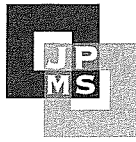


**THE WINTHROP  
ROCKEFELLER FOUNDATION**

*Financial Statements for the  
Years Ended December 31, 2010 and 2009,  
with Independent Auditors' Report*

# **THE WINTHROP ROCKEFELLER FOUNDATION**

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## INDEPENDENT AUDITORS' REPORT

### **To the Board of Directors of The Winthrop Rockefeller Foundation:**

We have audited the accompanying statements of financial position of The Winthrop Rockefeller Foundation as of December 31, 2010 and 2009, 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 audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 financial position of The Winthrop Rockefeller Foundation as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*JPMS Cox, PLLC*

May 5, 2011

An Independently Owned Member  
MCGLADREY ALLIANCE

 McGladrey

# **THE WINTHROP ROCKEFELLER FOUNDATION**

## **STATEMENTS OF FINANCIAL POSITION, DECEMBER 31, 2010 AND 2009**

### **ASSETS**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 3,969,949	\$ 4,136,159
Certificate of deposit	250,010	250,010
Contributions receivable	22,250	22,250
Investment securities	124,330,038	115,983,796
Accrued interest receivable	176,084	177,615
Program related investments	5,429,837	5,360,043
Other assets	—	36,176
Property and equipment, net	<u>383,612</u>	<u>339,197</u>
<b>TOTAL ASSETS</b>	<b><u>\$134,561,780</u></b>	<b><u>\$126,305,246</u></b>

### **LIABILITIES AND NET ASSETS**

#### **LIABILITIES:**

Accounts payable	\$ 29,391	\$ 34,560
Grants payable	5,738,652	8,340,761
Other liabilities	<u>190,993</u>	<u>143,858</u>
Total liabilities	<u>5,959,036</u>	<u>8,519,179</u>

#### **NET ASSETS:**

Unrestricted	128,582,899	117,758,375
Temporarily restricted	<u>19,845</u>	<u>27,692</u>
Total net assets	<u>128,602,744</u>	<u>117,786,067</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$134,561,780</u></b>	<b><u>\$126,305,246</u></b>
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See Notes to Financial Statements.

# THE WINTHROP ROCKEFELLER FOUNDATION

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUES AND GAINS (LOSSES):</b>			
Grants and contributions	\$ 89,000	\$ 20,000	\$ 109,000
Investment return	16,448,443	—	16,448,443
Impairment loss on program related investments	(73,947)	—	(73,947)
Other Income	11,416	—	11,416
Net assets released from restrictions	<u>27,847</u>	<u>(27,847)</u>	<u>—</u>
Total revenues and gains (losses)	<u>16,502,759</u>	<u>(7,847)</u>	<u>16,494,912</u>
<b>EXPENSES:</b>			
Program services:			
Grants	2,535,163	—	2,535,163
Program administration	<u>964,649</u>	<u>—</u>	<u>964,649</u>
Total program service expenses	<u>3,499,812</u>	<u>—</u>	<u>3,499,812</u>
Supporting activities:			
Investment management expense	766,353	—	766,353
Federal excise tax	231,891	—	231,891
General administration	<u>1,180,179</u>	<u>—</u>	<u>1,180,179</u>
Total supporting activity expenses	<u>2,178,423</u>	<u>—</u>	<u>2,178,423</u>
Total expenses	<u>5,678,235</u>	<u>—</u>	<u>5,678,235</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	10,824,524	(7,847)	10,816,677
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>117,758,375</u>	<u>27,692</u>	<u>117,786,067</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$128,582,899</u>	<u>\$ 19,845</u>	<u>\$128,602,744</u>

See Notes to Financial Statements.

