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NORTHSHORE COMMUNITY FOUNDATION AND SUBSIDIARY COVINGTON, LOUISIANA

DECEMBER 31, 2010

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June 24, 2011

Independent Auditor's Report

To the Board of Directors
Northshore Community Foundation
Covington, Louisiana

We have audited the accompanying Consolidated Statement of Financial Position of Northshore Community Foundation (a nonprofit organization) and subsidiary as of December 31, 2010, and the related Consolidated Statements of Activities and Cash Flows for the year 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 audit. The prior year summarized comparative information has been derived from Northshore Community Foundation's 2009 financial statements and, in our report dated July 12, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Northshore Community Foundation and subsidiary as of December 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Hannis T. Bourgeois, LLP

NORTHSHORE COMMUNITY FOUNDATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2010
(With Comparative Totals for 2009)

	2010	2009
ASSETS		
Cash and cash equivalents	$ 1,173,912	$ 1,318,825
Investments, at fair value	9,775,863	8,655,055
Property and equipment, net	11,729	15,101
Other assets	2,434	4,436
Total assets	$ 10,963,938	$ 9,993,417
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	$ 55,554	$ 33,717
Amounts held on behalf of others	8,932,245	8,213,680
Total liabilities	8,987,799	8,247,397
NET ASSETS:		
Unrestricted:		
Undesignated	1,360,835	845,379
Board designated	64,639	58,991
Total unrestricted	1,425,474	904,370
Temporarily restricted	319,647	478,400
Permanently restricted	231,018	363,250
Total net assets	1,976,139	1,746,020
Total liabilities and net assets	$ 10,963,938	$ 9,993,417

The accompanying notes are an integral part of this statement.

NORTHSHORE COMMUNITY FOUNDATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year ended December 31, 2010
(With Comparative Totals for 2009)

	2010				2009
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUE AND SUPPORT:					
Contributions	$ 792,598	$ 344,437	$ 17,768	$ 1,154,803	$ 448,578
Grants	-	11,987	-	11,987	-
Support from Baton Rouge Area Foundation	178,963	-	-	178,963	220,000
Earnings (Losses) on investments and cash balances	106,390	19,098	-	125,488	97,638
Total revenue	1,077,951	375,522	17,768	1,471,241	766,216
Net assets released from restrictions	684,399	(684,399)	-	-	-
Total revenue and reclassifications	1,762,350	(308,877)	17,768	1,471,241	766,216
EXPENSES:					
Program:					
Grants	570,649	-	-	570,649	314,350
Other program expenses	420,155	-	-	420,155	275,197
Total program	990,804	-	-	990,804	589,547
Management and general	136,451	-	-	136,451	126,455
Fundraising	113,867	-	-	113,867	150,293
Total expenses	1,241,122	-	-	1,241,122	866,295
CHANGE IN NET ASSETS	521,228	(308,877)	17,768	230,119	(100,079)
Net assets - beginning of year					
As previously reported	904,370	478,400	363,250	1,746,020	1,846,099
Net asset reclassification	(124)	150,124	(150,000)	-	-
As reclassified	904,246	628,524	213,250	1,746,020	1,846,099
Net assets - end of year	$ 1,425,474	$ 319,647	$ 231,018	$ 1,976,139	$ 1,746,020

The accompanying notes are an integral part of this statement.

