

**Camp For All Foundation**

Financial Statements  
and Independent Auditors' Report  
for the years ended December 31, 2009 and 2008

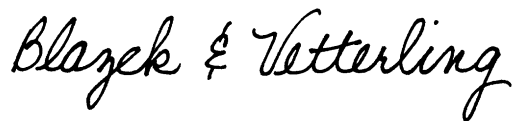
## Independent Auditors' Report

To the Board of Directors of  
Camp For All Foundation:

We have audited the accompanying statements of financial position of Camp For All Foundation as of December 31, 2009 and 2008 and the related statements of activities, of cash flows, and of functional expenses for the years then ended. These financial statements are the responsibility of the management of Camp For All Foundation. 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 our 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 Camp For All Foundation as of December 31, 2009 and 2008 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.



May 26, 2010

## Camp For All Foundation

Statements of Financial Position as of December 31, 2009 and 2008

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	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents ( <i>Notes 2 and 5</i> )	\$ 464,500	\$ 787,654
Pledges receivable, net ( <i>Note 3</i> )	251,202	433,727
Other assets	40,591	22,709
Investments ( <i>Notes 4 and 5</i> )	2,535,475	1,703,232
Property, net ( <i>Note 6</i> )	<u>8,677,928</u>	<u>8,936,531</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,969,696</u></b>	<b><u>\$ 11,883,853</u></b>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 47,081	\$ 83,782
Deferred revenue	<u>89,920</u>	<u>163,172</u>
Total liabilities	<u>137,001</u>	<u>246,954</u>
Net assets:		
Unrestricted ( <i>Note 8</i> )	10,169,116	9,761,298
Temporarily restricted ( <i>Note 9</i> )	350,185	562,207
Permanently restricted ( <i>Note 10</i> )	<u>1,313,394</u>	<u>1,313,394</u>
Total net assets	<u>11,832,695</u>	<u>11,636,899</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 11,969,696</u></b>	<b><u>\$ 11,883,853</u></b>

*See accompanying notes to financial statements.*

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## Camp For All Foundation

Statement of Activities for year ended December 31, 2009

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	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:				
Program service fees	\$ 1,184,120			\$ 1,184,120
Contributions	889,347	\$ 59,040		948,387
Special events	839,620			839,620
Direct donor benefit costs	(116,078)			(116,078)
Loss on valuation of pledges receivable		(28,200)		(28,200)
Investment return <i>(Note 4)</i>	412,795			412,795
Camp store sales and other	<u>14,564</u>	<u>                    </u>		<u>14,564</u>
Total revenue	3,224,368	30,840		3,255,208
Net assets released from restrictions:				
Expiration of time restrictions	142,065	(142,065)		
Capital expenditures	97,107	(97,107)		
Program expenditures	<u>3,690</u>	<u>(3,690)</u>		<u>                    </u>
Total	<u>3,467,230</u>	<u>(212,022)</u>		<u>3,255,208</u>
EXPENSES:				
Program services – camp operations	2,340,232			2,340,232
Management and general	305,987			305,987
Fundraising	<u>413,193</u>			<u>413,193</u>
Total expenses	<u>3,059,412</u>			<u>3,059,412</u>
CHANGES IN NET ASSETS	407,818	(212,022)		195,796
Net assets, beginning of year	<u>9,761,298</u>	<u>562,207</u>	<u>\$ 1,313,394</u>	<u>11,636,899</u>
Net assets, end of year	<u>\$ 10,169,116</u>	<u>\$ 350,185</u>	<u>\$ 1,313,394</u>	<u>\$ 11,832,695</u>