# THE WINTHROP ROCKEFELLER FOUNDATION

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUES AND GAINS (LOSSES):</b>			
Grants and contributions	\$ 178,000	\$32,900	\$ 210,900
Investment return	25,583,727	—	25,583,727
Impairment loss on program related investments	(71,421)	—	(71,421)
Other income	12,378	—	12,378
Net assets released from restrictions	<u>5,208</u>	<u>(5,208)</u>	<u>—</u>
Total revenues and gains (losses)	<u>25,707,892</u>	<u>27,692</u>	<u>25,735,584</u>
<b>EXPENSES:</b>			
Program services:			
Grants	2,460,262	—	2,460,262
Program administration	<u>948,851</u>	<u>—</u>	<u>948,851</u>
Total program service expenses	<u>3,409,113</u>	<u>—</u>	<u>3,409,113</u>
Supporting activities:			
Investment management expense	679,657	—	679,657
Federal excise tax	21,640	—	21,640
General administration	<u>1,133,785</u>	<u>—</u>	<u>1,133,785</u>
Total supporting activity expenses	<u>1,835,082</u>	<u>—</u>	<u>1,835,082</u>
Total expenses	<u>5,244,195</u>	<u>—</u>	<u>5,244,195</u>
<b>INCREASE IN NET ASSETS</b>	20,463,697	27,692	20,491,389
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>97,294,678</u>	<u>—</u>	<u>97,294,678</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$117,758,375</u>	<u>\$27,692</u>	<u>\$117,786,067</u>

See Notes to Financial Statements.

# **THE WINTHROP ROCKEFELLER FOUNDATION**

## **STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 10,816,677	\$ 20,491,389
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	64,807	50,301
Net realized and unrealized gain on investment securities	(14,135,341)	(22,679,679)
Impairment loss on program related investments	73,947	71,421
Loss on sale of fixed assets	3,446	—
Change in operating assets and liabilities:		
Refundable excise taxes	—	183,440
Accrued interest receivable	2,490	93,027
Other assets	35,217	142,021
Accounts payable	(5,169)	(25,721)
Grants payable	(2,602,109)	(3,563,007)
Other current liabilities	47,135	(156)
Net cash used in operating activities	<u>(5,698,900)</u>	<u>(5,236,964)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(113,668)	(277,773)
Proceeds from sale of fixed assets	1,000	—
Purchase of certificate of deposit	—	(250,010)
Purchases of investment securities	(70,900,625)	(45,823,374)
Proceeds from sale of investment securities and principal pay downs	76,689,724	50,109,013
Investment in program related investments	(275,000)	(75,000)
Proceeds from program related investments	131,259	128,665
Net cash provided by investing activities	<u>5,532,690</u>	<u>3,811,521</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(166,210)	(1,425,443)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>4,136,159</u>	<u>5,561,602</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 3,969,949</u>	<u>\$ 4,136,159</u>

See Notes to Financial Statements.

# **THE WINTHROP ROCKEFELLER FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS, DECEMBER 31, 2010 AND 2009**

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### **1. ORGANIZATION**

The Winthrop Rockefeller Foundation (the “Foundation”) is a private foundation incorporated as a nonprofit organization under the laws of the state of Arkansas, and is dedicated to the economic and social well-being of Arkansans. The Foundation is a recipient of contributions from the estate of Winthrop Rockefeller. Since inception, the Foundation has received \$25,550,000 as of December 31, 2010 and 2009 from the trust under the will of Winthrop Rockefeller (the “Trust”) in order to grow the long-term assets of the Foundation. Separate grants are provided by the Trust to support the current operations of the Foundation.

The Foundation’s vision is Arkansas as a state where economic, racial, and social justice is universally valued and practiced. For over 35 years, the Winthrop Rockefeller Foundation has worked to make a difference by helping to build and sustain the organizations that serve and strengthen Arkansas. In 2008, the Foundation adopted Moving the Needle, a strategic plan that further refined their mission to include four specific goals that would guide their work through the year 2013. Through grant making and strategic partnerships, the Foundation works to help close the economic and educational gaps that leave too many Arkansas families in persistent poverty. The needle can and must move from poverty to prosperity for all Arkansans.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Investment Securities** – The Foundation carries its investments at fair value determined primarily by quoted prices on the last day of the year. Changes in fair values are included in investment return and are recorded in the period in which they occur. Gains or losses on sales of investments are recognized on the transaction trade dates and included in investment return in the statement of activities. Investment return includes dividends, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

**Program Related Investments** – Debt or equity investments in closely held entities whose purpose is to assist in relieving poverty, creating jobs, or revitalizing the economy are classified as program related investments in the statement of financial position. These investments are carried at cost, as no readily determinable fair value is available and a reasonable estimate of fair value could not be made without incurring excessive costs. Program related investments are evaluated annually for impairment. The carrying amounts of the investments are reduced by the amount of the impairment.

