

VMC FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
VMC Foundation
San Jose, California

We have audited the accompanying statements of financial position of VMC Foundation (a California nonprofit public benefit corporation) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses 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 audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 VMC Foundation as of December 31, 2011 and 2010 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.

Delucchi, Hawn & Co., LLP

San Jose, California
July 30, 2012

VMC FOUNDATION
STATEMENTS OF FINANCIAL POSITION

Assets

	December 31,	
	2011	2010
Cash and cash equivalents	\$ 790,193	\$ 2,055,466
Pledges receivable	6,764,175	1,645,998
Beneficial interest receivable	331,720	150,000
Other receivables	275,221	171,654
Prepaid expenses	26,063	102,219
Inventory	14,050	15,181
Investments	2,313,652	1,303,022
Investments restricted for permanent endowment	10,000	10,000
	\$ 10,525,074	\$ 5,453,540

Liabilities and Net Assets

Liabilities:

Accounts payable and accrued liabilities	\$ 287,999	\$ 188,973
Beneficial interest payable	331,720	150,000
Grants payable	177,895	65,492
Deferred grants	397,165	474,124
Total liabilities	1,194,779	878,589

Net assets:

Unrestricted	891,295	496,602
Temporarily restricted	8,429,000	4,068,349
Permanently restricted	10,000	10,000
Total net assets	9,330,295	4,574,951
Total liabilities and net assets	\$ 10,525,074	\$ 5,453,540

See Notes to Financial Statements

VMC FOUNDATION
STATEMENTS OF ACTIVITIES

	For the Years Ended							
	December 31, 2011				December 31, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support								
Contributions	\$ 646,925	\$ 8,459,636	\$ -	\$ 9,106,561	\$ 1,211,579	\$ 2,281,870	\$ -	\$ 3,493,449
Contributions in-kind	410,148	288,609	-	698,757	523,699	25,631	-	549,330
Special events revenue	292,090	300	-	292,390	203,880	7,723	-	211,603
Special events expenses	(147,409)	-	-	(147,409)	(57,726)	(522)	-	(58,248)
Service fees	1,103,633	-	-	1,103,633	821,100	188,819	-	1,009,919
Sale of merchandise, net	37,683	-	-	37,683	41,503	-	-	41,503
Investment income, net	22,406	-	-	22,406	21,218	-	-	21,218
Realized gains on investments	3,430	-	-	3,430	8,173	-	-	8,173
Unrealized gains (losses) on investments	(13,879)	-	-	(13,879)	54,603	-	-	54,603
Net assets released from restrictions	4,387,894	(4,387,894)	-	-	1,356,251	(1,356,251)	-	-
Total revenues, gains and other support	6,742,921	4,360,651	-	11,103,572	4,184,280	1,147,270	-	5,331,550
Expenses								
Program services	5,102,187	-	-	5,102,187	2,779,399	-	-	2,779,399
Supporting services								
Management and general	450,697	-	-	450,697	647,674	-	-	647,674
Fundraising	795,344	-	-	795,344	630,021	-	-	630,021
Total expenses	6,348,228	-	-	6,348,228	4,057,094	-	-	4,057,094
Change in net assets	394,693	4,360,651	-	4,755,344	127,186	1,147,270	-	1,274,456
Net assets, beginning of year	496,602	4,068,349	10,000	4,574,951	369,416	2,921,079	10,000	3,300,495
Net assets, end of year	<u>\$ 891,295</u>	<u>\$ 8,429,000</u>	<u>\$ 10,000</u>	<u>\$ 9,330,295</u>	<u>\$ 496,602</u>	<u>\$ 4,068,349</u>	<u>\$ 10,000</u>	<u>\$ 4,574,951</u>

