 990 filers are required to complete Schedule O

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

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**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
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year	12	
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent	12	
<b>2</b> 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	X
<b>3</b> 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	X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
<b>6</b> Does the organization have members or stockholders?	6	X
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	8a	X
<b>b</b> Each committee with authority to act on behalf of the governing body?	8b	X
<b>9</b> 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	X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Does the organization have local chapters, branches, or affiliates?	10a	X
<b>b</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	
<b>11a</b> Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990		
<b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	
<b>13</b> Does the organization have a written whistleblower policy?	13	X
<b>14</b> Does the organization have a written document retention and destruction policy?	14	X
<b>15</b> 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?		
<b>a</b> The organization's CEO, Executive Director, or top management official	15a	X
<b>b</b> Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions.)		
<b>16a</b> 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	X
<b>b</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 **MT**

**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 **▶**  
**THE ORGANIZATION - 406-265-3711**  
**PO BOX 1691, HAVRE, MT 59501**

**MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Form 990 (2010)

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**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 organization 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			
RENELL BRAATEN BOARD MEMBER		X						0.	0.	0.
STEVE BEBEE BOARD MEMBER		X						0.	0.	0.
DAVE CLAUSEN BOARD MEMBER		X						0.	0.	0.
JENNIFER KINSELLA BOARD MEMBER		X						0.	0.	0.
GAIL RADER BOARD MEMBER		X						0.	0.	0.
NANCY AHERN BOARD MEMBER		X						0.	0.	0.
TERRY NEWTON BOARD MEMBER		X						0.	0.	0.
RICHARD STEVENS BOARD MEMBER		X						0.	0.	0.
JIM MOODIE BOARD MEMBER		X						0.	0.	0.
MAX ERICKSON BOARD MEMBER		X						0.	0.	0.
JOE MARINO BOARD MEMBER		X						0.	0.	0.
COLE CHANDLER PRESIDENT				X				0.	0.	0.
SHAUNA ALBRECHT DIRECTOR	40.00			X				51,133.	0.	0.
BRENT REBER BOARD MEMBER				X				0.	0.	0.



**MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

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**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			
<b>1b Sub-total</b>								51,133.	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								51,133.	0.	0.

**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
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		<b>X</b>
<b>4</b> 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? <i>If "Yes," complete Schedule J for such individual</i>		<b>X</b>
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		<b>X</b>

**Section B. Independent Contractors**

<b>1</b> Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization <b>NONE</b>		
(A) Name and business address	(B) Description of services	(C) Compensation
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization <span style="float:right">0</span>		

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	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1187453.			
	g	Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f			1187453.			
Program Service Revenue	Business Code						
	2 a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g Total. Add lines 2a-2f						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		238,808.			238,808.
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross Rents	(i) Real (ii) Personal				
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)					
	8 a	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					
	9 a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10 a	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			Business Code				
11 a	ADMINISTRATIVE SERVICE	561000	146,000.			146,000.	
b	OTHER INVESTMENT INCOM	523000	64,447.			64,447.	
c	CHANGE IN TRUST/ANNUIT	523000	51,041.			51,041.	
d	All other revenue						
e	Total. Add lines 11a-11d		261,488.				
12	Total revenue See instructions.			1687749.	0.	0.	500,296.

**MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Form 990 (2010)

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**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
<b>1</b> Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
<b>2</b> Grants and other assistance to individuals in the U.S. See Part IV, line 22	263,044.	263,044.		
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	55,457.		55,457.	
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	37,469.		37,469.	
<b>8</b> Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,563.		3,563.	
<b>9</b> Other employee benefits	18,030.		18,030.	
<b>10</b> Payroll taxes	19,525.		19,525.	
<b>11</b> Fees for services (non-employees)				
<b>a</b> Management				
<b>b</b> Legal	43.		43.	
<b>c</b> Accounting	42,586.		42,586.	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other	25,003.		25,003.	
<b>12</b> Advertising and promotion				
<b>13</b> Office expenses	5,814.		5,814.	
<b>14</b> Information technology	14,498.		14,498.	
<b>15</b> Royalties				
<b>16</b> Occupancy	700.		700.	
<b>17</b> Travel				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest	25,906.		25,906.	
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	861.		861.	
<b>23</b> Insurance				
<b>24</b> 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.)				
<b>a</b> CENTURY CLUB - ATHLETIC	256,119.	256,119.		
<b>b</b> OTHER PROJECTS	132,725.		6,282.	126,443.
<b>c</b> SPECIAL PROJECTS	87,508.	87,508.		
<b>d</b> OTHER SPECIAL PROJECTS	70,883.	70,883.		
<b>e</b> PAYOUTS	11,592.		11,592.	
<b>f</b> All other expenses				
<b>25</b> Total functional expenses. Add lines 1 through 24f	1,071,326.	677,554.	267,329.	126,443.
<b>26</b> 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				

**MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Form 990 (2010)

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**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing	264,256.	1	401,139.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	9,863.	3	181,555.
	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	2,690,066.	7	2,741,950.
	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	393,072.		
	b Less accumulated depreciation	48,276.		
		861,912.	10c	344,796.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	1,916,926.	12	2,371,574.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	53,895.	15	63,895.	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	5,796,918.	16	6,104,909.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	14,700.	17	6,754.
	18 Grants payable		18	
	19 Deferred revenue		19	
	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		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	2,053,600.	25	1,753,114.
	26 <b>Total liabilities.</b> Add lines 17 through 25	2,068,300.	26	1,759,868.
	<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>		
27 Unrestricted net assets		-1,111,504.	27	-950,567.
28 Temporarily restricted net assets		1,167,312.	28	1,543,907.
29 Permanently restricted net assets		3,672,810.	29	3,751,701.
<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>				
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 <b>Total net assets or fund balances</b>		3,728,618.	33	4,345,041.
34 <b>Total liabilities and net assets/fund balances</b>		5,796,918.	34	6,104,909.

Form 990 (2010)

**MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Form 990 (2010)

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**Part XI Reconciliation of Net Assets**

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

☒ **X**

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	1,687,749.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	1,071,326.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	616,423.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	3,728,618.
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	0.
<b>6</b>	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	4,345,041.

**Part XII Financial Statements and Reporting**

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

☒ **X**

- 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
<b>2a</b>		<b>X</b>
<b>2b</b>	<b>X</b>	
<b>2c</b>	<b>X</b>	
<b>3a</b>		<b>X</b>
<b>3b</b>		

Form **990** (2010)

**SCHEDULE A**  
(Form 990 or 990-EZ)

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 **MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Employer identification number  
**81-0375335**

**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?
 

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

(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	
<b>Total</b>									

LHA 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.")	785,690.	1,009,871.	696,477.	1,326,141.	1,187,453.	5,005,632.
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 <b>Total.</b> Add lines 1 through 3	785,690.	1,009,871.	696,477.	1,326,141.	1,187,453.	5,005,632.
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 <b>Public support.</b> Subtract line 5 from line 4						5,005,632.

**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	785,690.	1,009,871.	696,477.	1,326,141.	1,187,453.	5,005,632.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	225,074.	189,649.	103,215.	212,761.	238,808.	969,507.
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 <b>Total support.</b> Add lines 7 through 10						5,975,139.
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** ► ☐

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	83.77 %
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	84.43 %

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 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 ► ☐

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
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (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
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12)						
<b>14 First five years.</b> 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 <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2009 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2009 Schedule A, Part III, line 17	<b>18</b>	%

**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 ☐



**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 **MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Employer identification number  
**81-0375335**

**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 ▶ \$ \_\_\_\_\_

☐ Yes      ☒ No☐ Yes      ☐ No☐ Yes      ☐ No

Schedule D (Form 990) 2010

**MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Schedule D (Form 990) 2010

81-0375335 Page **3**

**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>DEBT SECURITIES</b>	339,416.	<b>END-OF-YEAR MARKET VALUE</b>
(B) <b>EQUITY SECURITIES</b>	1,794,371.	<b>END-OF-YEAR MARKET VALUE</b>
(C) <b>US GOVERNMENT SECURITIES</b>	237,787.	<b>END-OF-YEAR MARKET VALUE</b>
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶	<b>2,371,574.</b>	

**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)		
<b>Total.</b> (Col (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)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	

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

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) <b>LIABILITY UNDER TRUST AGREEMENTS</b>	1,267,406.
(3) <b>LIABILITY GIFT ANNUITIES</b>	321,759.
(4) <b>LIABILITY TO THIRD PARTIES</b>	163,949.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	<b>1,753,114.</b>

**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).

**MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Schedule D (Form 990) 2010

81-0375335 Page 4

**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	1,687,749.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,071,326.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	616,423.
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	-4,000.
8	Other (Describe in Part XIV)	8	4,000.
9	Total adjustments (net) Add lines 4 through 8	9	0.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	616,423.

**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	1,687,749.
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	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	1,687,749.
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	0.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	1,687,749.

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

1	Total expenses and losses per audited financial statements	1	1,071,326.
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	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	1,071,326.
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	0.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	1,071,326.

