

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION**

**COMBINED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2011 AND 2010**

**B E L F I N T**

**L Y O N S &**

**S H U M A N**

**CERTIFIED PUBLIC ACCOUNTANTS**

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION**

**TABLE OF CONTENTS**

**JUNE 30, 2011 AND 2010**

	<u>Page No.</u>
<b>Independent Auditors' Report</b>	1
<b>Combined Financial Statements</b>	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Cash Flows	5
Notes to Combined Financial Statements	7
<b>Additional Information</b>	
Combined Schedules of Unrestricted Activity	24



## Independent Auditors' Report

To the Board of Directors of  
Delaware Community Foundation, Inc.  
and Supporting Organization

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& CONSULTANTS

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We have audited the accompanying combined statements of financial position of Delaware Community Foundation, Inc. (a nonprofit organization) and Supporting Organization as of June 30, 2011 and 2010, and the related combined statements of activities and cash flows for the years then ended. These combined financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Delaware Community Foundation, Inc. and Supporting Organization as of June 30, 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.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedules of unrestricted activity for the years ended June 30, 2011 and 2010 on pages 24 and 25 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined

To the Board of Directors of  
Delaware Community Foundation, Inc.  
and Supporting Organization

financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Bellini, Lyons & Shuman, P.A.*

December 7, 2011  
Wilmington, Delaware

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
COMBINED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2011 AND 2010**

**ASSETS**

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 42,974,282	\$ 13,477,396
Investments	183,608,798	173,887,224
Interest and Dividends Receivable	11,096	36,199
Notes Receivable	1,927,149	2,318,728
Unconditional Promises to Give - Net	296,004	207,816
Other Receivables	8,354	80,215
Fixed Assets - Net	277,697	340,844
<b>TOTAL ASSETS</b>	<b>\$ 229,103,380</b>	<b>\$ 190,348,422</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Grants Payable	\$ 21,897	\$ 63,113
Accrued Investment Fees	58,574	60,787
Other Accrued Expenses	276,561	178,572
Charitable Gift Annuities	601,199	731,929
Nonprofit Agency Endowments	45,337,695	35,792,305
<b>TOTAL LIABILITIES</b>	<b>46,295,926</b>	<b>36,826,706</b>

**NET ASSETS**

Unrestricted Net Assets		
Unrestricted Endowment Fund	9,519,911	8,282,757
Supporting Organization Fund	34,366,525	31,672,252
Designated Fund	10,783,919	8,617,668
Field-of-Interest Fund	13,460,791	11,056,046
Donor-Advised Fund	57,910,464	49,857,019
Nonprofit Endowment Fund	5,553,571	4,353,321
Arts Stabilization Fund	20,367,808	18,218,683
Non-Endowment Fund	14,219,895	7,733,367
Scholarship Fund	11,331,488	9,568,355
Administrative Fund	4,477,256	3,954,432
Total Unrestricted Net Assets	181,991,628	153,313,900
Temporarily Restricted Net Assets	206,640	207,816
Permanently Restricted Net Assets	609,186	-
<b>TOTAL NET ASSETS</b>	<b>182,807,454</b>	<b>153,521,716</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 229,103,380</b>	<b>\$ 190,348,422</b>

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

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
COMBINED STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2011 AND 2010**

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>REVENUE AND OTHER SUPPORT</b>				
Contributions	\$ 13,498,488	\$ 43,475	\$ 609,186	\$ 14,151,149
Interest and Dividend Income	4,216,578	2,773	-	4,219,351
Realized Gain (Loss)	2,685,533	1,808	-	2,687,341
Unrealized Gain	24,272,624	2,393	-	24,275,017
Other Income	218,879	-	-	218,879
<b>Total Revenue</b>	<b>44,892,102</b>	<b>50,449</b>	<b>609,186</b>	<b>45,551,737</b>
Net Assets Released from Restriction - Satisfaction of Time	51,625	(51,625)	-	-
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>44,943,727</b>	<b>(1,176)</b>	<b>609,186</b>	<b>45,551,737</b>
<b>EXPENSES</b>				
Grants and Programs	13,786,631	-	-	13,786,631
Investment Fees	598,363	-	-	598,363
Management and General Expenses	1,881,005	-	-	1,881,005
<b>TOTAL EXPENSES</b>	<b>16,265,999</b>	<b>-</b>	<b>-</b>	<b>16,265,999</b>
<b>CHANGE IN NET ASSETS</b>	<b>28,677,728</b>	<b>(1,176)</b>	<b>609,186</b>	<b>29,285,738</b>
<b>NET ASSETS - Beginning of Year</b>	<b>153,313,900</b>	<b>207,816</b>	<b>-</b>	<b>153,521,716</b>
<b>NET ASSETS - End of Year</b>	<b>\$ 181,991,628</b>	<b>\$ 206,640</b>	<b>\$ 609,186</b>	<b>\$ 182,807,454</b>