See Notes to Financial Statements

VMC FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2011

	<u>Support Services</u>			<u>Total Support Services</u>	<u>Total Program and Support Services</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>		
Direct support of SCVHHS	\$ 3,452,351	\$ -	\$ -	\$ -	\$ 3,452,351
Donated services	121,481	35,302	488,380	523,682	645,163
Salaries and related expenses	82,423	293,091	122,208	415,299	497,722
Contract services	401,297	10,365	2,500	12,865	414,162
Marketing	101,248	25	67,522	67,547	168,795
Grants	377,895	-	-	-	377,895
Donated occupancy	28,672	4,422	20,499	24,921	53,593
Audit and accounting fees	-	48,907	-	48,907	48,907
Conferences, events and meetings	270,676	8,899	35,530	44,429	315,105
Printing and publication	45,608	35	29,711	29,746	75,354
Supplies	102,342	4,047	8,841	12,888	115,230
Telephone	7,659	-	6,987	6,987	14,646
Insurance	2,141	22,718	247	22,965	25,106
Gifts and awards	5,527	1,082	66	1,148	6,675
Bank charges	11,429	943	1,315	2,258	13,687
Postage	1,319	314	5,499	5,813	7,132
Travel	74,368	8	5,338	5,346	79,714
Dues and membership fees	3,168	275	-	275	3,443
Miscellaneous	12,583	20,264	701	20,965	33,548
	<u>\$ 5,102,187</u>	<u>\$ 450,697</u>	<u>\$ 795,344</u>	<u>\$ 1,246,041</u>	<u>\$ 6,348,228</u>

See Notes to Financial Statements

VMC FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2010

	<u>Support Services</u>			<u>Total Support Services</u>	<u>Total Program and Support Services</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>		
Direct support of SCVHHS	\$ 1,760,052	\$ -	\$ -	\$ -	\$ 1,760,052
Donated services	118,399	33,970	294,012	327,982	446,381
Salaries and related expenses	102,121	225,083	113,633	338,716	440,837
Contract services	366,730	8,653	500	9,153	375,883
Marketing	70,783	700	46,214	46,914	117,697
Contributions	-	289,200	11,000	300,200	300,200
Donated occupancy	11,902	15,463	25,689	41,152	53,054
Audit and accounting fees	-	45,431	-	45,431	45,431
Conferences, events and meetings	167,326	1,016	27,044	28,060	195,386
Printing and publication	36,147	138	59,339	59,477	95,624
Supplies	72,299	4,515	42,134	46,649	118,948
Telephone	2,874	4,778	183	4,961	7,835
Insurance	1,555	11,436	233	11,669	13,224
Gifts and awards	9,665	1,671	184	1,855	11,520
Bank charges	3,787	2,021	693	2,714	6,501
Postage	970	97	7,174	7,271	8,241
Travel	48,512	453	345	798	49,310
Dues and membership fees	2,004	275	1,050	1,325	3,329
Miscellaneous	4,273	2,774	594	3,368	7,641
	<u>\$ 2,779,399</u>	<u>\$ 647,674</u>	<u>\$ 630,021</u>	<u>\$ 1,277,695</u>	<u>\$ 4,057,094</u>

See Notes to Financial Statements

VMC FOUNDATION
STATEMENTS OF CASH FLOWS

	<u>For the Years Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,755,344	\$ 1,274,456
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net unrealized (gains) losses on investments	13,879	(54,603)
Net realized gains on investments	(3,430)	(8,173)
Donated marketable securities	-	(252,146)
Changes in assets and liabilities:		
Pledges receivable	(5,118,177)	(260,292)
Beneficial interest receivable	(181,720)	(110,000)
Other receivable	(103,567)	124,541
Prepaid expenses	76,156	(93,599)
Inventory	1,131	(895)
Accounts payable and accrued liabilities	99,026	(7,742)
Beneficial interest payable	181,720	(14,800)
Grants payable	112,403	(78,094)
Deferred grants	(76,959)	(304,517)
Net cash provided (used) by operating activities	<u>(244,194)</u>	<u>214,136</u>
Cash flows from investing activities:		
Purchase of investments	(1,421,079)	(314,429)
Proceeds from sales and maturities of investments	<u>400,000</u>	<u>1,410,054</u>
Net cash provided (used) by investing activities	<u>(1,021,079)</u>	<u>1,095,625</u>
Increase (decrease) in cash and cash equivalents	(1,265,273)	1,309,761
Beginning cash and cash equivalents	<u>2,055,466</u>	<u>745,705</u>
Ending cash and cash equivalents	<u>\$ 790,193</u>	<u>\$ 2,055,466</u>