**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 V, LINE 4: ENDOWMENT EARNINGS ARE ALLOCATED FOR SCHOLARSHIPS AND**

**OTHER COLLEGE PROJECTS.**

**PART X, LINE 2: THE FOUNDATION'S POLICY IS TO EVALUATE THE LIKLIHOOD**

**THAT ITS UNCERTAIN TAX POSITIONS WILL PREVAIL UPON EXMAINATION BASED ON**

**THE EXTENT TO WHICH THOSE POSITIONS HAVE SUBSTANTIAL SUPPORT WITHIN THE**

**INTERNAL REVENUE CODE AND REGULATIONS, REVENUE RULINGS, COURT DECISIONS**

**AND OTHER EVIDENCE. IT IS THE OPINION OF MANAGEMENT THAT THE FOUNDATION**

MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION

Schedule D (Form 990) 2010

81-0375335 Page 5

**Part XIV** Supplemental Information *(continued)*

HAS NO UNCERTAIN TAX POSITIONS.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

CORRECTION OF UNRESTRICTED ASSET TO TEMPORARILY RESTRICTED 4,000.

## 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.

# 2010

**Open to Public  
Inspection**

MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION

Employer identification number  
81-0375335

**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 ☐

**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.

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

3 Enter total number of other organizations

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule I (Form 990) (2010)

### Part III

<b>Part IV</b>	<b>Supplemental Information.</b> Complete this part to provide the information required in Part I, line 2, and any other additional information
----------------	---

**THAT COMPILES THE FINANCIAL STATEMENTS,**

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

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

OMB No 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization **MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

Employer identification number  
**81-0375335**

**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 noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
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	X	1		APPRAISAL VALUE
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ( )				
26 Other ► ( )				
27 Other ► ( )				
28 Other ► ( )				

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

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?

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?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash  
contributions?

b If "Yes," describe in Part II

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked,  
describe in Part II

Yes No

30a X

31 X

32a X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2010)



**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 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization

MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION

Employer identification number

81-0375335

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

ACTIVITIES.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

OTHER MISCELLANEOUS PROGRAMS

EXPENSES \$ 87,508. INCLUDING GRANTS OF \$ 87,508. REVENUE \$ 0.

FORM 990, PART VI, SECTION B, LINE 11: THE EXECUTIVE DIRECTOR REVIEWS THE  
990 AND MAKES IT AVAILABLE TO BOARD MEMBERS FOR REVIEW.

FORM 990, PART VI, SECTION C, LINE 19: THESE ARE AVAILABLE BY REQUEST AT  
THE FOUNDATION'S OFFICE.

990 XI 2C

AUDIT COMMITTEE RESPONSIBILITIES

THE BOARD OF DIRECTORS IS THE AUDIT COMMITTEE, THEY ARE RESPONSIBLE FOR  
SELECTION AND CORRESPONDENCE WITH THE AUDITORS AND FOR REVIEWING THE  
REPORTS.

**FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT**

**MONTANA STATE UNIVERSITY-NORTHERN  
FOUNDATION**

*JUNE 30, 2011 AND 2010*

Montana State University-Northern Foundation  
*June 30, 2011*

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# HAMILTON CONSULTING GROUP, PLLP

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Montana State University - Northern Foundation  
Havre, Montana

We have audited the statement of financial position of Montana State University - Northern Foundation (a non-profit organization) as of June 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Montana State University - Northern Foundation as of June 30, 2010 were audited by other auditors whose report dated November 8, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of Montana State University - Northern Foundation as of June 30, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Hamilton Consulting Group, PLLP*

HAMILTON CONSULTING GROUP, PLLP

October 4, 2011

330 FOURTH STREET  
P.O. BOX 2200  
HAVRE, MONTANA 59501

VISIT US ON THE WEB AT:  
<http://www.hamiltonconsultinggroup.com>

406.265.6724  
FAX 406.265.4385

Montana State University-Northern Foundation

STATEMENTS OF FINANCIAL POSITION

June 30,

	2011	2010
<b>ASSETS</b>		
Cash and cash equivalents	\$ 401,139	\$ 264,255
Pledges receivable	181,555	9,863
Accrued interest receivable	76,469	83,443
Notes receivable	2,665,481	2,606,623
Interfund receivables	863,608	863,608
Investments	2,710,194	2,771,802
Furniture and equipment, net	6,176	7,036
Art	53,895	53,895
Other	10,000	-
Total Assets	<u>\$ 6,968,517</u>	<u>\$ 6,660,525</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accrued expenses	\$ 6,754	\$ 14,699
Interfund payables	863,608	863,608
Liability to other beneficiaries	163,949	148,036
Trust obligations	1,267,406	1,339,460
Annuity obligations	321,759	566,104
Total Liabilities	<u>2,623,476</u>	<u>2,931,907</u>
Unrestricted net assets	(950,567)	(1,111,504)
Temporarily restricted net assets	1,543,907	1,167,312
Permanently restricted net assets	3,751,701	3,672,810
Total Net Assets	<u>4,345,041</u>	<u>3,728,618</u>
Total Liabilities and Net Assets	<u>\$ 6,968,517</u>	<u>\$ 6,660,525</u>

The accompanying notes are an integral part of these financial statements.

