COMMUNITY FOUNDATION OF BROWARD, INC.

FINANCIAL STATEMENTS

June 30, 2010 and 2009

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OF BROWARD, INC.

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Keefe, McCullough & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Foundation of Broward, Inc.
Fort Lauderdale, Florida

We have audited the accompanying statements of financial position of the Community Foundation of Broward, Inc. (a not-for-profit organization) (the "Foundation") as of June 30, 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 audits.

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 Community Foundation of Broward, Inc. as of June 30, 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.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
September 21, 2010

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COMMUNITY FOUNDATION OF BROWARD, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009

A S S E T S

	2010	2009
Cash and cash equivalents	$ 158,876	$ 315,298
Investments, at market value	80,239,811	64,992,888
Property held for sale	3,452,610	3,452,610
Bequests receivable	1,840,000	5,151,325
Pledges receivable	3,200	2,088
Property and equipment, net	32,313	42,909
Assets under split-interest agreements	242,690	288,014
Prepaid expenses and other assets	373,450	342,451
Total assets	$ 86,342,950	$ 74,587,583

L I A B I L I T I E S A N D N E T A S S E T S

	2010	2009
LIABILITIES:		
Accounts payable and accrued expenses	$ 81,047	$ 127,644
Grants payable	469,054	500,404
Deferred revenue and liabilities under split-interest agreements	274,425	295,395
Agency transactions payable	8,064,506	7,319,658
Total liabilities	8,889,032	8,243,101
NET ASSETS:		
Unrestricted	75,186,477	60,735,488
Temporarily restricted	2,267,441	5,608,994
Total net assets	77,453,918	66,344,482
Total liabilities and net assets	$ 86,342,950	$ 74,587,583

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

COMMUNITY FOUNDATION OF BROWARD, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2010 and 2009

	Unrestricted	Temporarily Restricted	2010 Total
SUPPORT AND REVENUE:			
Contributions and bequests	$ 8,900,449	$ 1,803,200	$ 10,703,649
Net realized and unrealized gains on investments	4,675,922	-	4,675,922
Interest and dividend income, net	909,008	30,752	939,760
Other revenue	86,492	-	86,492
Net assets released from restrictions	5,113,413	(5,113,413)	-
Total support and revenue	19,685,284	(3,279,461)	16,405,823
EXPENSES:			
Grants and programs	4,277,037	-	4,277,037
Administrative	567,699	-	567,699
Donor development	389,559	-	389,559
Total expenses	5,234,295	-	5,234,295
Change in value of split-interest agreements	-	(62,092)	(62,092)
Change in net assets	14,450,989	(3,341,553)	11,109,436
NET ASSETS, beginning of year	60,735,488	5,608,994	66,344,482
NET ASSETS, end of year	$ 75,186,477	$ 2,267,441	$ 77,453,918

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

COMMUNITY FOUNDATION OF BROWARD, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2010 and 2009
(continued)

	Unrestricted	Temporarily Restricted	2009 Total
SUPPORT AND REVENUE:			
Contributions and bequests	$ 2,315,513	$ 2,902,088	$ 5,217,601
Net realized and unrealized (losses) on investments	(13,363,981)	-	(13,363,981)
Interest and dividend income, net	991,773	(68,648)	923,125
Other revenue	85,066	-	85,066
Net assets released from restrictions	9,121,976	(9,121,976)	-
Total suppport and revenue	(849,653)	(6,288,536)	(7,138,189)
EXPENSES:			
Grants and programs	4,546,197	-	4,546,197
Administrative	592,759	-	592,759
Donor development	427,811	-	427,811
Total expenses	5,566,767	-	5,566,767
Change in value of split-interest agreements	-	(60,965)	(60,965)
Change in net assets	(6,416,420)	(6,349,501)	(12,765,921)
NET ASSETS, beginning of year	67,151,908	11,958,495	79,110,403
NET ASSETS, end of year	$ 60,735,488	$ 5,608,994	$ 66,344,482