**2010**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 4,642,415	\$ 52,394	\$ -	\$ 4,694,809
4,399,842	-	-	4,399,842
(1,957,138)	-	-	(1,957,138)
14,473,548	-	-	14,473,548
108,219	-	-	108,219
21,666,886	52,394	-	21,719,280
93,849	(93,849)	-	-
21,760,735	(41,455)	-	21,719,280
11,557,230	-	-	11,557,230
430,625	-	-	430,625
1,949,358	-	-	1,949,358
13,937,213	-	-	13,937,213
7,823,522	(41,455)	-	7,782,067
145,490,378	249,271	-	145,739,649
\$ 153,313,900	\$ 207,816	\$ -	\$ 153,521,716

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

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
COMBINED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2011 AND 2010**

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Revenues and Other Support	\$ 24,621,574	\$ 10,745,555
Cash Paid for Grants and Administration	(17,929,688)	(16,178,692)
Interest and Dividends Received	4,244,454	4,419,134
	<b>10,936,340</b>	<b>(1,014,003)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(43,808)	(10,584)
Notes Receivable Made	(1,075,026)	(919,800)
Notes Receivable Collected	991,605	876,066
Purchases of Investments	(81,784,844)	(75,338,318)
Proceeds from Sale of Investments	100,472,619	65,809,718
	<b>18,560,546</b>	<b>(9,582,918)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>29,496,886</b>	<b>(10,596,921)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<b>13,477,396</b>	<b>24,074,317</b>
<b>CASH AND CASH EQUIVALENTS - End of Year</b>	<b>\$ 42,974,282</b>	<b>\$ 13,477,396</b>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Donated Securities	\$ 1,446,991	\$ 903,870
Grant Expense Resulting from Reclassification of Note Receivable	\$ 475,000	\$ -

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

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
COMBINED STATEMENTS OF CASH FLOWS - CONTINUED  
YEARS ENDED JUNE 30, 2011 AND 2010**

	<b>2011</b>	<b>2010</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 29,285,738	\$ 7,782,067
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities		
Depreciation and Amortization	106,955	120,510
Net Realized and Unrealized Gain on Investments	(26,962,358)	(12,516,410)
Donated Securities	(1,446,991)	(903,870)
Grant Expense Resulting from Reclassification of Note Receivable	475,000	-
Pledges Written Off	8,752	11,216
Changes in Assets		
Interest and Dividends Receivable	25,103	19,292
Unconditional Promises to Give	(96,940)	30,239
Other Receivables	71,861	(66,748)
Changes in Liabilities		
Grants Payable	(41,216)	(7,388)
Accrued Investment Fees	(2,213)	4,081
Other Accrued Expenses	97,989	48,645
Charitable Gift Annuities	(130,730)	6,708
Nonprofit Agency Endowments	9,545,390	4,457,655
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 10,936,340</b>	<b>\$ (1,014,003)</b>

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

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities* - The Delaware Community Foundation, Inc., and Rodel Charitable Foundation - DE (the Supporting Organization), collectively referred to as the Foundation, are nonprofit organizations formed for the principal purpose of attracting and administering charitable funds for the benefit of the residents of the state of Delaware. The Foundation serves as a source of information for the community, identifies unmet and emerging community needs and facilitates strategies to address these needs. The Foundation awards grants to nonprofit organizations to develop their facilities and provide services to help those in need achieve a better life. The majority of the Foundation's revenue is composed of contributions and investment income. The Foundation is located in Wilmington, Delaware.

*Principles of Combination* - These financial statements include the accounts of Delaware Community Foundation, Inc. and Rodel Charitable Foundation - DE, both of which are under common control. All intercompany balances and transactions have been eliminated.

*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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents* - For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

*Investments* - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statements of financial position. Fair values are estimated based upon quoted market prices. Purchases and sales are recorded on the trade date. Realized gains and losses are determined on the basis of first-in, first-out. Unrealized gains and losses are included in the change in net assets in the combined statements of activities. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

*Promises to Give* - Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give are reported at their fair value or net realizable value in the combined statements of financial position. Provisions for uncollectible receivables are charged to expense when determined to be uncollectible by

**DELAWARE COMMUNITY FOUNDATION, INC.**  
**AND SUPPORTING ORGANIZATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2011**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Promises to Give - continued* - management. It is the opinion of management that the expense computed under this method is not materially different than what the expense would be if the allowance method were used.

*Allowance for Doubtful Accounts* - The Foundation's management has deemed all receivables to be collectible and accordingly has not recorded a provision for an allowance for doubtful accounts for the years ended June 30, 2011 and 2010.

*Fixed Assets* - The Foundation capitalizes all expenditures for property, plant and equipment in excess of \$1,000. Purchased property, plant and equipment are recorded at cost. Donations of property, plant and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, plant and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property, plant and equipment are depreciated using the straight-line method over the estimated useful life of the related asset.

*Nonprofit Agency Endowments* - Nonprofit agency endowments consist of amounts received from various nonprofit organizations that, through their respective fund agreements, have designated themselves as beneficiary. New additions, investment income and gains increase the liability. Grants paid to the respective nonprofit organizations, management fees and investment losses reduce the liability.

*Net Assets* - The Foundation's by-laws include a unilateral variance power, which allows the Foundation the ability to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in the sole judgment of the Board (without the necessity of the approval of any participating trustee, custodian or agent), such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable, benevolent, cultural, civic, health, scientific and educational needs of the Delaware community.

