



**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2012 AND 2011**

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors of  
The Children's Foundation of Astor, Inc.

We have audited the accompanying statements of financial position of The Children's Foundation of Astor, Inc. (the "Foundation") as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years 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 audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Foundation of Astor, Inc. as of June 30, 2012 and 2011, 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.

*Marks Paneth & Shron LLP*

New York, NY  
November 29, 2012

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 2C)	\$ 165,837	\$ 165,787
Investments in securities (Notes 2E, 3 and 9)	3,347,147	3,748,057
Due from a related party (Note 7)	1,641	1,641
Note receivable from related party, current (Note 4)	11,505	27,756
Other assets	<u>177</u>	<u>1,250</u>
<b>Total current assets</b>	3,526,307	3,944,491
Property and equipment, net (Notes 2F and 5)	1,798,928	1,863,942
Note receivable from related party, noncurrent (Note 4)	-	11,505
Restricted endowment investments (Notes 2B, 2E, 3, 8 and 9)	<u>500,000</u>	<u>500,000</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,825,235</u>	<u>\$ 6,319,938</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ -	\$ 1,006
Due to a related party (Note 7)	461,361	334,111
Mortgages payable, current (Note 6)	<u>37,509</u>	<u>179,739</u>
<b>Total current liabilities</b>	498,870	514,856
Mortgages payable, noncurrent (Note 6)	<u>100,580</u>	<u>11,505</u>
<b>TOTAL LIABILITIES</b>	<u>599,450</u>	<u>526,361</u>
<b>COMMITMENTS</b> (Note 10)		
<b>NET ASSETS</b> (Note 2B)		
Unrestricted	4,725,454	5,241,412
Temporarily restricted	331	52,165
Permanently restricted	<u>500,000</u>	<u>500,000</u>
<b>TOTAL NET ASSETS</b>	<u>5,225,785</u>	<u>5,793,577</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 5,825,235</u>	<u>\$ 6,319,938</u>

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

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	Year Ended June 30, 2012			Year Ended June 30, 2011				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2011
<b>PUBLIC SUPPORT AND REVENUE:</b>								
Contributions and fundraising	\$ 182,355	\$ 10,865	\$ -	\$ 193,220	\$ 152,171	\$ 43,087	\$ -	\$ 195,258
Rental income from related party (Note 7)	88,489	-	-	88,489	106,380	-	-	106,380
Investment activity (Note 3)	(104,000)	-	-	(104,000)	757,139	-	-	757,139
Interest income on note receivable from related party (Note 4)	557	-	-	557	1,250	-	-	1,250
Net assets released from restrictions (Note 2B)	62,699	(62,699)	-	-	-	-	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>230,100</b>	<b>(51,834)</b>	<b>-</b>	<b>178,266</b>	<b>1,016,940</b>	<b>43,087</b>	<b>-</b>	<b>1,060,027</b>
<b>EXPENSES:</b>								
<b>Program service expenses:</b>								
Property taxes	-	-	-	-	416	-	-	416
Interest expense (Note 6)	8,385	-	-	8,385	11,831	-	-	11,831
Grant expense, related party (Note 7)	300,000	-	-	300,000	83,844	-	-	83,844
Depreciation expense	65,014	-	-	65,014	65,869	-	-	65,869
Repairs and maintenance expense	-	-	-	-	1,291	-	-	1,291
<b>Total program service expenses</b>	<b>373,399</b>	<b>-</b>	<b>-</b>	<b>373,399</b>	<b>163,251</b>	<b>-</b>	<b>-</b>	<b>163,251</b>
<b>Management and general:</b>								
Administrative (Note 7)	199,820	-	-	199,820	159,670	-	-	159,670
Legal, audit and other professional services	54,227	-	-	54,227	35,237	-	-	35,237
<b>Total management and general</b>	<b>254,047</b>	<b>-</b>	<b>-</b>	<b>254,047</b>	<b>194,907</b>	<b>-</b>	<b>-</b>	<b>194,907</b>
<b>Fundraising</b>	<b>118,612</b>	<b>-</b>	<b>-</b>	<b>118,612</b>	<b>65,981</b>	<b>-</b>	<b>-</b>	<b>65,981</b>
<b>TOTAL EXPENSES</b>	<b>746,058</b>	<b>-</b>	<b>-</b>	<b>746,058</b>	<b>424,139</b>	<b>-</b>	<b>-</b>	<b>424,139</b>
<b>CHANGE IN NET ASSETS</b>	<b>(515,958)</b>	<b>(51,834)</b>	<b>-</b>	<b>(567,792)</b>	<b>592,801</b>	<b>43,087</b>	<b>-</b>	<b>635,888</b>
Net assets - beginning of year	5,241,412	52,165	500,000	5,793,577	4,648,611	9,078	500,000	5,157,689
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,725,454</b>	<b>\$ 331</b>	<b>\$ 500,000</b>	<b>\$ 5,225,785</b>	<b>\$ 5,241,412</b>	<b>\$ 52,165</b>	<b>\$ 500,000</b>	<b>\$ 5,793,577</b>

