The Joyce Foundation

Financial Statements
Years Ended December 31, 2009 and 2008

The report accompanying these financial statements was issued by BDO USA, LLP, a New York limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

The Joyce Foundation

Financial Statements

Years Ended December 31, 2009 and 2008

The Joyce Foundation

Contents

Tel: 312-856-9100
Fax: 312-856-1379
www.bdo.com

233 N Michigan Avenue, Suite 2500
Chicago, IL 60601

Independent Auditors' Report

To the Board of Directors
The Joyce Foundation

We have audited the accompanying statements of financial position of The Joyce Foundation (the "Foundation") as of December 31, 2009 and 2008 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 audits 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 Foundation'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.

As discussed in Note 2, effective January 1, 2008, the Foundation changed its method of accounting for fair value measurements in accordance with Accounting Standards Codification 820-10, "*Fair Value Measurements.*"

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Joyce Foundation as of December 31, 2009 and 2008 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.

BDO USA, LLP

Chicago, Illinois
July 7, 2010

Financial Statements

The Joyce Foundation

Statements of Financial Position

December 31,		**2009**		2008
Assets				
Current Assets				
Cash	**$**	**912,314**	$	338,984
Collateral received under securities lending program (Note 1)		**31,783,332**		16,739,010
Due from brokers for sales of securities		**1,522,873**		1,329,869
Investments at fair value (Note 2)		**738,438,295**		629,670,599
Contribution receivable		**-**		1,000,000
Current federal excise tax receivable		**396,193**		510,000
Other assets		**178,699**		223,558
Total Assets	**$**	**773,231,706**	$	649,812,020
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	**$**	**456,702**	$	527,665
Due to brokers for purchases of securities		**642,004**		1,834,469
Grants payable		**11,408,358**		18,548,629
Payable under securities lending program (Note 1)		**31,783,332**		16,739,010
Deferred federal excise tax payable		**450,000**		-
		44,740,396		37,649,773
Net Assets				
Unrestricted		**728,491,310**		611,048,135
Temporarily restricted		**-**		1,114,112
Total Net Assets		**728,491,310**		612,162,247
Total Liabilities and Net Assets	**$**	**773,231,706**	$	649,812,020

See accompanying notes to financial statements.

The Joyce Foundation

Statements of Activities

Year ended December 31,	Unrestricted	Temporarily Restricted	2009 Total
Revenue			
Investment revenue			
Net realized gains on investment transactions	$ 3,906,136	$ -	$ 3,906,136
Net unrealized appreciation on assets	136,359,152	-	136,359,152
Interest income	222,270	-	222,270
Dividend income	12,481,725	-	12,481,725
Other income	287,178	-	287,178
	153,256,461	-	153,256,461
Investment expenses	2,080,837	-	2,080,837
Net investment revenue	151,175,624	-	151,175,624
Total revenue	151,175,624	-	151,175,624
Expenses			
Grants awarded, net of grants returned (grant payments made of $35,936,945 in 2009)	28,796,674	-	28,796,674
General and administrative expenses	5,486,080	-	5,486,080
Federal excise tax/unrelated business income tax	113,807	-	113,807
Deferred federal excise tax	450,000	-	450,000
Total expenses	34,846,561	-	34,846,561
Net Assets Released from Restrictions	1,114,112	(1,114,112)	-
Increase (Decrease) in Net Assets	117,443,175	(1,114,112)	116,329,063
Net Assets, at beginning of year	611,048,135	1,114,112	612,162,247
Net Assets, at end of year	$ 728,491,310	$ -	$ 728,491,310

See accompanying notes to financial statements.

The Joyce Foundation

Statements of Activities

Year ended December 31,	**Unrestricted**	**Temporarily Restricted**	2008 Total
Revenue			
Investment losses			
Net realized losses on investment transactions	$ (51,474,221)	$ -	$ (51,474,221)
Net unrealized depreciation on assets	(219,619,485)	-	(219,619,485)
Interest income	612,441	-	612,441
Dividend income	15,505,286	-	15,505,286
Other income	630,613	-	630,613
	(254,345,366)	-	(254,345,366)
Investment expenses	2,991,969	-	2,991,969
Net investment losses	(257,337,335)	-	(257,337,335)
Expenses			
Grants awarded, net of grants returned (grant payments made of $38,956,628)	36,810,270	-	36,810,270
General and administrative expenses	5,561,981	-	5,561,981
Federal excise tax/ unrelated business income tax	346,998	-	346,998
Deferred federal excise tax benefit	(1,935,449)	-	(1,935,449)
Total expenses	40,783,800	-	40,783,800
Net Assets Released from Restrictions	1,000,000	(1,000,000)	-
Decrease in Net Assets	(297,121,135)	(1,000,000)	(298,121,135)
Net Assets, at beginning of year	908,169,270	2,114,112	910,283,382
Net Assets, at end of year	$ 611,048,135	$ 1,114,112	$ 612,162,247

See accompanying notes to financial statements.

