

**SALEM HEALTH AND
WELLNESS FOUNDATION, INC.**

AUDIT REPORT

DECEMBER 31, 2010

SALEM HEALTH AND WELLNESS FOUNDATION, INC.
REPORT FOR
THE YEAR ENDED
DECEMBER 31, 2010

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EDWARD T. GHEYSENS, JR.

Certified Public Accountant

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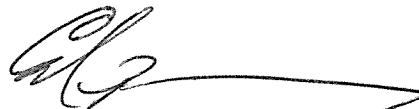
INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Salem Health and Wellness Foundation, Inc.
P.O. Box 95
Salem, New Jersey 08079

I have audited the accompanying statement of financial position of Salem Health and Wellness Foundation, Inc. as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Salem Health and Wellness Foundation, Inc. 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.



EDWARD T. GHEYSENS, JR.
Certified Public Accountant

May 20, 2011

SALEM HEALTH AND WELLNESS FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents (Note 2)	\$ 337,879	
Prepaid Expenses	14,792	
Investment Income Receivable	25,511	
Cash Surrender Value - AIG Insurance Policy	29,850	
Investments - SEI Trust company (Note 5)	38,113,305	
TOTAL CURRENT ASSETS		\$ 38,521,337

NONCURRENT ASSETS

Escrow Account - US Bank (Note 6)	\$ 5,000,040	
Assets Held in Perpetuity By Outside Trustees (Note 7)	11,155,542	
Equipment, Net (Note 8)	25,651	
TOTAL NONCURRENT ASSETS		16,181,233

TOTAL ASSETS		\$ 54,702,570
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 93,967	
Accrued Wages	2,760	
Accrued Payroll Taxes	6,154	
Grants Payable (Note 9)	2,180,438	
TOTAL LIABILITIES		\$ 2,283,319

NET ASSETS

Unrestricted	\$ 36,260,656	
Temporarily Restricted	5,003,053	
Permanently Restricted	11,155,542	
TOTAL NET ASSETS		52,419,251

TOTAL LIABILITIES AND NET ASSETS		\$ 54,702,570
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See accompanying notes and accountant's report.

SALEM HEALTH AND WELLNESS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>REVENUES, GAINS, AND OTHER SUPPORT</u>				
Contributions	\$ 26,679			\$ 26,679
Additional Proceeds-Sale of Hospital	300,000			300,000
Distributions-Perpetual Trusts	151,815			151,815
Interest Income	221	\$ 9,159		9,380
Dividend Income	1,274,845			1,274,845
Realized Gain on Sale of Securities	431,837			431,837
Capital Gain Distributions	50,568			50,568
Unrealized Gain/(Loss) on Investments	3,064,171	(2,265)		3,061,906
Change in Value of Assets held in Perpetuity by Outside Trustees			\$ 1,153,895	1,153,895
Net Assets Released from Restrictions	7,976	(7,976)		
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	\$ 5,308,112	\$ (1,082)	\$ 1,153,895	\$ 6,460,925
<u>EXPENSES AND LOSSES</u>				
Program Services	\$ 246,782			\$ 246,782
Supporting Services:				
Management and General	429,763			429,763
Fundraising	2,910			2,910
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 679,455	\$ -	\$ -	\$ 679,455
INCREASE (DECREASE) IN NET ASSETS	\$ 4,628,657	\$ (1,082)	\$ 1,153,895	\$ 5,781,470
NET ASSETS - JANUARY 1, 2010	31,600,158	5,004,135	10,001,647	46,605,940
PRIOR PERIOD ADJUTMENT (NOTE 13)	31,841			31,841
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS - DECEMBER 31, 2010	\$ 36,260,656	\$ 5,003,053	\$ 11,155,542	\$ 52,419,251

See accompanying notes and accountant's report.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising/ Donor Development</u>	<u>Total</u>
Grants Awarded (Note 9)	\$ 204,432			\$ 204,432
Direct Mail/Printing			\$ 210	210
Postage		\$ 1,532		1,532
Accounting/Audit Fees		18,345		18,345
Advertising		627	105	732
NJ Filing Fees		250		250
Equipment Maintenance		851		851
Insurance		2,848		2,848
Dues & Membership		1,604		1,604
Internet Access Fees		709		709
Legal Fees		28,443		28,443
Meetings and Conferences		4,847		4,847
Miscellaneous		725	550	1,275
Office Cleaning		1,241		1,241
Office Supplies		2,519		2,519
On-Site and Remote Support		1,262		1,262
Outreach Seminars		1,214		1,214
P.O. Box Rental		96		96
Pension Administration		200		200
Office Rent		12,972		12,972
Brokerage Fees - SEI		171,461		171,461
Telephone		1,686		1,686
Travel		3,767		3,767
Wages		138,762		138,762
Payroll Taxes		11,287		11,287
Software Licenses			2,045	2,045
Subscriptions		1,235		1,235
Contributions	42,350			42,350
Insurance Premiums - AIG (Net)		17,944		17,944
Depreciation		2,736		2,736
Website Hosting		600		600
	<u>\$ 246,782</u>	<u>\$ 429,763</u>	<u>\$ 2,910</u>	<u>\$ 679,455</u>

