

# Review of Annual Reports

## Topics to be Discussed

- General Format of Annual Reports
- Management Responsibility for Financial Statements
- Auditors' Report
- Financial Statements
  - Disclosure of Significant Accounting Policies
    - Entity Concept
    - Revenue Principle
  - Fiscal Year End
  - Rounding of Amounts

## General Format of Annual Reports

- Financial Highlights
- Letter to the Shareholders
- Description of Company's Operations
- Management's Discussion and Analysis of Financial Statements
- Financial Statements
- Footnotes to Financial Statements
- Management's Statement of Responsibility for Annual Report
- Auditor's Report
- Multi-Year Statistical Data

## Financial Highlights

General Mills 2008 Annual Report

### FINANCIAL HIGHLIGHTS

In Millions, Except per Share Data

Fiscal Year Ended	May 25, 2008	May 27, 2007	Change
Net Sales	\$13,652	\$12,442	+10%
Segment Operating Profit	2,406	2,260	+ 6
Net Earnings	1,295	1,144	+13
Diluted Earnings per Share	3.71	3.18	+17
Diluted Earnings per Share Excluding Certain Commodity and Tax Items	3.52	3.18	+11
Average Diluted Shares Outstanding	347	360	- 4
Dividends per Share	\$ 1.57	\$ 1.44	+ 9

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General Mills 2004 Annual Report

LETTER TO SHAREHOLDERS

General Mills achieved good sales and earnings gains in 2004, which included the benefit of an extra week in the fiscal period. For the 53-week year ended May 30, 2004:

- Net sales increased 5 percent to \$11.07 billion.
- Net earnings exceeded \$1 billion for the first time, growing 15 percent to \$1.06 billion.
- And diluted earnings per share grew 13 per-cent to \$2.75, up from \$2.43 last year.

The extra week contributed approximately 8 cents to our earnings per share, so on a 52-week comparable basis, our net earnings would have grown 12 percent and our diluted earnings per share would have increased 10 per-cent, to \$2.67.

While our earnings results were good overall, they fell short of our initial expectations for the year due to three principal factors. First, prices for a number of key ingredients increased sharply, and our 2004 commodity costs were much higher than we planned – over \$100 million above our 2003 expense. Second, the recent . . .

## Letter to the Shareholders

The Quaker Oats Company 1994 Annual Report

Dear Shareholders,

**Why invest, or retain an investment in Quaker Oats? Because . . .**

**We are taking charge of our own destiny by creating our own opportunities.** The world around us is changing and we're making changes, specifically to serve consumers and customers better. They are the starting point of all shareholder value creation.

**Our ultimate objective is to deliver a superior total return to our shareholders.** In fiscal 1994, with food stocks out of favor and weaker international economies, we did not achieve this goal. But, we have major initiatives underway to drive future profitable returns.

**The numbers for the 1994 fiscal year only begin to tell of our progress.** Sales reached a record \$5.95 billion, a 4 percent increase over last year. Operating income increased 8 percent, before restructuring charges and gains on divestitures in both years. Earnings per share were \$4.32, representing a 5 percent increase before restructuring charges and gains on divestitures. These are a snapshot of the present. More important is what we are accomplishing to shape Quaker's future as a top-performing, independent company.

**The food industry is changing.** This is apparent from consumers' shopping habits, the diversity of retail outlets and the level of competition in our key product lines. We are responding to this changing environment in a way that prepares us for even greater sales growth, greater efficiency and greater economic value.

**With consumers and customers foremost in mind, we are reevaluating ourselves, our systems and our structure.** Our goal is to bring high-quality, value-added products to the consumer, cost-effectively, while delivering reliable service and greater profit opportunities to our customers. Through our Consumer Driven, Supply Chain and Total Customer Development initiatives, and our new U.S. customer business centers, **we're building a competitive advantage.** That, in turn, creates greater value for our shareholders.

## Letter to the Shareholders

1997 AT&T Annual Report

# Dear Shareholders,

## This is a remarkable time

for your company and its people.

Some tough work is behind us with much more ahead. We've set a new direction and seen it endorsed by our owners and customers. But the anticipation around AT&T these days centers on what we will deliver.