**Montana State University-Northern Foundation**

**STATEMENT OF ACTIVITIES**  
for the year ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, Gains and Other Support</b>				
Contributions	\$ 12,533	\$ 943,273	\$ 172,601	\$ 1,128,407
Other	59,046	-	-	59,046
Interest and dividend income	9,621	229,187	-	238,808
Contract revenue	146,000	-	-	146,000
Change in carrying value of trusts and annuities	182,909	(131,868)	-	51,041
Investment gain (loss), net	(79,555)	144,002	-	64,447
Net assets released from restrictions	897,709	(803,999)	(93,710)	-
<b>Total Revenues, Gains and Other Support</b>	<b>1,228,263</b>	<b>380,595</b>	<b>78,891</b>	<b>1,687,749</b>
<b>Program Expenses</b>				
Scholarships	263,044	-	-	263,044
Athletic programs	256,119	-	-	256,119
Faculty development	17	-	-	17
Fine arts	1,130	-	-	1,130
Alumni	86,361	-	-	86,361
Special projects	70,883	-	-	70,883
<b>Total Program Expenses</b>	<b>677,554</b>	<b>-</b>	<b>-</b>	<b>677,554</b>
<b>Fundraising Expenses</b>	<b>126,443</b>	<b>-</b>	<b>-</b>	<b>126,443</b>
<b>Total Fundraising Expenses</b>	<b>126,443</b>	<b>-</b>	<b>-</b>	<b>126,443</b>
<b>Supporting Services</b>				
General and administration	267,329	-	-	267,329
<b>Total Supporting Services</b>	<b>267,329</b>	<b>-</b>	<b>-</b>	<b>267,329</b>
<b>Total Expenses and Losses</b>	<b>1,071,326</b>	<b>-</b>	<b>-</b>	<b>1,071,326</b>
<b>Increase (decrease) in net assets</b>	<b>156,937</b>	<b>380,595</b>	<b>78,891</b>	<b>616,423</b>
Net assets, beginning of year as previously reported	(1,111,504)	1,167,312	3,672,810	3,728,618
Prior period adjustment	4,000	(4,000)	-	-
Net assets, beginning of year, restated	(1,107,504)	1,163,312	3,672,810	3,728,618
<b>Net assets, end of year</b>	<b>\$ (950,567)</b>	<b>\$ 1,543,907</b>	<b>\$ 3,751,701</b>	<b>\$ 4,345,041</b>

The accompanying notes are an integral part of these financial statements.

Montana State University-Northern Foundation

STATEMENT OF ACTIVITIES  
for the year ended 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support				
Contributions	\$ 20,923	\$ 700,969	\$ 548,862	\$ 1,270,754
Other	55,281	106	-	55,387
Interest and dividend income	12,708	200,053	-	212,761
Contract revenue	146,000	-	-	146,000
Transfers	(100,000)	100,000	-	-
Change in carrying value of trusts and annuities	15,025	(124,051)	-	(109,026)
Investment gain (loss), net	(3,728)	(35,329)	-	(39,057)
Net assets released from restrictions	687,276	(687,276)	-	-
Total Revenues, Gains and Other Support	833,485	154,472	548,862	\$ 1,536,819
Program Expenses				
Scholarships	269,138	-	-	269,138
Athletic programs	294,081	-	-	294,081
Faculty development	2,286	-	-	2,286
Fine arts	220	-	-	220
Library	8,555	-	-	8,555
Alumni	71,623	-	-	71,623
Special projects	41,373	-	-	41,373
Total Program Expenses	687,276	-	-	687,276
Fundraising Expenses	27,385	-	-	27,385
Total Fundraising Expenses	27,385	-	-	27,385
Supporting Services				
General and administration	295,088	-	-	295,088
Total Supporting Services	295,088	-	-	295,088
Total Expenses and Losses	1,009,749	-	-	1,009,749
Increase (decrease) in net assets	(176,264)	154,472	548,862	527,070
Net assets, beginning of year as previously reported	(935,240)	1,012,840	3,123,948	3,201,548
Net assets, end of year	<u>\$ (1,111,504)</u>	<u>\$ 1,167,312</u>	<u>\$ 3,672,810</u>	<u>\$ 3,728,618</u>

The accompanying notes are an integral part of these financial statements.