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

COMMUNITY FOUNDATION OF BROWARD, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 11,109,436	$ (12,765,921)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gains) losses on investments	(4,675,922)	13,363,981
Depreciation and amortization	10,597	10,755
Gain on disposition of property held for sale	-	(75,000)
Change in assets and liabilities:		
(Increase) decrease in bequests receivable	2,307,926	227,122
(Increase) decrease in pledges receivable	(1,112)	(1,668)
(Increase) decrease in assets under split-interest agreements	45,324	475,420
(Increase) decrease in prepaid expenses and other assets	(31,000)	(31,203)
Increase (decrease) in accounts payable and accrued expenses	(46,597)	10,372
Increase (decrease) in grants payable	(31,350)	(562,841)
Increase (decrease) in deferred revenues and liabilities under split-interest agreements	(20,970)	(321,068)
Increase (decrease) in agency transactions payable	145,980	(248,637)
Net cash provided by operating activities	8,812,312	81,312
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of investments	11,676,493	13,236,914
Proceeds from disposition of property held for sale	-	515,000
Purchase of investments	(20,645,227)	(14,052,338)
Net cash used in investing activities	(8,968,734)	(300,424)
Net decrease in cash and cash equivalents	(156,422)	(219,112)
CASH AND CASH EQUIVALENTS, beginning of year	315,298	534,410
CASH AND CASH EQUIVALENTS, end of year	$ 158,876	$ 315,298

Supplemental disclosures for noncash operating and investing activities:

Net investment gains (losses) related to agency transactions were approximately $ 599,000 and ($ 1,918,000) for the years ended June 30, 2010 and 2009, respectively.

Approximately $ 1,003,000 and $ 5,652,000 was reclassified from bequests receivable to investments, at fair value, for the years ended June 30, 2010 and 2009, respectively. In addition, $ 870,000 was reclassified from bequests receivable to property held for sale for the year ended June 30, 2009.

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

NOTE 1 – ORGANIZATION AND OPERATIONS

The Community Foundation of Broward, Inc. (the "Foundation") was incorporated on December 17, 1984, under the laws of the State of Florida as a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and as a publicly supported charitable organization under Sections 509(a)(1) and 170(b)(l)(A)(vi). In addition, the Foundation is also exempt from state income taxes.

The Foundation operates two programs. The first program consists of soliciting, managing and distributing grants for charitable, scientific, educational, public and cultural purposes primarily in Broward County, Florida and provides educational resources to professional advisors and donors to advance philanthropy. The Foundation solicits contributions primarily from individuals, foundations and not-for-profit organizations in Broward County. The second program is the Leadership Institute (previously known as the Nonprofit Resource Center), which provides leadership, management and the technical training to not-for-profit volunteers and staff as a general resource on issues facing the not-for-profit sector.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation:

The financial statements have been prepared using the accrual basis of accounting under the guidance of Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 958, *Not-for-Profit Entities,* formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*, and SFAS No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*.

Net assets:

The Foundation is required, under the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 958, *Not-for-Profit Entities*, formerly SFAS No. 117, to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, which are defined as follows:

Unrestricted net assets - net assets available without restrictions imposed by the donor.

Temporarily restricted net assets - net assets subject to timing restrictions imposed by the donor. The conditions of these restrictions are met by the passage of time. Support that is restricted is reported as in increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Permanently restricted net assets - net assets subject to donor imposed restrictions that the Foundation maintains the principal of the contributions in perpetuity. The Foundation has no permanently restricted net assets as of June 30, 2010 and 2009.

The Foundation bylaws and Fund agreements include a variance provision that allows the Board of Directors to vary the use of contributions received. Based on this variance provision, a substantial portion of net assets are shown as unrestricted.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Agency transactions (Note 8):

Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 958, *Not-for-Profit Entities,* formerly SFAS No. 116 establishes standards for transactions in which a community foundation accepts a contribution from a not-for-profit organization and agrees to transfer those assets, the return on investment of those assets or both back to the not-for-profit organization. SFAS No. 136 specifically requires that, if a not-for-profit organization establishes a Fund at a community foundation with its own assets and specifies itself as the beneficiary of that Fund, that community foundation must account for the transfer of such assets as a liability rather than as a contribution. The Foundation refers to such Funds as agency transactions, the liability of which is shown on the statements of financial position as agency transactions payable.

Use of estimates in the preparation of financial statements:

In conformity with generally accepted accounting principles, the Foundation makes estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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.

