

Nina Mason Pulliam Charitable Trust

Accountants' Report and Financial Statements

December 31, 2010 and 2009

Nina Mason Pulliam Charitable Trust

December 31, 2010 and 2009

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Independent Accountants' Report

Board of Trustees
Nina Mason Pulliam Charitable Trust
Indianapolis, Indiana

We have audited the accompanying statements of financial position of Nina Mason Pulliam Charitable Trust (Trust) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Trust'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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nina Mason Pulliam Charitable Trust as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

July 6, 2011

Nina Mason Pulliam Charitable Trust

Statements of Financial Position December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash and cash equivalents	\$ 15,387,937	\$ 21,575,109
Accrued dividends and interest	375,951	308,633
Receivables - investments	6,000,000	2,007,858
Investments	331,932,676	302,809,180
Current excise tax - federal	-	127,658
Equipment and leasehold improvements - net	114,141	148,138
Other	456,405	380,517
	<u>354,267,110</u>	<u>327,357,093</u>
Total assets	<u>\$ 354,267,110</u>	<u>\$ 327,357,093</u>
Liabilities		
Accounts payable and accrued expenses	\$ 527,410	\$ 487,616
Deferred excise tax - federal	848,184	251,300
Grant and scholarship commitments	3,118,161	3,572,897
Total liabilities	4,493,755	4,311,813
Net Assets - unrestricted	<u>349,773,355</u>	<u>323,045,280</u>
Total liabilities and net assets	<u>\$ 354,267,110</u>	<u>\$ 327,357,093</u>

Nina Mason Pulliam Charitable Trust
Statements of Activities
Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income and Fees		
Interest and dividends	\$ 2,322,925	\$ 2,201,067
Net realized and unrealized gain on investments	41,699,089	60,472,293
Total investment income	44,022,014	62,673,360
Investment management fees and expenses	(1,689,607)	(1,680,890)
Net investment income	42,332,407	60,992,470
Expenses		
Employees' salaries and benefits	2,611,653	2,629,203
Trustees' fees	113,750	112,500
Legal and audit expense	85,363	108,935
Occupancy expense	355,510	307,495
Depreciation expense	61,156	47,973
Communications and consulting expenses	167,135	207,032
Other expenses	374,518	376,037
Total expenses	3,769,085	3,789,175
Excess of Investment Income Over Expenses Before Grants and Scholarships and Excise Tax	38,563,322	57,203,295
Grants and Scholarships Approved	11,060,705	13,390,053
Federal Excise Tax Expense	774,542	308,642
Change in Unrestricted Net Assets	26,728,075	43,504,600
Unrestricted Net Assets, Beginning of Year	323,045,280	279,540,680
Unrestricted Net Assets, End of Year	\$ 349,773,355	\$ 323,045,280

Nina Mason Pulliam Charitable Trust
Statements of Cash Flows
Years Ended December 31, 2010 and 2009

	2010	2009
Operating Activities		
Cash receipts from interest and dividends	\$ 2,255,607	\$ 2,303,677
Cash paid for grants and scholarships	(11,515,441)	(14,312,797)
Cash paid to employees for salaries and benefits	(2,583,707)	(2,591,608)
Cash paid to investment managers and advisors	(1,743,661)	(1,731,265)
Cash paid to vendors	(961,201)	(947,212)
Cash refunded (paid) for excise taxes	(50,000)	70,680
Cash paid for Trustee fees	(113,750)	(112,500)
Net cash used in operating activities	(14,712,153)	(17,321,025)
Investing Activities		
Purchase of equipment	(27,159)	(71,974)
Purchase of investments	(93,567,540)	(118,488,435)
Proceeds from sales and maturities of investments	102,119,680	146,097,837
Net cash provided by investing activities	8,524,981	27,537,428
Net Increase (Decrease) in Cash and Cash Equivalents	(6,187,172)	10,216,403
Cash and Cash Equivalents, Beginning of Year	21,575,109	11,358,706
Cash and Cash Equivalents, End of Year	\$ 15,387,937	\$ 21,575,109
Reconciliation of Change in Net Assets to Net Cash Used in Operating Activities		
Change in net assets	\$ 26,728,075	\$ 43,504,600
Items not requiring (providing) cash		
Realized and unrealized gain on investments	(41,699,089)	(60,456,980)
Deferred excise tax expense	582,300	251,300
Depreciation	61,156	47,973
Changes in		
Accrued dividends and interest	(67,318)	87,297
Other assets	(44,577)	(33,077)
Federal excise tax payable	142,242	128,022
Accounts payable and accrued expenses	39,794	72,584
Grant and scholarship commitments	(454,736)	(922,744)
Net cash used in operating activities	\$ (14,712,153)	\$ (17,321,025)