*Financial Statement Presentation* - Resources are reported for accounting purposes into separate classes of net assets based on the existence of time or use restrictions. A description of the three net asset classifications follows:

*Unrestricted Net Assets* include those assets that are available for the support of operations as well as restricted donor support placed in funds administered by the Foundation.

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Financial Statement Presentation - continued -*

*Temporarily Restricted Net Assets* includes support whose use has been limited by donors to a specific time period and purpose and whose restrictions have not been met.

*Permanently Restricted Net Assets* includes support required by donor restriction that the corpus be invested in perpetuity and only the income be made available for operations in accordance with donor restrictions.

*Contributions* - Noncash contributions are recorded at fair value on the date of donation.

Support that is restricted by the donor and placed in a fund is administered and classified according to the donor's stipulations; however, the by-laws and individual fund agreements provide the governing body of the Foundation with variance power over the use of such assets, and, therefore, donor support is recorded as an increase in unrestricted net assets.

Support that is subject to time or use restrictions is recorded as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other time and use restricted support is reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

*Advertising* - The Foundation expenses advertising cost as incurred. Advertising expense was \$14,038 and \$5,276 for the years ended June 30, 2011 and 2010, respectively.

*Allocation of Costs* - The costs of providing the various programs and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Management and General Expenses* - Management and general expenses are reduced by administrative fee revenue. The administrative fee revenue is recorded in the Foundation's administrative fund. The following activity is for the Foundation's administrative fund for the years ended June 30:

	<u>2011</u>	<u>2010</u>
Administrative Fee Revenue	\$ (1,390,465)	\$ (1,237,645)
Management and General Expenses	<u>1,698,929</u>	<u>1,720,373</u>
Total	<u>\$ 308,464</u>	<u>\$ 482,728</u>

**DELAWARE COMMUNITY FOUNDATION, INC.**  
**AND SUPPORTING ORGANIZATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2011**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***Income Taxes*** - The Foundation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been determined by the Internal Revenue Service (IRS) not to be a “private foundation” within the meaning of Section 509(a) of the IRC.

Income not related to the Foundation’s tax-exempt purpose may be subject to taxation as unrelated business income. Accounting principles generally accepted in the United States of America impose a threshold for determining when an income tax benefit can be recognized in regard to uncertain tax positions. The Foundation has determined that no liability for uncertain tax positions is required to be accrued and included in the statements of financial position as of June 30, 2011 and 2010.

The federal informational returns of the Foundation for the years ended June 30, 2008, 2009 and 2010 are subject to examination by the IRS, generally for three years after they were filed.

***Subsequent Events*** - The Foundation’s policy is to evaluate events and transactions subsequent to its year end for potential recognition in the financial statements or disclosure in the notes to the financial statements. Management has evaluated events and transactions through the date of the independent auditors' report, which is the date the financial statements were available to be issued.

***Fair Value Measurement*** - The Foundation follows the provisions of Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosure*. Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

***Level 1*** - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Since valuations are based on quoted market prices that are readily and regularly available in an active market, it does not entail a significant degree of judgment.

***Level 2*** - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Fair Value Measurement - continued -*

*Level 3* - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**NOTE 2: INVESTMENTS**

Combined investments, including investments from the Supporting Organization, consisted of the following as of June 30:

	2011 <u>Market Value</u>	2010 <u>Market Value</u>
Common Stocks		
Domestic	\$ 20,752,853	\$ 24,162,305
International	2,402,545	3,085,061
Corporate Bonds (Domestic)	522,379	611,594
Government Agency & Securities	351,648	310,514
Real Estate Investment Trust	150,401	191,328
Mutual Funds		
Equity	61,756,345	67,778,920
Fixed Income	39,137,395	51,437,423
Pooled Investment Vehicles	14,389,099	10,798,138
Multi-Strategy Hedge Funds	42,331,756	14,376,958
Private Equity Funds	<u>1,814,377</u>	<u>1,134,983</u>
Total	<u>\$ 183,608,798</u>	<u>\$ 173,887,224</u>

The values of the hedge funds and private equity funds as of June 30, 2011 have been estimated by the underlying fund managers. Information on unfunded commitments and redemption restrictions, if any, is listed below.

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 2: INVESTMENTS - CONTINUED**

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Multi-Strategy Hedge Funds (DCF)	\$ 39,051,933	\$ -	Monthly or Quarterly	15-95 Days
Multi-Strategy Hedge Funds (Rodel)	<u>3,279,824</u>	<u>-</u>	Quarterly	60 Days
Total Multi-Strategy Hedge Funds <sup>a</sup>	42,331,757	-		
Private Equity Funds (Rodel) <sup>b</sup>	<u>1,814,376</u>	<u>668,222</u>	N/A	N/A
Grand Total	<u>\$ 44,146,133</u>	<u>\$ 668,222</u>		

<sup>a</sup> This category invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of the investments in this category have been estimated using net asset value per share of the investments. One investment representing approximately 24% of the value of investments in this category cannot be redeemed until April 1, 2012 because the investment includes restrictions that do not allow for redemption in the first year after acquisition. One investment representing approximately 5% of the total in this category was restricted at June 30, 2011 due to liquidity issues at the underlying investment manager. During the period July 1, 2011 through December 7, 2011, the Foundation was able to redeem its investment in full.