This may have been how Winston Churchill felt back in 1942, after the British victory at El Alamein in North Africa. "This is not the end," he said. "This is not even the beginning of the end. But it is perhaps the end of the beginning."

For AT&T, 1997 was indeed "the end of the beginning." We'd completed the large task of divestiture. The job before us in our first full year as the new AT&T was both ambitious and necessary. We set out to redefine ourselves as a company, to position ourselves strategically and financially, and to demonstrate to the world in clear and tangible ways that we were capable of doing what we said we would.

Not surprisingly, the road wasn't always smooth. Pressure on earnings was intense due to both a dynamic competitive marketplace and a cost structure that was far too high. AT&T's second-quarter financial results were a low-water mark, as unacceptable to us as to you. But as the year went on and we got our "sea legs," the picture began to change.

We continued to divest nonessential assets and businesses. We launched an attack on our costs and continued to focus and redirect our investment in strategic growth initiatives. Earnings improved steadily through the last two quarters of the year as cost reductions began to take hold. Our debt-to-equity ratio is at an all-time low.

With "the end of the beginning" finally behind us, where do we go from here? We decided to let our customers answer that question.

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The Securities and Exchange Commission has long recognized the need for a narrative explanation of the financial statements, because numerical presentations and brief accompanying footnotes alone may be insufficient for an investor to judge the quality of earnings and the likelihood that past performance is indicative of future performance. Management's Discussion and Analysis of Financial Statements (MD&A) is intended to give the investor an opportunity to look at the company through the eyes of management by providing both a short and long-term analysis of the business of the company.

The MD&A requirements are intended to provide in one section of a filing, material historical and prospective textual disclosure enabling investors and other users to assess the financial condition and results of operations of the registrant, with particular emphasis on the registrant's prospects for the future.

Disclosure is mandatory where there is a known trend or uncertainty that is reasonably likely to have a material effect on the registrant's financial condition or results of operations. Accordingly, the development of MD&A disclosure should begin with management's identification and evaluation of what information, including the potential effects of known trends, commitments, events, and uncertainties, is important to providing investors and others an accurate understanding of the company's current and prospective financial position and operating results.

J. C. Penney's 2007 10-K Report (available in PDF format)

Discusses and analyzes three years at one time

Carnival Corporation 2007 Annual Report (available in PDF format)

Discusses and analyzes most recent two years, and then less recent two years

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**Multi-Year Statistical Data**

General Motors 2007 Annual Report – page 46 (available in PDF format)  
GM shows 5 years of various balance sheet and income statement data

Phillips-Van Heusen Corporation 2007 Annual Report - pages F39-F40 (131-132)  
(available in PDF format)  
Phillips-Van Heusen shows 10 years of various balance sheet and income  
statement data

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Tyson Foods Inc. 2007 Annual Report - page 59 (61) (available in PDF format)

## Management's Statement of Responsibility for Annual Report

Layne Christensen Company 2007 10-K Report

### Statement of Management Responsibility

Management is also responsible for maintaining a system of internal accounting controls with the objectives of providing reasonable assurance that the Company's assets are safeguarded against material loss from unauthorized use or disposition, and that authorized transactions are properly recorded to permit the preparation of accurate financial data. However, limitations exist in any system of internal controls based on a recognition that the cost of the system should not exceed its benefits. The Company believes its system of accounting controls, of which its internal auditing function is an integral part, accomplishes the stated objectives.

Integrated Electrical Services, Inc. September 30, 2008 Annual Report

### Risk Factors

**Our internal control over financial reporting and our disclosure controls and procedures may not prevent all possible errors that could occur.**

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be satisfied. Internal controls over financial reporting and disclosure controls and procedures are designed to give reasonable assurance that they are effective and achieve their objectives. We cannot provide absolute assurance that all possible future control issues have been detected. These inherent limitations include the possibility that our judgments can be faulty, and that isolated breakdowns can occur because of simple human error or mistake. The design of our system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed absolutely in achieving our stated goals under all potential future or unforeseeable conditions. Because of the inherent limitations in a cost-effect control system, misstatements due to error could occur without being detected.