NORTHSHORE COMMUNITY FOUNDATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year ended December 31, 2010
(With Comparative Totals for 2009)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 230,119	$ (100,079)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,372	3,666
Contribution of land	-	(45,000)
Contribution of stock	(5,038)	-
Decrease in other assets	2,002	-
Increase in accounts payable	21,837	5,160
Increase in amounts held on behalf of others	718,565	915,130
Net realized and unrealized gains on investments	(734,412)	(820,166)
Other increases in long-term investments:		
Cash contributions to endowments	(17,768)	(8,058)
Net cash provided by (used in) operating activities	218,677	(49,347)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(702)
Net increase in investment pools held by Baton Rouge Area Foundation	(381,358)	(307,214)
Net cash used in investing activities	(381,358)	(307,916)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash contributions to endowments	17,768	8,058
Net cash provided by financing activities	17,768	8,058
NET DECREASE IN CASH AND CASH EQUIVALENTS	(144,913)	(349,205)
Cash and cash equivalents - beginning of year	1,318,825	1,668,030
Cash and cash equivalents - end of year	$ 1,173,912	$ 1,318,825

The accompanying notes are an integral part of this statement.

NORTHSHORE COMMUNITY FOUNDATION
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

Note 1 - Summary of Significant Accounting Policies

Organization and nature of activities

Northshore Community Foundation (NCF) was organized on January 11, 2007 as a non-profit corporation and is operated exclusively for religious, charitable, scientific, medical, literacy, or educational purposes through and for the benefit of Baton Rouge Area Foundation (BRAF) and such other organizations located in the Louisiana Parishes of St. Helena, St. Tammany, Tangipahoa and Washington (Northshore Community). These entities are exempt from federal income tax under Section 501(c)(3) and qualify as non-private foundations under Sections 509(a)(1) and (2) of the Internal Revenue Code. NCF's office is located in Covington, Louisiana. NCF serves the needs of the Northshore Community through charitable grants made and other Foundation projects carried out at the discretion of the Board of Directors.

From its inception and during 2007, NCF was operated as a subsidiary of BRAF. In 2008, NCF obtained its tax-exempt status as described in the preceding paragraph. Due to the approval of NCF's tax-exempt status, the assets and liabilities held by BRAF for NCF were transferred to NCF as a separate and stand-alone entity on January 1, 2008. Accordingly, the transactions subsequent to this transfer are presented in these financial statements.

In addition to annual support, BRAF continues to provide significant administrative and advisory services to NCF.

Northshore Community Capital Fund, Inc., a wholly-owned subsidiary of NCF, was organized on November 13, 2009 to promote community development through offering financial services to low income target markets in the St. Tammany, Tangipahoa, Washington and St. Helena parishes. This entity is not exempt from federal and state taxes and files its own separate tax return as a taxable corporation.

Basis of presentation

NCF is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of NCF pursuant to those stipulations. Permanently restricted net assets are those resources whose use by NCF is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of NCF.

Note 1 - Summary of Significant Accounting Policies (Continued)

Principles of consolidation

The consolidated financial statements include the accounts of NCF and its wholly-owned subsidiary, Northshore Community Capital Fund, Inc. All material interorganization transactions have been eliminated.

Contributions and expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets.

Grants and contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Endowment contributions are permanently restricted by the donor. Investment earnings available for distribution are reclassified to unrestricted or temporarily restricted net assets as specified by the donor.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

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 and expenses during the reporting period. Actual results could differ from those estimates.

Gifts of marketable securities and other items

Gifts of marketable securities and other noncash donations are recorded as contributions at their fair values at the date of the donation.

Donated services

No amounts have been reflected in the financial statements for donated services. NCF generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist NCF in the performance of its projects and various committee activities.

Cash and cash equivalents

Generally all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents for the purposes of the statement of cash flows.

Note 1 - Summary of Significant Accounting Policies (Continued)

Property and equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. The basis of property and equipment sold or otherwise disposed of and the accumulated depreciation thereon is eliminated and any gain or loss is reported in operations.

The estimated useful lives for office furniture and equipment range from three to ten years.