See Notes to Financial Statements

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note A - Nature of Operations and Significant Accounting Policies

Nature of Operations

The Valley Medical Center Foundation (“VMC Foundation” or the “Foundation”) is an independent community-driven 501(c)(3) public benefit corporation that enhances community health and related human service needs via the Santa Clara Valley Health & Hospital System (SCVHHS), which includes Valley Medical Center (VMC). In an effort to expand, enhance and improve existing services, VMC Foundation supports services and programs that are under-funded by other revenue streams and that serve the most needy in Silicon Valley, including:

A campaign to support the “New VMC” - In late 2008, with the passage of Measure A on the November ballot, VMC began plans to replace seismically outdated portions of the main hospital. The VMC Foundation at once began planning for an ambitious, multi-year capital campaign to outfit the new building with equipment and technology needs. The new “Sobrato Pavilion”, as it is now called, will open in 2014.

Diabetes Treatment and Prevention - Diabetes is a serious and growing issue in Silicon Valley, especially for children. VMC Foundation is raising funds to expand education and outreach programs, as well as to diagnose the estimated one in three diabetic residents of Santa Clara County who have the disease but do not know it.

Farmers Market - The VMC Foundation is planning the implementation of a farmers market on the campus of Valley Medical Center for the benefit of patients and staff. This will contribute to healthier diets, which supports a major public health initiative championed by the county Board of Supervisors.

Spinal Cord and Brain Injury Rehabilitation - Securing grants and gifts to enhance the world-class care provided by VMC’s SCI/TBI Unit is a major priority, since doing so not only helps patients obtain the best treatment for these kinds of injuries, but also helps attract patients with private insurance. This benefits VMC financially beyond what philanthropy alone can do.

Turning Wheels for Kids - The VMC Foundation ensures that children of low-income families can have a brand-new bicycle, promoting outdoor exercise and battling the epidemic of childhood obesity. In 2011 the volunteers who run this inspiring program bought, built, and gave more than 3,000 bikes to childrens in Silicon Valley.

Technology enhancement - The VMC Foundation built the first wireless network for patients/family members at Valley Medical Center, and by 2007 the entire hospital campus had been wired. With staffing and infrastructure additions, VMC is working on major technology initiatives that will help patients and ensure the highest level of patient safety and efficiency of service.

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note A - Nature of Operations and Significant Accounting Policies (continued)

Neonatal Intensive Care Unit support - VMC's NICU provides the highest level of care to hundreds of tiny, premature infants each year. VMC Foundation, with the help of First 5, Rotary Clubs in Silicon Valley and other philanthropists, provide technology and social service support to these babies and their families.

Pediatric Playground - The VMC Foundation created a beautiful, secure and child-safe patio environment on the fifth floor of the new VMC Main hospital outside of the Pediatrics unit, providing therapeutic recreation and play for young patients while they are recovering.

Basis of Presentation

Generally accepted accounting principles require that the Foundation reports information about its financial position and activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Foundation. Under this category, the Foundation maintains an operating fund.

Temporarily restricted net assets include those assets which are subject to donor imposed restriction and for which the applicable restriction was not met as of the year end of the current reporting period.

Permanently restricted net assets include those assets which are subject to a non-expiring donor imposed restriction, such as endowments.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note A - Nature of Operations and Significant Accounting Policies (continued)

Significant Concentrations

The Foundation maintains its cash in bank deposit accounts which, at times, exceed the federally insured limits.

Pledges and Other Receivable

Pledges and other receivable are reported net of an allowance for doubtful accounts. All pledges and other receivable are receivable within three years or less. Allowance is based on management's estimate of the amount of receivables that will actually be collected. There is no allowance for uncollectible accounts at December 31, 2011 and 2010.

Inventory

Inventory consists of merchandise for sale at the gift shop at VMC, and is valued at the lower of cost or market. Cost is determined by the first-in, first-out method.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted market prices. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Value Measurements

Generally accepted accounting principles require the Foundation to classify its financial assets and liabilities based on a valuation method using three levels. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Foundation's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

Property and Equipment

Property and equipment are stated at cost or at their estimated fair value at date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to ten years. Equipment and software purchases over \$3,000 and furniture purchases over \$5,000 are capitalized. Repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed as incurred. Depreciation is charged to the activity benefiting from the use of the property or equipment.