See accompanying notes and accountant's report.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets		\$ 5,781,470
Adjustments to Reconcile increase in Net assets to Net Cash Provided by Operating Activities:		
Prior Period Adjustment		31,841
Depreciation		2,736
Realized Gain on Sale of Securities		(431,837)
Unrealized Gain on Investments		(3,061,906)
Change in Assets and Liabilities:		
Increase in Prepaid Expenses		(8,461)
Decrease in Investment Income Receivable		22,296
Decrease in Cash Surrender Value - Insurance		17,944
Increase in Assets Held in Perpetuity by Outside Trustees		(1,153,895)
Increase in Accounts Payable		90,560
Decrease in Accrued Wages		(4,921)
Increase in Accrued Payroll Taxes		4,404
Decrease in Grants Payable		<u>(1,542,831)</u>
 NET CASH USED IN OPERATING ACTIVITIES		 \$ (252,600)

CASH FLOWS FROM INVESTING ACTIVITIES:

Equipment Acquisitions		\$ (12,870)
Proceeds - Sales of Investments		13,393,431
Purchases of Investments		<u>(13,870,198)</u>
 NET CASH USED IN INVESTING ACTIVITIES		 <u>(489,637)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS **(742,237)**

CASH AND CASH EQUIVALENTS - JANUARY 1, 2010 **1,080,116**

CASH AND CASH EQUIVALENTS - DECEMBER 31, 2010 **\$ 337,879**

See accompanying notes and accountant's report.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Foundation was formed to receive the proceeds of the sale of Memorial Hospital of Salem County.

The Foundation's mission is to invest in sustainable initiatives that promote the overall health of Salem County, NJ residents. The Foundation's vision is to be a financial resource for organizations specializing in servicing the health needs that are deemed to be unmet or underserved.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

New Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued the "FASB Accounting Standards Codification", which becomes the source of authoritative accounting principles generally accepted in the United States of America by the FASB to be applied by nongovernmental entities. This statement is effective for Financial Statements issued for periods ending after September 15, 2009.

Revenue Recognition

The foundation records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increase in unrestricted net assets if the restrictions expire in the year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional.

Contributed Services

A substantial number of volunteers have donated their time to the foundation. No amounts have been reflected in the accompanying financial statements for donated services since they do not meet the criteria for recognition.

Income Taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c)(3).

Property and Equipment

Property and equipment is stated at cost or at their estimated fair value at date of donation. Expenditures which substantially increase the economic useful lives of the assets are capitalized. Expenditures for maintenance and repairs necessary to maintain the assets in efficient operation condition are expensed currently. Assets retired, or otherwise disposed of, are eliminated from their respective assets accounts. Any gains or losses from dispositions, other than trade-ins on like property, are include in income.

Depreciation

Depreciation is computed by using the straight line method over the economic useful lives of the assets. Depreciation rates are based on the following range of lives:

Equipment	3 to 10 Years
Leasehold Improvements	39 Years

Depreciation expense for the year ended December 31, 2010, is \$2,736.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheet. The fair value of substantially all securities is determined by quoted market prices. Investment income or loss (including realized gains and losses on investments, write-downs of the cost basis of investments due to an other-than-temporary decline in fair value, interest and dividends) is included in revenues, gains, and other support in excess of expenses. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Foundations investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the accompanying balance sheet are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying balance sheet could change materially in the near term.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Pennsville National Bank	\$ 112,994
SEI Daily Income Prime Obligation Fund (Money Market)	198,006
SEI Liquid Asset Prime Obligation Fund	<u>26,879</u>
	<u>\$ 337,879</u>

NOTE 3 CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash balances and investments in various financial institutions. These deposits exceed the FDIC Insurance limit. However, the Foundation has not experienced any losses in these accounts. The management of the Foundation believes that the financial institutions have strong credit ratings and that the credit risk related to these deposits is minimal.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 PROCEEDS – SALE OF MEMORIAL HOSPITAL OF SALEM COUNTY (9/30/2002)

The net proceeds from the sale of Memorial Hospital of Salem County on 9/30/02 was \$ 32,207,639. The disposition of said funds was as follows:

To Salem Health and Wellness Foundation	\$ 14,600,000
To US Bank Escrow Account for the Benefit Of Salem Health and Wellness Foundation	10,000,000
To Memorial Hospital of Salem County (seller)	<u>7,607,639</u>
Total Proceeds	<u>\$ 32,207,639</u>

