THEODORE R. AND VIVIAN M. JOHNSON SCHOLARSHIP FOUNDATION, INC.

REPORT ON AUDITS OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

THEODORE R. AND VIVIAN M. JOHNSON SCHOLARSHIP FOUNDATION, INC.

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Certified Public Accountants and Consultants

Report of Independent Auditors

Board of Directors
Theodore R. and Vivian M. Johnson Scholarship Foundation, Inc.

We have audited the accompanying statements of net assets – modified cash basis of Theodore R. and Vivian M. Johnson Scholarship Foundation, Inc. (the Foundation) as of December 31, 2010 and 2009, and the related statements of changes in net assets – modified cash basis and cash flows – modified cash basis 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 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.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Theodore R. and Vivian M. Johnson Scholarship Foundation, Inc. as of December 31, 2010 and 2009, and the changes in its net assets, and its cash flows for the years then ended, on the basis of accounting described in Note 1.

Templeton & Company, LLP

West Palm Beach, Florida
August 16, 2011

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THEODORE R. AND VIVIAN M. JOHNSON SCHOLARSHIP FOUNDATION, INC.

STATEMENTS OF NET ASSETS – MODIFIED CASH BASIS
December 31, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 1,861,079	$ 997,248
Investments, at fair value	155,502,970	143,641,157
Total assets	$ 157,364,049	$ 144,638,405
LIABILITIES AND NET ASSETS		
Liabilities	$ -	$ -
Net assets - temporarily restricted	157,364,049	144,638,405
Total liabilities and net assets	$ 157,364,049	$ 144,638,405

See accompanying notes to financial statements.

THEODORE R. AND VIVIAN M. JOHNSON SCHOLARSHIP FOUNDATION, INC.

STATEMENTS OF CHANGES IN NET ASSETS –
MODIFIED CASH BASIS
For the Years Ended December 31, 2010 and 2009

	2010	2009
Temporarily restricted net assets:		
Revenue, net of investment advisory fees:		
Net realized gain on sales of investments	$ 3,095,690	$ 6,882,529
Net unrealized appreciation on investments	15,360,760	17,345,536
Interest, dividends, and distributions	1,314,935	1,486,732
	19,771,385	25,714,797
Expenses:		
Scholarships and grants distributed	5,689,781	6,950,825
Management and general expenses	1,367,172	1,280,126
Federal excise and other taxes, net of refunds	(11,212)	(93,648)
	7,045,741	8,137,303
Increase in temporarily restricted net assets	12,725,644	17,577,494
Net assets, beginning of year	144,638,405	127,060,911
Net assets, end of year	$ 157,364,049	$ 144,638,405

See accompanying notes to financial statements.

THEODORE R. AND VIVIAN M. JOHNSON SCHOLARSHIP FOUNDATION, INC.

STATEMENTS OF CASH FLOWS –
MODIFIED CASH BASIS
For the Years Ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Increase in net assets - modified cash basis	$ 12,725,644	$ 17,577,494
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Net realized gain on sales of investments	(3,095,690)	(6,882,529)
Net unrealized appreciation on investments	(15,360,760)	(17,345,536)
Net cash used in operating activities	(5,730,806)	(6,650,571)
Cash flows from investing activities:		
Purchases of investments	(11,555,666)	(34,460,643)
Proceeds from sales of investments	18,150,303	34,653,321
Net cash provided by investing activities	6,594,637	192,678
Increase (decrease) in cash and cash equivalents	863,831	(6,457,893)
Cash and cash equivalents, beginning of year	997,248	7,455,141
Cash and cash equivalents, end of year	$ 1,861,079	$ 997,248

See accompanying notes to financial statements.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Organization and purpose

The Theodore R. and Vivian M. Johnson Scholarship Foundation, Inc. (the Foundation) provides educational scholarships and grants.

The Foundation was incorporated in the State of Florida in 1998 and received all of the assets of the Theodore R. and Vivian M. Johnson Scholarship Foundation, a private foundation trust, (the Foundation Trust) on December 31, 2001 in a tax-free transfer and operates as its successor.

Donated assets of the Foundation are invested in accordance with donor intention, with earnings derived from such assets used for grant, reinvestment, and operating purposes.

Basis of presentation

In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (GAAP) – a replacement of SFAS No. 162*, which establishes the FASB Accounting Standards Codification (ASC) as the source of authoritative U.S. GAAP recognized by the FASB to be applied by non-governmental entities. This guidance is effective for interim periods and fiscal years ending after September 15, 2009. On July 1, 2009, the Company adopted the provisions of this guidance and as a result, the majority of references to historically issued accounting pronouncements are now superseded by references to the FASB ASC. Certain accounting pronouncements, such as SFAS No. 168, will remain authoritative until they are integrated into the FASB ASC.