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note A - Nature of Operations and Significant Accounting Policies (continued)

Revenue Recognition

The Foundation recognizes support and revenue on the accrual basis of accounting. Revenue from grants which have been classified as “exchange transactions” and program fees are recognized as revenue in the period in which the service is provided.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

In-kind Contributions

Donated equipment and other donated goods are recorded at their estimated fair value as of the date of the donation. Contributed services, which require a specialized skill and which the Foundation would have paid for if not donated, are recorded at the estimated fair value at the time the services are rendered.

Beneficial Interest

The Foundation receives grants from another foundation to fund various third party organizations. Such grants are collected by the Foundation on behalf of the various third party organizations. These grants are accounted for as beneficial interest receivable and payable, and are not recorded as revenue and expenses.

Functional Classification of Expenses

The costs of providing the various program services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated principally on a direct cost basis and based on an analysis of personnel time and space utilized, among the programs and supporting services.

Income Taxes

The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Additionally, the Foundation is exempt from state income taxes under the California Revenue Code Section 23701(d). Accordingly, no provision for income taxes has been made in the accompanying financial statements.

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note A - Nature of Operations and Significant Accounting Policies (continued)

Income Taxes (continued)

The Foundation files income tax returns in the U.S. federal jurisdiction and the State of California. The Foundation's federal income tax returns for tax years 2008 and beyond remain subject to examination by the Internal Revenue Service. The Foundation's California income tax returns of the tax years 2007 and beyond remain subject to examination by the Franchise Tax Board.

The Foundation did not have unrecognized tax benefits as of December 31, 2011 and does not expect this to change significantly over the next 12 months. The Foundation will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of December 31, 2011, the Foundation has not accrued interest or penalties related to uncertain tax positions.

Subsequent Events

Management has evaluated subsequent events through July 30, 2012, the date the financial statements were available to be issued.

Note B - Investments

Investments are held as certificates of deposit and long-term growth pool and consisted of the following at December 31:

	2011	2010
Certificates of deposit	\$ 1,561,756	\$ 738,122
Community Foundation Fund	761,896	574,900
Total investments and permanent endowment	\$ 2,323,652	\$ 1,313,022

Note C - Pledges Receivable

The Foundation received a pledge of \$5 million from a member of the board of directors during the year. The Foundation received the initial payment of \$2.5 million in January 2012. The remaining balance of \$2.5 million is expected to be received in two years and has been discounted at an annual interest rate of 3.25%, with unamortized discount of \$125,227 at December 31, 2011.

The remaining pledges receivable balance of \$1,889,402 are composed of various pledges and are expected to be received in the following year, therefore the pledges have not been discounted.

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note D - Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$ 9,802	\$ 9,802
Less accumulated depreciation	<u>(9,802)</u>	<u>(9,802)</u>
	<u>\$ -</u>	<u>\$ -</u>

There is no depreciation expense for the years ended December 31, 2011 and 2010, since the assets were fully depreciated.

Note E - Deferred Grants

Deferred grants consist of cash received from the Gordon and Betty Moore Foundation grants. The Foundation received two separate grants for the following programs: Medication Administration Checking (MAK) and Magnet Status (Magnet). These grants are accounted for as fees for services and the revenue is recognized in the year it is earned.

	<u>MAK</u>	<u>Magnet</u>	<u>Total</u>
Deferred grants at December 31, 2009	\$ 222,841	\$ 555,800	\$ 778,641
Cash received during the year	-	250,000	250,000
Interest received	718	4,257	4,975
Revenue earned	<u>(161,723)</u>	<u>(397,769)</u>	<u>(559,492)</u>
Deferred grants at December 31, 2010	61,836	412,288	474,124
Cash received during the year	-	181,795	181,795
Interest received	43	374	417
Revenue earned	<u>(3)</u>	<u>(259,168)</u>	<u>(259,171)</u>
Deferred grants at December 31, 2011	<u>\$ 61,876</u>	<u>\$ 335,289</u>	<u>\$ 397,165</u>

Note F - Temporarily Restricted Net Assets

At December 31, 2011 and 2010, the Foundation's temporarily restricted net assets consisted of donations whose use was restricted by the donor to provide support for the Santa Clara Valley Health and Hospital System (SCVHHS).