Montana State University-Northern Foundation

STATEMENTS OF CASH FLOWS  
for the year ended June 30,

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 616,423	\$ 527,070
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	860	861
Uncollectable pledges	-	38,690
Net realized and unrealized losses (gains) on investments	(64,447)	39,057
Noncash and endowment contributions	(172,601)	(548,862)
Noncash change in carrying value of trusts and annuities	(196,077)	(11,319)
Changes in operating assets and liabilities:		
Pledges receivable	(171,692)	(8,142)
Accrued interest receivable	6,974	21,988
Accounts payable	(7,945)	5,485
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>11,495</b>	<b>64,828</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	625,454	47,605
Purchase of investments	(646,063)	(125,292)
Payment of management fee	(59,046)	(55,281)
Purchase of other asset	(10,000)	-
Payments received on notes receivable	146,852	112,750
<b>CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<b>57,197</b>	<b>(20,218)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for investment in endowment	172,601	45,172
Other financing activities		
Payment of trust and annuity obligations	(104,409)	(72,761)
<b>CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>	<b>68,192</b>	<b>(27,589)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>136,884</b>	<b>17,021</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>264,255</b>	<b>247,234</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 401,139</b>	<b>\$ 264,255</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid for interest	\$ 25,906	\$ 36,384
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Note receivable from sale of property	\$ 205,710	\$ -

The accompanying notes are an integral part of these financial statements.



Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
*for the years ended June 30, 2011 and 2010*

**NOTE A NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Montana State University-Northern Foundation, (the Foundation) is a Montana not-for-profit corporation, composed of alumni and friends of Montana State University-Northern (MSUN) who are organized to promote and develop the University through fund raising activities. The Foundation's purpose is to accumulate funds to be used to develop, foster and encourage excellence for Montana State University-Northern and to provide public awareness of the educational opportunities and activities of the University. The purposes of the Foundation are carried out by a board of trustees elected from the Foundation's membership.

The Foundation is a nonprofit organization as described in Section 501 (c)(3) of the Internal Revenue Code and is exempt from Federal and State income taxes

**Significant Accounting Policies:**

**1. Basis of Presentation**

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board.

The financial statements of the Foundation have been prepared using the accrual basis of accounting

The Foundation classifies net assets and revenues, expenses, and gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets—net assets that are not subject to donor-imposed restrictions

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

Permanently restricted net assets—net assets subject to donor-imposed restrictions that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for specific or general purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by donor-imposed restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Continued

Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
*for the years ended June 30, 2011 and 2010*

NOTE A NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, continued

2. Investments

Investments are recorded at fair market value using public market quotations. Investments in land are recorded at the fair market value at the date of donation. Gains and losses on market value adjustments are recognized as the market fluctuates. For management efficiency, investments of the unrestricted and restricted net assets are pooled except for certain net assets that the board of trustees or the donors have designated to be segregated and maintained separately.

3. Fair Value of Financial Instruments

The carrying amounts of cash, receivables, and accounts payable approximate fair value because of the short maturity of these instruments. The carrying amount of pledges receivable approximates fair value. The fair value of the Foundation's investments is estimated based on quoted market prices or other third party information for those investments. Unitrusts and annuity trusts payable, and gift annuities payable are reported at fair values based on the life expectancy of the beneficiaries and the present value of expected cash flows using a discount rate.

4. Donated Property

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless restricted by the donor. Donated property is recorded at fair value at the date of donation. Assets donated with explicit restrictions regarding their use are reported as restricted contributions.

5. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. Furniture and Equipment

Office equipment and furnishings purchased by the Foundation are recorded at cost net of accumulated depreciation. Donated property used by the Foundation is recorded at fair market value on the date contributed. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided by the straight-line method over the estimated useful lives of the assets which range from 5 to 10 years.

Continued

Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
*for the years ended June 30, 2011 and 2010*

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NOTE A NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, continued

7. Unitrust, Annuity Trust, and Gift Annuity Agreements

The Foundation has entered into unitrust and annuity trust agreements that provide, among other matters, that the trustee shall pay to the beneficiaries an annual income payment until the income obligation is completed in accordance with the donor's trust agreement. The Foundation records its interest in these trusts at the current market value of the related assets and a corresponding liability recorded for the actuarially determined present value of payments to be made to the designated beneficiaries with the residual amount recorded for the purposes designated when the gift is received. Upon termination of the income obligation, property in the trust is held by the Foundation in accordance with the donor's trust agreement.

The Foundation has entered into gift annuity agreements that provide that the Foundation shall pay to the designated beneficiaries an annual amount for a designated length of time or until the death of the designated beneficiaries. The payments continue even if the assets of the gift annuity fund have been exhausted. The Foundation records these gift annuities at market value and a corresponding liability is recorded for the actuarially determined present value of payments to be made to the designated beneficiaries, with the residual amount recorded for the purposes designated when the gift is received. At the end of the designated time period or upon the death of the designated beneficiaries, property in the gift annuity fund is held by the Foundation in accordance with the agreements.