The Joyce Foundation

Statements of Cash Flows

Year ended December 31,		**2009**		2008
Cash Flows From Operating Activities				
Increase (decrease) in net assets	**$**	**116,329,063**	$	(298,121,135)
Adjustments to reconcile change in net assets to net cash used in operating activities				
Realized (gain) loss on investment transactions		**(3,906,136)**		51,474,221
Net unrealized (appreciation) depreciation on assets		**(136,359,152)**		219,619,485
Deferred federal excise tax		**450,000**		(1,935,449)
Changes in				
Contribution receivable		**1,000,000**		-
Other assets		**44,859**		160,181
Federal excise tax receivable		**113,807**		(510,000)
Grants payable		**(7,140,271)**		(2,146,358)
Accounts payable and accrued expenses		**(70,963)**		438,573
Net cash used in operating activities		**(29,538,793)**		(31,020,482)
Cash Flows From Investing Activities				
Proceeds from investments		**236,453,038**		530,354,020
Purchases of investments		**(206,340,915)**		(499,195,466)
Change in payable under securities lending program		**15,044,322**		35,844,600
Change in collateral received under securities lending program		**(15,044,322)**		(35,844,600)
Net cash provided by investing activities		**30,112,123**		31,158,554
Increase in Cash		**573,330**		138,072
Cash, at beginning of year		**338,984**		200,912
Cash, at end of year	**$**	**912,314**	$	338,984

See accompanying notes to financial statements.

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

The Joyce Foundation (the "Foundation") is a nonprofit organization that makes grants in a number of carefully defined program areas, primarily education, employment, environment, gun violence, money and politics and culture.

The financial statements have been prepared in conformity with accounting policies applicable to nonprofit organizations.

Accounting Standards Codification

Effective with the financial statements for the year ending December 31, 2009, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification ("ASC" or "the Codification") 105-10, "*Generally Accepted Accounting Principles*," which becomes the single official source of authoritative, nongovernmental United States generally accepted accounting principles. The adoption of ASC 105-10 changed all reference to authoritative accounting literature referenced in the Foundation's notes to the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. However, as a private charitable foundation, it is subject to a federal excise tax based on net investment income. Deferred federal excise tax represents taxes provided on the net unrealized appreciation on investments, using a rate of 2% or 1%. The Foundation is subject to income tax at corporate rates on certain income that is considered unrelated business income under the Internal Revenue Code.

Investment Valuation and Income Recognition

The investments of the Foundation are reported at fair value. The fair value of a financial instrument is 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 (the exit price). The fair value is generally based on year-end published quotations or the net asset value ("NAV") of investment funds. These prices are only used for financial reporting purposes and do not necessarily represent the ultimate realizable values of such securities.

Cash, securities transactions receivable, and obligations are carried at cost which approximates fair value because of the short maturity of these instruments.

Marketable securities, including short-term money markets, public equities and U.S government and corporate bonds, are reflected at market values based on quoted prices. Common stock, preferred stock, fixed income securities including U.S. government and corporate obligations, options and futures traded in active markets on national and international securities exchanges are valued at closing prices on the last business day of each period presented. Securities traded in markets that are not considered active are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the Foundation's investment managers' best estimates. In general, corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in U.S. government bonds are estimated using best available trade data. Investments in certain restricted common stocks are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. The multiple chosen is consistent with multiples of similar companies based on current market prices.

Limited liquidity investments (categorized as "private equities" and "marketable alternatives" – see Note 2) are stated at estimated fair value. Limited liquidity investments are primarily made under agreements to participate in limited partnerships and commingled funds and are generally subject to certain withdrawal restrictions. These interests are valued on the basis of the Foundation's equity in the net assets of such investments. Values for these investments, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner or administrator and may be based on appraisals, market values discounted for concentration of ownership, or other estimates. Because of inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnership and commingled funds, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the Foundation's limited liquidity investments are audited annually by independent public accounting firms.