Investments

NCF participates in the investment pools managed by Baton Rouge Area Foundation. The BRAF pools are currently managed by two investment advisors that are authorized to allocate the portion of the investment portfolio under their control within policy guidelines between equity, fixed income and cash, and alternative assets. These advisors select the various investment managers needed to accomplish the investment objectives that provide funding for current grant commitments, as well as providing income to fund future grant requests and to meet the operating needs of the Foundation. Investments held in the pools are stated at fair value. Increases and decreases in market value are recognized in the period in which they occur. Stocks, bonds, mutual funds and similar securities traded in established markets are valued at their quoted market price. Other securities are valued based on estimates prepared by the investment managers. Upon disposition, the cost of the specific investment is used to compute the realized gain or loss to be recognized except with regards to mutual funds whose costs are removed on the first-in, first-out basis.

Investments by BRAF in venture capital funds included in its investment pools are accounted for using the equity method of accounting and the net income or loss related to these investments is reflected in "earnings on investments and cash balances" on the accompanying statement of activities.

Grants

Grants are recorded as expenses at the time the recipient has met all the necessary qualifying conditions and has gained approval of the Board of Directors. Grants payable in future periods that do not require subsequent review and approval for continuance of payment are recorded as expenses and grants payable in the period the grant is approved.

Retirement plan

NCF has established a simplified employee plan (SEP) which is a defined contribution retirement plan covering all eligible employees with at least one year of service. Contributions are based upon employee compensation at rates determined annually by NCF not to exceed 15% of eligible compensation. During 2010 and 2009, the contribution rate was 12.5%. Contributions of $28,250 and $34,160 were made to the plan for the years ended December 31, 2010 and 2009.

Other employee benefit plans

NCF also provides group health and term life insurance coverage for all employees.

Note 1 - Summary of Significant Accounting Policies (Continued)

Functional expenses
Functional expenses are allocated between program, fundraising, and general and administrative on the following basis: (1) personnel expenses are allocated based upon each employee's estimate of time spent on each function and (2) other costs that cannot be attributed directly to a particular function or activity are also allocated based on employee time.

Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of NCF.

Advertising
NCF expenses advertising costs as incurred. Advertising expense was $4,515 and $2,250 for the years ended December 31, 2010 and 2009, respectively.

Income tax status
NCF is a not-for-profit organization that has qualified as a public charity under sections 501(c)(3) and 509(a)(2) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made, however, should NCF engage in activities unrelated to the purpose for which it was created, taxable income and related taxes could result.

NCF files income taxes in the U.S. federal jurisdiction. NCF is subject to federal income tax examinations by taxing authorities since its date of inception in 2008.

Reclassifications
Certain balances for the prior year have been reclassified to conform to current year's financial statement presentation.

Note 2 – Spending Policy

NCF uses the total return concept to determine the amount of grantmaking dollars available each year. Under the total return concept amounts available for distribution are determined based upon total investment return, which consists of investment income and realized and unrealized gains and losses. Under this policy, distributions made during the year are not dependent on the availability of cash investment earnings. In December of each year, the Board of Directors of NCF establishes the amount of dollars available for grants for the following year stated as a percentage of the fair value of the individual endowment funds as of the end of each calendar quarter. The percentage per quarter was 1.25% for 2010 and 0.75% for 2009 and is subject to change in the future at the discretion of the Board of Directors.

Note 3 - Investments

Investments at December 31, 2010 and 2009 are presented below:

	2010		2009	
	Number of Units	Fair Value	Number of Units	Fair Value
BRAF Investment Pools:				
Portfolio	11,212,333	$ 9,721,396	9,879,081	$ 8,607,139
Venture Capital	3,626	5,005	3,148	2,916
	11,215,959	9,726,401	9,882,229	8,610,055
Stocks held for sale	128	4,462	-	-
	11,216,087	9,730,863	9,882,229	8,610,055
Real Estate		45,000		45,000
		$ 9,775,863		$ 8,655,055

Earnings and losses on investments, cash balances, and other similar assets are as follows:

	2010	2009
Interest, dividends and other income from investments	$ 135,109	$ 138,087
Net realized and unrealized gains (losses)	734,412	820,166
	869,521	958,253
Less trust and investment fees	(26,785)	(23,260)
	842,736	934,993
Less earnings, losses and fees allocated to agency accounts	717,248	837,355
	$ 125,488	$ 97,638

Earnings on pooled investments and cash balances are allocated based upon the relative asset values of the participating funds.