8. Cash and Cash Equivalents

Cash and cash equivalents includes savings and checking accounts, which are fully insured or collateralized. All highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

9. Income Tax Status

The Foundation is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the Code). With few exceptions the Foundation is no longer subject to examination by federal or state tax authorities for years before 2008. Contributions to the organization are tax deductible to donors under section 170 of the Code. The organization is not classified as a private foundation.

10. Functional Allocation of Expenses

The costs of the Foundation's various programs and activities have been summarized on the functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

Continued

Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
for the years ended June 30, 2011 and 2010

NOTE B PLEDGES RECEIVABLE

Pledges receivable consisted of the following at June 30:

	2011	2010
Capital Campaign for capital improvements on MSU Northern campus	\$ 173,326	\$ -
Other pledges	8,229	9,863
Total	<u>\$ 181,555</u>	<u>\$ 9,863</u>
Pledges are expected to be collected in:		
Less than one year	\$ 57,775	\$ 9,863
One to five years	123,780	-
Total	<u>\$ 181,555</u>	<u>\$ 9,863</u>

Management has analyzed the pledges receivable and believes they will all be collected at the full amount pledged. Therefore no allowance for uncollectable pledges is required.

Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the years ended June 30, 2011 and 2010

NOTE C NOTES RECEIVABLE

Notes receivable consisted of the following at June 30:

	2011	2010
Note receivable from Montana State University-Northern; annual payments ranging from \$135,000 in 2011 to \$205,169 in 2019; interest of 6% per annum; unsecured.	\$ 1,710,170	\$ 1,845,169
Installment contract receivable, monthly payments of \$344 including interest at 5.5%, final payment due 2028, secured by property.	45,059	45,059
Installment contract receivable, monthly payments of \$679 including interest at 6.5%, final payment due 2017, secured by property.	40,630	44,961
Installment contract receivable, monthly payments of \$2,962 including interest at 6.0%, final payment due 2032, secured by property.	426,992	435,406
Installment contract receivable, monthly payments of \$1,375 including interest at 5.4%, final payment due 2037, secured by property.	229,606	228,008
Installment contract receivable, annual payments of \$6,000 including interest at 5.0%, final payment due 2012, secured by property.	7,314	8,020
Installment contract receivable, annual payments of \$16,865 including interest at 6.5%, final payment due 2023, secured by property.	205,710	-
	<u>\$ 2,665,481</u>	<u>\$ 2,606,623</u>

Continued

Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
for the years ended June 30, 2011 and 2010

NOTE C NOTES RECEIVABLE, continued

	2011	2010
Unrestricted	\$ 0	\$ 88,735
Endowments	1,413,644	1,227,919
Temporarily restricted	45,059	45,059
Trusts	1,206,778	1,244,910
	<u>\$ 2,665,481</u>	<u>\$ 2,606,623</u>

NOTE D FAIR VALUE MEASUREMENTS

The foundation reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

*Investments - Commercial/Government Bonds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Investments - Corporate stock:* Valued at the closing price reported on the active market on which the individual securities are traded.

Continued

**Montana State University-Northern Foundation**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the years ended June 30, 2011 and 2010

**NOTE E INVESTMENTS**

Investments consist of the following at June 30:

	2011	2010
Real property and real asset funds	\$ 338,620	\$ 854,876
Equity securities	1,794,371	1,066,856
Debt securities	339,416	588,180
Government securities	237,787	261,890
Total	<u>\$ 2,710,194</u>	<u>\$ 2,771,802</u>
Unrestricted investments	\$ 178,309	\$ 90,043
Endowment investments	1,313,135	1,686,597
Alumni investments	204,864	172,401
Other temporarily restricted funds	318,776	186,609
Trust investments	695,110	636,152
Total	<u>\$ 2,710,194</u>	<u>\$ 2,771,802</u>

The following table summarizes the levels in the fair value hierarchy of the organizations investments at:

June 30, 2011

	Total	Level 1	Level 3
Real asset funds	\$ 37,787	\$ -	\$ 37,787
Equity securities	1,794,371	1,794,371	-
Debt securities	339,416	339,416	-
Government securities	237,787	237,787	-
Total	<u>\$ 2,409,361</u>	<u>\$ 2,371,574</u>	<u>\$ 37,787</u>

June 30, 2010:

	Total	Level 1	Level 3
Real asset funds	\$ 26,429	\$ -	\$ 26,429
Equity securities	1,009,395	1,009,395	-
Debt securities	711,874	711,874	-
Government securities	195,655	195,655	-
Total	<u>\$ 1,943,353</u>	<u>\$ 1,916,924</u>	<u>\$ 26,429</u>

Real property with book values of \$300,833 and \$828,449 on June 30, 2011 and 2010 respectively, were valued using Level 3 inputs.