<sup>b</sup> This category includes several private equity funds with one investment manager. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund. The fund is expected to begin liquidation 15 to 18 years from the initial offering date. The earliest liquidation date as of June 30, 2011 is February 16, 2016. The fair values of the investments in this category have been estimated using the most recent valuations reported to the investment manager by the underlying funds in which it invests. As a result, the fair values of the investments in this category may be based on reported valuations that are several months old as of June 30, 2011.

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 3: NOTES RECEIVABLE**

Notes receivable due to capital reserve activity (as part of the Delaware Arts Stabilization Fund) consisted of the following as of June 30, 2011 and 2010:

<u>Date of Note</u>	<u>Due Date</u>	<u>1 Year Constant Maturity Index</u>	<u>2011 Balance</u>
11/05/10	11/05/11	0.22%	\$ 50,000
12/08/10	12/08/11	0.29%	175,000
02/23/10	02/23/12	0.27%	250,000
03/03/10	03/03/12	0.26%	50,000
03/18/10	03/18/12	0.23%	75,000
03/31/10	03/31/12	0.30%	50,000
03/31/10	03/31/12	0.30%	70,000
04/25/10	04/25/12	0.22%	180,000
05/14/10	05/14/12	0.19%	<u>40,000</u>
	Total		<u>\$ 940,000</u>

<u>Date of Note</u>	<u>Due Date</u>	<u>1 Year Constant Maturity Index</u>	<u>2010 Balance</u>
03/19/09	03/19/11	0.64%	\$ 75,000
11/07/09	11/07/10	0.33%	50,000
12/08/09	12/08/10	0.32%	175,000
02/23/10	02/23/11	0.34%	250,000
03/03/10	03/03/11	0.34%	50,000
03/31/10	03/31/11	0.43%	50,000
03/31/10	03/31/11	0.43%	70,000
04/21/10	04/21/11	0.44%	180,000
05/14/10	05/14/11	0.38%	40,000
06/15/10	06/15/11	0.30%	<u>50,000</u>
	Total		<u>\$ 990,000</u>

On July 1, 2002, the Foundation issued a 15-year \$1,000,000 demand note due June 30, 2017 to an unrelated nonprofit organization. On January 31, 2011 the Foundation re-purposed a portion of the demand note by calling back \$475,000 and immediately granting that amount to the same unrelated nonprofit organization to support its operations and financing initiatives. As of June 30, 2011 and 2010, the outstanding balance on the demand note was \$525,000 and \$1,000,000, respectively. Interest is incurred at the prime rate each quarter, plus .25%, and is recorded as a grant to the organization. The prime rate used by the Foundation as of June 30, 2011 and 2010 was 3.25%.

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 3: NOTES RECEIVABLE - CONTINUED**

On March 25, 2008, the Foundation extended an additional loan for an aggregate amount not to exceed \$180,000 to the same unrelated nonprofit organization. The term of the loan may be extended until the loan is paid in full or is released through its transformation into a grant by the Foundation. Interest is incurred at the prime rate each quarter, plus 200 basis points, and is recorded as a grant to the organization. On May 19, 2008, the loan was amended to increase the total loan amount to \$355,000. As of June 30, 2011 and 2010, the outstanding balance on the loan was \$325,000.

On August 5, 2009, the Foundation issued an interest-free note in the amount of \$4,800 to an unrelated nonprofit organization. Payments in the amount of \$533 are made in February, May and October with the remaining balance due on September 1, 2012. As of June 30, 2011, the unpaid balance was \$2,135.

During 2011, the Foundation issued three separate demand notes in the amounts of \$60,000, \$35,000, and \$40,014, respectively, to an unrelated nonprofit organization. Interest for each is incurred at the prime rate on a monthly basis. The prime rate used by the Foundation as of June 30, 2011 and 2010 was 3.25%.

**NOTE 4: UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consisted of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Receivable in Less than One Year	\$ 225,755	\$ 121,015
Receivable in One to Five Years	68,676	84,068
Receivable in More than Five Years	<u>1,573</u>	<u>2,733</u>
	296,004	207,816
Less: Allowance for Uncollectible Accounts	<u>-</u>	<u>-</u>
Total Unconditional Promises to Give	<u>\$ 296,004</u>	<u>\$ 207,816</u>

**NOTE 5: FIXED ASSETS**

Leasehold improvements, furniture and equipment consisted of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Furniture and Equipment	\$ 878,377	\$ 841,208
Leasehold Improvements	234,518	227,878
Less: Accumulated Depreciation and Amortization	<u>(835,198)</u>	<u>(728,242)</u>
Total Fixed Assets	<u>\$ 277,697</u>	<u>\$ 340,844</u>

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 6: NET ASSETS**

Unrestricted net assets consisted of ten unrestricted funds over which the Foundation retains variance power as follows:

Fund	Purpose
Unrestricted Endowment	Funds to be utilized by the Board in awarding grants to qualifying Delaware nonprofits.
Supporting Organization	A separate legal entity that operates exclusively for the purpose of supporting the Delaware Community Foundation's mission and charitable objectives.
Designated	Funds with donor stipulations as to the organizations to be supported by the income generated by the fund.
Field-of-Interest	Funds with donor instructions as to the area of interest to be supported by the income generated by the fund.
Donor-Advised	Funds received with donor instructions requesting the income generated be paid to specific recipients.
Nonprofit Endowment	Funds received to establish endowments for specific nonprofit organizations.
Arts Stabilization	Funds received with the intention that the income generated be used to support the operations of eight Delaware cultural organizations. A percentage of the endowment and related income is to be used to support other various cultural organizations.
Non-Endowment	Non-endowment funds received and administered by the Foundation. Principal and income are usually disbursed according to donor instructions.
Scholarship	Funds received with donor instructions to provide scholarships to qualifying active students.
Administrative	Funds received from donors to support the operations of the Foundation.