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## Home Depot 2007 Annual Report

### Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders The Home Depot, Inc.:

We have audited the accompanying Consolidated Balance Sheets of The Home Depot, Inc. and subsidiaries as of February 3, 2008 and January 28, 2007, and the related Consolidated Statements of Earnings, Stockholders' Equity and Comprehensive Income, and Cash Flows for each of the fiscal years in the three-year period ended February 3, 2008. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 audits provide a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of The Home Depot, Inc. and subsidiaries as of February 3, 2008 and January 28, 2007, and the results of their operations and their cash flows for each of the fiscal years in the three-year period ended February 3, 2008, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 6 to the consolidated financial statements, effective January 29, 2007, the beginning of the fiscal year ended February 3, 2008, the Company adopted Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*. Also, as discussed in Note 3 to the consolidated financial statements, effective January 30, 2006, the beginning of the fiscal year ended January 28, 2007, the Company adopted Securities and Exchange Commission Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in the Current Year Financial Statements*.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), The Home Depot, Inc.'s internal control over financial reporting as of February 3, 2008, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 28, 2008 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG LLP

Atlanta, Georgia  
March 28, 2008

**Auditor's Report**

Weight Watchers International, Inc. 2007 10-K Report

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of Weight Watchers International, Inc.:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) on page F-1 present fairly, in all material respects, the financial position of Weight Watchers International, Inc. and its subsidiaries (the "Company") at December 29, 2007 and December 30, 2006, and the results of their operations and their cash flows for each of the three years in the period ended December 29, 2007 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) on page F-1 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 29, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for share-based compensation in 2006.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



PricewaterhouseCoopers LLP  
New York, New York  
February 27, 2008

**Auditor's Report**

## Types of Auditors Reports

- Standard Unqualified Opinion
- Explanatory Language Added to Auditor's Standard Report
  - Opinion based in part on report of another auditor
  - Departure from a promulgated accounting principle
  - Uncertainties
  - Consistency
  - Emphasis of a matter
- Qualified Opinions
  - Scope limitation
  - Departure from generally accepted accounting principle
- Adverse Opinion
- Disclaimer

## DEPARTURES FROM UNQUALIFIED AUDITORS' OPINIONS

	2006	2005	2004	2003
<b>Uncertainties</b>				
Going concern .....	9	10	6	11
Other .....	---	---	4	2
Total Uncertainties .....	9	10	10	13
Total Companies .....	9	10	8	12
<b>Consistency</b>				
Stock-based compensation .....	361	42	35	36
Employee benefits .....	259	3	5	N/C
Asset retirement obligations ...	41	73	52	54
Variable interest entities .....	13	36	49	30
Inventories .....	9	10	5	3
Goodwill not amortized .....	3	11	154	358
Income tax uncertainties .....	1	N/C	N/C	N/C
Impairment of long-lived assets	1	---	2	14
Financial instruments with liability & equity characteristics .....	---	6	10	6
Revenue Recognition .....	---	5	9	9
Accounting changes & corrections .....	---	3	N/C	N/C
Exit/disposal activity cost .....	---	1	3	4
Sales Incentives .....	---	1	---	5
Derivatives .....	---	---	6	47
Early extinguishment of debt ...	---	---	2	5
Guarantees .....	---	--	2	1
Business Combinations .....	---	---	---	4
Other - described .....	41	22	36	17
Total References .....	729	213	370	593
Total Companies .....	439	149	239	386

N/C = Not Compiled. Line item was not included in the table for the year shown.

**Auditor's Report - Departure From Unqualified Opinion - Consistency**

AT&T 2007 Annual Report

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders  
AT&T Inc.

We have audited the accompanying consolidated balance sheets of AT&T Inc. (the Company) as of December 31, 2007 and 2006, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2007 and 2006, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 2007 the Company changed its method of accounting for income taxes.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 14, 2008 expressed an unqualified opinion thereon.