Basis of accounting

The Foundation prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenue is recognized when collected and expenses are recorded when paid, rather than when due or the commitment or obligation is incurred.

Assets and liabilities generally arise from cash transactions, except for non-cash contributions of investments, which are recorded, when received, at their fair values.

Classification of net assets

The Foundation records all income or losses from its investments as temporarily restricted net assets. These amounts are subject to donor-imposed restrictions that permit the Foundation to use or expend the assets for grant or operating purposes. The donor restrictions expire when payments are made for grant or operating purposes.

Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, unless needed to meet the Internal Revenue Service (IRS) distribution requirements, but permit the Foundation to use or expend all of the income derived from the donated assets for grant or operating purposes. There were no permanently restricted net assets or donations during 2010 or 2009.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies, Continued

Cash and cash equivalents

The Foundation considers all highly liquid investments with original maturity terms of three months or less to be cash equivalents. Cash and cash equivalents are carried at cost which approximates fair value.

Investments

Equity securities with readily determinable fair market values and all debt securities are carried at fair values based on quoted market prices. The values of certain investments are estimated by management of the investee in the absence of readily determinable fair market values.

Investment gains or losses are recognized upon realization, or when their values are deemed to have been permanently impaired. The Foundation uses the specific identification method to determine its historical basis, which is based on the fair value at the beginning of the period, in computing realized gains and losses. Unrealized gains and losses are recognized based on changes in fair values during the period for those securities held at the end of the period. Interest, dividends, and distributions are recognized as income when received and are restricted for grant and operating purposes.

Income taxes

The Foundation is incorporated as a private foundation exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code (the Code) and is classified as a private foundation as defined under Section 509(a) of the Code. In accordance with the provisions of the Code, the Foundation is liable for excise tax of up to 2% on net investment income as defined by the Code and is taxed on unrelated business income for both federal and state income tax purposes. With regard to unrelated business income, for federal tax purposes the Foundation is subject to federal corporate tax rates of up to 38% and, for state tax purposes, tax rates range from 5% to 9% of allocable taxable income.

Management analyzes tax positions in jurisdictions where it is required to file income tax returns. Based on its evaluation, management did not identify any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease.

Use of estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates also affect the amounts of revenue and expenses recognized during the reporting period. Actual results could differ from those estimates.

Risks and uncertainties

The investments of the Foundation are exposed to various risks, such as market, geographic, interest rate and credit. Due to the level of risk associated with the Foundation's investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the Foundation's investment balances and the amounts reported in the statements of changes in net assets – modified cash basis and the statements of net assets – modified cash basis.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies, Continued

Risks and uncertainties, continued

The Foundation has significant investments in equities, fixed income securities, private equity partnerships, and mutual funds and is therefore subject to concentrations of investment risk. Investments are generally made by investment managers engaged by the Foundation and the investments are monitored on behalf of the Foundation by an independent investment adviser. Although the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Foundation and its beneficiaries.

Published market quotations do not necessarily represent realizable values, particularly where sizable holdings of a fund's unit shares or a company's stock exist. In addition, certain private equity and venture capital fund investment agreements restrict the timing and amounts of fund shares that may be redeemed. Management frequently evaluates various risks related to the Foundation's investments.

Note 2 – Investments

The cost, fair value, and unrealized gain or loss attributable to the Foundation's investments at December 31, 2010 and 2009 are presented below:

	Cost	Fair Value	Unrealized Gain (Loss)
December 31, 2010:			
United States equities	$ 16,561,330	$ 21,286,147	$ 4,724,817
Non-United States equities	16,884,199	35,892,705	19,008,506
Alternative marketable equity entities	14,326,679	21,118,593	6,791,914
Private equity entities and venture capital	18,697,701	19,843,680	1,145,979
Inflation protection managers	15,107,989	25,021,908	9,913,919
Fixed income	27,900,177	32,339,937	4,439,760
	$ 109,478,075	$ 155,502,970	$ 46,024,895
December 31, 2009:			
United States equities	$ 15,111,870	$ 16,858,662	$ 1,746,792
Non-United States equities	15,685,407	30,258,773	14,573,366
Alternative marketable equity entities	16,328,388	21,448,487	5,120,099
Private equity entities and venture capital	16,284,607	15,548,881	(735,726)
Inflation protection managers	18,730,177	27,381,433	8,651,256
Fixed income	29,440,659	32,144,921	2,704,262
	$ 111,581,108	$ 143,641,157	$ 32,060,049

The cost presented above represents the historical cost basis for income tax purposes. Realized gains or losses for financial reporting purposes for securities sold are determined based on the fair value at the beginning of the period (see Note 1).