**Property and Equipment** – Property and equipment are recorded at cost, net of accumulated depreciation. The Foundation capitalizes additions of property and equipment in excess of \$1,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets, which range from 3 to 10 years.

**Net Assets Classification** – The Foundation classifies net assets as follows:

*Unrestricted net assets* – Net assets are classified as unrestricted if they are not subject to donor-imposed stipulations. However, donor-restricted contributions whose restrictions are met in the same reporting period are reported as increases in unrestricted net assets.

*Temporarily restricted net assets* – Net assets are classified as temporarily restricted if they are subject to donor-imposed stipulations that may or will be met either by action of the Foundation and/or the passage of time.

**Allocation of Administration Expenses** – The administrative staff of the Foundation spends their time working on various charitable programs and supporting activities. The staff's salaries, other compensation-related expenses, and certain other expenses are charged directly to the various functional classifications on the basis of time spent and expenses incurred in support of these functions.

**Federal Income Taxes** – The Foundation is a publicly supported organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code on income related to the mission of the Foundation. However, the Foundation's net investment income is subject to excise taxes.

The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes included in the *Income Taxes* topic of the Financial Accounting Standards Codification ("Codification"). Management evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2007.

**Grants** – Grants made by the Foundation are recorded when the grants are approved by the Foundation's board of directors. All grantees are eligible organizations who are required to use the funds for charitable purposes. Any grants which have not been funded as of the balance sheet date are recorded in grants payable.

**Fair Value of Financial Instruments** – The estimated fair values of the Foundation's short-term financial instruments, including receivables and payables arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Reclassifications** – Certain amounts in the 2009 financial statements have been reclassified in order to conform to the 2010 presentation.

**Subsequent Events** – The Foundation has evaluated events that occurred after December 31, 2010, but prior to May 5, 2011, the date the financial statements were issued. The Foundation did not identify any events or transactions during this period of time that require recognition or disclosure in the financial statements for the period ended December 31, 2010.

## 2. INVESTMENT SECURITIES

Investment securities at estimated fair value are as follows as of December 31:

	<b><u>2010</u></b>	<b><u>2009</u></b>
Common stock	\$ 59,625,978	\$ 54,990,821
Domestic mutual fund	9,866,419	9,396,446
International mutual funds	12,433,447	11,637,824
International global real-estate trust	6,200,897	5,937,324
Domestic bond mutual fund	12,191,768	17,180,747
Municipal bond fund	12,013,951	–
Government agency mutual fund	<u>11,997,578</u>	<u>16,840,634</u>
Total	<u>\$124,330,038</u>	<u>\$115,983,796</u>

Investment return consisted of the following for the years ended December 31:

	<b><u>2010</u></b>	<b><u>2009</u></b>
Interest and dividend income	\$ 2,313,102	\$ 2,904,048
Net realized and unrealized gain on investment securities	<u>14,135,341</u>	<u>22,679,679</u>
Total	<u>\$ 16,448,443</u>	<u>\$ 25,583,727</u>

### 3. PROGRAM RELATED INVESTMENTS

At December 31, 2010 and 2009, the program related investment balance included funds invested in entities whose primary activities include promoting entrepreneurship and strengthening local economies in Arkansas. These entities and the related investment amounts are as follows:

Southern Bancorp, Inc. – Southern Bancorp, Inc. is a bank holding company established for the purpose of conducting rural economic development activities in Arkansas.

	<u>2010</u>	<u>2009</u>
Voting common stock	\$ 700,000	\$ 700,000
Nonvoting common stock	<u>3,705,000</u>	<u>3,705,000</u>
Total	<u>4,405,000</u>	<u>4,405,000</u>

Southern Bancorp Capital Partners (formerly Southern Financial Partners) – Southern Bancorp Capital Partners is a nonprofit entity established for the purpose of economic and community development in rural, disadvantaged areas of Arkansas and Mississippi.