Note 4 – Fair Value Measurements

The Foundation has determined the fair value of its investments through a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the asset.

Note 4 – Fair Value Measurements (Continued)

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2010 and 2009 which are measured on a recurring basis:

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Investment - Baton Rouge Area Foundation	$ -	$ 6,732,116	$ 2,994,285	$ 9,726,401
Stocks held for sale	4,462	-	-	4,462
	$ 4,462	$ 6,732,116	$ 2,994,285	$ 9,730,863

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Investment - Baton Rouge Area Foundation	$ -	$ 8,607,139	$ 2,916	$ 8,610,055

The investment at Baton Rouge Area Foundation (BRAF) represents a pool of funds held by BRAF for the benefit of the Foundation and other non-profit organizations. These funds are valued at the fair value of the underlying securities which are primarily determined from closing prices reported on the active market.

A summary of the changes in the fair value of Level 3 measurements follows:

2010:	
Balance at January 1, 2010	$ 2,916
Gains (Losses)	90,348
Purchases, Sales, Issuances and Settlements, Net	2,901,021
Balance at December 31, 2010	$ 2,994,285
Total change in unrealized gains and (losses) related to assets and liabilities still held at End of Year	$ 20,681

Note 4 – Fair Value Measurements (Continued)

2009:		
Balance at January 1, 2009	$	2,578
Gains (Losses)		36
Purchases, Sales, Issuances and Settlements, Net		302
Balance at December 31, 2009	$	2,916
Total change in unrealized gains and (losses) related to assets and liabilities still held at End of Year	$	1,123

Note 5 – Property and Equipment

Property and equipment as of December 31, 2010 and 2009 consists of the following:

		2010		2009
Office Furniture and Equipment	$	24,735	$	24,735
Less: Accumulated Depreciation		13,006		9,634
	$	11,729	$	15,101
Depreciation Expense	$	3,372	$	3,666

Note 6 – Amounts Held on Behalf of Others

Amounts held on behalf of others represent pass-through transactions that are transfers of assets from resource providers (contributors) to intermediary not-for-profit organizations that act as agents for resource providers by transferring those assets to specified third-party recipients. When contributors, acting in other than an advisory capacity, designate specific beneficiaries, NCF has no discretion in distributing those assets. Consequently, the transactions only pass through NCF in route to the specified beneficiary.

Additionally, endowment funds of NCF set up by non-profit organizations for their own benefit are also amounts held on behalf of others. That is, NCF is acting as a trustee on behalf of the non-profit organization.

Note 6 – Amounts Held on Behalf of Others (Continued)

These transactions for the year ended December 31, 2010 and 2009 are scheduled as follows:

	2010	2009
Balance - beginning of year	$ 8,213,680	$ 7,298,550
Amounts received on behalf of others	2,317	77,775
	8,215,997	7,376,325
Net Earnings (Losses) allocated to agency accounts	782,337	893,942
Less: administrative assessment	(65,089)	(56,587)
Net Earnings (Losses) allocated to agency accounts	717,248	837,355
Amounts remitted to others	(1,000)	-
Balance - end of year	$ 8,932,245	$ 8,213,680

Note 7 – Net Assets

Included in NCF's unrestricted net assets are approximately $1,194,745 and $681,605 of donor advised funds as of December 31, 2010 and 2009, respectively. Although grant recommendations are accepted from the donors or other advisors of these funds, the ultimate discretion as to the use of the funds lies with the Board of Directors.

NCF's temporarily restricted net assets consist of funds available for grant recipients as designated by donors. In 2010 and 2009, $684,399 and $363,843, respectively, of net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

Permanently restricted net assets include donations that the donor intended to remain in perpetuity. Income derived from these assets is reported as temporarily restricted until appropriated for expenditure.