Nina Mason Pulliam Charitable Trust

Notes to Financial Statements

December 31, 2010 and 2009

Note 1: Organization

The Nina Mason Pulliam Charitable Trust (Trust) is a continuing trust established under the provisions of Article 5 of the Nina Mason Pulliam Revocable Trust Agreement. The term of the Trust shall be for 50 years after the date of death of Nina Mason Pulliam, which was March 26, 1997. During the Trust's term, the Trustees are directed to distribute annually the amount necessary to comply with federal tax laws from the Trust property to qualified organizations. Upon the expiration of the Trust term, the principal and remaining income shall be distributed to qualified organizations.

The Trust seeks to help people in need, especially women, children and families; to protect animals and nature; and to enrich community life through grantmaking in the metropolitan areas of Indianapolis, Indiana and Phoenix, Arizona. In 2001, the Trust implemented the Nina Mason Pulliam Legacy Scholars program, which seeks individuals 25 years and older who have dependents and share the goal of acquiring a college degree to enhance future opportunities for their families. Others assisted through this program include financially independent young adults seeking to enter college for the first time who have grown up in the child welfare system and college-age youth and adults with physical disabilities.

Note 2: Summary of Significant Accounting Policies

The Trust maintains its records on the accrual basis of accounting. The more significant accounting policies used by the Trust are as follows:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Trust considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2010 and 2009, cash equivalents consisted primarily of money market funds.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At December 31, 2010, the Trust's interest-bearing cash accounts exceeded federally insured limits by approximately \$15,100,000.

Nina Mason Pulliam Charitable Trust

Notes to Financial Statements

December 31, 2010 and 2009

Investments

Investments in marketable equity and fixed income securities with readily determinable market values are recorded at their publicly quoted market prices. The market values for alternative investments and hedge funds represent the Trust's pro-rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers or on the basis of other information evaluated periodically by management. Alternative investments and hedge funds are not publicly traded on national security market exchanges, are generally illiquid and may be valued differently than if readily available markets existed for such investments. Because of the inherent uncertainties of valuation of alternative investments and hedge funds, the reported values of such investments may differ significantly from realizable values.

Investment income consists of the Trust's distributive share of any interest, dividends, and realized and unrealized gains and losses generated from the Trust's investments. Gains and losses attributable to the Trust's investments are realized and reported upon sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the statements of activities.

Investment receivables represent distributions from fund managers that were in-transit at year end.

Federal Excise Tax

The Trust is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (Code) and a private foundation under Section 509 of the Code. As a result, the Trust has not provided for state or federal income taxes. The Trust is subject to a federal excise tax of 1 percent or 2 percent on net investment income, as defined by the Code, and has recorded excise tax liabilities in the financial statements. Deferred federal excise taxes result from the tax effects associated with unrealized appreciation on the Trust's investments.

Absent extenuating circumstances, the Trust should not be subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2007.

Equipment and Leasehold Improvements

The Trust carries equipment, leasehold improvements and automobiles at cost. Depreciation is computed using the straight-line method based upon the estimated useful lives that range from three to ten years.

Net Asset Classification

All net assets of the Trust are unrestricted and may be used at the discretion of the Trustees to support the Trust's purposes and operations.

Nina Mason Pulliam Charitable Trust

Notes to Financial Statements December 31, 2010 and 2009

Subsequent Events

Subsequent events have been evaluated through July 6, 2011, which is the date the financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the 2009 financial statements to conform to the 2010 financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 3: Federal Excise Taxes

The current provision for Federal excise taxes are provided at 2% and 1% for the years ended December 31, 2010 and 2009, respectively, and deferred taxes are provided for at 2% for both years. The following are the Federal excise tax components:

	2010	2009
Current expense	\$ 192,242	\$ 57,342
Deferred expense	582,300	251,300
Federal excise tax expense	\$ 774,542	\$ 308,642

Note 4: Investments

As of December 31, 2010 and 2009, the investments of the Trust included:

	2010		2009	
	Market Value	Amortized Cost	Market Value	Amortized Cost
Domestic equities and equity funds	\$ 59,500,684	\$ 49,830,085	\$ 63,895,855	\$ 67,764,906
International equity funds and partnerships	75,985,191	67,814,251	71,920,598	76,693,148
Fixed income securities and funds	53,983,704	49,616,191	58,809,625	56,151,101
Alternative investments and hedge funds	83,279,135	76,799,416	64,345,263	64,272,076
Natural resources and commodities funds	36,943,031	29,536,005	28,243,835	29,564,811
Real estate investments	7,638,011	6,232,489	10,714,912	14,157,321
Nonmarketable alternative investment funds	14,602,920	13,599,703	4,879,092	5,660,499
	\$ 331,932,676	\$ 293,428,140	\$ 302,809,180	\$ 314,263,862

Nina Mason Pulliam Charitable Trust

Notes to Financial Statements

December 31, 2010 and 2009

Note 5: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as 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. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Domestic equities and equity funds: Where quoted market prices are available in an active market, domestic equities and equity funds are classified within Level 1 of the valuation hierarchy. As a practical expedient, the fair value of domestic equity funds that do not have a quoted market price is determined using the net asset value (or its equivalent) provided by the funds for those the Trust can redeem at the net asset value per share at December 31 or within a reasonable period of time. For domestic equity funds that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value and are classified within Level 3 of the valuation hierarchy.

International equity funds and partnerships: Where quoted market prices are available in an active market, international equity funds and partnerships are classified within Level 1 of the valuation hierarchy. As a practical expedient, the fair value of international equity funds and partnerships that do not have a quoted market price is determined using the net asset value (or its equivalent) provided by the funds for those the Trust can redeem at the net asset value per share at December 31 or within a reasonable period of time. For international equity funds and partnerships that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value and are classified within Level 3 of the valuation hierarchy.

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Fixed Income Securities and Funds: Where quoted market prices are available in an active market, fixed income securities and funds are classified within Level 1 of the valuation hierarchy. As a practical expedient, the fair value of fixed income funds that do not have a quoted market price is determined using the net asset value (or its equivalent) provided by the funds for those the Trust can redeem at the net asset value per share at December 31 or within a reasonable period of time. For fixed income funds that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value and are classified within Level 3 of the valuation hierarchy.

Alternative Investments and Hedge Funds: The fair value of alternative investments and hedge funds is determined using the net asset value (or its equivalent) provided by the funds for those the Trust can redeem at the net asset value per share at December 31 or within a reasonable period of time. For alternative investments and hedge funds that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value and are classified within Level 3 of the valuation hierarchy.

Natural Resources and Commodities Funds: Where quoted market prices are available in an active market, natural resources and commodities funds are classified within Level 1 of the valuation hierarchy. As a practical expedient, the fair value of natural resources and commodities funds that do not have a quoted market price is determined using the net asset value (or its equivalent) provided by the funds for those the Trust can redeem at the net asset value per share at December 31 or within a reasonable period of time. For natural resources and commodities funds that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value and are classified within Level 3 of the valuation hierarchy.

Real Estate Investments: Where quoted market prices are available in an active market, real estate investments are classified within Level 1 of the valuation hierarchy. As a practical expedient, the fair value of real estate investments that do not have a quoted market price is determined using the net asset value (or its equivalent) provided by the funds for those the Trust can redeem at the net asset value per share at December 31 or within a reasonable period of time. For real estate investments that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value and are classified within Level 3 of the valuation hierarchy.

Nonmarketable Alternative Investment Funds: The fair value of alternative investments and hedge funds is determined using the net asset value (or its equivalent) provided by the funds for those the Trust can redeem at the net asset value per share at December 31 or within a reasonable period of time. For alternative investments and hedge funds that do not have sufficient activity or liquidity within the fund, the net asset value (or its equivalent) provided by the fund is utilized, as a practical expedient, to determine fair value and are classified within Level 3 of the valuation hierarchy.

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Notes to Financial Statements December 31, 2010 and 2009

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

	2010			
	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Investments				
Domestic equities and equity funds	\$ 32,468,744	\$ 27,031,940	\$ -	\$ 59,500,684
International equity funds and partnerships	17,591,764	58,393,427	-	75,985,191
Fixed income securities and funds	34,890,040	19,093,664	-	53,983,704
Alternative investments and hedge funds	-	82,438,472	840,663	83,279,135
Natural resources and commodities funds	12,199,407	24,743,624	-	36,943,031
Real estate investments	7,638,011	-	-	7,638,011
Nonmarketable alternative investment funds	-	23,887	14,579,033	14,602,920
	<u>\$ 104,787,966</u>	<u>\$ 211,725,014</u>	<u>\$ 15,419,696</u>	<u>\$ 331,932,676</u>