	<u>2010</u>	<u>2009</u>
Note receivable with interest at 2%, receivable in quarterly principal and interest payments of \$33,895, with all unpaid principal and accrued interest due December 1, 2011	<u>133,885</u>	<u>265,144</u>

Fund for Arkansas' Future ("Fund") – The Fund is a venture capital group established for the purpose of developing Arkansas entrepreneurship.

	<u>2010</u>	<u>2009</u>
Investment in Fund	<u>239,018</u>	<u>237,965</u>

During the years ended December 31, 2010 and 2009, the Foundation reduced the carrying value by \$73,947 and \$49,448, respectively, due to a permanent decline in value. The Foundation also contributed capital of \$75,000 to the Fund during the year ended December 31, 2010.

Diamond State Ventures II ("Diamond") – Diamond is a venture capital fund established to make equity and subordinated debt investments in early and expansion stage businesses in Arkansas and very selectively in surrounding states.

	<u>2010</u>	<u>2009</u>
Investment in Fund	<u>451,934</u>	<u>451,934</u>

During the year ended December 31, 2009, the Foundation reduced the carrying value \$21,973 due to a permanent decline in value.

Financing Ozarks Rural Growth and Economy (“FORGE”) – FORGE is a community based revolving loan fund established to help build sustainable small communities.

	<u>2010</u>	<u>2009</u>
Note receivable with no interest for the first year and interest at LIBOR plus 1% thereafter, receivable in quarterly principal and interest payments of \$6,019 beginning March 1, 2012, with all unpaid principal and accrued interest due December 1, 2020	<u>200,000</u>	<u>—</u>
Total program related investments	<u>\$5,429,837</u>	<u>\$5,360,043</u>

#### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

**Fair Value Measurements** – The Foundation accounts for investment securities in accordance with the *Fair Value Measurements and Disclosures* topic of the Codification. This topic provides a framework for measuring fair value under accounting principles generally accepted in the United States of America and applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the *Fair Value Measurements and Disclosures* topic, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income, and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are based on the net asset value of the underlying fund or are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the years ended December 31, 2010 and 2009, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value.

**Investment Securities** – The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. For the years ended December 31, 2010 and 2009, securities held by the Foundation are classified as Level 1 and Level 2 securities.

**Fair Value on a Recurring Basis**

The balances of assets measured at fair value on a recurring basis for the year ended December 31, 2010 are as follows as of December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Common stock	\$59,625,978	\$ –	\$ –	\$59,625,978
Domestic mutual fund	–	9,866,419	–	9,866,419
International mutual funds	12,433,447	–	–	12,433,447
International global real-estate trusts	6,200,897	–	–	6,200,897
Domestic bond mutual funds	12,191,768	–	–	12,191,768
Municipal bond funds	12,013,951	–	–	12,013,751
Government agency mutual funds	–	<u>11,997,578</u>	–	<u>11,997,578</u>
Total	<u>\$102,466,041</u>	<u>\$21,863,997</u>	<u>\$ –</u>	<u>\$124,330,038</u>

The balances of assets measured at fair value on a recurring basis for the year ended December 31, 2009 are as follows as of December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Common stock	\$54,990,821	\$ —	\$ —	\$ 54,990,821
Domestic mutual fund	—	9,396,446	—	9,396,446
International mutual funds	11,637,824	—	—	11,637,824
International global real-estate trusts	5,937,324	—	—	5,937,324
Domestic bond mutual funds	17,180,747	—	—	17,180,747
Government agency mutual funds	—	16,840,634	—	16,840,634
Total	<u>\$89,746,716</u>	<u>\$26,237,080</u>	<u>\$ —</u>	<u>\$115,983,796</u>

Investment securities shown above as Level 2 investments are comprised of investments in commingled funds. The commingled funds invest in domestic equities and domestic fixed income securities. The fair values of the investments in the Level 2 category have been estimated using the net asset value per share of the investments, which is based on the underlying investments of the funds. In 2009, redemptions other than rebalancing requests were restricted on the commingled fund invested in domestic fixed income securities, which accounts for 55% of the value of the Level 2 investments. Two redemption requests were allowed per month from this fund, each limited to the greater of 15% of the fund holdings or \$1,000,000. Each redemption request was also subject to approval by the commingled fund manager based on liquidity of the underlying investments. As of December 31, 2010, there were no longer redemption restrictions in effect.