Some of the Foundation's assets are held in various limited partnerships that invest in the securities of companies that may not be immediately liquid. The partnerships' general partners, who must follow the valuation guidelines stipulated in their respective limited partnership agreements, determine the value of such investments. Given the inherent risks associated with this type of investment, there can be no guarantee that there will not be widely varying gains or losses on these limited partnership investments in future periods.

Investment sales and purchases are recorded on a trade-date basis, which results in both investment receivables and payables on unsettled investment trades. Dividend income is recorded based upon the ex-dividend date, and interest income is recorded as earned on an accrual basis. Realized and unrealized gains and losses from changes in market values are reflected in the statements of activities.

Securities Lending

The Foundation participates in a securities lending program administered by the Foundation's custodian. Under this program, securities are periodically loaned to selected brokers, banks or other institutional borrowers of securities, for which collateral in the form of cash, letters of credit, or government securities may not be less than 102% of the market value of the loaned securities plus accrued but unpaid interest or dividends. The Foundation invests this collateral received in a commingled fund of short-term fixed income securities. The Foundation bears the risk that it may experience delays in the recovery or even loss of rights in the collateral should the borrower of the securities fail to meet its obligations or if investments purchased through the collateral reinvestment process become impaired. In September 2008, the custodian declared a deficiency in the collateral fund for the securities lending program. As such, the Foundation was assessed their pro rata share of the deficiency. In December 2009, due to market recovery, the custodian declared a partial reversal of the deficiency. A liability regarding the deficiency of approximately $101,000 and $511,000 is included in accounts payable and accrued expenses in the accompanying 2009 and 2008 statements of financial position.

Fixed Assets

The Foundation capitalizes the cost of leasehold improvements, furniture and equipment, and is depreciating/amortizing the assets using the straight-line method. Leasehold improvements are amortized over the lesser of the estimated useful life of the improvements or the term of the lease, and furniture and equipment are depreciated over five years, the estimated useful life. Fixed assets are included in other assets on the 2009 and 2008 statements of financial position.

Grants

Grants specifically committed to designated grantees, but not yet paid, are accrued as grants payable.

Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

Net Assets

Temporarily restricted net assets are limited by donors to a specific time period or purpose. Unrestricted net assets are not subject to any stipulations. During 2007, the Foundation received a commitment of $2,100,000 restricted to specific grant-making. $1,100,000 of this amount was received during 2007 and the remaining $1,000,000 was received in 2009. As of December 31, 2009, the Foundation has expended all amounts received under these arrangements.

Uncertainty in Income Taxes

The Financial Accounting Standards Board issued ASC 740-10-25, *"Accounting for Uncertainty in Income Taxes,"* which:

1. Requires that the realization of an uncertain income tax position must be more likely than not (that is, greater than 50% likelihood of receiving benefit) before it can be recognized in the financial statements
2. Mandates that the recorded amount must be the most likely amount realized assuming a review by the tax authorities having all relevant information and applying current conventions
3. Establishes financial statement classification of tax related penalties and interest, and
4. Sets narrative disclosures regarding unrecognized tax benefits.

On January 1, 2009, the Foundation adopted the provisions of ASC 740-10-25. The adoption of these provisions did not have a material impact on the Foundation's financial statements.

Reclassification

Certain reclassifications have been made to the 2008 balances to conform to the 2009 presentation. These reclassifications had no effect on the changes in net assets in 2008 or total net assets at December 31, 2008.

Subsequent Events

The Foundation has evaluated subsequent events through July 7, 2010, the date the financial statements were available to be issued.

2. Investments

Fair Value Measurements

The Foundation adopted ASC 820-10, "*Fair Value Measurements,"* effective January 1, 2008. In accordance with ASC 820-10, fair value is defined as the price that the Foundation would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. ASC 820-10 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based upon market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions of what market participants would use in pricing the asset or liability based upon the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 – Quoted prices in active markets for identical investments

Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)

Level 3 – Significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of investments)

Foundation investments consist of the following:

	2009		2008	
	Cost	**Market Value**	Cost	Market Value
Short-term money markets	**$ 15,337,044**	**$ 15,337,044**	$ 8,084,359	$ 8,084,359
U.S. government and corporate bonds	**105,926,121**	**104,867,507**	117,348,018	108,692,197
Public equities	**398,865,316**	**412,491,530**	418,828,119	329,418,138
Private equities	**47,704,524**	**57,135,366**	34,184,463	41,016,599
Marketable alternatives	**147,621,472**	**147,939,087**	164,310,746	141,791,545
Program related investment	**225,000**	**225,000**	225,000	225,000
Real estate and mineral rights	**442,761**	**442,761**	442,761	442,761
Total	**$716,122,238**	**$738,438,295**	$743,423,466	$629,670,599

Short-term money markets consist primarily of U.S. government treasury securities, high-grade commercial paper, and discounted notes. U.S. government and corporate bonds consist primarily of U.S. government agency and treasury securities, mortgage-backed securities, collateralized mortgage obligations, high-grade corporate securities, international corporate and government securities, and investments in domestic and international pooled funds. Public equities consist primarily of direct or indirect investments in U.S. and international stock. Private equities consist of limited partnerships, such as venture capital, buyout firms, real estate partnerships, and investments in distressed and mezzanine debt securities. Marketable alternatives consist of mutual, hedge and commingled funds.

The following is a summary of the inputs used as of December 31, 2009 in valuing the Foundation's investments:

	December 31, 2009	Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term money markets	$ 15,337,044	$ 15,337,044	$ -	$ -
U.S. government and corporate bonds	104,867,507	-	104,867,507	-
Public equities	412,491,530	192,407,974	195,303,503	24,780,053
Private equities	57,135,366	-	-	57,135,366
Marketable alternatives	147,939,087	-	39,050,347	108,888,740
Program related investment	225,000	-	-	225,000
Real estate and mineral rights	442,761	-	-	442,761
Total	**$738,438,295**	**$ 207,745,018**	**$ 339,221,357**	**$191,471,920**

The following is a summary of the inputs used as of December 31, 2008 in valuing the Foundation's investments:

	December 31, 2008	Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term money markets	$ 8,084,359	$ 8,084,359	$ -	$ -
U.S. government and corporate bonds	108,692,197	-	108,692,197	-
Public equities	329,418,138	141,544,249	172,699,792	15,174,097
Private equities	41,016,599	-	-	41,016,599
Marketable alternatives	141,791,545	-	42,102,991	99,688,554
Program related investment	225,000	-	-	225,000
Real estate and mineral rights	442,761	-	-	442,761
Total	**$629,670,599**	**$149,628,608**	**$323,494,980**	**$ 156,547,011**

The table below sets forth a summary of changes in the fair value of the Foundation's level 3 investment assets for the years ended December 31, 2009 and 2008, respectively.

	Public Equities	Private Equities	Marketable Alternatives	Program Related Investments	Real Estate and Mineral Rights	Total
Balance, at January 1, 2008	$ -	$35,983,976	$15,000,000	$225,000	$442,761	$ 51,651,737
Realized (losses) gains	(2,170,829)	(2,833,981)	141,712	-	-	(4,863,098)
Unrealized losses	(10,155,074)	(3,264,597)	(20,453,158)	-	-	(33,872,829)
Purchases, issuances, and settlements, net	27,500,000	11,131,201	105,000,000	-	-	143,631,201
Balance, at January 1, 2009	15,174,097	41,016,599	99,688,554	225,000	442,761	156,547,011
Realized gains	-	1,403,768	-	-	-	1,403,768
Unrealized gains	9,605,956	1,366,382	18,441,286	-	-	29,413,624
Purchases, issuances, and settlements, net	-	13,348,617	(9,241,100)	-	-	4,107,517
Balance, at December 31, 2009	$24,780,053	$57,135,366	$108,888,740	$225,000	$442,761	$191,471,920

In addition, at December 31, 2009 and 2008, the Foundation also has $31,783,332 and $16,739,010, respectively, of securities lending collateral which are considered to be level 2 investments.

The Foundation uses NAV or the equivalent to determine the fair value of all investments which (a) do not have readily determinable fair value and (b) have financial statements prepared consistent with the measurement principles of an investment company or have attributes of an investment company. Per ASU 2009-12, the following table lists such investments by major category:

	Fair Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Public equities (a)	$ 151,303,353	$ -	Monthly	30 days or less
Private equities (b)	57,135,366	44,000,000	NA	NA
Marketable alternatives				
Equity long/short hedge funds (c)	64,899,129	-	Quarterly – Triennially	45-60 days
Absolute return hedge funds (d)	83,015,367	-	Quarterly - Annually	45-180 days
Total	$ 356,353,215	$ 44,000,000		

(a) Public Equities

This category includes investments in commingled funds and partnerships that invest primarily in publicly traded, long-only securities, including U.S. and non-U.S. common stock; closed-end mutual funds that invest in non-U.S. stocks; equity index futures, and short-term fixed income securities. The fair values of the investments in this category have been estimated using the net asset value per share of the investments or the NAV of the Foundation's ownership interest in partners' capital, depending on the fund's structure.