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note G - Sale of Merchandise

The sale of merchandise and related costs for the years ended December 31, consisted of the following:

	<u>2011</u>	<u>2010</u>
Gross receipts	\$ 299,978	\$ 295,942
Cost of sales:		
Cost of goods sold	<u>176,424</u>	<u>174,336</u>
Other costs of sales:		
Direct labor	71,483	65,806
Education and conference	4,446	5,057
Store supplies	4,297	4,145
Miscellaneous store expenses	<u>5,645</u>	<u>5,095</u>
Total other costs of sales	<u>85,871</u>	<u>80,103</u>
Total cost of sales	<u>262,295</u>	<u>254,439</u>
Net sales	<u>\$ 37,683</u>	<u>\$ 41,503</u>

Note H - In-Kind Contributions

The estimated fair value of the use of facilities, utilities, wages, marketable securities and other various items are recorded as contributions. The following in-kind contributions were received by the Foundation during the years ended December 31:

	<u>2011</u>	<u>2010</u>
Occupancy	\$ 53,593	\$ 53,054
Wages	481,196	446,381
Marketable securities	-	252,146
Others	<u>163,968</u>	<u>49,895</u>
Total contributions in-kind	<u>\$ 698,757</u>	<u>\$ 801,476</u>

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note I - Contingencies

Grants and contracts awarded to VMC Foundation are subject to the funding agencies' criteria, contract terms and regulations under which expenditures may be charged and are subject to audit under such terms, regulations and criteria. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them. In such cases, the Foundation could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts and grants administered during the period.

Note J - Related Parties

The Foundation receives the use of office space, utilities, supplies and the services of the executive director, director of communications and a grants officer from Santa Clara Valley Health and Hospital System at no charge. The estimated value of these donations is disclosed in Note H.

During the years ended December 31, 2011 and 2010 contributions support by members of the Board of Directors totaled approximately \$5,158,000 and \$118,000, respectively. During the years ended December 31, 2011 and 2010, contributions support by employees of the Foundation totaled approximately \$5,000 and \$9,000, respectively.

Note K - Beneficial Interest

The Foundation services grants made by another foundation to fund various third party organizations. The Foundation does not have variance power over the funds. Following is a breakdown of beneficial interest transactions for the years ended December 31:

	<u>2011</u>	<u>2010</u>
Beneficial interest payable, beginning of year	\$ 150,000	\$ 164,800
Grants received on behalf of beneficiaries during the year	2,354,133	2,916,579
Grants paid to beneficiaries during the year	<u>(2,172,413)</u>	<u>(2,931,379)</u>
Beneficial interest payable, end of year	<u>\$ 331,720</u>	<u>\$ 150,000</u>

VMC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2011 and 2010

Note L - Fair Value Measurements

Fair value of assets and liabilities measured on a recurring basis at December 31, 2011 and 2010 are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2011</u>				
Certificates of deposit	\$ 1,561,756	\$ 1,561,756	\$ -	\$ -
Investment in Community Foundation Fund	<u>761,896</u>	<u>-</u>	<u>761,896</u>	<u>-</u>
Total	<u>\$ 2,323,652</u>	<u>\$ 1,561,756</u>	<u>\$ 761,896</u>	<u>\$ -</u>
<u>December 31, 2010</u>				
Certificates of deposit	\$ 738,122	\$ 738,122	\$ -	\$ -
Investment in Community Foundation Fund	<u>574,900</u>	<u>-</u>	<u>574,900</u>	<u>-</u>
Total	<u>\$ 1,313,022</u>	<u>\$ 738,122</u>	<u>\$ 574,900</u>	<u>\$ -</u>

All assets have been valued using a market approach. Fair values of assets in Level 2 are calculated using quoted market prices for similar assets in markets that are not active.