Note 2 – Investments, Continued

The following is a list of investments representing more than 5% of the total fair value of investments at December 31, 2010 and 2009:

Investment	2010	2009
Vanguard Intermediate-Term Treasury Shares	$ 16,438,979	$ 17,160,078
Adage Capital Partners	13,089,744	9,939,675
Silchester International Value Equity Trust	12,637,375	10,392,839
Wellington Trust Company, NA (1)	9,617,201	12,916,350
Brandywine Global	9,054,416	8,373,788
1607 Capital Equity Fund	8,750,616	5,998,493
City of London Investment Management Co.	7,603,197	7,233,236
Other	78,311,442	71,626,698
	$ 155,502,970	$ 143,641,157

All investment advisory fees are recorded as reductions to the net unrealized appreciation on investments in the accompanying statements of changes in net assets – modified cash basis.

(1) Wellington Trust Company, NA consists of the CTF - Energy Portfolios and CTF Real Estate Securities at December 31, 2009. During 2010, the Foundation liquidated its investment in CTF Real Estate Securities.

Portfolio investment concentrations

At December 31, 2010, approximately 26% of the Foundation's investments were invested in private funds which are considered alternative investments. These alternative investment funds invest primarily in domestic and foreign private equity partnerships and other alternative investment funds. The fair values of alternative investment funds have been estimated by the Foundation's management in the absence of readily ascertainable market values. The Foundation may liquidate a portion or all of its investments in the private funds at the then net asset value in a manner provided for under the partnership or investment agreements. These agreements generally provide for exit fees and lock-up periods, as well as restrictions for liquidity positions of the alternative investment funds, thus making the investments non-marketable. Therefore, the values of such funds are not necessarily indicative of the amount that could be realized in a current transaction.

Note 3 – Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Note 3 – Fair Value Measurements, Continued

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 includes listed equities and listed debt instruments and derivatives.

Level 2 – Pricing inputs are other than quoted prices in active markets which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models and other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments which are generally included in this category include venture capital investments in equity or equity-oriented securities of privately held entities.

In certain cases, the inputs used to measure fair value may fall into different levels of fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Investments in private partnerships and companies are recorded at an estimate of fair value using metrics such as security prices of comparable public companies, discounted cash flow models, original investment purchase price multiples, while also incorporating a portfolio company's financial performance and specific factors.

The following table summarizes the Foundation's investments based on the valuation methodology applied by the Foundation as of December 31, 2010 and 2009:

	Level 1: Quoted prices in markets for identical assets	Level 2: Significant other observable inputs	Level 3: Significant unobservable inputs	Total: December 31, 2010
United States equities	$ 2,845,579	$ 18,440,568	$ -	$ 21,286,147
Non-United States equities	27,142,089	8,750,616	-	35,892,705
Alternative marketable equity entities	-	-	21,118,593	21,118,593
Private equity entities and venture capital	-	-	19,843,680	19,843,680
Inflation protection managers	-	17,582,736	7,439,172	25,021,908
Fixed income	23,285,521	9,054,416	-	32,339,937
	$ 53,273,189	$ 53,828,336	$ 48,401,445	$ 155,502,970

Note 3 – Fair Value Measurements, Continued

	Level 1: Quoted prices in markets for identical assets	Level 2: Significant other observable inputs	Level 3: Significant unobservable inputs	Total: December 31, 2009
United States equities	$ 2,505,015	$ 14,353,647	$ -	$ 16,858,662
Non-United States equities	24,260,280	5,998,493	-	30,258,773
Alternative marketable equity entities	-	-	21,448,487	21,448,487
Private equity entities and venture capital	-	-	15,548,881	15,548,881
Inflation protection managers	696,653	20,361,001	6,323,779	27,381,433
Fixed income	23,771,133	8,373,788	-	32,144,921
	$ 51,233,081	$ 49,086,929	$ 43,321,147	$ 143,641,157

The following is a schedule of Level 3 investment activity for the years ended December 31, 2010 and 2009 measured on a recurring basis using significant unobservable inputs:

	Alternative Marketable Equity Entities	Private Equity Entities and Venture Capital	Inflation Protection Managers	Total
Balance as of January 1, 2010	$ 21,448,487	$ 15,548,881	$ 6,323,779	$ 43,321,147
Net unrealized appreciation included in the statement of changes in net assets – modified cash basis	883,345	3,275,502	1,317,484	6,250,056
Net realized gains included in the statement of changes in net assets – modified cash basis	786,825	234,782	91,114	1,112,721
Management fees	(150,064)	(161,486)	-	(313,185)
Distributions and sales	(3,600,000)	(1,718,449)	(934,455)	(6,252,904)
Purchases, net	1,750,000	2,664,450	641,250	5,055,700
Balance as of December 31, 2010	$ 21,118,593	$ 19,843,680	$ 7,439,172	$ 48,401,445

Note 3 – Fair Value Measurements, Continued

	Alternative Marketable Equity Entities	Private Equity Entities and Venture Capital	Inflation Protection Managers	Total
Balance as of January 1, 2009	$ 18,135,517	$ 13,252,853	$ 6,024,123	$ 37,412,493
Net realized and unrealized gains included in the statement of changes of net assets – modified cash basis	3,493,181	1,342,072	453,102	5,288,355
Management fees	(29,194)	(186,156)	-	(215,350)
Distributions	-	(575,815)	(634,696)	(1,210,511)
Purchases and sales, net	(151,017)	1,715,927	481,250	2,046,160
Balance as of December 31, 2009	$ 21,448,487	$ 15,548,881	$ 6,323,779	$ 43,321,147

The Foundation's investments in United States Equities consist of investments in publicly traded United States equities with no unfunded commitments to United States equity managers as of December 31, 2010.

The Foundation's investments in Non-United States Equity investments consist of investments in publicly traded funds and limited partnerships with redemption restrictions ranging from 30 to 60 days in applicable lock-up periods. The Foundation has no unfunded commitments with respect to its Non-United States Equity managers as of December 31, 2010.

The Foundation's investments in alternative marketable equity entities consist of investments in hedge funds, primarily limited partnerships and fund of fund investments, that invest in multi-strategy funds. The alternative marketable equity entities require a sixty to ninety day notice in order to redeem the investment balances with redemption restrictions in place at year end. There are no unfunded commitments to alternative marketable equity entities as of December 31, 2010.

The Foundation's investments in private equity entities and venture capital managers consist of limited partnership interests and interests in closed end funds that primarily invest in United States and Non-United States fund of fund investments in venture capital and private equity capital. The Foundation has $7,961,640 in related unfunded commitments as of December 31, 2010.

The Foundation's investments in inflation protection managers consists primarily of limited partnership interests that invest in fund of fund energy and real estate securities as well as other direct investments in real estate and energy related ventures. The Foundation has $1,774,500 in related unfunded commitments as of December 31, 2010.

Note 4 – Foundation Funds

The Foundation's funds are established for the purposes expressed in the Foundation's charter. The Foundation's funds consist of donor-restricted funds and funds designated by the Board of Directors to function as funds. As required by generally accepted accounting principles, the Foundation's net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 4 – Foundation Funds, Continued

Interpretation of relevant law

The State of Florida has not enacted the Prudent Management of Institutional Funds Act (PMIFA) which requires 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.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. There were no such funds with deficiencies as of December 31, 2010.

Return objectives and risk parameters

The Foundation has adopted investment and spending policies for fund assets that attempt to provide a predictable stream of funding to grant programs supported by its funds while seeking to maintain purchasing power of the assets.

Under this policy, as approved by the Board of Directors, the assets are invested in a manner that is intended to produce results that exceed the price and yield results of multiple benchmarks based on the type of investment while assuming a moderate level of investment risk. The Foundation expects that its funds, over time, will provide an average rate of return of approximately 5% annually after adjusting for inflation. Actual returns in any given year may vary from this amount.

Strategies employed to achieve objectives

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 allocation to achieve its long-term return objectives within prudent risk constraints.

Spending policy

The Foundation's policy is to appropriate for distribution each year such amounts as are determined by the Foundation's calculation for disbursements as determined by section 509(a) of the Code. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its assets to grow at an average of approximately 5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the assets held to provide additional real growth through investment return.

