

FOUNDATION FOR COMMUNITY  
PARTNERSHIPS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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**TOAL, GRIFFITH & AYERS, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors  
Foundation for Community Partnerships, Inc.

We have audited the accompanying statements of financial position of Foundation for Community Partnerships, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Foundation for Community Partnerships, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

  
March 22, 2012

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Current Assets:		
Cash:		
Cash - Unrestricted	\$ 33,346	\$ 20,851
Cash - Restricted for Community Foundation Fund	<u>514,819</u>	<u>537,988</u>
Total Cash	548,165	558,839
Certificates of Deposit	1,150,000	1,150,000
Investments	340,828	108,888
Promises to Give	<u>5,810</u>	<u>8,620</u>
Total Current Assets	<u>1,496,638</u>	<u>1,826,347</u>
Total Assets	<u>\$ 2,044,803</u>	<u>\$ 1,826,347</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accrued Expenses	<u>\$ 2,849</u>	<u>\$ 2,848</u>
Total Current Liabilities	<u>2,849</u>	<u>2,848</u>
Total Liabilities	2,849	2,848
Net Assets (Deficit):		
Unrestricted	36,307	18,003
Temporarily Restricted	<u>2,005,647</u>	<u>1,805,496</u>
Total Net Assets	<u>2,041,954</u>	<u>1,823,499</u>
Total Liabilities and Net Assets	<u>\$ 2,044,803</u>	<u>\$ 1,826,347</u>

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011			2010		
	Operating Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>						
Contributions and Grants	\$ 38,715	\$ 888,357	\$ 927,072	\$ 18,415	\$ 923,369	\$ 941,784
Interest Income	3,664	16,653	20,317	4,040	14,323	18,363
Unrealized Gain (Loss)	9,581	(53,132)	(43,551)	2,866	10,159	13,025
In-kind Services	6,580	-	6,580	1,921	-	1,921
Fee Income Released	41,312	(41,312)	-	14,898	(14,898)	-
Net Assets Released	610,415	(610,415)	-	811,090	(811,090)	-
	710,267	200,151	910,418	853,230	121,863	975,093
<b>EXPENSES</b>						
General and Administrative Program	45,645	-	45,645	46,293	-	46,293
	646,318	-	646,318	819,227	-	819,227
	691,963	-	691,963	865,520	-	865,520
Change in Net Assets	18,304	200,151	218,455	(12,290)	121,863	109,573
Net Assets, Beginning of Year	18,003	1,805,496	1,823,499	30,293	1,683,633	1,713,926
Net Assets, End of Year	\$ 36,307	\$ 2,005,647	\$ 2,041,954	\$ 18,003	\$ 1,805,496	\$ 1,823,499

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	General and <u>Administrative</u>	<u>Program</u>	<u>Total Expenses</u>
Contract Labor	\$ 1,028	\$ -	\$ 1,028
Direct Service Payments	-	529,999	529,999
Dormant Fund Transfer	-	15,500	15,500
Dues and Subscriptions	825	-	825
Grants	-	71,517	71,517
Insurance	9,275	-	9,275
Legal and Professional Fees	9,181	3,399	12,580
Payroll and Accrued Salaries	17,274	23,854	41,128
Payroll Taxes and Licenses	1,484	2,049	3,533
Postage and Shipping	320	-	320
Printing	230	-	230
Rent	3,850	-	3,850
Software Expense	300	-	300
Supplies	414	-	414
Telephone and Fax	956	-	956
Travel and Entertainment	137	-	137
Website	371	-	371
	<hr/>	<hr/>	<hr/>
Total Expenses	\$ <u>45,645</u>	\$ <u>646,318</u>	\$ <u>691,963</u>

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	General and <u>Administrative</u>	<u>Program</u>	<u>Total Expenses</u>
Dues and Subscriptions	\$ 820	\$ -	\$ 820
Direct Service Payments	-	695,992	695,992
Grants	-	96,558	96,558
Insurance	8,041	-	8,041
Legal and Professional Fees	9,199	1,222	10,421
LMB Fee	5,670	-	5,670
Miscellaneous	376	-	376
Payroll and Accrued Salaries	16,944	23,400	40,344
Payroll Taxes and Licenses	1,418	2,055	3,473
Postage and Shipping	209	-	209
Printing	495	-	495
Software Expense	300	-	300
Supplies	281	-	281
Telephone and Fax	808	-	808
Travel and Entertainment	209	-	209
Website	<u>1,523</u>	<u>-</u>	<u>1,523</u>
 Total Expenses	 <u>\$ 46,293</u>	 <u>\$ 819,227</u>	 <u>\$ 865,520</u>