Note 8 – Endowment Net Assets

Prior to and as of December 31, 2009, NCF followed the Uniform Management of Institutional Funds Act of 1972 (UMIFA) and its own governing documents. UMIFA required the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UMIFA. NCF's donors have not limited the use of investment income or net appreciation resulting from the donor-restricted endowment funds.

Note 8 – Endowment Net Assets (Continued)

A version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) was adopted by the State of Louisiana during 2010 with an effective date of July 1, 2010. The new law updates the fundamental investment principles contained in the prior law (UMIFA), by providing standards to establish investment policies in a prudent manner by establishing a duty to minimize cost, diversify the investments, investigate facts relevant to the investment of the fund, consider tax consequences of investment decisions and to ensure that investment decision be made in light of the fund's entire portfolio as a part of an investment strategy having risk and return objectives reasonably suited to the fund and to the organization. UPMIFA also permits the Foundation to accumulate for expenditure so much of an endowment fund as the Foundation determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund is established, thereby eliminating the restriction that a fund could not be spent below its historical dollar value. Seven criteria are to be used to guide the Foundation in its yearly expenditure decisions:

(1) duration and preservation of the endowment funds
(2) the purposes of the Foundation and the endowment funds
(3) general economic conditions
(4) effect of inflation or deflation
(5) the expected total return from income and the appreciation of investments
(6) other resources of the Foundation
(7) the investment policy of the Foundation

The adoption of UPMIFA resulted in $3,374 of cumulative investment losses on permanently restricted endowments being reclassified to unrestricted net assets. In addition, in the course of evaluating UPMIFA, the Foundation determined that $148,708 of net assets related to donor-restricted endowment funds that were previously classified as permanently restricted should be reclassified as temporarily restricted net assets, which change has been reflected in the 2010 statement of activities.

Under the terms of the individual fund agreements, NCF has the ability to distribute so much of the original principal of any gift, devise, bequest, or fund as the Board of Directors in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement purposes.

As a participant in BRAF's investment pools, NCF follows BRAF's investment policies and objectives. The primary long-term objectives are to maximize returns without exposure to undue risk, long-term appreciation of the assets, and consistency of total return on the portfolio. Diversification of assets is employed to ensure that adverse results from one asset class will not have an unduly detrimental effect on total returns. Diversification is interpreted to include diversification by type and by number of investments, as well as by the hiring of managers that

Note 8 – Endowment Net Assets (Continued)

employ different management styles. BRAF's current portfolio places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters. The current long-term objective for endowment funds is to provide a total return, including interest, dividends and capital appreciation (realized and unrealized) exceeding the annual increase in the Consumer Price Index by a minimum of 3%, net of investment expenses. Actual returns in any given year will fluctuate from this amount.

NCF's spending policy is discussed in Note 2. Over the long-term, BRAF expects the current spending policy to allow endowment assets to grow at an average rate of the annual increase in the Consumer Price Index. This is consistent with BRAF's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

NCF's net assets include 5 individual funds established for a variety of purposes that function as endowments. Endowment net asset composition by type of fund as of December 31, 2010 and 2009 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
December 31, 2009				
Donor-restricted endowment funds	$ -	$ -	$ 358,584	$ 358,584
Board-designated endowment funds	58,891	-	-	58,891
	58,891	-	358,584	417,475
Reclass endowment funds losses	-	-	4,666	4,666
	$ 58,891	$ -	$ 363,250	$ 422,141
December 31, 2010				
Donor-restricted endowment funds	$ -	$ -	$ 231,018	$ 231,018
Board-designated endowment funds	64,639	147,427	-	212,066
	$ 64,639	$ 147,427	$ 231,018	$ 443,084

Note 8 – Endowment Net Assets (Continued)

