

**THE DIETRICH W. BOTSTIBER  
FOUNDATION**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2009 and 2008**

Peterson & Peterson  
*Certified Public Accountants*

A Professional Corporation

# **The Dietrich W. Botstiber Foundation**

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The Board of Trustees  
The Dietrich W. Botstiber Foundation  
Media, PA 19063

We have audited the accompanying statements of financial position of The Dietrich W. Botstiber Foundation (a nonprofit organization) as of August 31, 2009 and 2008 and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 this audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Dietrich W. Botstiber Foundation as of August 31, 2009 and 2008 and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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Peterson & Peterson  
December 14, 2009

The Dietrich W. Botstiber Foundation

Statement of Financial Position

August 31, 2009 and 2008

|                                  | <u>2009</u>       | <u>2008</u>       |
|----------------------------------|-------------------|-------------------|
| ASSETS                           |                   |                   |
| Cash and Cash Equivalents        | \$ 1,800,851      | \$ 571,042        |
| Investments, at Fair Value       | 23,121,323        | 28,913,635        |
| Office Equipment, Net            | <u>2,239</u>      | <u>3,577</u>      |
| TOTAL ASSETS                     | 24,924,413        | 29,488,254        |
| LIABILITIES AND NET ASSETS       |                   |                   |
| Liabilities                      | 0                 | 0                 |
| Net Assets - Unrestricted        | <u>24,924,413</u> | <u>29,488,254</u> |
| TOTAL LIABILITIES AND NET ASSETS | \$ 24,924,413     | \$ 29,488,254     |

The Dietrich W. Botstiber Foundation

Statement of Activities

Year Ended August 31, 2009 and 2008

|                                       | <u>2009</u>       | <u>2008</u>       |
|---------------------------------------|-------------------|-------------------|
| <b>REVENUES</b>                       |                   |                   |
| Interest Income                       | \$ 497            | \$ 16,768         |
| Dividend Income                       | 723,289           | 973,528           |
| Capital Gains Distributions           | 117,808           | 642,301           |
| Gain (Loss) on Sale of Investments    | (873,636)         | 1,329,196         |
| Proceeds - Charitable Remainder Trust | <u>1,186,855</u>  | <u>-</u>          |
| <b>TOTAL REVENUES</b>                 | <u>1,154,813</u>  | <u>2,961,793</u>  |
| <b>EXPENSES</b>                       |                   |                   |
| Animal Program                        | -                 | 135,016           |
| Austrian American Studies             | 286,901           | 250,045           |
| International Program                 | 297,443           | 475,076           |
| Scholarship Program                   | 796,201           | 659,756           |
| Delaware Valley Science Fair          | 36,000            | 18,000            |
| Administration                        | 167,859           | 132,413           |
| Investment Advisory Fees              | 69,281            | 90,320            |
| Taxes Paid                            | 48,828            | 36,916            |
| Depreciation of Investments           | <u>4,016,141</u>  | <u>3,740,715</u>  |
| <b>TOTAL EXPENSES</b>                 | <u>5,718,654</u>  | <u>5,538,257</u>  |
| Change in Net Assets                  | (4,563,841)       | (2,576,464)       |
| Net Assets - Beginning of Year        | <u>29,488,254</u> | <u>32,064,718</u> |
| Net Assets - End of Year              | \$ 24,924,413     | \$ 29,488,254     |

The Dietrich W. Botstiber Foundation

Statement of Cash Flows

Year Ended August 31, 2009 and 2008

|   | <u>2009</u>      | <u>2008</u>      |
|---|------------------|------------------|
| Cash Flows from Operating Activities                    |                  |                  |
| Change in Net Assets                                    | \$ (4,563,841)   | \$ (2,576,464)   |
| Depreciation  | <u>1,338</u>     | <u>836</u>       |
| Net Cash Provided from Operating Activities             | (4,562,503)      | (2,575,628)      |
| Cash Flows from Investing Activities                    |                  |                  |
| Purchase of Office Equipment                            | -                | (4,413)          |
| Purchase/Sale of Investments                            | <u>5,792,312</u> | <u>1,951,161</u> |
| Net Cash Flows from Investing Activities                | 5,792,312        | 1,946,748        |
| Cash Flows from Financing Activities                    | -                | -                |
| Net Increase (Decrease) in Cash<br>and Cash Equivalents | 1,229,809        | (628,880)        |
| Cash and Cash Equivalents - Beginning                   | <u>571,042</u>   | <u>1,199,922</u> |
| Cash and Cash Equivalents - End                         | \$ 1,800,851     | \$ 571,042       |

**The Dietrich W. Botstiber Foundation**  
**Notes to Financial Statements**  
**August 31, 2009 and 2008**

**NOTE A – NATURE OF OPERATIONS**

The Dietrich W. Botstiber Foundation (the Foundation) was created on September 25, 1995 and was determined to be a 501c) (3) organization by the Internal Revenue Service. The Foundation was set up as a trust and the terms of the trust enumerate several areas of good works to be funded from the Foundation.

**NOTE B – SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Financial Accounting Standards (SFAS) No. 117 *Financial Statements for Not for Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. It has been determined that all assets of the Foundation are unrestricted.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates. Actual results may differ from these estimates.

**The Dietrich W. Botstiber Foundation**  
**Notes to Financial Statements**  
**August 31, 2009 and 2008**

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair market value. Unrealized gains and losses are recorded in the statement of activities.

Property and Equipment

Equipment and furniture of the Foundation are stated at cost. Depreciation is provided using an acceptable method over the estimated useful lives, which are 3 to 7 years.

**NOTE C – INCOME TAXES**

As a recognized organization under Section 501(c)(3) of the Internal Revenue Code, the Foundation is exempt from federal and state income taxes.

**NOTE D – CONCENTRATION OF CREDIT RISK**

The Foundation maintains accounts at a local bank and at several financial services firms. Accounts at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000 as of the balance sheet date. At various times during the year, the balances exceeded the federally insured limits. Investments held at financial services firms are insured by the Security Investors Protection Corporation (SIPC) up to \$500,000. Balances at the financial services firms exceeded the limit.

**The Dietrich W. Botstiber Foundation**  
**Notes to Financial Statements**  
**August 31, 2009 and 2008**

**NOTE E – DONATED SERVICES**

From time to time, the Foundation receives donated services from its directors. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

**NOTE F - INVESTMENTS**

Investments are managed by brokerage firms under managed account agreements. Investments as of August 31, 2009 and 2008 are summarized as follows:

Fair Value of Investments under Management

|                 |               |
|-----------------|---------------|
| August 31, 2009 | \$ 23,121,323 |
| August 31, 2008 | \$ 28,913,635 |

**NOTE G – PROPERTY AND EQUIPMENT**

Changes in property and equipment during the year were as follows:

|                          | <u>Balance</u>       | <u>Change</u> | <u>Balance</u>     |
|--------------------------|----------------------|---------------|--------------------|
|                          | <u>Begin of Year</u> |               | <u>End of Year</u> |
| Equipment and Furniture  | 4,413                | 0             | 4,413              |
| Accumulated Depreciation | (836)                | (1,338)       | (2174)             |
| Total                    | 3,577                | (1,338)       | 2,239              |