	2009			
	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Investments				
Domestic equities and equity funds	\$ 25,251,346	\$ 38,644,509	\$ -	\$ 63,895,855
International equity funds and partnerships	15,441,268	56,479,330	-	71,920,598
Fixed income securities and funds	33,964,760	24,844,865	-	58,809,625
Alternative investments and hedge funds	-	60,370,057	3,975,206	64,345,263
Natural resources and commodities funds	7,681,264	20,562,571	-	28,243,835
Real estate investments	7,091,419	3,623,493	-	10,714,912
Nonmarketable alternative investment funds	-	-	4,879,092	4,879,092
	<u>\$ 89,430,057</u>	<u>\$ 204,524,825</u>	<u>\$ 8,854,298</u>	<u>\$ 302,809,180</u>

Nina Mason Pulliam Charitable Trust

Notes to Financial Statements December 31, 2010 and 2009

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

	Alternative Investments and Hedge Funds	Nonmarketable Alternative Investment Funds
Balance, January 1, 2009	\$ 7,796,136	\$ 2,772,578
Total realized and unrealized gains (losses) included in the change in net assets	395,157	(289,681)
Purchases and capital contributions	-	2,396,195
Sales and settlements	(715,983)	-
Transfers out of Level 3	(3,500,104)	-
Balance, December 31, 2009	3,975,206	4,879,092
Total realized and unrealized gains included in the change in net assets	50,283	1,689,358
Purchases and capital contributions	-	8,010,583
Sales and settlements	(3,184,826)	-
Balance, December 31, 2010	\$ 840,663	\$ 14,579,033
Total gains for the year included in change in net assets attributable to the change in unrealized gains related to investments still held at December 31, 2010	\$ 687,695	\$ 1,689,358
Total losses for the year included in change in net assets attributable to the change in unrealized losses related to investments still held at December 31, 2009	\$ (1,497,559)	\$ (523,197)

Nina Mason Pulliam Charitable Trust

Notes to Financial Statements December 31, 2010 and 2009

The following tables present information regarding funds with fair value that is determined using the net asset value (or its equivalent) provided by the fund.

	2010		Redemption Frequency (if Currently Eligible)	Redemption Notice Period
	Fair Value	Unfunded Commitments		
Investments				
Domestic equity funds	\$ 27,031,940	\$ -	Quarterly, annually	30-60 days
International equity funds and partnerships	58,393,427	-	Monthly, quarterly	6-15 days
Fixed income securities and funds	19,093,664	-	Monthly	10 days
Alternative investments and hedge funds	83,279,135	4,000,000	Quarterly, annually	30-90 days
Natural resources and commodities funds	24,743,624	-	Quarterly, annually	30-90 days
Nonmarketable alternative investment funds	<u>14,602,920</u>	<u>33,909,772</u>	Not eligible	n/a
	<u>\$ 227,144,710</u>	<u>\$ 37,909,772</u>		

	2009		Redemption Frequency (if Currently Eligible)	Redemption Notice Period
	Fair Value	Unfunded Commitments		
Investments				
Domestic equity funds	\$ 38,644,509	\$ -	Quarterly, annually	30-60 days
International equity funds and partnerships	56,479,330	-	Monthly, quarterly	6-15 days
Fixed income securities and funds	24,844,865	-	Monthly	10 days
Alternative investments and hedge funds	64,345,263	-	Quarterly, annually	30-90 days
Natural resources and commodities funds	20,562,571	-	Quarterly, annually	30-90 days
Real estate investments	3,623,493	-	Monthly, annually	5-60 days
Nonmarketable alternative investment funds	<u>4,879,092</u>	<u>36,231,048</u>	Not eligible	n/a
	<u>\$ 213,379,123</u>	<u>\$ 36,231,048</u>		

Domestic equity funds include investments in partnerships that invest primarily in long only U.S. common stocks. The fair values of the investments in this category have been estimated using the Trust's ownership interest in partners' capital as reported by the partnership administrators.

Nina Mason Pulliam Charitable Trust

Notes to Financial Statements

December 31, 2010 and 2009

International equity funds and partnerships include investments in comingled investment trusts that invest in long only developed and emerging international common stocks. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the trust administrators.

Fixed income securities and funds include investments in a comingled investment trust that invests in international fixed income securities. The fair value of the comingled investment trust has been estimated using the net asset value per share value as reported by the trust administrator.