Temporarily restricted net assets consist of funds pledged for various programs within the ten unrestricted funds to give in the following amounts as of June 30:

	<u>2011</u>	<u>2010</u>
Time Restricted Pledges	\$ 206,353	\$ 207,816
Accumulated Investment Income on Donor-Restricted Endowment	<u>287</u>	<u>-</u>
	<u>\$ 206,640</u>	<u>\$ 207,816</u>

Permanently restricted net assets consist of endowment fund assets to be held indefinitely. The income from the assets can be used to support the Foundation's general activities.

**DELAWARE COMMUNITY FOUNDATION, INC.**  
**AND SUPPORTING ORGANIZATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2011**

**NOTE 7: FINANCIAL INSTRUMENTS**

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash accounts with local financial institutions, notes receivable, promises to give and investments. The Foundation places its cash accounts with several financial institutions to limit the amount of credit exposure to any one financial institution. Concentrations with respect to promises to give are limited due to the composition of the contributor base. Concentrations with respect to notes receivable are limited due to the Foundation limiting fund withdrawals in accordance with fund agreements.

The Foundation's investment portfolio is exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Foundation's account balances and the amounts reported in the statements of financial position. The Foundation mitigates credit risk with respect to investments by placing its investments with several professional investment advisors subject to the Foundation's investment policy.

**NOTE 8: CONCENTRATION OF CREDIT RISK**

The Foundation maintains cash balances at several financial institutions, which at times exceed federally insured limits. As of June 30, 2011, non-interest-bearing deposit accounts at these financial institutions were fully insured by the Federal Deposit Insurance Corporation (FDIC) through December 31, 2012. All other deposit accounts were insured up to \$250,000 per institution. As of June 30, 2011 and 2010, uninsured cash amounts held at these financial institutions amounted to \$5,546,186 and \$8,859,662, respectively.

The Foundation's investments and certain cash equivalents are held in the custody of investment houses and brokerage firms. Investments in securities, including money market funds, held at each of the brokers are insured up to \$500,000, while cash balances are insured up to \$250,000, under the Securities Investor Protection Corporation (SIPC). As of June 30, 2011, cash and cash equivalents included \$18,000,000 in cash held by investment managers that was invested on July 1, 2011. Substantially all of the Foundation's investments are in excess of insured amounts.

**NOTE 9: RETIREMENT PLAN**

The Delaware Community Foundation, Inc. adopted a defined contribution plan, effective January 1, 1994, for the exclusive benefit of all full-time employees. An employee is eligible for participation upon hire. The amount of the Foundation's total contribution to the plan is determined annually as part of the budget process. Employer contributions to the plan are funded quarterly based on the participants' prior fiscal period compensation and upon completion of one quarter year of service. The plan provides for full vesting immediately upon admittance to the plan. Retirement plan expense for employees of the Foundation was \$82,202 and \$87,140 for the years ended June 30, 2011 and 2010, respectively.

**DELAWARE COMMUNITY FOUNDATION, INC.**  
**AND SUPPORTING ORGANIZATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2011**

**NOTE 10: DEFERRED COMPENSATION PLAN**

The Foundation established a deferred compensation plan under Section 457(b) effective December 15, 2004. The purpose of the plan is to enable its eligible employees to enhance their retirement security by permitting them to enter into agreements with the Foundation to defer a portion of their compensation and receive benefits at retirement. The Foundation maintains a segregated money market account to finance this liability.

For the years ended June 30, 2011 and 2010, \$10,250 and \$5,000, respectively, was charged to operations under these arrangements. As of June 30, 2011 and 2010, \$48,563 and \$38,131, respectively, was accrued as a liability related to these arrangements.

**NOTE 11: OPERATING LEASE**

As of April 1, 2007, the Foundation entered into a five-year noncancelable operating lease with the Community Service Building Corporation for its office space on the first floor located in Wilmington, Delaware requiring rent of \$49,758 annually, with monthly payments of \$4,146.

Effective April 1, 2011, the Foundation extended a five-year noncancelable operating lease through March 31, 2016 with the Community Service Building Corporation for its office space on the seventh floor located in Wilmington, Delaware. The annual rent under this lease is \$35,267, with monthly payments of \$2,939.

In July 2006, the Foundation entered into a five-year noncancelable operating lease with the Community Service Building Corporation for 626 square feet of storage space in the basement located in Wilmington, Delaware. Effective February 1, 2008, the lease was adjusted to reduce the number of square feet leased in the basement from 626 to 121. The Foundation was given the right to terminate this lease at any time with two months notice. The annual rent under this lease is \$1,107, with monthly payments of \$92. This lease was not renewed in 2011.

