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To the Board of Directors and Members  
Jerome Foundation, Inc.  
Saint Paul, Minnesota

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of Jerome Foundation, Inc. (the "Foundation") for the year ended April 30, 2011, and have issued our report thereon dated August 22, 2011. This letter presents communications required by our professional standards.

*Our Responsibility under Auditing Standards Generally Accepted in the United States of America*

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Board of Directors and Members of their responsibilities.

In planning and performing our audit of the financial statements of the Foundation, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Foundation's internal control to be significant deficiencies:

*Internal Control over the Preparation and Review of the Financial Statements Being Audited*

The Foundation does not have an internal system designed to provide for the preparation and review of the financial statements being audited, specifically the notes to the financial statements. As auditors, we drafted the financial statements and accompanying notes to the financial statements. This circumstance is not unusual in an organization of your size. It is the responsibility of management and those charged with governance to make the decision whether to prepare your own financial statements.

*Limited Size of Office Staff*

It is desirable from a standpoint of good internal control, that the function of execution of transactions, recording of transactions, and accountability for assets be performed by different individuals. The Foundation operates its accounting and reporting function with principally one individual. This condition is not, however, unusual in organizations the size of the Foundation. It is important for those charged with governance to be aware of this condition and realize that the concentration of duties and responsibilities in one individual is not desirable from a control point of view. Under these conditions, the most effective controls rest in those charged with governance knowledge and monitoring of matters relating to the Foundation's financial affairs. We did note the Foundation has certain administrative controls that are in place by having a detailed second review of the monthly accounting and reporting function by the President, which mitigate the risk of incompatible duties.

*Planned Scope and Timing of the Audit*

We performed the audit according to the planned scope and timing previously communicated to you in our letter dated July 6, 2011.

**Significant Audit Issues**

*Qualitative Aspect of Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Foundation are described in Note 1 to the financial statements. No new accounting policies were adopted in 2011 and the application of existing policies was not changed during 2011.

We noted no transactions entered into by the Foundation during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was valuation of investments that are not readily marketable.

- > *Valuation of Investments That Are Not Readily Marketable.* Investments in timber and timberlands have been estimated using an independent appraisal by a forestry consultant. We have been informed that management reviews and monitors the forestry consultant's appraisal.

We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following misstatements were detected through our audit procedures, and have been corrected by management:

- > To adjust the deferred and excise tax accounts at year-end - \$74,400
- > To adjust the beneficial interest in charitable remainder trust at year-end - \$300,000
- > To adjust depreciation expense at year-end - \$3,000
- > To adjust former securities lending at year-end - \$7,000

The net effect of the adjustments was to increase net assets by approximately \$221,600.

The following misstatement was not corrected by management and is not reflected in the financial statements. The misstatement was not deemed material to the financial statements.

- > Understatement of accrued vacation liability of \$62,600 and corresponding understatement of salary expense for \$10,700 and overstatement of net assets of \$51,900.

The net effect of the unrecorded entry would have been to decrease net assets by \$10,700.

The following misstatement was not corrected by management in the prior year. This misstatement was not deemed material to the financial statements.

- > Prior year understatement of accrued vacation liability of \$51,800 and corresponding understatement of salary expense for \$51,800.

The net effect of the prior year passed entry was to decrease operating income by \$51,800 in 2011.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the Foundation's financial statements, or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter, dated August 22, 2011. Management has indicated that they have forwarded these representations to our primary contact within the governance structure.

### *Other Audit Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We have found a few areas where we believe the Foundation can improve. These areas are detailed in the attached document.

This information is intended solely for the use of the Board of Directors and Members and management of the Foundation and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Brian Tilly Wickow Krause, LLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota  
August 22, 2011

## **Other Matters**

### *Recommendations from Information Technology Assessment*

The Foundation has established practices related to information technology security and operations. However, during our risk assessment procedures, we noted that the Foundation should examine the need to develop more comprehensive policies and procedures, particularly in the areas of testing and documenting. These items were communicated to management and are available upon request.