## 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Office equipment and furnishings	\$ 259,338	\$ 250,857
Tenant improvements	100,291	100,291
Computer software and hardware	88,112	99,607
Website	71,584	—
	<u>519,325</u>	<u>450,755</u>
Less accumulated depreciation and amortization	<u>(135,713)</u>	<u>(111,558)</u>
Property and equipment, net	<u>\$ 383,612</u>	<u>\$ 339,197</u>

**6. GRANTS PAYABLE**

Grants payable are due to be paid for years subsequent to December 31, 2010, as follows:

2011	\$4,268,412
2012	<u>1,470,240</u>
Total	<u>\$5,738,652</u>

**7. EMPLOYEE BENEFIT PLAN**

Under the Winthrop Rockefeller Foundation Retirement Plan (the “Plan”), all employees are eligible to participate in the Plan and can contribute up to the maximum percentage of compensation allowed by the Internal Revenue Code with the Foundation matching 100% of the first 6% of compensation contributed by each participant. Additionally, the Foundation contributes 5% of each participant’s compensation to the Plan. Such contributions are invested in variable life tax-sheltered annuities. The amount contributed to the Plan by the Foundation totaled \$89,332 and \$73,461 for the years ended December 31, 2010 and 2009, respectively.

**8. DISTRIBUTION REQUIREMENT**

The Internal Revenue Code provides for additional taxes, which may be imposed upon a private foundation, such as the Foundation, if it fails to make qualifying distributions equal to its minimum investment return reduced by excise taxes within the year of receipt and the succeeding taxable year. Minimum investment return is equal to 5% of the aggregate fair market value of all of the Foundation’s assets not directly used in carrying out the Foundation’s exempt purpose. The additional taxes are 30% of the undistributed minimum investment return and 100% of such minimum investment return if it is not distributed by the earlier of the date of mailing a notice of deficiency with respect to the 30% tax or the date on which the 30% tax is assessed. The Foundation anticipates making the required distributions in the time frame necessary to avoid additional taxes.

As of December 31, 2009, the Foundation has made qualifying distributions in excess of the required distributable amount, resulting in excess distribution carryover of \$5,509,565, with \$519,313 expiring in 2012, \$2,717,413 expiring in 2013, and \$2,272,839 expiring in 2014. The Foundation is currently assessing the qualifying distributions made during the year ended December 31, 2010 to determine the amount of excess contributions made or the use of any distribution carryovers. The Foundation does not anticipate any tax liability related to the minimum distribution requirements.

**9. LEASE AGREEMENTS**

In September 2008, the Foundation entered into an operating lease agreement for office facilities from which to conduct its operations. These facilities are leased under a ten year operating lease expiring in 2019. There is an option to renew the lease for two additional five year periods at an increased monthly rental. The Foundation moved its operations to the new facilities in February 2009.

The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2010:

2011	\$100,066
2012	103,057
2013	106,178
2014	109,884
2015	113,720
Thereafter	<u>369,118</u>
Total	<u>\$902,023</u>

**10. RELATED PARTIES**

Certain Foundation employees and members of the Foundation's board of directors serve on the boards of or are employed by various grantees. The Foundation awarded grants of \$27,300 and \$122,350 and made grant payments of \$2,094,035 and \$2,143,085 during the years ended December 31, 2010 and 2009, respectively, to grantees which had relationships with employees or members of the Foundation's board of directors.

The Foundation received operating support grants from the Trust of \$89,000 and \$178,000 in 2010 and 2009, respectively. Operating support grant receipts were expended for operations in the year received.