*See accompanying notes to financial statements.*

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## Camp For All Foundation

Statement of Activities for year ended December 31, 2008

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	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:				
Program service fees	\$ 1,238,240			\$ 1,238,240
Contributions	965,851	\$ 414,887	\$ 13,785	1,394,523
Special events	223,291			223,291
Direct donor benefit costs	(50,158)			(50,158)
Investment return <i>(Note 4)</i>	(414,297)	(250,878)		(665,175)
Camp store sales and other	<u>12,124</u>	<u>                    </u>	<u>                    </u>	<u>12,124</u>
Total revenue	1,975,051	164,009	13,785	2,152,845
Net assets released from restrictions:				
Expiration of time restrictions	208,500	(208,500)		
Capital expenditures	15,444	(15,444)		
Program expenditures	<u>23,955</u>	<u>(23,955)</u>	<u>                    </u>	<u>                    </u>
Total	<u>2,222,950</u>	<u>(83,890)</u>	<u>13,785</u>	<u>2,152,845</u>
EXPENSES:				
Program services – camp operations	2,264,535			2,264,535
Management and general	257,681			257,681
Fundraising	<u>437,048</u>			<u>437,048</u>
Total expenses	<u>2,959,264</u>			<u>2,959,264</u>
CHANGES IN NET ASSETS	(736,314)	(83,890)	13,785	(806,419)
Net assets, beginning of year	<u>10,497,612</u>	<u>646,097</u>	<u>1,299,609</u>	<u>12,443,318</u>
Net assets, end of year	<u>\$ 9,761,298</u>	<u>\$ 562,207</u>	<u>\$ 1,313,394</u>	<u>\$ 11,636,899</u>

*See accompanying notes to financial statements.*

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## Camp For All Foundation

### Statements of Cash Flows for the years ended December 31, 2009 and 2008

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	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 195,796	\$ (806,419)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Contributions restricted for camp facilities	(203,000)	(323,065)
Contributions restricted for permanent endowment		(13,785)
Loss of valuation of pledges receivable	28,200	
Change in value of interest in assets of GHCF	(402,772)	680,524
Depreciation	378,310	401,439
Changes in operating assets and liabilities:		
Pledges receivable (except capital and endowment)	157,120	(118,932)
Other assets	(17,882)	(16,572)
Accounts payable and accrued expenses	(36,701)	53,615
Deferred revenue	<u>(73,252)</u>	<u>287,022</u>
Net cash provided by operating activities	<u>25,819</u>	<u>143,827</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net transfer of funds to GHCF		(168,632)
Increase in cash and certificates of deposit held for investment	(429,471)	(2,197)
Purchase of property	<u>(119,707)</u>	<u>(234,178)</u>
Net cash used by investing activities	<u>(549,178)</u>	<u>(405,007)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from contributions restricted for camp facilities	179,605	262,460
Proceeds from contributions restricted for permanent endowment	<u>20,600</u>	<u>77,600</u>
Net cash provided by financing activities	<u>200,205</u>	<u>340,060</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(323,154)	78,880
Cash and cash equivalents, beginning of year	<u>787,654</u>	<u>708,774</u>
Cash and cash equivalents, end of year	<u>\$ 464,500</u>	<u>\$ 787,654</u>

*See accompanying notes to financial statements.*

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## Camp For All Foundation

### Statement of Functional Expenses for the year ended December 31, 2009

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	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and contract labor	\$ 952,175	\$ 103,252	\$ 197,482	\$ 1,252,909
Payroll taxes and benefits	<u>258,907</u>	<u>24,943</u>	<u>29,921</u>	<u>313,771</u>
Total salaries and related expenses	1,211,082	128,195	227,403	1,566,680
Depreciation	378,310			378,310
Food	200,042			200,042
Utilities	173,488			173,488
Supplies	137,335	4,445	12,185	153,965
Professional fees	1,240	93,289	7,383	101,912
Insurance	84,192	2,377		86,569
Printing and reproduction	1,467	7,104	62,891	71,462
Meetings and events	7,652	6,581	56,180	70,413
Buildings and grounds maintenance	51,791	668	667	53,126
Dues and fees	11,900	28,633	7,465	47,998
Equipment repair, rent, and purchase	40,579	4,542		45,121
Facility rental	2,920	14,603	11,681	29,204
Postage and delivery	1,167	2,868	17,721	21,756
Travel	8,727	7,099	4,722	20,548
Awards and prizes	11,558	2,815	2,861	17,234
Telephone	10,930	1,847	1,846	14,623
Training	<u>5,852</u>	<u>921</u>	<u>188</u>	<u>6,961</u>
Total expenses	<u>\$ 2,340,232</u>	<u>\$ 305,987</u>	<u>\$ 413,193</u>	3,059,412
Direct donor benefit costs – special events				<u>116,078</u>
Total				<u>\$ 3,175,490</u>