Alternative investments include hedge funds and absolute return funds. Hedge funds invest in both long and short strategies primarily in U.S. and global common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the hedge fund investments in this category have been estimated using the net asset value per share of the investments. Although the initial investment restriction period for investments in this category ranged from one to three years, all investments can be redeemed within the next twelve months.

Absolute return funds included in the alternative investment category pursue multiple strategies to diversify risks and reduce volatility. The absolute return funds' composite portfolio for this category includes investments in approximately 19 percent in long and short equities, 22 percent in long and short credits, 32 percent in distressed securities, 11 percent arbitrage investments, with the majority of the balance held in cash. The fair values of the investments in this category have been estimated using the net asset value per share of the absolute return fund as provided by the investment administrators. The initial investment restriction period for the absolute return fund investments ranged from two to three years after acquisition and as of year end, approximately 5 percent of the value of the investments cannot be redeemed for 15 to 23 months. The remaining investments in this category can be redeemed within the next 12 months.

Natural resources and commodities funds include investments in comingled investment trusts and offshore corporations that primarily invest in a diversified portfolio of global natural resource securities, commodities, and other financial instruments primarily in the energy, precious metals and base metals, agriculture and food; forest products; and chemicals, plastics and industrial materials sectors. Certain managers also utilize exchange-traded, U.S. dollar-denominated futures and forward contracts to implement their investment strategy. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the trust administrators.

Real estate investments include an investment in a comingled investment trust that invests in long only real estate focused common stocks. The fair values of the investments in this category have been estimated using the net asset values per share as reported by the trust administrators.

Nonmarketable alternative investment funds include investments in private equity, venture capital, commodities partnerships, real estate and distressed debt. These investments can never be redeemed from the partnerships but distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next 7 to 12 years. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been estimated using the net asset value of the Trust's ownership interest in partners' capital.

Nina Mason Pulliam Charitable Trust

Notes to Financial Statements

December 31, 2010 and 2009

Note 6: Operating Leases

The Trust has entered into noncancelable 10-year office space leases in Indianapolis, Indiana and Phoenix, Arizona. Both leases include provisions for inflationary rent increases and require the Trust to pay for its share of building operating costs above the base year amount. The Trust has the option to extend each lease for an additional five years beyond the expiration of the initial term. Rent expense for space in Indianapolis and Phoenix totaled \$355,510 and \$307,495 for the years ended December 31, 2010 and 2009, respectively.

Future minimum rents to be paid under these leases, excluding future escalation for rents, realizable taxes and building operating expenses, are:

2011	\$	234,021
2012		291,962
2013		296,617
2014		318,796
2015		332,213
Future years		<u>1,673,304</u>
Total	\$	<u><u>3,146,913</u></u>

Note 7: Employee Benefit Plans

The Trust maintains a wage deferral plan qualified under Section 401(k) of the Internal Revenue Code that covers all participating employees. The Trust makes seven percent contributions to each employee's 401(k) plan account based upon that employee's wages and provides matching funds on a dollar-for-dollar basis up to the first four percent of an employee's discretionary contribution. Total Trust contributions to the plan were \$199,450 in 2010 and \$187,443 in 2009.

In 2004, the Trust adopted a key employee wage deferral plan under Section 457(b) of the Internal Revenue Code. The Trust contributes to the plan based on the employee's position and a percentage of salary. Total Trust contributions to the plan were \$34,209 in 2010 and \$33,351 in 2009.

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Notes to Financial Statements December 31, 2010 and 2009

Note 8: Program Expenses

The components of program and support services expenses for the years ended December 31, 2010 and 2009, included:

	<u>2010</u>	<u>2009</u>
Direct philanthropy program expenses	\$ 12,544,426	\$ 14,870,952
General and administrative expenses	2,285,364	2,308,276
Investment management and excise tax expenses	<u>2,464,149</u>	<u>1,989,532</u>
	<u>\$ 17,293,939</u>	<u>\$ 19,168,760</u>

Note 9: Grant and Scholarship Commitments

At December 31, 2010, grant and scholarship commitments are expected to be paid to qualifying organizations as follows:

2011	\$ 1,991,113
2012	617,352
2013	326,642
2014	130,558
2015	<u>100,000</u>
	3,165,665
Present value discount	<u>(47,504)</u>
Total	<u>\$ 3,118,161</u>

For the years ended December 31, 2010 and 2009, the total amount of grant expense for current and future years was \$11,060,705 and \$13,390,053, respectively. The discount rates used on grant commitments for the years 2010 through 2014 range from 2.35 percent to 5.50 percent.