Changes in endowment net assets for the year ended December 31, 2010 and 2009 were:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
2009				
Endowment net assets - beginning of year	$ 38,881	$ -	$ 334,470	$ 373,351
Contributions	12,500	-	8,058	20,558
Investment income	883	-	2,927	3,810
Net appreciation (depreciation)	6,627	-	17,259	23,886
Amounts appropriated for expenditure from investment earnings	-	-	(4,130)	(4,130)
	58,891	-	358,584	417,475
Reclass endowment funds losses	-	-	4,666	4,666
Endowment net assets - end of year	$ 58,891	$ -	$ 363,250	$ 422,141
2010				
Endowment net assets - beginning of year	$ 58,891	$ -	$ 358,584	$ 417,475
Net asset reclassification	-	148,708	(145,334)	3,374
Endowment net assets after reclassification	58,891	148,708	213,250	420,849
Contributions	-	-	17,768	17,768
Investment income	878	267	-	1,145
Net appreciation (depreciation)	4,870	(12)	-	4,858
Amounts appropriated for expenditure from investment earnings	-	(1,536)	-	(1,536)
	$ 64,639	$ 147,427	$ 231,018	$ 443,084

Note 9 – Other Program Expenses

NCF's other program expenses for the year ended December 31, 2010 and 2009 consist of the following:

		2010		2009
Grantmaking	$	227,897	$	233,845
Project Expenses:				
West30's Neighborhood Plan		124,950		13,852
Downtown District Redevelopment Plan		12,500		12,500
Community Land Trust		-		15,000
City of Hammond Comprehensive Plan		37,500		-
St. Helena Parish Comprehensive Plan		10,000		-
Others		7,308		-
	$	420,155	$	275,197

Note 10 – Leases – Lessee

NCF leases office space under a rental agreement classified as an operating lease. This lease began on January 1, 2010 and ends on December 31, 2011. Thereafter, the lease automatically renews on the first day of each month for a successive one-month period unless terminated by either party. Rent expense was $38,692 for 2010.This amount includes a $10,000 in-kind contribution by the lessor for the difference between rent charged and the estimated fair market value of the rent. Future minimum payments at December 31, 2010 were $28,692 (net of $10,000 in-kind contribution by the lessor) due in 2011.

During 2009, NCF leased office space under a rental agreement classified as an operating lease. The lease began on January 1, 2007 and extended for a period of 36 months with two renewal options for a period of two years each. Rent expense reported for this lease was $22,000 for 2009. This lease expired on December 31, 2009 and was not renewed.

Also during 2009, additional office space was also leased under an agreement classified as an operating lease. This lease began on May 15, 2008 and extended for a period of 20 months. Rent expense reported for this lease was $23,555 for 2009. This lease also expired on December 31, 2009 and was not renewed.

Note 11 – Concentrations of Credit Risk

NCF deposits its cash in a national financial institution and at times the account balance may exceed the federally insured limit. At December 31, 2010 and 2009, the Foundation's cash balances did not exceed the federally insured limit.

Note 12 – Related Parties

NCF utilizes facilities and personnel of the Baton Rouge Area Foundation for administrative assistance. NCF paid an administrative assessment of $37,545 and $32,072 to BRAF for these services during 2010 and 2009, respectively. BRAF was owed $10,051 and $8,694 as of December 31, 2010 and 2009, respectively.

Note 13 – Commitments

As of December 31, 2010 and 2009, NCF was committed to the payment of certain grants as follows, contingent upon the fulfillment of certain criteria by the potential grant recipient:

		2010		2009
Fund for Bogalusa Scholarships	$	48,000	$	32,000
Mill Town Players Scholarships		-		1,000
	$	48,000	$	33,000

Note 14 – Subsequent Events

The spending policy set by the Board of Directors for 2011 is 1.25% per quarter.

The management of NCF evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 24, 2011, the date which the financial statements were available to be issued.