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 218,455	\$ 109,573
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized (Gain) Loss	43,551	(13,025)
Change in Assets and Liabilities:		
Decrease in Promises to Give	2,810	6,510
Increase (Decrease) in Accrued Expenses	<u>1</u>	<u>(5,271)</u>
Net Cash Provided by Operating Activities	264,817	97,787
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments and Certificates of Deposit	(1,402,621)	(344,500)
Sales of Investments and Certificates of Deposit	<u>1,127,130</u>	<u>255,363</u>
Net Cash Used by Investing Activities	(275,491)	(89,137)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(10,674)	8,650
<b>CASH, BEGINNING OF YEAR</b>	<u>558,839</u>	<u>550,189</u>
<b>CASH, END OF YEAR</b>	<u>\$ 548,165</u>	<u>\$ 558,839</u>
Cash - Unrestricted	\$ 33,346	\$ 20,851
Cash - Restricted	<u>514,819</u>	<u>537,988</u>
Total Cash, End of Year	<u>\$ 548,165</u>	<u>\$ 558,839</u>
<b>SUPPLEMENTAL CASH INFORMATION</b>		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>

See auditor's report and accompanying notes to financial statements.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Foundation for Community Partnerships, Inc. is an entity whose purpose is exclusively for such charitable and educational purposes as are within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provisions of any subsequent federal tax laws. The purposes for which the Organization is formed are as follows:

- 1) To operate as a tax-exempt, not-for-profit publicly supported philanthropic institution for the benefit of the residents of the Chesapeake Bay region.
- 2) To maximize the acquisition and utilization of all public and private funding sources to accumulate funds in an endowment fund; and to manage said funds under community control for community health, education and welfare purposes.
- 3) To conduct only activities which are described as charitable or educational, as those terms are defined under Section 501(c)(3) of Internal Revenue Code 1986, as amended.

The Organization is supported primarily by grants and contributions.

Basis of Accounting

The financial statements of the Foundation for Community Partnerships, Inc. have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

The Organization classifies resources for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. Unconditional promises to give are recorded as receivables and revenues and the Organization distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows.

- Permanently Restricted - the portion of the net assets resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Temporarily Restricted - the portion of the net assets resulting from contributions or other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Unrestricted - the portion of the net assets that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Donor Restrictions

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

Investments

Investments are reported at market value. Donated securities are reported at fair market value as of the date of receipt. All realized and unrealized gains and losses arising from fluctuations in market values, sale or other disposition of assets are accounted for in the class of net assets that owned the assets.

Concentrations

The Organization maintains cash and cash equivalents at several financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. In addition, the banks have pledged collateral against certain deposit accounts. At December 31, 2011, the Organization's uninsured cash balances totaled approximately \$179,000. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

The Organization receives contributions primarily from donors in the Mid-Atlantic Region.

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

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal or state income taxes.

Uncertainty in Income Taxes

The Organization adopted FASB ASC 740, which presented a comprehensive model for how an entity should measure, recognize, present and disclose in its financial statements uncertain tax positions that the Organization has taken or expects to take on a tax return as of January 1, 2009. Under this standard, the Organization recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Uncertainty in Income Taxes (Continued)

by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The Organization's informational return filings are subject to audit by the IRS. The Organization's open audit periods are 2008–2010. There was no impact to the Organization's financial statements as a result of the implementation of FASB ASC 740.

Cash and Cash Equivalents

For reporting purposes, Foundation for Community Partnerships, Inc. considers all checking accounts and money market funds to be cash and cash equivalents.

Accreditation

On February 20, 2008, the Foundation for Community Partnerships, Inc. received notification that is met the nation's highest philanthropic standards for operational quality, integrity and accountability. The notice comes from the Council on Foundations, a national professional association based in Washington, D.C. Accreditation by the Council on Foundations means the Foundation has demonstrated a commitment to operational quality, integrity, and accountability. The National Standards for U.S. Community Foundations Program requires community foundations to document their policies for donor services, investments, grant making, and administration. With over 200 community foundations already confirmed in compliance nationwide, the program is designed to provide quality assurance to donors, as well as to their legal and financial advisors.