The amount of the proceeds received by Memorial Hospital of Salem County (seller), \$ 7,607,639, was set aside at settlement in order to meet any outstanding liabilities of Memorial Hospital of Salem County. These funds were transferred to the Fenwick Corporation/Salem Memorial Corporation, that is responsible for the administration of said funds. The balance being administered by the Fenwick Corporation/Salem Memorial Corporation, net of estimated liabilities, as of December 31, 2010, is \$ 455,257. Because of the uncertainty relating to the disposition of the funds being administered by the Fenwick Corporation/Salem Memorial Corporation, amounts are not recorded by Salem Health and Wellness Foundation, Inc., until they are deemed designated for distribution to the Foundation. During the year ended December 31, 2010 The Fenwick Corporation/Salem Memorial Corporation distributed \$ 300,000 to Salem Health and Wellness Foundation.

NOTE 5 INVESTMENTS – SEI TRUST COMPANY

Investments are stated at fair value and are summarized as follows, as of December 31, 2010:

	<u>Fair Value</u>	<u>Cost</u>
SEI SIIT Real Return Fund	\$ 5,580,586	\$ 5,647,878
SEI Core Fixed Income Fund	7,507,553	7,416,428
Domestic Equities	22,429,238	18,909,181
SEI International Equity Fund	<u>2,595,928</u>	<u>3,320,463</u>
Total	<u>\$ 38,113,305</u>	<u>\$ 35,293,950</u>

NOTE 6 ESCROW ACCOUNT – US BANK

An escrow agreement was entered into and effective as of September 30, 2002, by and among the Memorial Hospital of Salem County, Inc. (“seller”), Salem Hospital Corporation (“buyer”), and US Bank (“escrow agent”).

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 6 ESCROW ACCOUNT – US BANK (continued)

The escrow account is being held for the benefit of Salem Health and Wellness Foundation to the extent it is not used to satisfy certain indemnification obligations of the seller. Income earned on the account is distributed quarterly to Salem Health and Wellness Foundation.

The buyer and the seller agree that on the five year anniversary of the sale date, the escrow agent shall disburse the escrow funds exceeding \$ 5,000,000 to Salem Health and Wellness Foundation. The buyer and seller agree that on the ten year anniversary of the sale, the escrow agent shall disburse the remaining escrow funds to Salem Health and Wellness Foundation.

NOTE 7 ASSETS HELD IN PERPETUITY BY OUTSIDE TRUSTEES

Assets held in perpetuity by outside trustees are perpetual trusts administered by independent trustees. The assets are recognized at the estimated fair value of the related trust assets, which are generally composed of mutual funds and cash and cash equivalents. Because the trusts are perpetual in nature and the corpus cannot be violated, they are reported as permanently restricted net assets.

<u>Perpetual Trust</u>	<u>Value</u> <u>1/1/10</u>	<u>Value</u> <u>12/31/10</u>	<u>Change</u> <u>In Value</u>	<u>Distributions</u> <u>12/31/10</u>
Fox Trust	\$ 591,824	\$ 650,657	\$ 58,833	\$ 13,039
Huber Trust	117,881	127,857	9,976	4,459
Huber Scholarship	84,926	93,468	8,542	2,028
Rumsey Trust	185,371	200,578	15,207	7,276
Hitchner Trust	8,798,650	9,847,992	1,049,342	120,020
Parvin Trust	222,995	234,990	11,995	4,993
	<u>\$ 10,001,647</u>	<u>\$ 11,155,542</u>	<u>\$ 1,153,895</u>	<u>\$ 151,815</u>

NOTE 8 PROPERTY AND EQUIPMENT

Equipment Consists of the Following:

Equipment	\$ 45,858
Furniture and Fixtures	7,220
Leasehold Improvements	<u>11,762</u>
Total Cost	\$ 64,840
Less: Accumulated Depreciation	<u>(39,189)</u>
	<u>\$ 25,651</u>

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 9 GRANTS/GRANTS PAYABLE

Grants are recognized as liabilities at the time the board of trustees authorizes the expenditures, regardless of the year in which the grant is paid. A summary of grants and grants payable for 2010 is as follows:

<u>Grant Recipient</u>	Commitment As of <u>1/1/2010</u>	Grants Authorized <u>During 2010</u>	Grant Pmts Made/ Adjustments <u>During 2010</u>	Commitment As of <u>12/31/2010</u>
Salem Community Col	\$ 84,000		\$ (52,000) *	\$ 32,000
Daytop Village of NJ	360,000		(360,000)	
Shadow Equestrian, Inc.	3,600		(3,600)	
Cooper Health System	830,918		(255,667)	575,251
Friends Vil @ Woodstn	23,610		(23,610)	
Salvation Army	6,521		(6,521) *	
S.C. Inter-Agcy Consl.	71,408		(71,408)	
Appel Farms	404,000		(194,000)	210,000
Cornerstone Women's Res.	8,375		(8,375)	
Tri-County Community Act.	15,888		(15,888) *	
American Red Cross	24,000		(16,000)	8,000
All About Hope	54,000		(36,000)	18,000
Healthcare Commons	1,613		(1,613)	
S.C. Center For Autism	1,386,740		(346,685)	1,040,055
Project New Start	148,596		(66,780)	81,816
Meals on Wheels	48,000		(38,400)	9,600
Pennsville Visiting Nurse	252,000		(112,000)	140,000
Family Promise		\$ 101,432	(65,716)	35,716
Robin's Nest		100,000	(70,000)	30,000
S.J. Hospital		3,000	(3,000)	
	<u>\$ 3,723,269</u>	<u>\$ 204,432</u>	<u>\$ (1,747,263)</u>	<u>\$ 2,180,438</u>

* See Note 13, Prior Period Adjustment.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 9 GRANTS/GRANTS PAYABLE (continued)

Commitments at December 31, 2010 are payable as follows:

Year Ending December 31, 2011	\$ 1,069,484
Year Ending December 31, 2012	700,352
Year Ending December 31, 2013	<u>410,602</u>
	<u>\$ 2,180,438</u>

Grant commitments payable after December 31, 2010 were not discounted to fair value because the discount value would have an immaterial effect on the financial statements.

NOTE 10 DONATED FACILITIES

On September 8, 2006, the Foundation moved into new office space at 91 S. Virginia Ave., Carneys Point, NJ. This office space has been donated by Pennsville National Bank. The donated facilities will be include as a contribution and the corresponding rental expense at \$ 1,081.04 per month. The value of donated facilities included as contributions in the financial statements and the corresponding rental expense for the year ended December 31, 2010 is \$ 12,972.

NOTE 11 403(B) PENSION PLAN

In May of 2004, the Foundation established a 403(B) custodial account for its employees with the American Funds Group. This plan is an employee contributory plan, only. The Foundation does not contribute to the plan.

NOTE 12 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. Fair value of a financial instrument is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accordingly, fair value is a market-based measurement based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the inputs used to measure fair value are prioritized in the following three-tier fair value hierarchy:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 12 FAIR VALUE MEASUREMENTS (continued)

Level 2 - Observable inputs other than quoted prices in active markets for identical assets or liabilities.

Level 3 - No Observable pricing inputs in the market.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following schedule presents the balances of assets measured at fair value under the Fair Value Option as of December 31, 2010:

	<u>Financial Asset at Fair Value as of December 31, 2010</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash, Time Deposits & Other				
Money Market Instruments	\$ 625,696	\$ -	\$ -	\$ 625,696
U.S. Government & Federal				
Agency Obligations	5,000,040	-	-	5,000,040
Domestic Equities & Mutual				
Funds	44,561,765	-	-	44,561,765
International Mutual Funds	<u>4,449,115</u>	<u>-</u>	<u>-</u>	<u>4,449,115</u>
	<u>\$ 54,636,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,636,616</u>

All financial assets held by the foundation are valued at quoted market prices.

NOTE 13 PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2010, grants that were awarded in previous years were terminated or adjusted as follows:

Salem Community College Foundation

The grant that was awarded in 2006 had a Grant Payable balance remaining in the amount of \$ 20,029. It was mutually agreed that this amount was not needed for the original grant purposes and would not be expended by Salem Community College Foundation. Therefore, Grants Payable was reduced by \$20,029 and recorded as a prior period adjustment.

SALEM HEALTH AND WELLNESS FOUNDATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 13 PRIOR PERIOD ADJUSTMENT (continued)

Salvation Army

The grant that was awarded in 2006 had a Grant Payable balance remaining in the amount of \$ 6,521. It was mutually agreed that this amount was not needed for the original grant purposes and would not be expended by the Salvation Army. Therefore, Grants Payable was reduced by \$6,521 and recorded as a prior period adjustment.

Tri-County Community Action Partnership

The Grant that was awarded in 2009 had a Grant Payable balance remaining in the amount of \$ 5,291. It was mutually agreed that this amount was not needed for the original grant purposes and would not be expended by Tri-County Community Action Partnership. Therefore, Grants Payable was reduced by \$5,291 and recorded as a prior period adjustment.

Salem Community College Foundation	\$ 20,029
Salvation Army	6,521
Tri-County Community Action Partnership	<u>5,291</u>
 Total Prior Period Adjustment	 <u><u>\$ 31,841</u></u>

NOTE 14 SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date (that is, non-recognized subsequent events).

The Foundation has evaluated subsequent events through May 20, 2011, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.