### *Accounting for Leases*

On August 17, 2010, the Financial Accounting Standards Boards (FASB) issued Proposed Accounting Standards Update 1850-100, Leases. The FASB is seeking comments regarding this proposal. This proposal has been talked about over the last several years and seeks to change the way in which substantially all leases are reflected in financial statements. Under the guidance in the proposed standard, the lessee would recognize an asset representing its right to use the leased ('underlying') asset for the lease term (the 'right-of-use' asset) and a liability to make lease payments. Substantially all leases currently considered operating leases would now be brought onto the balance sheet.

We recommend that your controller review the proposed guidance and consider responding to the questions included in the proposed standard.

**Jerome Foundation**

SUMMARY OF PASSED ADJUSTING JOURNAL ENTRIES  
FOR COMMUNICATION TO MANAGEMENT AND GOVERNING BOARD  
For the Year Ended April 30, 2011

Description	Financial Statement Effect Increase (Decrease) to Financial Statement Total		
	Assets	Liabilities	Net Assets
Record Accrued Vacations	\$ -	\$ 62,600	\$ (62,600)
Total Net Audit Differences	<u>\$ -</u>	<u>\$ 62,600</u>	(62,600)
Reverse impact of prior year passed adjustments			<u>51,900</u>
			<u>\$ (10,700)</u>

**JEROME FOUNDATION, INC.**  
Saint Paul, Minnesota

**FINANCIAL STATEMENTS**  
Including Independent Auditors' Report  
April 30, 2011 and 2010

**JEROME FOUNDATION, INC.**

**TABLE OF CONTENTS**

---

<b>Independent Auditors' Report</b>	<b>1</b>
<b>Financial Statements</b>	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 14
<b>Independent Auditors' Report on Supplementary Information</b>	<b>15</b>
Schedule of Administrative Expenses	16
Schedule of Grant Commitments and Payments	17 - 24





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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members  
Jerome Foundation, Inc.  
Saint Paul, Minnesota

We have audited the accompanying statements of financial position of Jerome Foundation, Inc. (the Foundation) as of April 30, 2011 and 2010, and the related statements of activities and changes in net assets, 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 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 the 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 Jerome Foundation, Inc. as of April 30, 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.

*Baker Tilly Virchow Krause, LLP*

Minneapolis, Minnesota  
August 22, 2011

**JEROME FOUNDATION, INC**

**STATEMENTS OF FINANCIAL POSITION**

April 30, 2011 and 2010

<b>ASSETS</b>		
	2011	2010
Cash and cash equivalents	\$ 138,888	\$ 125,838
Prepaid expenses and other receivables	1,199	8,735
Prepaid excise tax	34,900	4,000
Investments	80,279,970	72,561,704
Beneficial interest in charitable remainder trust	3,101,116	2,801,188
Property and equipment, net	2,738	8,291
<b>TOTAL ASSETS</b>	<b>\$ 83,558,811</b>	<b>\$ 75,509,756</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Grant commitments payable	\$ 773,032	\$ 352,657
Accounts payable	8,328	18,882
Deferred excise tax payable	105,300	
Total Liabilities	886,660	371,539
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	78,832,389	71,497,311
Board designated	738,646	839,718
Total unrestricted net assets	79,571,035	72,337,029
Temporarily restricted	3,101,116	2,801,188
Total Net Assets	82,672,151	75,138,217
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 83,558,811</b>	<b>\$ 75,509,756</b>

See accompanying notes to financial statements.