Donated Services, Materials and Facilities

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Donations of materials are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation for Community Partnerships, Inc. reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation for Community Partnerships, Inc. reclassifies temporarily restricted net assets to unrestricted net assets at that time.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES (CONTINUED)

Direct Services

As part of its grant making function, the Foundation makes direct service payments to organizations or individuals who provide direct support to the component funds in order to fulfill their charitable missions.

NOTE 2 - MANAGED FUNDS

The Community Foundation (Fund) shall include the current property together with any property, which may later be added to the fund. Cash gifts may be added to the fund at any time by anyone. The Board of Directors of the Foundation for Community Partnerships, Inc. shall have complete discretion to accept or refuse any non-cash gift and shall have complete authority and discretion as to the investment and reinvestment of the assets of the Fund as part of the Foundation for Community Partnerships, Inc.'s investment portfolio.

The Foundation for Community Partnerships, Inc. shall hold, manage, invest, and reinvest the assets of the Fund which may be co-mingled with the assets of other component funds provided, however, that the separate identity of the Fund shall be maintained and distributions from the Fund shall be clearly identified to the recipients. A separate account shall be established to report the Fund's earnings and distributions. The Foundation for Community Partnerships, Inc. shall report annually to the Internal Revenue Service regarding the Fund as a component fund within the Foundation for the Community Partnerships, Inc.

In the event of the dissolution of the Beneficiary, the Foundation for Community Partnerships, Inc. shall thereafter continue to hold the assets of the Fund in its general unrestricted endowment fund and shall distribute the net income and principal therefrom to such organizations as the Board of Directors of the Foundation for Community Partnerships, Inc. may select with primary consideration being given to such organizations as, in its discretion, it shall consider appropriate.

It is intended that the Fund continue as long as the need for it exists and as long as assets continue to be held in the Fund for its charitable purposes. If, for any reason, the fund is terminated or the Foundation for Community Partnerships, Inc. dissolves, or ceases to hold or administer the Fund or otherwise to function under this agreement, then the net assets of the Fund shall be distributed to such charitable organizations as the Board of Directors of the Foundation for Community Partnerships, Inc., most nearly reflect the purposes and objectives of the Beneficiary.

The Fund's assets shall be the property of the Foundation for the Community Partnerships, Inc. to be held by it in its corporate capacity and shall not be deemed a trust fund held by it in a trustee capacity. It is intended that the Fund shall be a component fund within the community foundation and that nothing in the donor agreement shall affect the status of the Foundation for Community Partnerships, Inc. as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. The donor agreement shall be interpreted in a manner consistent with the foregoing intention so as to conform to any applicable requirements of the Internal Revenue Code and its regulations.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2 - MANAGED FUNDS (CONTINUED)

It is understood and agreed that all assets held in the Fund shall be subject to the Articles of Incorporation and Bylaws of the Foundation for Community Partnerships, Inc., including the variance power contained therein permitting the governing board of the Foundation for Community Partnerships, Inc. to modify or remove any restriction or condition regarding the distribution of funds, if, in its sole judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes and needs served by the community foundation.

The Fund shall share a fair portion of the total administrative costs of the Foundation for Community Partnerships, Inc. Such administrative costs shall be charged annually against income from the Fund and shall at all times be reasonable and in accordance with Foundation for the Community Partnerships, Inc. current fee schedule. If the donor prefers not to diminish the Fund by the payment therefrom of the administrative costs, they may instead be paid directly by the donor.

The fee structure is based upon a percentage of balances held and distributions made from the Fund.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments are presented in the aggregate at the lower of cost or fair market value.

NOTE 4 - CERTIFICATES OF DEPOSIT

The Organization has the following certificates of deposits as of December 31, 2011:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Marquette Bank	January 2012	0.6479%	\$ 225,000
The PrivateBank and Trust Company	January 2012	0.69757%	225,000
The Huntington National Bank	January 2012	0.6479%	125,000
Banco Popular de Puerto Rico	April 2012	0.6479%	215,500
EverBank	April 2012	0.6479%	225,000
The PrivateBank and Trust Company	April 2012	0.6479%	9,500
EverBank	January 2013	2.12728%	250
BankFIRST	January 2013	2.12728%	<u>124,750</u>
			\$ <u>1,150,000</u>

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 4 - CERTIFICATES OF DEPOSIT (CONTINUED)

The Organization has the following certificates of deposits as of December 31, 2010:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Fieldpoint Private Bank & Trust	January 2011	0.79683%	\$ 225,000
EverBank	January 2011	1.14346%	225,000
Flagstar Bank, FSB	April 2011	1.04454%	238,500
IBERIABANK	April 2011	1.04454%	101,500
The Huntington National Bank	April 2011	1.04454%	110,000
The Huntington National Bank	January 2012	1.88222%	125,000
EverBank	January 2013	2.12728%	250
BankFIRST	January 2013	2.12728%	<u>124,750</u>
			\$ <u>1,150,000</u>

NOTE 5 - INVESTMENTS

The Foundation for Community Partnerships, Inc. has determined the fair value of certain assets and liabilities through application of U.S. generally accepted accounting principles.