San Antonio, Texas  
February 14, 2008

**Auditor's Report - Departure From Unqualified Opinion - Uncertainties**

Applied DNA Sciences 2008 10K Report

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors  
Applied DNA Sciences, Inc.  
Stony Brook, New York

We have audited the accompanying consolidated balance sheets of Applied DNA Sciences, Inc. (the "Company") as of September 30, 2008 and 2007 and the related consolidated statements of losses, deficiency in stockholders' equity, and cash flows for each of the two years in the period ended September 30, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (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 misstatements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. 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 our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2008 and 2007, and the results of its operations and its cash flows for each of the two years in the period ended September 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note K, the Company is experiencing difficulty in generating sufficient cash flow to meet its obligations and sustain its operations, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter are described in Note K. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*RSBM LLP*

New York, New York  
December 15, 2008

**NOTE K - GOING CONCERN**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements during year ended September 30, 2008, the Company incurred a loss of \$6,802,898. These factors among others may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's existence is dependent upon management's ability to develop profitable operations. Management is devoting substantially all of its efforts to developing DNA embedded biotechnology security solutions in the United States and there can be no assurance that the Company's efforts will be successful. Although the planned principal operations have commenced, no assurance can be given that management's actions will result in profitable operations or the resolution of its liquidity problems. The accompanying consolidated financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

In order to improve the Company's liquidity, the Company's management is actively pursuing additional equity financing through discussions with investment bankers and private investors. There can be no assurance the Company will be successful in its effort to secure additional equity financing.

## Auditor's Report - Departure From Unqualified Opinion - No Opinion Regarding Effectiveness of Internal Controls and Dual Dates

The Penn Traffic Company 2006 Annual Report

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors  
The Penn Traffic Company  
Syracuse, New York

We have audited the accompanying consolidated balance sheets of The Penn Traffic Company (the "Company") as of February 3, 2007 and January 28, 2006, and the related consolidated statements of operations, cash flows and stockholders' equity for the year ended February 3, 2007 and the period from April 17, 2005 (effective date of plan of reorganization for accounting purposes) to January 28, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Penn Traffic Company as of February 3, 2007 and January 28, 2006, and the consolidated results of its operations and its cash flows for the year ended February 3, 2007 and the period from April 17, 2005 to January 28, 2006, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, on May 30, 2003, the Company filed for voluntary bankruptcy protection and reorganization under Chapter 11 of the United States Bankruptcy Code. On April 13, 2005, the Company's amended plan of reorganization became effective and the Company emerged from bankruptcy and effective April 16, 2005 adopted fresh-start reporting which results in a new reporting entity and a new basis of accounting.

The Company has not presented the selected quarterly financial data specified in item 302(a) of Regulation S-K that the Securities and Exchange Commission requires as supplementary information to the basic financial statements.

We also were engaged to audit, in accordance with the standards of Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of February 3, 2007, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated September 6, 2007, disclaimed an opinion thereon.

*Eisner LLP*

New York, New York  
September 6, 2007, except for the third paragraph of Note 12,  
as to which the date is September 17, 2007

## NOTE 12 – COMMITMENTS AND CONTINGENCIES

On September 17, 2007, the SEC filed civil fraud charges against the Company's former Chief Marketing Officer and former Vice-President, Non-Perishables Marketing alleging that such individuals orchestrated a scheme to inflate the Company's income and other financial results by prematurely recognizing promotional allowances received from vendors from approximately the second quarter of fiscal year 2001 through at least the fourth quarter of fiscal year 2003. The complaint further alleges that the individuals deceived the Company's accounting personnel to carry out their fraudulent scheme and aided and abetted violations of the Exchange Act of 1934 and rules thereunder. In addition, on the same date, the United States Attorney for the Northern District of New York announced that a federal grand jury has returned an indictment against the abovementioned individuals on related criminal charges. Both the SEC and the United States Attorney indicated that their investigations are continuing.

**Auditor's Report - Change of Auditors****William Penn Bancorp, Inc.  
2008 10K Report****Change in Auditors**

On May 21, 2008, the Company's Board of Directors approved the dismissal of Beard Miller Company LLP ("Beard Miller") as the Company's independent certifying accountant. Beard Miller's reports on the Company's consolidated financial statements for the fiscal year ended June 30, 2007, did not contain an adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal year ended June 30, 2007, there were no disagreements or "reportable events" of the kind described in Item 304(a)(1)(v) of Regulation S-K between the Company and Beard Miller on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of Beard Miller, would have caused them to make a reference to the subject matter of the disagreements or reportable events in connection with their reports.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Stockholders  
William Penn Bancorp, Inc.