(b) Private Equities

This category includes private equity funds that invest primarily in U.S. and non-U.S. companies, distressed debt and commercial real estate. The fair values of the investments in this category have been estimated using the NAV of the Foundation's ownership interest in partners' capital. The Foundation cannot request a redemption. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next 7 to 10 years.

(c) Equity Long/Short Hedge Funds

This category includes investments in hedge funds that invest both long and short primarily in U.S. and non-U.S. common stocks. The fair values of the investments in this category have been estimated using the NAV per share of the investments or the NAV of the Foundation's ownership interest in partners' capital, depending on the fund's structure. Only one fund, representing approximately 22% of the value of the investments in this category, has triennial redemption. All other funds can be redeemed annually.

(d) Absolute Return Hedge Funds

This category invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. These strategies include distressed and non-distressed bond strategies, long/short equity strategies, event-oriented equity strategies, real assets including real estate, and private equity. The fair values of the investments in this category have been estimated using the NAV per share of the investments or the NAV of the Foundation's ownership interest in partners' capital, depending on the fund's structure. One fund, representing approximately 22% of the value of the investments in this category, cannot be redeemed because the investment includes restrictions that do not allow for redemption in the first three years after acquisition. The remaining restriction is 24 months at December 31, 2009. Once this restriction expires, this fund requires 180 days notice to redeem all or part of the investment. All other funds require 60 days or less.

Investment Partnerships Open Commitments

The Foundation had open commitments to make additional partnership investments of $44,320,450 at December 31, 2009. Returned unused capital contributions may be recalled and all distributions are subject to repayment to cover liabilities of the partnerships. The amount of this contingency cannot be determined.

Derivative Financial Instruments

In connection with its investing activities, the Foundation enters into transactions involving a variety of derivative financial instruments, primarily exchange-traded financial futures contracts. These contracts provide for the delayed delivery or purchase of financial instruments at a specified future date at a specified price or yield.

Derivative financial instruments involve varying degrees of off-balance-sheet market risk, whereby changes in the market values of the underlying financial instruments may result in changes in the value of the financial instruments in excess of the amounts reflected in the statements of financial position. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the Foundation’s investment holdings and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Foundation’s overall exposure to market risk.

Derivative financial instruments can also be subject to credit risk, which arises from the potential inability of counterparties to perform in accordance with the terms of the contract. The Foundation’s exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which the Foundation has a gain. Exchange-traded derivative financial instruments, such as financial futures contracts, generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements and the margin requirements of the individual exchanges.

Program-Related Investments

The Foundation had one program-related investment at December 31, 2009 and 2008 which is a $225,000 investment in Series E preferred stock of Shorebank Corporation (“Shorebank”), Chicago, Illinois. The purpose of this investment is to support rural economic development involving expert technical assistance, venture investing and small business lending to expand economic opportunities of low-income people in the Upper Peninsula of Michigan. As the market value of this asset is not readily determinable, this investment is recorded at cost.

The audit committee chairperson of the Foundation’s Board of Directors also serves on the Board of Directors of Shorebank.

3. Defined Contribution Pension Plan

The Foundation maintains a defined contribution pension plan for eligible employees. Employer contributions are discretionary and are calculated as a percentage of salaries as determined by the Board of Directors. Total employer and employee contributions may not exceed the lesser of 100% of salaries or $49,000 per employee. Pension expense was $314,331 for 2009 and $327,003 for 2008.

4. Commitments

The Foundation leases office space under a noncancelable operating lease that provides for minimum monthly payments through January 31, 2013, plus additional amounts to cover the proportionate share of the cost of operating the property. Rent expense including related operating expenses totaled $459,219 in 2009 and $366,091 in 2008. At December 31, 2009, minimum payments under this lease are as follows:

	Amount
2010	$ 233,965
2011	240,135
2012	246,306
2013	20,569
Total	$ 740,975