*See accompanying notes to financial statements.*

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## Camp For All Foundation

### Statement of Functional Expenses for the year ended December 31, 2008

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	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and contract labor	\$ 818,106	\$ 120,845	\$ 188,337	\$ 1,127,288
Payroll taxes and benefits	<u>226,322</u>	<u>28,414</u>	<u>44,625</u>	<u>299,361</u>
Total salaries and related expenses	1,044,428	149,259	232,962	1,426,649
Depreciation	401,439			401,439
Food	211,330			211,330
Utilities	199,398			199,398
Supplies	163,245	10,255	16,800	190,300
Professional fees	25,660	23,214	44,737	93,611
Insurance	84,390	1,812		86,202
Printing and reproduction	90	5,811	20,083	25,984
Meetings and events	1,364	5,088	72,790	79,242
Buildings and grounds maintenance	33,684	2,938	4,412	41,034
Dues and fees	13,900	28,537	1,461	43,898
Equipment repair, rent, and purchase	50,087	4,483	7,682	62,252
Facility rental	2,148	11,626	17,440	31,214
Postage and delivery	897	3,212	11,034	15,143
Travel	7,080	6,918	2,566	16,564
Awards and prizes	9,204	2,081	2,364	13,649
Telephone	9,537	1,756	2,633	13,926
Training	<u>6,654</u>	<u>691</u>	<u>84</u>	<u>7,429</u>
Total expenses	<u>\$ 2,264,535</u>	<u>\$ 257,681</u>	<u>\$ 437,048</u>	2,959,264
Direct donor benefit costs – special events				<u>50,158</u>
Total				<u>\$ 3,009,422</u>

*See accompanying notes to financial statements.*

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## Camp For All Foundation

Notes to Financial Statements for the years ended December 31, 2009 and 2008

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Camp For All Foundation (the Foundation) was incorporated in 1993 under the Texas Non-Profit Corporation Act. Its purpose is to provide a camp facility designed for chronically ill or disabled children and adults. The barrier-free facility features paved walkways to assist wheelchair travel, specialized equipment to enable maximum participation in water sports, horseback riding and other physical activities, as well as a medical facility for campers requiring medication.

The Foundation collaborates with 56 other non-profits primarily from the greater Houston area but also Washington County, Austin and Bryan/College Station. The Foundation operates throughout the year and in 2009 provided services for more than 7,000 children and adults of which 84% were individuals with chronic illnesses and special needs including those with cancer, muscular dystrophy, visual challenges, spinal cord injuries, spinal bifida, sickle cell, severe burns, HIV, epilepsy, and their caretakers. Through its fundraising efforts, the Foundation provides half the cost for each individual to attend and experience its life changing facilities and programming.

Federal income tax status – The Foundation is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §170(b)(1)(A)(vi).

Cash equivalents are highly liquid financial instruments with original maturities of three months or less which are not restricted for long-term purposes.

Pledges receivable – Amounts that are expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are discounted to estimate the present value of future cash flows.

Investments other than certificates of deposit are recorded at fair value. Certificates of deposits are non-negotiable bank deposits which are recorded at face value plus accrued interest.

Property is recorded at cost, if purchased, or at fair value at the date of gift, if donated. The Foundation capitalizes additions and improvements with a cost more than \$5,000. Depreciation is calculated using the straight-line method over estimated useful lives of 3 to 39 years.

Net asset classification – Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions and investment income restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.
- *Permanently restricted net assets* include contributions that donors have restricted in perpetuity. The income earned on these funds is available to support the activities of the Foundation.

Contributions are recorded as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit the use of the donated assets are recorded as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met. The Foundation received \$89,920 and \$163,172 unconditional contributions in 2009 and 2008 respectively for special events which are recorded as deferred revenue. Donor restricted contributions whose restrictions are satisfied in the same year the contribution is received are recorded as unrestricted net assets.

In-kind contributions – Donated assets, materials and use of facilities are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recorded as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During 2009 and 2008, \$16,870 and \$36,951, respectively, of in-kind special event services, property donations and program materials were recorded.