Continued

**Montana State University-Northern Foundation**

**NOTES TO THE FINANCIAL STATEMENTS**

*for the years ended June 30, 2011 and 2010*

**NOTE E INVESTMENTS, continued**

The following reconciles Level 3 inputs for the years ended June 30, 2011 and 2010:

July 1, 2009	\$ -
Purchase of investments	25,413
Change in value of investments	<u>1,016</u>
June 30, 2010	26,429
Change in value of investments	<u>11,358</u>
June 30, 2011	<u><u>\$ 37,787</u></u>

Investment income for the years ended June 30 is summarized as follows:

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 238,808	\$ 212,761
Realized and unrealized (losses) on investments carried at fair value	<u>64,447</u>	<u>(39,057)</u>
Total	<u><u>\$ 303,255</u></u>	<u><u>\$ 173,704</u></u>

Unrealized and realized gains are reported net of related expenses in the statement of activities. For years ended 2011 and 2010 the related expenses were \$20,568 and \$16,127, respectively.

**NOTE F FURNITURE AND EQUIPMENT**

Furniture and equipment, at cost, are summarized as follows:

	<u>2011</u>	<u>2010</u>
Office furniture	\$ 11,806	\$ 11,806
Computers, printers & software	<u>42,646</u>	<u>42,646</u>
	54,452	54,452
Less accumulated depreciation	<u>(48,276)</u>	<u>(47,416)</u>
	<u><u>\$ 6,176</u></u>	<u><u>\$ 7,036</u></u>

**NOTE G TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of June 30<sup>th</sup> are summarized as follows:

	<u>2011</u>	<u>2010</u>
Scholarships	\$ 390,000	\$ 213,119
Restricted for trusts	<u>575,614</u>	<u>529,956</u>
Alumni	187,584	200,979
Other	<u>525,895</u>	<u>295,908</u>
Subtotal	1,679,093	1,239,962
Athletics	<u>(135,186)</u>	<u>(72,650)</u>
Total temporarily restricted net assets	<u><u>\$ 1,543,907</u></u>	<u><u>\$ 1,167,312</u></u>

The balance of Athletics represents an obligation of future revenues.



Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
for the years ended June 30, 2011 and 2010

NOTE H PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30<sup>th</sup> are summarized as follows:

	2011	2010
Community projects	\$ 304,329	\$ 304,329
Other projects	116,054	115,876
Scholarships	3,331,318	3,252,605
Total temporarily restricted net assets	<u>\$ 3,751,701</u>	<u>\$ 3,672,810</u>

NOTE I ENDOWMENTS

The Board of Trustees of the foundation has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the foundation classifies as permanently restricted net assets (1) the original value of gifts donated to all donor-restricted permanent endowments, (2) the original value of any subsequent gifts to donor-restricted permanent endowments, and (3) any accumulations to donor-restricted permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of a donor-restricted permanent endowment fund is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization.

UPMIFA permits the foundation to appropriate for expenditure or accumulate so much of a donor restricted endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Under the Foundation's endowment spending policy 3 percent of the prior year ending endowment value is budgeted for expenditure. A portion of endowment fund earnings are used for reasonable management costs of the investments.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Foundation and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Foundation; and
- (7) The investment policies of the Foundation.

Continued

Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
for the years ended June 30, 2011 and 2010

NOTE I ENDOWMENTS, continued

Changes in net asset composition by type of fund for the years ended June 30, 2010 and 2009 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets June 30, 2009	\$ 98,964	\$ 3,123,948	\$ 3,222,912
Investment return:			
Interest and dividends	101,375	-	101,375
Net gains (realized and unrealized)	(40,239)	-	(40,239)
Total investment return	61,136	-	61,136
Gifts	-	548,862	548,862
Appropriation of endowment assets for expenditure-spending rate	(80,985)	-	(80,985)
Endowment net assets June 30, 2010	79,115	3,672,810	3,751,925
Investment return:			
Interest and dividends	126,249	-	126,249
Net gains (realized and unrealized)	53,937	-	53,937
Total investment return	180,186	-	180,186
Gifts	-	172,601	172,601
Donor released restriction	-	(93,710)	(93,710)
Appropriation of endowment assets for expenditure-spending rate	(88,482)	-	(88,482)
Endowment net assets June 30, 2011	\$ 170,819	\$ 3,751,701	\$ 3,922,520

*Return Objectives and Risk Parameters*

The Foundation has adopted investment and spending policies for endowment assets to maintain principle value while seeking to maximize investment return within the risk parameters. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). The absolute objective is to seek an average total annual return that exceeds the spending/payout rate plus fees and inflation. This objective is measured annually; the intent of this objective is to preserve, over time, the principal value of the assets. The relative objective is to seek competitive investment performance versus appropriate capital market measures, such as securities indices. This objective shall be measured primarily by comparing investment results annually. The Foundation expects its endowment funds, over time, to provide a reasonable level of current income to support the spending policy authorized by the Board of Directors. Actual returns in any given year may vary from this amount.