We have audited the accompanying consolidated balance sheet of William Penn Bancorp, Inc. and subsidiary as of June 30, 2008, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying consolidated financial statements of William Penn Bancorp, Inc. and subsidiary as of and for the year ended June 30, 2007, before they were restated for the matter discussed in Note 3 to the consolidated financial statements, were audited by other auditors whose report, dated December 13, 2007, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of William Penn Bancorp, Inc. and subsidiary as of June 30, 2008, and the results of their operations and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

We also have audited the adjustment described in Note 3 that was applied to restate the 2007 consolidated financial statements to correct an error. In our opinion, such adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the 2007 consolidated financial statements of the Company other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2007 consolidated financial statements taken as a whole.

As discussed in Note 13 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 158, *Employer's Accounting for Defined Benefit Pension and Other Post-Retirement Plans*, on June 30, 2007.

*S. R. Snodgrass*

Wexford, PA  
October 8, 2008

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#### Disclosure of Significant Accounting Policies

- ☛ Accounting policies can affect reported results significantly and the usefulness of the financial statements depends on the user's understanding of the accounting policies adopted by the reporting entity.
- ☛ Disclosure should include accounting principles and methods of applying them if material to reported amounts
  - generally, disclosure pertinent to principles involving recognition of revenue and expense
  - specifically, disclosure pertinent to
    - ✓ selection from existing alternatives
    - ✓ principles peculiar to a particular industry
    - ✓ unusual or innovative applications
  - may be shown in a separate Summary of Significant Accounting Policies section preceding the notes or as the initial note

## DISCLOSURE OF ACCOUNTING POLICIES

	2006	2005	2004	2003
Revenue recognition .....	590	586	586	587
Consolidation policy .....	570	578	572	572
Property .....	572	574	565	562
Use of estimates .....	567	575	570	571
Cash equivalents .....	546	543	553	551
Impairment .....	546	533	526	503
Amortization of intangibles .....	540	528	515	512
Depreciation methods .....	514	538	547	552
Inventory pricing .....	514	509	514	518
Interperiod tax allocation .....	508	487	477	464
Stock-based compensation .....	507	549	554	567
Financial instruments .....	506	479	496	505
Translation of foreign currency ...	428	440	436	441
Earnings per share calculation ...	368	376	370	402
Advertising cost .....	288	283	273	271
Nature of operations .....	286	323	295	325
Research and development costs ..	224	207	217	213
Credit risk concentrations .....	211	188	184	189
Employee benefits .....	185	168	149	172
Fiscal years .....	168	168	166	176
Environmental costs .....	144	137	134	138
Capitalization of interest .....	92	85	85	92

## Disclosure of Significant Accounting Policies

### Campbell Soup Company 2008 10-K Report

#### 1. Summary of Significant Accounting Policies

**BASIS OF PRESENTATION** — The consolidated financial statements include the accounts of the company and its majority-owned subsidiaries. Intercompany transactions are eliminated in consolidation. Certain amounts in prior year financial statements were reclassified to conform to the current-year presentation. The company's fiscal year ends on the Sunday nearest July 31. There were 53 weeks in 2008 and 52 weeks in 2007 and 2006. There will be 52 weeks in 2009. . . .

**REVENUE RECOGNITION** — Revenues are recognized when the earnings process is complete. This occurs when products are shipped in accordance with terms of agreements, title and risk of loss transfer to customers, collection is probable and pricing is fixed or determinable. Revenues are recognized net of provisions for returns, discounts and allowances. . . .

**CASH AND CASH EQUIVALENTS** — All highly liquid debt instruments purchased with a maturity of three months or less are classified as cash equivalents.

**INVENTORIES** — All inventories are valued at the lower of average cost or market. Prior to 2006, substantially all U.S. inventories were valued based on the last in, first out (LIFO) method. . . .

**PROPERTY, PLANT AND EQUIPMENT** — Property, plant and equipment are recorded at historical cost and are depreciated over estimated useful lives using the straight-line method. Buildings and machinery and equipment are depreciated over periods not exceeding 45 years and 15 years, respectively. . . .