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

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (567,792)	\$ 635,888
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	65,014	65,869
Contributed securities	(3,036)	(3,042)
Loss on sale of land	-	4,792
Realized/unrealized loss (gain) on investments	<u>189,359</u>	<u>(690,690)</u>
Subtotal	(316,455)	12,817
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Other assets	1,073	(1,250)
Increase (decrease) in liabilities:		
Accounts payable	(1,006)	-
Due to a related party	<u>127,250</u>	<u>50,797</u>
<b>Net Cash (Used) Provided by Operating Activities</b>	<u>(189,138)</u>	<u>62,364</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Principal payments received on note receivable from related party	27,756	27,756
Purchase of securities	(85,413)	(861,526)
Proceeds from sales of securities	300,000	790,036
Proceeds from sale of land	<u>-</u>	<u>11,108</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>242,343</u>	<u>(32,626)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on mortgages	(179,739)	(51,494)
Borrowings of mortgage payable	<u>126,584</u>	<u>(51,494)</u>
<b>Net Cash Used by Financing Activities</b>	<u>(53,155)</u>	<u>(51,494)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	50	(21,756)
Cash and cash equivalents - beginning of year	<u>165,787</u>	<u>187,543</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 165,837</u>	<u>\$ 165,787</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	<u>\$ 8,385</u>	<u>\$ 11,831</u>

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

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

The Children's Foundation of Astor, Inc. (the "Foundation") was incorporated in 1990 under the Not-For-Profit Corporation Law of the State of New York. The Foundation has been granted exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. The Foundation was formed to raise funds and provide grants as well as support the activities of Astor Services for Children & Families ("Astor").

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. The Foundation prepares its financial statements using the accrual basis of accounting. The Foundation adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. The Foundation maintains its net assets under the following three classes:
- Unrestricted – represents resources available for support of the Foundation's operations over which the Board of Directors has discretionary control.
  - Temporarily restricted – represents assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. The Foundation had temporarily restricted net assets of \$331 and \$52,165 (purpose restricted), as of June 30, 2012 and 2011, respectively.
  - Permanently restricted – represents assets subject to donor-imposed stipulations that the corpus be maintained permanently by the Foundation. The donor of these assets permits the Foundation to use the income earned from related investments for general or specific purposes (meaning that the earnings are accounted for in the unrestricted net asset class) to benefit Astor.
- C. For purposes of the statements of cash flows, the Foundation defines cash and cash equivalents as cash and money market funds with maturities of three months or less when acquired.
- D. Pledges are recorded as income when the Foundation is formally notified of the grants or contributions by the respective donors. Unless material, the Foundation does not discount multiyear pledges.
- The Foundation determined that no allowance for doubtful accounts is necessary as of June 30, 2012 and 2011. This determination is based on management's assessment of the creditworthiness of the donor as well as historical experience.
- E. Investments in equity and debt securities are measured at fair value.
- F. Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. The Foundation capitalizes property and equipment with a cost of \$1,000 or more and a useful life of greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.
- G. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.
- H. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 9.

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- I. The Foundation has no uncertain tax positions as of June 30, 2012 and 2011 in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Foundation is no longer subject to federal or state and local income tax examinations by tax authorities for fiscal years before 2009.

**NOTE 3 - INVESTMENTS**

Investments consist of the following as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Mutual funds		
Domestic equity	\$ 609,850	\$ 1,542,348
International equity	1,649,785	1,122,495
Fixed income	638,718	567,786
Exchange traded funds		
Domestic equity	239,905	259,792
Fixed income	163,348	215,882
Money market funds	18,271	16,450
Certificates of deposit	524,220	519,120
Common stocks	<u>3,050</u>	<u>4,184</u>
Subtotal	3,847,147	4,248,057
Restricted investments	<u>(500,000)</u>	<u>(500,000)</u>
Investments, net of restricted amounts	<u>\$ 3,347,147</u>	<u>\$ 3,748,057</u>

Investments are subject to market volatility that could change their carrying values in the near term.