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. For certain long-term debt, the fair value was based on present value techniques using inputs derived principally or corroborated from market data. Financial assets and liabilities using level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied. All assets have been valued using a market approach. There were no gains or losses, purchases, settlements or transfers into or out of level 2 or 3 assets for the years ending December 31, 2011 and 2010.

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 5 - INVESTMENTS (CONTINUED)

The following table presents the Organization's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2011:

<u>2011</u>	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	<u>Total</u>
Mutual Funds:				
Domestic index funds	\$ 98,353	\$ ---	\$ ---	\$ 98,353
Global technology	28,481	---	---	28,481
Latin American index funds	94,727	---	---	94,727
Asian index funds	79,763	---	---	79,763
Other international index funds	<u>29,872</u>	<u>---</u>	<u>---</u>	<u>29,872</u>
Total Mutual Funds	331,196	---	---	331,196
Certificates of Deposit	---	1,150,000	---	1,150,000
Common Stock:				
Domestic industrial products	<u>3,552</u>	<u>---</u>	<u>---</u>	<u>3,552</u>
Total Common Stock	3,552	---	---	3,552
Cash	<u>6,080</u>	<u>---</u>	<u>---</u>	<u>6,080</u>
Total Investments	\$ <u>340,828</u>	\$ <u>1,150,000</u>	\$ <u>---</u>	\$ <u>1,490,828</u>

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 5 - INVESTMENTS (CONTINUED)

The following table presents the Organization's fair value hierarchy for the above assets and liabilities measured at fair value on a recurring basis as of December 31, 2010:

<u>2010</u>	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	<u>Total</u>
Mutual Funds:				
Domestic index funds	\$ 53,308	\$ ---	\$ ---	\$ 53,308
Asian index funds	23,866	---	---	23,866
Latin American index funds	<u>27,015</u>	<u>---</u>	<u>---</u>	<u>27,015</u>
Total Mutual Funds	104,189	---	---	104,189
Certificates of Deposit	---	1,150,000	---	1,150,000
Common Stock:				
Domestic industrial products	<u>3,269</u>	<u>---</u>	<u>---</u>	<u>3,269</u>
Total Common Stock	3,269	---	---	3,269
Cash	<u>1,430</u>	<u>---</u>	<u>---</u>	<u>1,430</u>
Total Investments	\$ <u>108,888</u>	\$ <u>1,150,000</u>	\$ <u>---</u>	\$ <u>1,258,888</u>

NOTE 6 - PROMISES TO GIVE

Promises to give as of December 31 are as follows:

Promises to give:	<u>2011</u>	<u>2010</u>
Expected to be paid in:		
One Year	\$ 6,000	\$ 6,000
One to Five Years	<u>500</u>	<u>4,000</u>
Total	6,500	10,000
Allowance	<u>(690)</u>	<u>(1,380)</u>
Net	\$ <u>5,810</u>	\$ <u>8,620</u>

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 6 - PROMISES TO GIVE (CONTINUED)

The allowance was determined based upon a discount of 6% per year. As of December 31, 2011 and 2010, the Organization had \$2,500 and \$0, respectively, in conditional promises to give for which the conditions were not yet met.

NOTE 7 - OPERATIONAL FEES CHARGED BY QUEEN ANNE'S COUNTY COMMUNITY PARTNERSHIP FOR CHILDREN

The Organization entered into a contract with the Queen Anne's County Community Partnerships for Children and Families. The Board has mandated that no more than 9% of total fund balance will be assessed during the year for administrative purposes. These fees will be paid through fees assessed, future fundraising, and contributions. This agreement was terminated in 2011.