Also in February 2008, the Foundation entered into a noncancelable operating lease with the Community Service Building Corporation for additional office space on the first floor located in Wilmington, Delaware. The annual rent under this lease is \$12,536, with monthly payments of \$1,045. This lease expired on March 31, 2011 and was not renewed.

The Foundation also leases various office equipment under noncancelable operating leases which began on September 1, 2005.

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 11: OPERATING LEASE - CONTINUED**

Future minimum lease payments under the current lease agreements are as follows as of June 30:

2012	\$ 89,947
2013	48,023
2014	36,397
2015	35,267
2016	<u>26,451</u>
Total	<u>\$ 236,085</u>

Lease expense for the building for the years ended June 30, 2011 and 2010 was \$84,185 and \$93,470, respectively, and lease expense for equipment for the years ended June 30, 2011 and 2010 was \$17,362 and \$16,903, respectively.

**NOTE 12: FAIR VALUE MEASUREMENT**

Fair values of assets measured on a recurring basis as of June 30, are as follows:

	2011			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stocks				
Domestic	\$ 20,752,853	\$ 20,752,853	\$ -	\$ -
International	2,402,545	2,402,545	-	-
Corporate Bonds (Domestic)	522,379	-	522,379	-
Government Agency & Securities	351,648	-	351,648	-
Real Estate Investment Trust	150,401	150,401	-	-
Mutual Funds				
Equity	61,756,345	61,756,345	-	-
Fixed Income	39,137,395	39,137,395	-	-
Pooled Investment Vehicles	14,389,099	-	14,389,099	-
Multi-Strategy Hedge Funds	42,331,756	-	-	42,331,756
Private Equity Funds	<u>1,814,377</u>	<u>-</u>	<u>-</u>	<u>1,814,377</u>
Total Investments at Fair Value	<u>\$ 183,608,798</u>	<u>\$ 124,199,539</u>	<u>\$ 15,263,126</u>	<u>\$ 44,146,133</u>

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2011**

**NOTE 12: FAIR VALUE MEASUREMENT - CONTINUED**

	2010			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stocks				
Domestic	\$ 24,162,305	\$ 24,162,305	\$ -	\$ -
International	3,085,061	3,085,061	-	-
Corporate Bonds (Domestic)	611,594	-	611,594	-
Government Agency & Securities	310,514	-	310,514	-
Real Estate Investment Trust	191,328	191,328	-	-
Mutual Funds				
Equity	67,778,920	67,778,920	-	-
Fixed Income	51,437,423	51,437,423	-	-
Pooled Investment Vehicles	10,798,138	-	10,798,138	-
Multi-Strategy Hedge Funds	14,376,958	-	-	14,376,958
Private Equity Funds	1,134,983	-	-	1,134,983
 Total Investments at Fair Value	 <u>\$ 173,887,224</u>	 <u>\$ 146,655,037</u>	 <u>\$ 11,720,246</u>	 <u>\$ 15,511,941</u>

The fair values of investments in marketable securities with readily determinable market values are estimated based on quoted market prices. Market values for fixed income securities are estimated using quoted bid and ask prices.

Investments for which readily ascertainable market values are not available consist primarily of partnerships invested in the public and private equity markets. The fair values of these investment partnerships have been determined based on the Foundation's proportionate share of the underlying fair values of the net assets of the investment partnerships. The fair values relating to certain underlying investments in these partnerships have been estimated by the partnerships' managing members in the absence of readily ascertainable market values. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from values that would have been used had a ready market for the investments existed and those differences could be material.

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 12: FAIR VALUE MEASUREMENT - CONTINUED**

The following is a summary of the changes in the fair value of the Foundation's level 3 assets for the years ended June 30:

	<u>Alternative Investments</u>	
	<u>2011</u>	<u>2010</u>
Balance - Beginning of Year	\$ 15,511,941	\$ 15,159,403
Realized Losses	(3,828)	(189,599)
Unrealized Gains	1,733,728	463,669
Purchases, Sales and Settlements (Net)	<u>26,904,292</u>	<u>78,468</u>
Balance - End of Year	<u>\$ 44,146,133</u>	<u>\$ 15,511,941</u>

**NOTE 13: COMMITMENTS AND CONTINGENCIES**

In the normal course of business there are various commitments and contingencies outstanding which are not reflected in these combined financial statements. In the opinion of management, the outcome of such events, if any, will not have a material effect on the Foundation's combined financial statements.

During the period December 2008 through June 2011, the Foundation committed to fund a total of \$627,000 to two separate charitable organizations in Delaware. As of June 30, 2011, the remaining unpaid balance was \$183,233.

**NOTE 14: RELATED PARTY TRANSACTIONS**

Seven members of the Board of Directors of the Foundation are employees or board members of financial institutions that manage and retain custody of Foundation assets. These board members have no independent investment authority over the assets which are held by the financial institution for the convenience of the Foundation and at the discretion of its Board of Directors.

Six members of the Board of Directors of the Foundation are employees or board members of nonprofit organizations to which the Foundation made unrestricted grants during the year ended June 30, 2011. These board members recused themselves from voting on such grant approvals for their organizations.

An employee of the Foundation is a board member of a nonprofit organization that has a loan from the Foundation.