Bequests and grants:

The Foundation records bequests (receivable/revenues) when all requirements for the transfer of the assets have been met. Bequests are recorded at amounts that approximate fair value, based on quoted prices of the underlying investments, less estimated costs and contingencies. Grants (payable/expenditures) are recorded in the financial statements upon the approval of the Board of Directors.

Cash equivalents:

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

Investments:

Investments are in the custody of brokerage and investment firms who manage them in accordance with policies set by the Foundation's Board of Directors.

Investments in common stocks (equities) are carried at market value, as quoted on major stock exchanges. Money market funds maintained a constant net asset value of $ 1 per share. U.S. government and agency obligations and corporate bonds are carried at quoted market prices. Investments in equity funds, fixed income funds, commodities and real estate investment trusts are valued at quoted prices as determined by the issuers. Mutual funds and common trust funds are carried at fair value, which are equal to quoted prices the last day of the fiscal year. Offshore and onshore investment funds and private equity funds are valued at their net asset value (Note 4). Investments received as contributions are recorded at the quoted market value or estimated fair value at the date of receipt. Realized and unrealized investment gains and losses are determined by comparison of specific costs of acquisition to proceeds at the time of disposal or market value at the statement of financial position date. These gains and losses and other investment income are reflected in the statement of activities as unrestricted support and revenue.

The Investment Committee of the Board of Directors evaluates the spending rate of grants periodically in light of total estimated long-term results from investments, fees, expenses and the effects of inflation. For the years ended June 30, 2010 and 2009, the Board set the grants spending rate at 5% of the rolling twelve-quarter average fair value of the applicable Funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Foundation pools a number of Funds in order to obtain greater investment advantage and more efficient administration. The objective of investment management of all Funds is to maximize the growth consistent with minimizing exposure to risks of capital losses and attainment of the desired level of grant making. The Foundation's investment policy is to invest initial contributions and subsequent additions to all pooled funds in equity, fixed income and other assets based on an allocation determined by the Investment Committee and approved by the Board of Directors. The Foundation allocates income and expenses, gains and losses from pooled investments based on the ratio of the previous month's share of each Fund's fair value to the total pooled investments.

Property held for sale:

The Foundation received and currently holds assets from estates which included real estate property. The Foundation has classified the property as held for sale, and therefore, has recorded the property at fair value, based on comparable market data and/or recent offer to buy, less costs to sell. One residential unit contains a life estate restriction and cannot be currently sold; however, a significant portion of the account balance is land that it is currently being marketed.

Property and equipment:

The Foundation records property and equipment at cost and capitalizes assets whose cost is $ 1,000 or more, using the straight-line method of depreciation/amortization, based upon the estimated useful lives of the various classes of depreciable assets as follows:

Office equipment	5 years
Furniture and fixtures	15 years
Leasehold improvements	10 years

Depreciation and amortization expense was $ 10,597 for the year ended June 30, 2010 and $ 10,755 for the year ended June 30, 2009.

Foundation management fees:

The Foundation assesses an annual administrative fee ranging from 0.5% to 1.5% of the fair market value of assets under management. The Foundation also assesses an administrative fee ranging from 0.25% to 0.75% on pass-through funds and 1.00% on gifts received from estates for the years ended June 30, 2010 and 2009. The administrative fee is used to support the operations of the Foundation. Administrative fees amounted to approximately $ 1,050,000 and $ 950,000 for the years ended June 30, 2010 and 2009, respectively. These amounts are included in other revenue in the statements of activities for the years ended June 30, 2010 and 2009 and are shown net of the portion that represents the management fee expense to the Foundation.

Contributed facilities and services:

A number of unpaid volunteers have made significant contributions of their time to develop and continue programs of the Foundation. The Foundation does not disclose the value of these services in the accompanying financial statements since it is not susceptible to objective measurement and valuation. However, when the value of donated services requires specific expertise, they are reflected in the financial statements as revenue and expenses, at their fair value. The Foundation reported no contributed facilities/materials and professional services for the year ended June 30, 2010 and $ 43,000 for the year ended June 30, 2009.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among grants and programs, administrative and donor development.

Date of management review:

Subsequent events were evaluated by management through September 21, 2010, which is the date the financial statements were issued.

Reclassifications:

Certain accounts in the prior year have been reclassified to conform with the presentation in the current year financial statements.