Program service fees represent fees from user groups for use of camp facilities. Fees are recognized in the period in which the services are provided.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Reclassifications – Certain reclassifications have been made to the prior year financial statements to conform with the current presentation.

## **NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

	<u>2009</u>	<u>2008</u>
Demand deposits	\$ 464,500	\$ 191,162
Money market mutual funds		<u>596,492</u>
Total cash and cash equivalents	<u>\$ 464,500</u>	<u>\$ 787,654</u>

At times, demand deposits exceed the federally insured limit.

## **NOTE 3 – PLEDGES RECEIVABLE**

Pledges receivable consist of the following:

	<u>2009</u>	<u>2008</u>
Pledges receivable	\$ 280,380	\$ 449,295
Allowance for uncollectible pledges	(23,050)	(9,440)
Discount to net present value at 1.7% to 5.0%	<u>(6,128)</u>	<u>(6,128)</u>
Pledges receivable, net	<u>\$ 251,202</u>	<u>\$ 433,727</u>

Pledges receivable at December 31, 2009 are expected to be collected as follows:

Within one year	\$ 228,530
In one to five years	<u>51,850</u>
Total pledges receivable	<u>\$ 280,380</u>

#### NOTE 4 – INVESTMENTS

Investments consist of the following:

	<u>2009</u>	<u>2008</u>
Interest in assets of Greater Houston Community Foundation (GHCF)	\$ 2,027,570	\$ 1,624,798
Certificates of deposit	428,919	
Money market mutual funds	<u>78,986</u>	<u>78,434</u>
Total investments	<u>\$ 2,535,475</u>	<u>\$ 1,703,232</u>

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Investment return is comprised of the following:

	<u>2009</u>	<u>2008</u>
Change in value of interest in assets of GHCF	\$ 402,772	\$ (680,524)
Interest income	<u>10,023</u>	<u>15,349</u>
Total investment return	<u>\$ 412,795</u>	<u>\$ (665,175)</u>

The agreement with GHCF specifies that amounts transferred from the Foundation to GHCF will be invested and held for the benefit of the Foundation. The Foundation may request grants from these funds from GHCF. The investments held by GHCF are in pooled accounts with the following investment composition as reported by GHCF:

	<u>2009</u>	<u>2008</u>
Domestic equity securities	44%	34%
Money market mutual funds	13%	18%
International equity securities	14%	17%
Alternative investments	22%	17%
Fixed income securities	<u>7%</u>	<u>14%</u>
Total	<u>100%</u>	<u>100%</u>

## NOTE 5 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. 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. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

The Foundation invests in pooled investments which allow it to invest in a large portfolio of assets with many other investors in an attempt to reduce risk. Such pooled investments are considered a Level 3 investment under the accounting standard because the pricing inputs are not observable. Classification as a Level 3 investment is not a determination of risk or liquidity.

Assets measured at fair value at December 31, 2009 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Interest in assets of GHCF			\$ 2,027,570	\$ 2,027,570
Money market mutual funds	\$ 78,986	_____	_____	78,986
Total assets measured at fair value	<u>\$ 78,986</u>	<u>\$ 0</u>	<u>\$ 2,027,570</u>	<u>\$ 2,106,556</u>

Assets measured at fair value at December 31, 2008 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Interest in assets of GHCF			\$ 1,624,798	\$ 1,624,798
Money market mutual funds	\$ 674,926	_____	_____	674,926
Total assets measured at fair value	<u>\$ 674,926</u>	<u>\$ 0</u>	<u>\$ 1,624,798</u>	<u>\$ 2,299,724</u>

Valuation methods used for assets measured at fair value are as follows:

- *Interest in assets of GHCF* is valued at the fair value as provided by GHCF, based on the fair value of the underlying investments.
- *Money market mutual funds* are valued at the net asset value of shares held at year end.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Changes in the fair value of Level 3 assets consist of the following:

Balance at January 1, 2008	\$ 2,136,690
Net realized and unrealized loss	(680,524)
Purchases, issuances and settlements, net	<u>168,632</u>
Balance at December 31, 2008	1,624,798
Net realized and unrealized gain	<u>402,772</u>
Balance at December 31, 2009	<u>\$ 2,027,570</u>