*Strategies Employed for Achieving Objectives*

The assets will be managed on a total return basis. While the Foundation recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. It is not a breach of fiduciary responsibility to pursue riskier investment strategies if such strategies are in the Foundation's best interest on a risk-adjusted basis. Risk management of the investment program is focused on understanding both the investment

Continued

Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
*for the years ended June 30, 2011 and 2010*

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**NOTE I ENDOWMENTS, continued**

and operational risks to which the Foundation's investments are exposed. The objective is to minimize operational risks and require appropriate compensation for investment risks which the Foundation is willing to accept.

**NOTE J RELATED PARTY TRANSACTIONS**

The Foundation provides fund raising and other services to Montana State University-Northern for which it is paid an annual fee. Payments received for the years ended June 30, 2011 and 2010 were \$146,000 and \$146,000 respectively. The Foundation also had notes receivable from Montana State University-Northern of \$1,710,170 and \$1,845,169 at June 30, 2011 and 2010 respectively.

Certain operating costs of the Foundation are paid directly by Montana State University-Northern. These include costs associated with the free use of administrative office facilities, telephone, utilities, and certain other operating costs attributed to the Foundation. These costs are not included in the accompanying financial statements due to the difficulty of accurately determining their value.

**NOTE K EMPLOYEE BENEFIT PLAN**

The Foundation is the sponsor of a 403(b) retirement plan. Under this plan, the Foundation will match 100% of an employee's elective salary deferral. The employee elective deferral is limited to the smaller of the maximum IRS rate or 6%. For the years ended June 30, 2011 and 2010 the Foundation's contributions to the plan were \$6,595 and \$2,302, respectively.

**NOTE L INTERFUND LOANS**

The Unrestricted fund of the Foundation has borrowed \$150,000 from the Foundation's endowment funds which it used to make a donation to MSU Northern for the purpose of reinstating a football program. The Unrestricted fund of the Foundation has borrowed \$713,607 from the Foundation's endowment funds which it used to make donations to MSU Northern for costs of the Applied Technology Center and costs for athletic programs. The Foundation Unrestricted fund is paying annual interest only payments at the current market rate.

**NOTE M UNRESTRICTED NET ASSETS**

At June 30, 2011 the Unrestricted fund had negative net assets due to an excess of expenditures over revenues. This was primarily due to the support provided to the Applied Technology Center at MSU-Northern. The Foundation has borrowed to provide this support and will repay the funds and restore the net assets from future contributions. A primary source of these contributions is anticipated to be trust funds currently managed by the Foundation. As the trusts reach their maturity the remaining funds will become unrestricted and will be available to restore the net assets.

Continued

Montana State University-Northern Foundation

NOTES TO THE FINANCIAL STATEMENTS  
*for the years ended June 30, 2011 and 2010*

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**NOTE N GIFT ANNUITIES**

The Foundation is subject to certain provisions of the Montana Code Annotated which specify that a charitable organization may only issue a "qualified charitable gift annuity" if it meets the following statutory requirements on the date of the annuity agreement:

- Has a minimum of \$300,000 net worth or has a minimum of \$100,000 in unrestricted cash, cash equivalents, or publicly traded securities, exclusive of the assets funding the annuity agreement;
- Has been in continuous operation for at least three years or is a successor or affiliate of a charitable organization that has been in continuous operation for at least three years; and
- Maintains a separate annuity fund with at least one-half the value of the initial amount transferred for outstanding annuities.

For the year ended June 30, 2011 and 2010, the Foundation met the requirements to issue qualified charitable gift annuities.

**NOTE O PRIOR PERIOD ADJUSTMENTS**

For the year ended June 30, 2011 a prior period adjustment was made to correct the allocation of donor restricted funds.

**NOTE P SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through the date of the auditor's report, which is the date these financial statements were available to be issued. There were no events between July 1, 2011 and the date of the auditor's report that require recognition as of June 30, 2011.

# Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► **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](http://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 <b>MONTANA STATE UNIVERSITY-NORTHERN FOUNDATION</b>	Employer identification number <b>81-0375335</b>
	Number, street, and room or suite no. If a P O box, see instructions <b>PO BOX 1691</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>HAVRE, MT 59501</b>	

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

**0 1**

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	01	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

## THE ORGANIZATION

- The books are in the care of ► **PO BOX 1691 - HAVRE, MT 59501**

Telephone No ► **406-265-3711**

FAX No ► \_\_\_\_\_

- 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 **FEBRUARY 15, 2012**, 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 **JUL 1, 2010**, and ending **JUN 30, 2011**

2 If the 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	\$	0.
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	\$	0.
c <b>Balance due.</b> 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	\$	0.

**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.

LHA For Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 1-2011)