NOTE 3 - CREDIT RISK AND CONCENTRATIONS

The Foundation maintains cash accounts at a financial institution which at times exceeds the FDIC insured limit.

As of June 30, 2010, pledges receivable of $ 3,200 were due from three individual donors. The bequests receivable of approximately $ 1,840,000 were due from two estates of which one represented approximately $ 1,800,000 or 98%. As of June 30, 2009, pledges receivable of $ 2,088 were due from three donors. The bequests receivable of approximately $ 5,200,000 were due from four estates of which two represented approximately $ 4,700,000 or 91%.

For the year ended June 30, 2010, approximately 67% of the contributions and bequests were received from two donors. For the year ended June 30, 2009, approximately 48% of the contributions and bequests were received from one donor.

NOTE 4 - INVESTMENTS AND INVESTMENT RETURN

As of June 30, 2010 and 2009, investments consisted of the following at their fair value:

	Total 2010	Total 2009
Equities and equity funds	$ 32,281,692	$ 30,862,801
Money market funds	9,978,588	4,984,634
Offshore investment funds	8,544,487	8,494,356
U.S. Government and agency obligations fund	8,205,507	5,534,387
Corporate bonds/fixed income funds	7,393,650	3,136,557
Global bond fund	4,377,395	4,081,388
Commodities investment trusts	4,013,833	2,451,245

NOTE 4 - INVESTMENTS AND INVESTMENT RETURN (continued)

	Total 2010	Total 2009
U.S. Government and agency obligations	3,591,171	3,380,941
Onshore investment fund	1,295,247	835,094
Private equity funds	545,072	188,172
Real estate investment trusts	13,169	1,043,313
Total	$ 80,239,811	$ 64,992,888

Alternative investments consist of private equity issues and hedge funds and are principally shown as offshore and onshore investment funds and private equity funds. The estimated fair value of the alternative investments is based on valuations provided by the external investment managers as of the date of their most recent audited financial statements. Those valuations are then adjusted to include cash receipts, cash disbursements, and securities distributions between the date of their most recent audited financial statements and the date of this report. Adjustments for hedge funds also include investments gains and losses provided by the investment managers on the underlying securities, through the date of this report.

The Foundation believes the method for providing estimated fair values on these financial instruments is reasonable. Alternative investments often do not have readily determinable market values and their estimated value is subject to uncertainty. Therefore, there may be a material difference between their estimated value and the value that would have been used had a readily determinable fair market value for such investments existed.

The Foundation's investment advisors have reported that total investment expenses, including those of mutual funds, are approximately "88 basis points" (0.88%) and "87 basis points" (0.87%) of the total fair value of investments during the fiscal years ended June 30, 2010 and 2009, respectively. The statement of activities for June 30, 2010 and 2009 reflects interest and dividend income and realized and unrealized gains (losses) net of investment manager fees of approximately $ 616,000 and $ 434,000, respectively.

Fair Value Measurements:

In accordance with the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 820, *Fair Value Measurement and Disclosures,* formerly SFAS 157, the Foundation defined and established a framework for measuring fair value and expanded disclosures about fair value measurement. Various inputs are used in determining the value of the Foundation's investments. These inputs are summarized in three levels listed below:

- Level 1 – inputs are quoted market prices (unadjusted) in active markets for identical investments that the entity has the ability to access at the measurement date.

- Level 2 – inputs are other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly. (e.g. quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks interest rates and yield curves, and/or securities indices.)

NOTE 4 - INVESTMENTS AND INVESTMENT RETURN (continued)

- Level 3 – inputs are significant unobservable inputs. (e.g. information about assumptions, including risk, market participants would use in pricing a security.)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Fair values of investments held by the Foundation are classified at June 30, 2010 and 2009 are as follows:

	Level 1	Level 2	Level 3	Total 2010	Percentage of Total
Equities and equity funds	$ 16,206,780	$ 16,074,912	$ -	$ 32,281,692	40.2%
Money market funds	-	9,978,588	-	9,978,588	12.4%
Offshore investment funds	-	-	8,544,487	8,544,487	10.6%
U.S. Government and agency obligations fund	-	8,205,507	-	8,205,507	10.2%
Corporate bonds/fixed income funds	5,978,388	1,415,262	-	7,393,650	9.2%
Global bond fund	-	4,377,395	-	4,377,395	5.5%
Commodities investment trusts	726,063	3,287,770	-	4,013,833	5.0%
U.S. Government and agency obligations	3,591,171	-	-	3,591,171	4.5%
Onshore investment fund	-	-	1,295,247	1,295,247	1.6%
Private equity funds	-	-	545,072	545,072	0.7%
Real estate investment trusts	13,169	-	-	13,169	0.1%
Total	$ 26,515,571	$ 43,339,434	$ 10,384,806	$ 80,239,811	100.0%
	33.0%	54.0%	13.0%	100.0%	

	Level 1	Level 2	Level 3	Total 2009	Percentage of Total
Equities and equity funds	$ 14,207,175	$ 16,655,626	$ -	$ 30,862,801	47.5%
Money market funds	-	4,984,634	-	4,984,634	7.7%
Offshore investment funds	-	-	8,494,356	8,494,356	13.1%
U.S. Government and agency obligations fund	-	5,534,387	-	5,534,387	8.5%
Corporate bonds/fixed income funds	3,136,557	-	-	3,136,557	4.8%
Global bond fund	-	4,081,388	-	4,081,388	6.3%
Commodities investment trusts	2,451,245	-	-	2,451,245	3.8%
U.S. Government and agency obligations	3,380,941	-	-	3,380,941	5.2%
Onshore investment fund	-	-	835,094	835,094	1.3%
Private equity funds	-	-	188,172	188,172	0.3%
Real estate investment trusts	1,043,313	-	-	1,043,313	1.5%
Total	$ 24,219,231	$ 31,256,035	$ 9,517,622	$ 64,992,888	100.0%
	37.3%	48.1%	14.6%	100.0%	

NOTE 4 - INVESTMENTS AND INVESTMENT RETURN (continued)

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	2010	2009
Beginning Balance	$ 9,517,622	$ 11,011,559
Net realized and unrealized gains and (losses)	555,631	(1,765,187)
Net purchases, sales, issuances and settlements	311,553	271,250
Transfers in and/or out of Level 3	-	-
Ending Balance	$ 10,384,806	$ 9,517,622

Effective June 30, 2010, the Foundation adopted the required disclosures under Accounting Standards Update (ASU) 2009-12, *Fair Value Measurements and Disclosures*. The following table provides the required disclosures of certain alternative investments, separate legal and primary reporting entity, using net asset value per share (NAV) for fair value investments:

	Fair Value	Unfunded Commitments	Manager's Anticipation of Commitment Timing	Redemption Frequency	Redemption Notice Period
Offshore investment funds (a)	$ 8,544,487	$ -	-	Quarterly and Calendar Year	100 to 120 days
Global bond fund (b)	4,377,395	-	-	Monthly	10 days
Fixed income fund (c)	1,415,262	1,500,000	6 to 12 months	Quarterly	90 days
Onshore investment fund (d)	1,295,247	1,974,375	3 to 5 years	Not Available	N/A
Private equity fund (e)	545,072	3,001,000	3 to 5 years	Not Available	N/A
	$ 16,177,463	$ 6,475,375			

(a) This category includes three funds as follows: (1) approximately $ 3,083,000 is invested in a fund that seeks to generate a superior, long-term return with less risk than the United States equity markets, diversified with 35-45 managers. Though the fund employs a long/short equity focus, the portfolio is generally flexible and is expected to provide downside protection. As of June 30, 2010, there is a redemption restriction of one year on this fund; (2) approximately $ 2,721,000 is invested in a multi-strategy fund of funds that seeks capital appreciation with limited volatility through investments in a broadly diversified portfolio of managers and strategies. The primary strategy is long/short equity along with debt instruments, partnership interests and certain derivatives. As of June 30, 2010, there is a redemption restriction of one year with a maximum redemption limitation of 25% of the fund during the redemption period; and (3) approximately $ 2,741,000 is invested in a multi-strategy fund of funds with a broadly diversified portfolio in long/short equity, credit, private investment and hedging strategies. The recent credit and liquidity crisis left the fund with an asset-liability mismatch and forced their management to suspend redemptions. During the year, the Foundation requested a full redemption of its investment in the fund and to the date of this report has received approximately $ 312,000. Distributions are expected over a period of 3 to 5 years. As of June 30, 2010, there is a redemption restriction of one year with a maximum redemption limitation of 7.5% of the fund during the redemption period.