**JEROME FOUNDATION, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
Years Ended April 30, 2011 and 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>OPERATING</b>						
<b>SUPPORT AND REVENUE</b>						
Interest	\$ 581,894	\$ -	\$ 581,894	\$ 705,521	\$ -	\$ 705,521
Dividends	1,408,212	-	1,408,212	670,383	-	670,383
Contributions	35,000	-	35,000	35,150	-	35,150
Commission recapture	-	-	-	2,856	-	2,856
Other income	9,677	-	9,677	54,445	-	54,445
Total Support and Revenue	<u>2,034,783</u>	<u>-</u>	<u>2,034,783</u>	<u>1,468,355</u>	<u>-</u>	<u>1,468,355</u>
<b>EXPENSES</b>						
Grants awarded	3,428,327	-	3,428,327	2,455,307	-	2,455,307
Salaries and benefits	648,005	-	648,005	567,279	-	567,279
Office and other expenses	185,272	-	185,272	140,755	-	140,755
Total Expenses	<u>4,261,604</u>	<u>-</u>	<u>4,261,604</u>	<u>3,163,341</u>	<u>-</u>	<u>3,163,341</u>
<b>CHANGE IN NET ASSETS - OPERATING</b>	(2,226,821)	-	(2,226,821)	(1,694,986)	-	(1,694,986)
<b>NONOPERATING</b>						
Net gain on investments	9,771,013	-	9,771,013	16,745,399	-	16,745,399
Federal excise tax provision	(136,097)	-	(136,097)	(57,037)	-	(57,037)
Investment and agent fees	(174,089)	-	(174,089)	(420,687)	-	(420,687)
Change in value of beneficial interest in charitable remainder trust	-	299,928	299,928	-	625,538	625,538
<b>CHANGE IN NET ASSETS - NONOPERATING</b>	<u>9,460,827</u>	<u>299,928</u>	<u>9,760,755</u>	<u>16,267,675</u>	<u>625,538</u>	<u>16,893,213</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	7,234,006	299,928	7,533,934	14,572,689	625,538	15,198,227
NET ASSETS - Beginning of Year	<u>72,337,029</u>	<u>2,801,188</u>	<u>75,138,217</u>	<u>57,764,340</u>	<u>2,175,650</u>	<u>59,939,990</u>
NET ASSETS - End of Year	<u>\$ 79,571,035</u>	<u>\$ 3,101,116</u>	<u>\$ 82,672,151</u>	<u>\$ 72,337,029</u>	<u>\$ 2,801,188</u>	<u>\$ 75,138,217</u>

See accompanying notes to financial statements.

**JEROME FOUNDATION, INC.**

**STATEMENTS OF CASH FLOWS**  
Years Ended April 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 7,533,934	\$ 15,198,227
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	5,553	10,918
Net gain on investments	(9,771,013)	(16,745,398)
Change in beneficial interest in value of charitable remainder trust	(299,928)	(625,538)
Changes in operating assets and liabilities		
Accrued investment income	-	145,684
Prepaid expenses and other receivables	7,536	2,372
Prepaid excise tax	(30,900)	7,900
Grant commitments payable	420,375	(443,775)
Accounts payable	(10,554)	(47,483)
Deferred excise tax payable	105,300	-
Net Cash Flows Used for Operating Activities	<u>(2,039,697)</u>	<u>(2,497,093)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(2,150,542)	(109,801,677)
Proceeds from sales of investments	4,203,289	113,267,899
Cash settlement on payable under securities lending agreement	-	(945,760)
Net Cash Flows From Investing Activities	<u>2,052,747</u>	<u>2,520,462</u>
<b>Net Change in Cash and Cash Equivalents</b>	13,050	23,369
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>125,838</u>	<u>102,469</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 138,888</u>	<u>\$ 125,838</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for excise tax	<u>\$ 61,183</u>	<u>\$ 49,137</u>

See accompanying notes to financial statements.

## JEROME FOUNDATION, INC.

### NOTES TO FINANCIAL STATEMENTS

April 30, 2011 and 2010

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#### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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##### *Nature of Activities*

The Jerome Foundation, Inc. (the Foundation) is a private foundation incorporated under the laws of Minnesota. Grants are made to support programs and projects located in the State of Minnesota and New York City in the areas of dance, literature, film and video, multidisciplinary arts, music, theater, and visual arts.

##### *Net Assets*

Net assets, revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Unrestricted Net Assets** - Resources over which the Board of Directors (the Board) has discretionary control. Board designated amounts represent net assets set aside for individual grants in the Minnesota Film and Video Program, New York City Film and Video Program, and Travel and Study Program that are not yet committed to individuals.

**Temporarily Restricted Net Assets** - Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. Temporarily restricted net assets consist of the value of the Foundation's beneficial interest in a charitable remainder trust.

**Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of such assets permit the Foundation to use all or part of the income earned on the assets. The Foundation currently has no permanently restricted net assets at April 30, 2011 and 2010.

##### *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### *Cash and Cash Equivalents*

The Foundation considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash and cash equivalents.

##### *Beneficial Interest in Charitable Remainder Trust*

The Foundation is named as a beneficiary of a charitable remainder trust, which allows for a distribution to the Foundation after the death of the named beneficiaries. The Foundation is not the trustee and therefore does not control or have access to the assets of the trust. The Foundation's interest in the trust is reported as fair value of the assets of the trust less the present value of estimated future payments to the noncharitable beneficiaries based on the life expectancy using a discount rate of 6%.