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31:

	<u>2011</u>	<u>2010</u>
A Place to Play	\$ 1,525	\$ 17,326
Adopt A Bear	13,334	16,459
Bayshore Soccer Club	173	1,784
Bobbi Smith Cancer Foundation	86	38
Buck Family Fund	100,095	39,388
Cancer Comfort Angels	29,272	---
Caring and Sharing	22,037	20,343
Caroline Veterans Memorial	1,457	13,558
CASA of Queen Anne's and Kent Counties	37,211	44,282
CCF	3,302	---
Centreville High School Alumni Scholarship-Gen.	2,820	5,133
Character Counts	7,567	4,745
Chesapeake Public Television	4,693	---
Chesapeake Women's Network-QA	7,103	1,858
Chesterfield Cemetery	2,254	2,244
Child Advocacy Center	17,220	1,661
Community Initiatives Grant of the CCHSC	307,528	309,473
Corsica River Conservancy	7,974	12,919
CRF	195,649	199,509
CSAFE Community Fund	449	724
CWN Scholarship Fund-Talbot	829	1,157
Dorchester County LMB	247,223	248,786
Drug Free Caroline Coalition	1,655	20
Early Wars of Queen Anne's County	6,462	4,652

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

	<u>2011</u>	<u>2010</u>
Eastern Shore Police Canine	\$ 4,068	\$ 14,087
Educare	4,614	4,270
Families First	72	73
Florence S. Buck Scholarship	44	---
Friends of Historic Christ Church	6,383	7,570
Friends of Island Dog Park	5,996	997
Friends of the QAC YMCA	219	443
Galestown Millpond Association	2,447	2,490
Healthy Families	756	769
Island Football Network	1,416	---
Judy Center Partnership	3,297	1,290
Kent Island Arts and Entertainment District	1,542	1,188
Matapeake Elementary School Mural Fund	671	43
Mid-Shore Network	510	519
Partnering for Youth	299,412	76,575
Paso A Paso	1,590	615
Price Community Club	9,289	9,453
QA Railroad Society	8,546	7,541
QAC Agricultural Land Preservation	11,264	11,463
QAC Community Partnerships	12,582	8,856
QAC Economic Development	19,240	22,293
QAC High School Alumni Association	9,962	4,366
QAC LMB Returned Reinvestment	357,442	358,611
QAC Parks and Recreation Charitable Gift	12,089	13,117
QAC Park and Recreation	4,975	9,112
Silver Lining Foundation	---	1,854
Sister County International Council	227	2,422
Talbot Interfaith Shelter	---	43,155
Talbot Senior Center Campaign	2,131	2,169
The Ransom Foundation	15,251	18,762
The Rose House	25,153	25,312
Tomcat Solutions	12,071	22,750
Traffic Safety-Courtesy on the Road	25,405	5,731
War of 1812 Commemoration	1,176	1,106
Youth Developmental Assets	1,626	1,665
Foundation Family Emergency Fund	2,049	2,049
Centreville High School Alumni Scholarship	11,220	11,316
Dr. Elizabeth Hagen Scholarship-Endowment	150,901	156,785
Time Restricted	3,215	8,620
Unallocated Losses on Investments Related to Restricted Funds	<u>(41,122)</u>	<u>---</u>
Total Temporarily Restricted Net Assets	\$ <u>2,005,647</u>	\$ <u>1,805,496</u>

FOUNDATION FOR COMMUNITY PARTNERSHIPS, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 9 - DONATED SERVICES AND FACILITIES

The value of donated services and facilities included as contributions in the financial statements and the corresponding expenses for the years ended December 31, 2011 and 2010 are as follows:

<u>2011</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>	
Legal and Professional Fees	\$ <u>3,181</u>	\$ <u>3,399</u>	\$ <u>6,580</u>	
	<u>2010</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Legal and Professional Fees	\$ <u>1,222</u>	\$ <u>699</u>	\$ <u>1,921</u>	

NOTE 10 - OPERATING LEASE

The Organization entered into a one year lease agreement on July 1, 2011 for office space with a business owned by a member of the Board of Directors. The lease is for a term of one year with an option to renew for an additional twelve months. Monthly payments are \$550. Future minimal rental payments, all of which are due during the year ended December 31, 2012, are \$3,300.

Total rent expense for the years ended December 31, 2011 and 2010 was \$3,850 and \$0, respectively. No amounts are due to or from the Organization at December 31, 2011 and 2010.

NOTE 11 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to March 22, 2012 that would have a material impact on the financial statements.

NOTE 12 - RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These changes have had no effect on the change in net assets for the years ended December 31, 2011 and 2010.