NOTE 4 - INVESTMENTS AND INVESTMENT RETURN (continued)

(b) Approximately $ 4,377,000 is invested in a trust with an investment objective of achieving favorable income-oriented returns from a globally diversified portfolio of primarily debt or debt-like securities. An associated objective is the preservation and enhancement of principal.

(c) Approximately $ 1,415,000 is invested in an open-end limited partnership seeking exposure to senior bank loans to take advantage of the disruption in the loan market. Investments are focused primarily on United States dollar-denominated first lien leveraged loans in some of the larger, more widely traded deals. At June 30, 2010, the Foundation had requested full redemption of the fund and subsequently received the full invested net asset value. This fund will now be replaced with a $ 1,500,000 commitment in a core bond strategy fund with the goal of providing enhanced income with principal protection in investment grade fixed income portfolios. The fund attempts to identify high quality securities that are inefficiently priced and overweight spread sectors where structural and price advantages are present.

(d) Approximately $ 1,295,000 is invested in a real asset fund providing investments in a diverse mix of oil and gas, timber, rural lands, minerals and metals and renewable energy. The timing of the capital calls and distributions may vary and it is uncertain at this time. Capital net of its related appreciation/depreciation is expected to be returned by the end of the partnership's life, which is fifteen years from original inception.

(e) This category includes three funds as follows: (1) approximately $ 316,000 is invested in a private equity fund that invests in a diversified portfolio of private equity and real assets investment funds, which in turn have been established to invest in a broad range of private equity, real estate, energy and other hand-oriented investments; (2) approximately $ 205,000 is invested in a private equity international investment company authorized and regulated by the Irish Financial Services Regulatory Authority. The fund seeks to generate a net internal rate of return in excess of 5% over public market equivalent returns by building a diversified portfolio of seasoned private equity fund interests. The fund is focused on United States and European small to middle market buyout managers, with exposure to Asian private equity funds, growth equity funds, venture capital funds and large buyout funds; and (3) approximately $ 24,000 is invested in a fund that offers a diversified portfolio comprised primarily of partnership investments managed by well-established private equity firms and focuses on partnerships in developed foreign countries with some exposure to foreign markets. Two investment principles that guide this fund are access to top-tier managers and diversification. Its focus on partnerships engaged in growth equity investments, small/middle market buyouts, and large leveraged buyouts, primarily in developed markets principally in Europe. The timing of the capital calls and distributions may vary and it is uncertain at this time. Capital net of its related appreciation/depreciation is expected to be returned by the end the partnerships' life ranging from twelve to fifteen years from original inception.

NOTE 5 - PLEDGES RECEIVABLE

The Foundation records unconditional promises to give as pledges receivable. These pledges receivable are recorded at fair value at the date of the gift, less an allowance for uncollectible pledges, if deemed necessary, and are discounted to the present value of their expected future cash flows. The allowance for uncollectible pledges is based on prior collection history and specific review of all pledges. The Foundation considers all pledges to be fully collectible, therefore no allowance has been recorded as of June 30, 2010 and 2009.

Pledges receivable are summarized as of June 30, 2010 and 2009 as follows:

	2010	2009
Receivable in less than one year	$ 3,200	$ 2,088

NOTE 6 - PROPERTY AND EQUIPMENT

At June 30, 2010 and 2009, property and equipment consists of the following:

	2010	2009
Office equipment	$ 63,054	$ 63,054
Furniture and fixtures	60,475	60,475
Leasehold improvements	18,229	18,229
	141,758	141,758
Less accumulated depreciation and amortization	109,445	98,849
Property and equipment, net	$ 32,313	$ 42,909

NOTE 7 - GRANTS PAYABLE

The Foundation has made unconditional promises to provide funding to other organizations as of June 30, 2010 and 2009 as follows:

	2010	2009
Payable in less than one year	$ 386,054	$ 458,654
Payable in one to five years	83,000	41,750
	$ 469,054	$ 500,404

NOTE 8 - AGENCY TRANSACTIONS

As discussed in Note 2, an agency transaction is the transfer of assets from a not-for-profit organization to establish a Fund at the Foundation whereby the not-for-profit organization specifies itself as the beneficiary of that Fund. The transfers to the Fund, related investment income (losses), fees earned, and distributions back to the not-for-profit organization are recorded as an increase or decrease to the corresponding assets and liabilities and are not included in the net assets of the Foundation.