## JEROME FOUNDATION, INC.

### NOTES TO FINANCIAL STATEMENTS

April 30, 2011 and 2010

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#### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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##### *Investments*

Investments are recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. The Foundation records the change of ownership of bonds and stocks on the day a trade is made. Investment income or loss and unrealized gains or losses are included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

##### *Property and Equipment*

Property and equipment are stated at cost, if purchased, or fair market value at date of the gift, if donated. All acquisitions of property and equipment in excess of \$3,000 and all expenditures for repairs, maintenance, improvements and betterments that materially prolong the useful lives of assets are capitalized and are depreciated using the straight-line method over their estimated useful lives. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

##### *Contribution Revenue Recognition*

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

##### *Tax-Exempt Status*

The Foundation has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and corresponding provisions of State law. Due to the Foundation's classification as a private foundation under the Internal Revenue Code, it pays an excise tax of 2% (reduced to 1% if certain requirements are met) of its net taxable investment income. However, any unrelated business income may be subject to taxation. The Foundation is not currently under examination by any taxing jurisdiction.

In accordance with the accounting standard on *Accounting for Uncertainty in Income Taxes*, the Foundation addresses the determination of whether tax benefits claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merit of the position. There were no significant unrecognized tax benefits identified or recorded as liabilities during fiscal years 2011 or 2010, respectively. Open tax years subject to examination by the U.S. and state taxing authorities are for the years 2008 to 2010, which statutes expire in 2011 to 2013, respectively.

## JEROME FOUNDATION, INC.

### NOTES TO FINANCIAL STATEMENTS

April 30, 2011 and 2010

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#### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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##### *Classification of Expenses*

Grants and expenses associated with the Foundation's direct charitable activities are considered to be program expenses, while other expenses of the Foundation are considered to be management and general expenses.

##### *Grants*

Grant commitments are charged to operations at the time the grants are approved by the Board of Directors.

##### *Concentration of Credit Risk*

At times during the year, the Foundation may have cash in excess of federally insured limits of \$250,000 per financial institution. Substantially all investments are held by one custodian, Vanguard.

##### *Measure of Operations*

In its Statement of Activities and Changes in Net Assets, the Foundation includes in its definition of operations all support, revenues, and expenses that are an integral part of its programs and supporting activities. Non-operating activity consists primarily of net realized and unrealized gains and losses, investment and agent fees, federal excise tax, and change in value of beneficial interest in the charitable remainder trust.

##### *Fair Value of Financial Instruments*

The carrying amounts reflected on the Statement of Financial Position for cash and cash equivalents, grant commitments and other payables, and prepaid excise tax approximate fair value due to the short maturity of these financial instruments. The fair values for investments and other financial instruments recorded at fair value on a recurring basis are included in Note 2.

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#### NOTE 2 - FAIR VALUE MEASUREMENTS

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The Foundation follows the accounting guidance on fair value measurements. Fair value is defined in the guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which is based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

# JEROME FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

April 30, 2011 and 2010

### NOTE 2 - FAIR VALUE MEASUREMENTS (Continued)

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

The following table presents financial instruments that are measured at fair value on a recurring basis by the accounting guidance hierarchy as of April 30, 2011:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents and short-term investments	\$ 24,893	\$ 24,893	\$ -	\$ -
Mutual funds - stocks	60,836,453	60,836,453	-	-
Mutual funds - bonds	17,816,424	17,816,424	-	-
Timber and timberlands	1,602,200	-	-	1,602,200
Beneficial interest in charitable remainder trust	3,101,116	-	-	3,101,116
Total	<u>\$ 83,381,086</u>	<u>\$ 78,677,770</u>	<u>\$ -</u>	<u>\$ 4,703,316</u>

The following table presents financial instruments that are measured at fair value on a recurring basis by the accounting guidance hierarchy as of April 30, 2010:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents and short-term investments	\$ 35,158	\$ 35,158	\$ -	\$ -
Mutual funds - stocks	52,987,324	52,987,324	-	-
Mutual funds - bonds	18,001,372	18,001,372	-	-
Timber and timberlands	1,537,850	-	-	1,537,850
Beneficial interest in charitable remainder trust	2,801,188	-	-	2,801,188
Total	<u>\$ 75,362,892</u>	<u>\$ 71,023,854</u>	<u>\$ -</u>	<u>\$ 4,339,038</u>

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value:

**Cash and cash equivalents and short-term investments** - The fair value of short-term investments, consisting primarily of money market funds, is classified as Level 1 as these funds are traded on a regular basis.