**GOODWILL AND INTANGIBLE ASSETS** — Goodwill and indefinite-lived intangible assets are not amortized but rather are tested at least annually for impairment in accordance with Statement of Financial Accounting Standards (SFAS) No. 142 "Goodwill and Other Intangible Assets." Intangible assets with finite lives are amortized over the estimated useful life and reviewed for impairment in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-lived Assets." . . .

**DERIVATIVE FINANCIAL INSTRUMENTS** — The company uses derivative financial instruments primarily for purposes of hedging exposures to fluctuations in interest rates, foreign currency exchange rates, commodities and equity-linked employee benefit obligations. All derivatives are recognized on the balance sheet at fair value. . . .

**STOCK-BASED COMPENSATION** — In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123 (revised 2004) "Share-Based Payment" (SFAS No. 123R), which requires stock-based compensation to be measured based on the grant-date fair value of the awards and the cost to be recognized over the period during which an employee is required to provide service in exchange for the award. . . .

**USE OF ESTIMATES** — Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenses. Actual results could differ from those estimates.

**INCOME TAXES** — Income taxes are accounted for in accordance with SFAS No. 109 "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future impact of differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. . . .

**Macy's Inc. February 2, 2008 10K Report**

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. . . . All significant intercompany transactions have been eliminated.

**Fiscal Year End**

MONTH OF FISCAL YEAR END

	2006	2005	2004	2003
January .....	27	30	30	30
February .....	8	8	8	9
March .....	17	17	17	16
April .....	9	8	9	8
May .....	17	18	18	18
June .....	42	41	41	49
July .....	10	13	11	8
August .....	14	12	11	14
September .....	47	49	44	42
October .....	16	17	19	17
November .....	12	12	12	13
Subtotal .....	219	225	220	224
December .....	381	375	380	376
Total Companies .....	600	600	600	600

**Rounding of Amounts**

ROUNDING OF AMOUNTS

	2006	2005	2004	2003
To nearest dollar.....	10	12	12	21
To nearest thousand dollars:				
Omitting 000 .....	316	327	322	322
Presenting 000 .....	3	2	3	5
To nearest million dollars .....	271	259	263	252
Total Companies .....	600	600	600	600

**Fiscal year-end and Rounding of Amounts**

## Campbell Soup Company 2008 Annual Report

CONSOLIDATED STATEMENTS OF EARNINGS (Partial)  
(millions, except per share amounts)

	2008 53 weeks	2007 52 weeks	2006 52 weeks
Net Sales .....	\$ 7,998	\$ 7,385	\$ 6,894
Costs and expenses			
Cost of products sold .....	4,827	4,384	4,100
Marketing and selling expenses .....	1,162	1,106	1,033
Administrative expenses .....	608	571	552
Research and development expenses .....	115	111	103
Other expenses / (income) (Note 15) .....	13	(30)	9
Restructuring charges (Note 7) .....	<u>175</u>	<u>---</u>	<u>--</u>
Total costs and expenses .....	6,900	6,142	5,797
Earnings Before Interest and Taxes .....	1,098	1,243	1,097
Interest expense (Note 15) .....	167	163	165
Interest income .....	<u>8</u>	<u>19</u>	<u>15</u>
Earnings before taxes .....	939	1,099	947
Taxes on earnings (Note 10) .....	<u>268</u>	<u>307</u>	<u>227</u>
Earnings from continuing operations .....	671	792	720
Earnings from discontinued operations .....	<u>494</u>	<u>62</u>	<u>46</u>
Net Earnings .....	\$ 1,165	\$ 854	\$ 766

**Summary of Significant Accounting Policies**

**Fiscal Year** The company's fiscal year ends on the Sunday nearest July 31. There were 53 weeks in 2008 and 52 weeks in 2007 and 2006.