NOTE 8 - AGENCY TRANSACTIONS (continued)

Agency transactions during the year ended June 30, 2010 and 2009 were as follows:

	2010	2009
Agency transactions payable, beginning of year	$ 7,319,658	$ 9,486,945
Amounts received on behalf of others	846,841	142,329
Earnings (losses) allocated to agency accounts	727,220	(1,763,024)
Investment management fees	(27,681)	(34,178)
Distributions to agencies	(541,974)	(456,719)
Other reclassifications *	(199,746)	-
Management fees earned by the Foundation	(59,812)	(55,695)
Agency transactions payable, end of year	$ 8,064,506	$ 7,319,658

* During the fiscal year ended June 30, 2010, two agencies ceased operations and their respective agency endowments were reclassified as non-agency endowments by reducing the associated agency transaction payable and increasing contributions.

NOTE 9 - COMMITMENTS

Lease Commitment:

During the fiscal year ended June 30, 2002, the Foundation entered into a 10-year lease agreement for office space. The lease payment during fiscal year 2010 and 2009 was $ 11,244 and $ 10,916 per month, respectively, plus its share of common area maintenance/operating expenses. The current lease agreement contains a 3% annual escalation clause and two successive renewal options of 60 months each at fair market value at the time of renewal with annual increases of no less than 5%. Rent expense for the years ended June 30, 2010 and 2009 was approximately $ 145,000 and $ 140,000, respectively.

The Foundation is presently committed to approximate minimum lease payments under the terms of the above operating lease as follows:

Year Ending June 30,	Amount
2011	$ 136,900
2012	69,500
Total	$ 206,400

Funding Commitments (Note 4):

The Foundation has entered into various separate commitments with investment managers. The remaining commitment as of June 30, 2010 and 2009 is $ 6,475,375 and $ 2,456,000, respectively.

NOTE 10 - LIABILITIES UNDER SPLIT-INTEREST AGREEMENTS

Split-interest agreements are arrangements where a donor gives an investment to the Foundation and the Foundation pays a beneficiary selected by the donor an annual amount as specified by the terms of the agreement. Split-interest agreements at the Foundation are charitable gift annuities. The Foundation records the liability due to the beneficiaries of charitable gift annuities at net present value using discount rates determined by investment managers based upon actuarial tables, which this year ranged from 4.2% to 6.2%.

As of June 30, 2010, the Foundation reported approximately $ 243,000 in assets held under split-interest agreements ($ 226,000 level 1 and $ 17,000 level 2 as described in Note 4). In addition, the Foundation recognized income of approximately $ 31,000 in contribution revenue from split-interest agreements during the fiscal year ended June 30, 2010.

As of June 30, 2009, the Foundation reported approximately $ 288,000 in assets held under split-interest agreements ($ 239,000 level 1 and $ 49,000 level 2 as described in Note 4). In addition, the Foundation recognized a loss of approximately $ 69,000 in contribution revenue from split-interest agreements during the fiscal year ended June 30, 2009.

The State of Florida requires that the Foundation maintains assets equal to at least 110% of the sum of the reserves on outstanding gift annuity agreements in order to collateralize the charitable gift annuities. Reserves are calculated as the net present value of future guaranteed payments to beneficiaries using the same discount rates noted above. The Foundation is required to segregate these assets as separate and distinct accounts and not use these assets for any purpose other than the annuity benefits. In addition, the state also requires the Foundation to meet investment guidelines for the annuities.

NOTE 11 - RETIREMENT PLAN

The Foundation adopted a 401(k) profit sharing plan as of January 1, 2002, to which employees may make pre-tax contributions subject to limits imposed by the Internal Revenue Service. The Foundation made a matching contribution at its discretion; the matching rate during the years ended June 30, 2010 and 2009 was up to 3% of employees' salary. Employees must complete one year of service to be eligible for matching contributions. Total expense for the years ended June 30, 2010 and 2009 was approximately $ 23,000 and $ 22,000, respectively.