**Mutual funds** - Mutual funds are classified as Level 1 if they are traded in an active market for which closing prices are readily available.

**Timber and timberlands** - Investments in timber and timberlands for which there is no readily determinable fair value are classified as Level 3 as the valuation is based on significant unobservable inputs. The Foundation has estimated fair value using an independent appraisal by a forestry consultant.



**JEROME FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2011 and 2010

**NOTE 2 - FAIR VALUE MEASUREMENTS (Continued)**

**Beneficial interest in charitable remainder trust** - The Foundation's beneficial interest in remainder trusts administered by a third party are classified as Level 3 as the fair values are based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (entity specific estimates of cash flows).

While the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table presents a reconciliation of the Statement of Financial Position amounts for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended April 30, 2011:

	Balances April 30, 2010	Net realized and unrealized gains included in change in net assets	Purchases, sales, issuances and settlement, net	Net transfers in (out) of Level 3	Balances April 30, 2011
Timber and timberlands	\$ 1,537,850	\$ 64,350	\$ -	\$ -	\$ 1,602,200
Beneficial interest in charitable remainder trust	<u>2,801,188</u>	<u>299,928</u>	<u>-</u>	<u>-</u>	<u>3,101,116</u>
Total	<u>\$ 4,339,038</u>	<u>\$ 364,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,703,316</u>

The amount of total gains for the period included in change in net assets attributable to the change in unrealized gains or losses relating to Level 3 financial instruments still held at April 30, 2011

\$ 364,278

**JEROME FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2011 and 2010

**NOTE 2 - FAIR VALUE MEASUREMENTS (Continued)**

The following table presents a reconciliation of the Statement of Financial Position amounts for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended April 30, 2010:

	Balances April 30, 2009	Net realized and unrealized gains (losses) included in change in net assets	Purchases, sales, issuances and settlement, net	Net transfers in (out) of Level 3	Balances April 30, 2010
Global equity funds	\$ 3,330,320	\$ 1,008,348	\$ (4,338,668)	\$ -	\$ -
Commingled trust funds	3,111,518	992,847	(4,104,365)	-	-
Timber and timberlands	1,374,950	162,900	-	-	1,537,850
Collateral received under securities lending agreement	6,171,316	(473,574)	(5,697,742)	-	-
Beneficial interest in charitable remainder trust	2,175,650	625,538	-	-	2,801,188
Total	<u>\$ 16,163,754</u>	<u>\$ 2,316,059</u>	<u>\$ (14,140,775)</u>	<u>\$ -</u>	<u>\$ 4,339,038</u>

The amount of total gains for the period included in change in net assets attributable to the change in unrealized gains or losses relating to Level 3 financial instruments still held at April 30, 2010

\$ 788,483

# JEROME FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

April 30, 2011 and 2010

### NOTE 3 - SECURITIES LENDING

Prior to March 17, 2010, the Foundation lent its investment securities to registered broker-dealers. The borrower provided collateral in the form of cash, U.S. Government securities, or a bank letter of credit in an amount initially in excess of the loaned securities' aggregate value. The Foundation received either (i) a fee in the case of non-cash collateral or (ii) payment of a portion of earnings in the case of cash-collateral. The amount of collateral held was adjusted daily based on market value changes of the loaned securities. The borrower then returned identical securities to close the loan at which time the collateral was returned. Collateral was held and invested by the investment custodian and was immediately available upon default. All earnings from interest and dividends on the loaned securities reverted to the Foundation, except for commissions to the agent for handling the securities lending. For the year ended April 30, 2010, income under securities lending was \$13,399 and net realized and unrealized gains was \$472,186.