## Wausau Paper Corp. and Subsidiaries 2007 10-K Report

## Consolidated Statements of Operations (Partial)

(Amounts in thousands, except per share data)

Year Ended December 31,	2007	2006	2005
Net sales .....	\$1,240,438	\$1,188,178	\$1,097,093
Cost of sales .....	<u>1,162,739</u>	<u>1,065,760</u>	<u>1,044,467</u>
Gross profit .....	77,699	122,418	52,626

## Courier Corporation 2006 10-K Report

## Consolidated Statements of Income (Patial)

For the Years Ended	Sept. 30, 2006	Sept. 24 2005	Sept. 25, 2004
Net sales (Note A) .....	\$269,051,000	\$227,039,000	\$211,179,000
Cost of sales .....	<u>180,535,000</u>	<u>151,853,000</u>	<u>142,609,000</u>
Gross profit .....	88,516,000	75,186,000	68,570,000

**Applied DNA Sciences, Inc.**  
**2008 10K Report**

**CONSOLIDATED STATEMENTS OF LOSSES (Partial)**  
**YEARS ENDED SEPTEMBER 30, 2008 AND 2007**

	2008	2007
Sales .....	\$ 873,010	\$ 121,920
Cost of sales .....	<u>171,332</u>	<u>23,073</u>
Gross profit .....	701,678	98,847
Operating expenses		
Selling, general and administrative .....	4,277,013	12,096,444
Research and development .....	145,832	110,845
Depreciation and amortization .....	<u>434,416</u>	<u>432,582</u>
Total Operating Expenses .....	4,857,261	12,639,871
Net Loss From Operations .....	(4,155,583)	(12,541,024)

## Auditor's Report - Foreign Auditors' Opinions

**GlaxoSmithKline 2005 Annual Report** (available in PDF format)

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## General Format of 10-K

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## Business

Apple Computer, Inc. September 30, 2008 10-K

Apple Inc. and its wholly-owned subsidiaries (collectively "Apple" or the "Company") design, manufacture, and market personal computers, portable digital music players, and mobile communication devices and sell a variety of related software, services, peripherals, and networking solutions. The Company sells its products worldwide through its online stores, its retail stores, its direct sales force, and third-party wholesalers, resellers, and value-added resellers. In addition, the Company sells a variety of third-party Macintosh® ("Mac"), iPod® and iPhone™ compatible products, including application software, printers, storage devices, speakers, headphones, and various other accessories and peripherals through its online and retail stores, and digital content through the iTunes Store®. The Company sells to consumer, small and mid-sized business ("SMB"), education, enterprise, government, and creative customers. The Company's fiscal year is the 52 or 53-week period that ends on the last Saturday of September. Unless otherwise stated, all information presented in this Form 10-K is based on the Company's fiscal calendar.

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## **Properties**

Apple Computer, Inc. September 30, 2008 10-K

The Company's headquarters are located in Cupertino, California. The Company has a manufacturing facility in Cork, Ireland. As of September 27, 2008, the Company leased approximately 4.2 million square feet of space, primarily in the U.S., and to a lesser extent, in Europe, Japan, Canada, and the Asia Pacific region. . . .

## **Market for the Registrant's Common Stock and Related Stockholder Matters**

DuPont 2007 10-K Report

The company's common stock is listed on the New York Stock Exchange, Inc. (symbol DD) and certain non-U.S. exchanges. The number of record holders of common stock was 91,717 at December 31, 2007, and 91,405 at January 31, 2008.

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## **Disagreements with Accountants on Accounting and Financial Disclosure**

### **IdeaEdge, Inc., September 30, 2008 10K Report**

#### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Cordovano and Honeck LLP resigned as the independent registered public accounting firm of our Company effective August 27, 2008. The reports of Cordovano and Honeck LLP on the Company's financial statements for the past two fiscal years did not contain an adverse opinion or disclaimer of opinion, nor were they modified as to uncertainty, audit scope, or accounting principles, other than to state that there is substantial doubt as to the ability of the Company to continue as a going concern.

During the Company's two most recent fiscal years and the subsequent interim period up to the resignation of Cordovano and Honeck LLP, there have not been any disagreements between the Company and Cordovano and Honeck LLP, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to the satisfaction of Cordovano and Honeck LLP would have caused Cordovano and Honeck LLP to make reference thereto in its reports on the Company's audited financial statements, nor have there been any "reportable events," as that term is described in Item 304(a)(1)(iv) of Regulation S-B.

Our Company engaged BDO Seidman, LLC ("BDO") as its independent registered public accounting firm effective October 8, 2008. The decision to engage BDO was approved by the Company's Board of Directors which also functions as the Company's audit committee.