**DELAWARE COMMUNITY FOUNDATION, INC.**  
**AND SUPPORTING ORGANIZATION**  
**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**  
**JUNE 30, 2011**

**NOTE 15: CHARITABLE GIFT ANNUITIES**

The Foundation has several charitable gift annuities in which a donor has given property or cash to support the work of the Foundation. The Foundation is required to make quarterly payments back to the donor. Payments are calculated based upon the donor's life expectancy and the use of a discount rate which ranges between 3.34%-6.2%. The Foundation records the assets received at fair market value, the resulting liability at the present value of expected future cash flows to be paid to the annuity beneficiary. As quarterly distributions are made the liability is decreased. If a change occurs to the life expectancy of the beneficiary, the liability and unrestricted change in value of annuity are increased or decreased accordingly.

**NOTE 16: ENDOWMENT FUND**

*Donor-Designated Endowment* - The Foundation's endowment consists of one individual fund established to help support the Foundation's future operations. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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 as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. 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 SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies* - The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix that is

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2011**

**NOTE 16: ENDOWMENT FUND - CONTINUED**

*Investment Return Objectives, Risk Parameters and Strategies - continued* - intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy* - The Foundation has a policy of appropriating for distribution each year 5% of the average daily balance for the past 12 quarters (or the number of quarters the fund has been open if less than 12). In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The spending policy is reviewed regularly by the Board of Directors to allow its endowment funds to grow annually while maintaining the purchasing power of the endowment assets as well as to provide additional growth through new gifts and investment return.

Endowment net asset composition as of June 30, 2011 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Donor-Restricted Endowment Funds - Strategic Fund	\$ -	\$ 287	\$ 609,186	\$ 609,473

Changes in endowment net assets as of June 30, 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment Net Assets - Beginning of Year	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	609,186	609,186
Investment Income	-	2,773	-	2,773
Net Appreciation (Depreciation)	-	2,393	-	2,393
Net Gain on Perpetual Trusts	-	1,808	-	1,808
Amounts Appropriated for Expenditure	-	(6,687)	-	(6,687)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 287</u>	<u>\$ 609,186</u>	<u>\$ 609,473</u>

**ADDITIONAL INFORMATION**

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
COMBINED SCHEDULE OF UNRESTRICTED ACTIVITY  
YEAR ENDED JUNE 30, 2011**

	<b>Unrestricted Endowment Fund</b>	<b>Supporting Organization Fund</b>	<b>Designated Fund</b>	<b>Field-of- Interest Fund</b>
<b>REVENUE AND OTHER SUPPORT</b>				
Contributions	\$ 37,907	\$ 445,141	\$ 733,416	\$ 514,977
Interest and Dividend Income	248,710	740,909	266,344	344,388
Realized Loss	141,143	627,220	157,691	184,172
Unrealized Gain	1,468,565	5,031,900	1,545,938	2,009,464
Other Income	-	23	6,920	1,852
<b>Total Revenue</b>	<b>1,896,325</b>	<b>6,845,193</b>	<b>2,710,309</b>	<b>3,054,853</b>
Net Assets Released from Restriction - Satisfaction of Time	-	-	100	32,838
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>1,896,325</b>	<b>6,845,193</b>	<b>2,710,409</b>	<b>3,087,691</b>
<b>EXPENSES</b>				
Grants and Programs	428,491	3,521,534	416,833	540,570
Investment Fees	38,575	73,336	41,362	51,296
Management and General Expenses	76,175	556,050	84,656	99,217
<b>TOTAL EXPENSES</b>	<b>543,241</b>	<b>4,150,920</b>	<b>542,851</b>	<b>691,083</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,353,084</b>	<b>2,694,273</b>	<b>2,167,558</b>	<b>2,396,608</b>
<b>NET ASSETS - Beginning of Year</b>	<b>8,282,757</b>	<b>31,672,252</b>	<b>8,617,668</b>	<b>11,056,046</b>
<b>TRANSFERS FROM (TO) OTHER FUNDS</b>	<b>(115,930)</b>	<b>-</b>	<b>(1,307)</b>	<b>8,137</b>
<b>NET ASSETS - End of Year</b>	<b>\$ 9,519,911</b>	<b>\$ 34,366,525</b>	<b>\$ 10,783,919</b>	<b>\$ 13,460,791</b>

<b>Donor- Advised Fund</b>	<b>Nonprofit Endowment Fund</b>	<b>Arts Stabilization Fund</b>	<b>Non- Endowment Fund</b>	<b>Scholarship Fund</b>	<b>Administrative Fund</b>	<b>Total</b>
\$ 1,981,695	\$ 810,422	\$ -	\$ 8,422,928	\$ 335,691	\$ 216,311	\$ 13,498,488
1,596,112	126,770	498,791	52,141	295,027	47,386	4,216,578
1,001,057	71,170	263,102	2,575	227,923	9,480	2,685,533
8,687,730	728,669	2,991,029	25,689	1,612,095	171,545	24,272,624
8,378	-	-	174,809	6,040	20,857	218,879
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
13,274,972	1,737,031	3,752,922	8,678,142	2,476,776	465,579	44,892,102
4,000	-	-	-	2,000	12,687	51,625
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
13,278,972	1,737,031	3,752,922	8,678,142	2,478,776	478,266	44,943,727
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
4,329,518	482,029	1,461,855	2,075,733	513,889	16,179	13,786,631
242,930	19,393	74,990	682	51,723	4,076	598,363
350,292	49,819	66,952	104,425	184,955	308,464	1,881,005
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
4,922,740	551,241	1,603,797	2,180,840	750,567	328,719	16,265,999
8,356,232	1,185,790	2,149,125	6,497,302	1,728,209	149,547	28,677,728
49,857,019	4,353,321	18,218,683	7,733,367	9,568,355	3,954,432	153,313,900
(302,787)	14,460	-	(10,774)	34,924	373,277	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 57,910,464</u>	<u>\$ 5,553,571</u>	<u>\$ 20,367,808</u>	<u>\$ 14,219,895</u>	<u>\$ 11,331,488</u>	<u>\$ 4,477,256</u>	<u>\$ 181,991,628</u>