	<u>2009</u>	<u>2008</u>
The amount reported in investment return attributable to realized and unrealized gains related to Level 3 assets held at year end are as follows:	<u>\$ 402,772</u>	<u>\$ (680,254)</u>

#### **NOTE 6 – PROPERTY**

Property consists of the following:

	<u>2009</u>	<u>2008</u>
Land	\$ 435,332	\$ 435,332
Camp facilities	11,883,907	11,806,919
Camp furniture and equipment	1,207,939	1,199,939
Office furniture and equipment	<u>7,183</u>	<u>4,595</u>
Property, at cost	13,534,361	13,446,785
Accumulated depreciation	<u>(4,856,433)</u>	<u>(4,510,254)</u>
Property, net	<u>\$ 8,677,928</u>	<u>\$ 8,936,531</u>

#### **NOTE 7 – LINE OF CREDIT**

The Foundation has a \$200,000 line of credit with an interest rate of one percentage point under the bank's prime rate and an expiration date of November 24, 2010. As of December 31, 2009 and 2008, no amounts were outstanding on this line of credit.

#### **NOTE 8 – UNRESTRICTED NET ASSETS**

Unrestricted net assets are as follows:

	<u>2009</u>	<u>2008</u>
Undesignated	\$ 885,648	\$ 568,096
Board restricted reserve fund	623,795	529,454
Property	8,677,928	8,936,531
Aggregate deficiency of endowment funds	<u>(18,255)</u>	<u>(272,783)</u>
Total unrestricted net assets	<u>\$ 10,169,116</u>	<u>\$ 9,761,298</u>

The board restricted reserve fund can only be accessed by obtaining a resolution approved by a majority of the Board of Directors.

## NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2009</u>	<u>2008</u>
Future operations	\$ 167,202	\$ 349,722
Camp facility construction and enhancements	<u>182,983</u>	<u>212,485</u>
Total temporarily restricted net assets	<u>\$ 350,185</u>	<u>\$ 562,207</u>

## NOTE 10 – ENDOWMENT FUNDS

The Foundation has donor-restricted endowment funds which are maintained in accordance with explicit donor stipulations. The Board of Directors of the Foundation has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies the original value of gifts donated to the permanent endowment as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Prior to fiscal 2009, all investment return earned since inception of the endowment funds had been reinvested in accordance with the Foundation's spending policy. Beginning in 2009, the Board of Directors may approve a distribution of available endowment funds equal to a maximum of 6% of the average endowment investment balance for the previous three years. A distribution was not approved by the Board of Directors in 2009.

Endowment funds are maintained in an investment account which is managed by GHCF. The Foundation has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on a blend of equity-based investments and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Endowment funds by net asset classification are as follows:

	<u>2009</u>	<u>2008</u>
Permanently restricted net assets	\$ 1,313,394	\$ 1,313,394
Unrestricted net assets – aggregate deficiency of endowment funds	<u>(18,255)</u>	<u>(272,783)</u>
Total endowment net assets	<u>\$ 1,295,139</u>	<u>\$ 1,040,611</u>

Changes in endowment funds for the years ended December 31, 2008 and 2009 are as follows:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Endowment net assets, January 1, 2008		\$ 250,878	\$ 1,299,609	\$ 1,550,487
Contributions			13,785	13,785
Investment return:				
Interest and dividends	\$ 808			808
Net depreciation of investments	<u>(273,591)</u>	<u>(250,878)</u>		<u>(524,469)</u>
Endowment net assets, December 31, 2008	<u>(272,783)</u>	<u>0</u>	<u>1,313,394</u>	<u>1,040,611</u>
Investment return:				
Interest and dividends	552			552
Net appreciation of investments	<u>253,976</u>			<u>253,976</u>
Endowment net assets, December 31, 2009	<u>\$ (18,255)</u>	<u>\$ 0</u>	<u>\$ 1,313,394</u>	<u>\$ 1,295,139</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor specified as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets as an aggregate deficiency of the endowment assets. These deficiencies resulted from unfavorable market fluctuations.

#### **NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 26, 2010, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.