Investment activity consists of the following for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Interest and dividends	\$ 85,359	\$ 66,449
Net realized/unrealized (loss) gain	<u>(189,359)</u>	<u>690,690</u>
	<u>\$ (104,000)</u>	<u>\$ 757,139</u>

**NOTE 4 - NOTE RECEIVABLE FROM RELATED PARTY**

The note receivable from related party is due from Astor and consists of the following as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Due November 26, 2012. This note is receivable in monthly principal installments of \$2,313 plus interest, based on a ten year amortization period. Interest is calculated at LIBOR plus 1.75% (2.82% as of June 30, 2012)	\$ 11,505	\$ 39,261
Less: Current portion	<u>(11,505)</u>	<u>(27,756)</u>
Note receivable from related party, noncurrent	<u>\$ -</u>	<u>\$ 11,505</u>



**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>	<u>Estimated Useful Lives</u>
Land	\$ 387,365	\$ 387,365	
Buildings and improvements	<u>2,190,561</u>	<u>2,190,561</u>	
Total cost	2,577,926	2,577,926	5-40 Years
Accumulated depreciation	<u>(778,998)</u>	<u>(713,984)</u>	
Net book value	<u>\$ 1,798,928</u>	<u>\$ 1,863,942</u>	

Depreciation expense amounted to \$65,014 and \$65,869 for each of the years ended June 30, 2012 and 2011, respectively.

**NOTE 6 – MORTGAGES PAYABLE**

As of June 30, 2012 and 2011, the mortgages payable consist of the following:

	<u>2012</u>	<u>2011</u>
Payable to a bank. Due November 2012, this loan bears interest at LIBOR plus 1.75%. (2.82% as of June 30, 2012). This mortgage is collateralized by real property located at Dyre Ave, Bronx, NY.	\$ 11,505	\$ 39,261
Payable to a bank. This loan was paid in 2012.	-	151,983
Payable to a real estate company. Due January 2017, this loan bears interest at a fixed rate of 4.54%. This mortgage is collateralized by real property located at Lincoln Ave, Poughkeepsie, NY.	<u>126,584</u>	<u>-</u>
	138,089	191,244
Less: Current portion	<u>(37,509)</u>	<u>(179,739)</u>
Mortgages payable, noncurrent	<u>\$ 100,580</u>	<u>\$ 11,505</u>

Interest expense amounted \$8,385 and \$11,831 for the years ended June 30, 2012 and 2011, respectively.

Future annual principal payments for the fiscal years ending after June 30, 2012 are as follows:

2013	\$ 37,509
2014	27,227
2015	28,507
2016	29,843
2017	<u>15,003</u>
	<u>\$ 138,089</u>

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 7 – RELATED PARTY TRANSACTIONS**

Astor and The Astor Learning Center (the "Center") are equal members of the Foundation.

Astor is the lessee of certain real estate property owned by the Foundation. Rental income paid by Astor to the Foundation amounted to \$88,849 and \$106,380 for the years ended June 30, 2012 and 2011, respectively. Astor also charges the Foundation certain administrative expenses, which amounted to \$196,461 and \$157,090 for the years ended June 30, 2012 and 2011, respectively.

The Foundation obtained an original mortgage during the year ended June 30, 1992 for the purpose of lending money to Astor. Astor used this money to finance certain leasehold improvements that were made to a building in which Astor is the tenant and the Foundation is the owner. A second mortgage was obtained in June 2001 for the purpose of purchasing a building in which Astor is the tenant and the Foundation is the owner as further described in Notes 4 and 5.

The Foundation recorded a liability to Astor as of June 30, 2012 and 2011 which amounted to \$461,361 and \$334,111, respectively. These amounts primarily represent administrative expenses charged to the Foundation by Astor, and other expenses paid by Astor on behalf of the Foundation.

For the years ended June 30, 2012 and 2011, the Foundation contributed \$300,000 and \$83,844, respectively, to Astor, which is reflected as grant expense in the accompanying financial statements.

The Foundation recorded a receivable from the Center which amounted to \$1,641 as of June 30, 2012 and 2011.

**NOTE 8 – ENDOWMENT NET ASSETS**

Endowment net assets consist of donor-restricted funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on existence or absence of donor imposed restrictions. See Note 2B for how the Foundation maintains its net assets.

As of June 30, 2012 and 2011, permanently restricted net assets amounted to \$500,000.

The Foundation recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act ("NYPMIFA") on September 17, 2010. NYPMIFA replaces the prior law which was the Uniform Management of Institutional Funds Act ("UMIFA"). NYPMIFA creates a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted permanent endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered unrestricted by the donor will be reflected as temporarily restricted until appropriated.