**DELAWARE COMMUNITY FOUNDATION, INC.  
AND SUPPORTING ORGANIZATION  
COMBINED SCHEDULE OF UNRESTRICTED ACTIVITY  
YEAR ENDED JUNE 30, 2010**

	<u>Unrestricted Endowment Fund</u>	<u>Supporting Organization Fund</u>	<u>Designated Fund</u>	<u>Field-of- Interest Fund</u>
<b>REVENUE AND OTHER SUPPORT</b>				
Contributions	\$ -	\$ 178,364	\$ 616,185	\$ 334,475
Interest and Dividend Income	279,462	671,293	280,122	371,692
Realized Gain (Loss)	(108,523)	(107,257)	(105,764)	(150,585)
Unrealized Loss	867,849	2,790,070	825,249	1,151,653
Other Income	-	4,482	-	375
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	1,038,788	3,536,952	1,615,792	1,707,610
Net Assets Released from Restriction - Satisfaction of Time	-	26,052	100	32,697
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>1,038,788</b>	<b>3,563,004</b>	<b>1,615,892</b>	<b>1,740,307</b>
<b>EXPENSES</b>				
Grants and Programs	355,297	2,450,596	356,026	765,593
Investment Fees	25,951	78,336	25,794	32,550
Management and General Expenses	71,915	550,836	75,288	86,077
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<b>453,163</b>	<b>3,079,768</b>	<b>457,108</b>	<b>884,220</b>
<b>CHANGE IN NET ASSETS</b>	<b>585,625</b>	<b>483,236</b>	<b>1,158,784</b>	<b>856,087</b>
<b>NET ASSETS - Beginning of Year</b>	<b>7,795,035</b>	<b>31,280,893</b>	<b>7,472,058</b>	<b>10,129,038</b>
<b>TRANSFERS FROM (TO) OTHER FUNDS</b>	<b>(97,903)</b>	<b>(91,877)</b>	<b>(13,174)</b>	<b>70,921</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS - End of Year</b>	<b>\$ 8,282,757</b>	<b>\$ 31,672,252</b>	<b>\$ 8,617,668</b>	<b>\$ 11,056,046</b>
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<u>Donor- Advised Fund</u>	<u>Nonprofit Endowment Fund</u>	<u>Arts Stabilization Fund</u>	<u>Non- Endowment Fund</u>	<u>Scholarship Fund</u>	<u>Administrative Fund</u>	<u>Total</u>
\$ 798,370	\$ 625,242	\$ -	\$ 984,541	\$ 785,740	\$ 319,498	\$ 4,642,415
1,686,955	130,874	574,228	46,763	282,792	75,662	4,399,843
(1,121,685)	(50,093)	(235,856)	(1,544)	(70,411)	(5,421)	(1,957,139)
5,779,272	376,485	1,840,792	11,687	777,156	53,335	14,473,548
280	-	-	65,986	5,270	31,826	108,219
<u>7,143,192</u>	<u>1,082,508</u>	<u>2,179,164</u>	<u>1,107,433</u>	<u>1,780,547</u>	<u>474,900</u>	<u>21,666,886</u>
18,000	-	-	-	3,000	14,000	93,849
<u>7,161,192</u>	<u>1,082,508</u>	<u>2,179,164</u>	<u>1,107,433</u>	<u>1,783,547</u>	<u>488,900</u>	<u>21,760,735</u>
3,753,771	271,373	1,543,285	1,749,098	298,392	13,799	11,557,230
168,474	11,460	49,987	379	35,367	2,327	430,625
338,308	44,886	66,718	67,237	165,365	482,728	1,949,358
<u>4,260,553</u>	<u>327,719</u>	<u>1,659,990</u>	<u>1,816,714</u>	<u>499,124</u>	<u>498,854</u>	<u>13,937,213</u>
2,900,639	754,789	519,174	(709,281)	1,284,423	(9,954)	7,823,522
47,187,364	3,492,010	17,699,509	8,439,266	8,187,251	3,807,954	145,490,378
(230,984)	106,522	-	3,382	96,681	156,432	-
<u>\$ 49,857,019</u>	<u>\$ 4,353,321</u>	<u>\$ 18,218,683</u>	<u>\$ 7,733,367</u>	<u>\$ 9,568,355</u>	<u>\$ 3,954,432</u>	<u>\$ 153,313,900</u>