Note 4 – Foundation Funds, Continued

Changes in net assets for the year ended December 31, 2010 follow:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance as of January 1, 2010	$ -	$ 144,638,405	$ -	$ 144,638,405
Investment return:				
Interest, dividends and distributions	-	1,314,935	-	1,314,935
Net appreciation (realized and unrealized)	-	18,456,450	-	18,456,450
Total investment return	-	19,771,385	-	19,771,385
Appropriations for distributions and expenditures	-	(7,045,741)	-	(7,045,741)
Balance as of December 31, 2010	$ -	$ 157,364,049	$ -	$ 157,364,049

Note 5 – Expenses

Expenses for the years ended December 31, 2010 and 2009 are presented as follows:

	2010	2009
Scholarships and grants distributed:		
Scholarship America	$ 1,000,000	$ 1,055,000
Take Stock in Children	600,000	-
Florida State University System	500,000	455,000
The Florida School for the Deaf and the Blind	460,000	553,000
Gallaudet University	460,000	480,000
Palm Beach Atlantic University	425,000	2,214,500
Dalhousie University	237,402	96,374
University of West Florida	150,000	150,000
Turtle Mountain Community College	135,000	35,000
CAPE	131,345	125,721
Gonzaga University	130,000	275,000
College of the Menominee Nation	125,000	25,000
University of South Florida	120,000	120,000
United Tribes Technical College	116,250	27,500
Clarke School for the Deaf	108,390	150,000
Mitchell College	75,000	75,000
Transcen Inc.	75,000	100,000
Sinte Gleska University	68,750	76,250
Heritage University	50,000	35,000
Landmark East	50,000	175,000
University of Washington	50,000	-
Berklee College of Music	50,000	-
Other	572,644	727,480
	5,689,781	6,950,825
Management and general expenses:		
Salaries and benefits	549,538	528,716
Scholarship administrative expenses	232,491	214,231
Investment consultant fees and expenses	291,653	281,172
Office expenses	116,704	136,593
Professional fees	34,850	35,014
Directors' consulting fees	61,936	68,400
Directors' fees	80,000	16,000
	1,367,172	1,280,126

Note 5 – Expenses, Continued

	2010	2009
Federal excise and other taxes:		
Federal excise tax	$ -	$ 6,983
Federal unrelated business income tax (refund)	-	(101,138)
Florida excise tax (refund)	(14,793)	-
Various other state excise tax	3,581	507
	(11,212)	(93,648)
	$ 7,045,741	$ 8,137,303

During 2010 and 2009, the Foundation received refunds of certain federal and state excise taxes paid in 2009 and 2008, respectively. Such amounts were offset against expense in 2010 and 2009 under the modified cash basis of accounting.

Note 6 – Leasing Agreement

The Foundation leases its premises located in West Palm Beach, Florida pursuant to a non-cancelable operating lease. The following table presents future minimum base rent payments due under the operating lease at December 31, 2010:

Year Ending December 31,	Amount
2011	$ 49,820
2012	51,315
2013	52,854
2014	54,440
2015	56,072
Total	$ 264,501

Rent expense for the years ended December 31, 2010 and 2009 totaled $54,338 and $52,340, respectively.

Note 7 – Defined Contribution Plan

The Foundation has established a qualified cash or deferred compensation plan under Section 401(k) of the Internal Revenue Code (the Plan) for the benefit of qualified employees. Under the terms of the Plan, qualified employees may elect to defer a portion of their salary, subject to Internal Revenue Service limits or may elect to make after tax contributions to their Roth 401(k). The Foundation makes a discretionary match as well as a discretionary contribution. The Foundation's contributions for the years ended December 31, 2010 and 2009 totaled $51,724 and $49,252, respectively.

Note 8 – Trust Beneficiary

The Foundation is named as the sole beneficiary of the Theodore R. Johnson Charitable Remainder Unitrust (CRUT). As of December 31, 2010, the CRUT's net asset value approximated $52,000,000. The value of this beneficial interest is not reflected in the accompanying statements of net assets – modified cash due to the Foundation's accounting method.

Note 9 – Grants

The Board of Directors grants awards, contingent on the Foundation's financial performance, to recipient organizations on both a single-year and long-term basis. Such grants are recorded as an expense when the award is disbursed to the recipient in the accompanying financial statements under the modified cash basis of accounting. The minimum future grant award commitments in each of the five years subsequent to December 31, 2010 based on the projected rate of return of 5% per year are as follows:

Year Ending December 31,	Amount
2011	$ 6,148,111
2012	$ 6,194,800
2013	$ 5,538,175
2014	$ 4,400,675
2015	$ 4,368,175

Note 10 – Subsequent Events

Management evaluated activity of the Foundation subsequent to December 31, 2010 through August 16, 2011, for events that require recognition in the 2010 financial statements or disclosure in the notes thereto. There were no subsequent events that required disclosure in the financial statements.