The Foundation's Board has interpreted NYPMIFA as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

The Foundation's endowment investment policy is to invest the funds in a mix of mutual funds with the objective of long term growth. The investment policy provides for an asset allocation model that is designed to achieve this objective. The endowment's total return performance is reviewed by the Foundation's Board at each meeting. Any adjustments to the mix or allocation of the endowment based upon performance and market conditions would be approved by the Board each meeting.

The policy for valuing the Foundation's investments is described in Notes 2E, 2H, 3 and 9. In accordance with U.S. GAAP, organizations are required to disclose any deterioration of the fair value of assets associated with donor-restricted endowment funds that fall below the level the donor requires the organization to retain in perpetuity. The Foundation has not incurred such deficiencies in its endowment funds as of June 30, 2012 and 2011.

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 8 – ENDOWMENT NET ASSETS (Continued)**

Changes in endowment net assets for the year ended June 30, 2012 are as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total 2012</u>
Endowment net assets, beginning of year	\$ 147,077	\$ 500,000	\$ 647,077
Investment activity:			
Interest and dividends	15,350	-	15,350
Unrealized loss on investments	<u>(36,770)</u>	<u>-</u>	<u>(36,770)</u>
Endowment net assets, end of year	<u>\$ 125,657</u>	<u>\$ 500,000</u>	<u>\$ 625,657</u>

Changes in endowment net assets for the year ended June 30, 2011 are as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total 2011</u>
Endowment net assets, beginning of year	\$ 171,918	\$ 500,000	\$ 671,918
Investment activity:			
Interest and dividends	14,775	-	14,775
Unrealized gain on investments	210,384	-	210,384
Transfer of investments not permanently restricted	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Endowment net assets, end of year	<u>\$ 147,077</u>	<u>\$ 500,000</u>	<u>\$ 647,077</u>

**NOTE 9 – FAIR VALUE MEASUREMENTS**

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

**THE CHILDREN'S FOUNDATION OF ASTOR, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012 AND 2011**

**NOTE 9 – FAIR VALUE MEASUREMENTS (Continued)**

The Foundation's financial assets carried at fair value at June 30, 2012 are classified in the table as follows:

<b>ASSETS CARRIED AT FAIR VALUE</b>	<u>Level I</u>	<u>Level II</u>	<u>Total 2012</u>
Mutual funds			
Domestic equity	\$ 609,850	\$ -	\$ 609,850
International equity	1,649,785	-	1,649,785
Fixed income	638,718	-	638,718
Exchange traded funds			
Domestic equity	239,905	-	239,905
Fixed income	163,348	-	163,348
Money market funds	18,271	-	18,272
Certificates of deposit	-	524,220	524,220
Common stocks	3,050	-	3,050
<b>TOTAL ASSETS CARRIED AT FAIR VALUE</b>	<b><u>\$ 3,322,927</u></b>	<b><u>\$ 524,220</u></b>	<b><u>\$ 3,847,147</u></b>

The Foundation's financial assets carried at fair value at June 30, 2011 are classified in the table as follows:

<b>ASSETS CARRIED AT FAIR VALUE</b>	<u>Level I</u>	<u>Level II</u>	<u>Total 2011</u>
Mutual funds			
Domestic equity	\$ 1,542,348	\$ -	\$ 1,542,348
International equity	1,122,495	-	1,122,495
Fixed income	567,786	-	567,786
Exchange traded funds			
Domestic equity	259,792	-	259,792
Fixed income	215,882	-	215,882
Money market funds	16,450	-	16,450
Certificates of deposit	-	519,120	519,120
Common stocks	4,184	-	4,184
<b>TOTAL ASSETS CARRIED AT FAIR VALUE</b>	<b><u>\$ 3,728,937</u></b>	<b><u>\$ 519,120</u></b>	<b><u>\$ 4,248,057</u></b>

Investments in actively traded mutual funds and fixed income are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes of transactions in active exchange markets involving identical assets. Certificates of deposit are designated as Level 2 instruments and valuations are obtained from readily-available pricing sources for comparable instruments (credit risk/grade, maturities etc.).

**NOTE 10—COMMITMENTS**

The Foundation, which was formed to raise funds and provide grants as well as support the activities of Astor, has guaranteed to provide the operating funds necessary to support Astor and the Center through June 30, 2013 if funds are not readily available from operating cash flows or through external financings. In addition, to the extent that the Center is not able to repay its obligations to Astor, the Foundation has guaranteed such obligations.

**NOTE 11—SUBSEQUENT EVENTS**

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through November 29, 2012, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through November 29, 2012 that would require adjustment to or disclosure in the financial statements.