As a part of the exit from these securities during 2010, the Foundation was required to purchase a portion of the collateral that was provided by brokers that are currently in bankruptcy and being restructured. The purchase price of these securities was \$1,000,662 at the time of the exit, of which \$213,966 was able to be sold. The Foundation recorded a 2010 impairment loss against the securities that were purchased due to the uncertainty of its value of \$778,008, which were written down to a zero balance. In addition, the Foundation paid a cash settlement on the payable under the securities lending agreement of \$945,760.

For the year ended April 30, 2011, the Foundation received \$234,099 from the previously impaired purchased collateral account and this amount is recorded as dividend revenue. Any subsequent receipts from this account will be similarly recorded as revenue in the year received.

### NOTE 4 - INVESTMENTS

Long-term investments held by the Foundation at April 30 are as follows:

	2011	2010
Cash and cash equivalents	\$ 24,893	\$ 35,158
Mutual fund - stocks	60,836,453	52,987,324
Mutual fund - bonds	17,816,424	18,001,372
Timber and timberlands	1,602,200	1,537,850
	<u>\$ 80,279,970</u>	<u>\$ 72,561,704</u>

Realized gains associated with the Foundation's investments for the years ended April 30, 2011 and 2010 were \$261,625 and \$6,412,049, respectively. Unrealized gains associated with the Foundation's investments for the years ended April 30, 2011 and 2010 were \$9,509,388 and \$10,333,350, respectively.

Investments, in general, are subject to various risks, including credit, interest and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

**JEROME FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2011 and 2010

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**NOTE 5 – PROPERTY AND EQUIPMENT**

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A summary of property costs and accumulated depreciation at April 30 is as follows:

	<u>2011</u>	<u>2010</u>
Equipment	\$ 56,985	\$ 56,985
Vehicle	23,006	23,006
Leasehold improvements	66,524	66,524
Totals	<u>146,515</u>	<u>146,515</u>
Less: Accumulated depreciation	<u>143,777</u>	<u>138,224</u>
Net Property and Equipment	<u>\$ 2,738</u>	<u>\$ 8,291</u>

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**NOTE 6 – GRANT COMMITMENTS PAYABLE**

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Grant activity for the years ended April 30 is summarized as follows:

	<u>2011</u>	<u>2010</u>
Grant commitments payable, beginning of year	\$ 352,657	\$ 796,431
Appropriations	3,428,327	2,455,307
Payments	<u>(3,007,952)</u>	<u>(2,899,081)</u>
Grant commitments payable, end of year	<u>\$ 773,032</u>	<u>\$ 352,657</u>

Grant commitments payable at April 30, 2011 are expected to be paid as follows:

Year Ending April 30:	
2012	\$ 659,032
2013	<u>114,000</u>
Total Grant Commitments	<u>\$ 773,032</u>

**JEROME FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2011 and 2010

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**NOTE 7 - FEDERAL EXCISE TAX**

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The federal excise tax provision consists of the following:

	<u>2011</u>	<u>2010</u>
Provision		
Current	\$ 30,797	\$ 57,037
Deferred	<u>105,300</u>	<u>-</u>
Totals	<u>\$ 136,097</u>	<u>\$ 57,037</u>

The Foundation is subject to minimum distribution requirements of the Internal Revenue Code.

Deferred taxes result from certain income and expense items being accounted for in different time periods for financial statement purposes than for federal excise tax purposes. Deferred excise tax expense (benefit) arises from the change in unrealized appreciation in fair value of investments. The deferred excise tax provision (benefit) is calculated utilizing the 1% excise tax rate for the years ended April 30, 2011 and April 30, 2010.

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**NOTE 8 - RETIREMENT PLAN**

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The Foundation has a defined contribution profit-sharing and 401(k) plan for all eligible employees. Contributions are subject to the Board of Directors' discretion. Employer contributions for the year ended April 30, 2011 amounted to 6% of qualified compensation per individual employee. The Foundation also matched up to and including 3% of qualified compensation for any employee who contributed up to and including 3% to his/her retirement plan for the years ended April 30, 2011 and 2010, respectively. Retirement plan expense was \$43,245 and \$11,128 for the years ended April 30, 2011 and 2010, respectively. The Foundation also allows employees to make pre-tax contributions up to 30% of wages to their 401(k) account.

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**NOTE 9 - FUNCTIONAL EXPENSES**

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The functional allocation of expenses for the years ended April 30 is as follows:

	<u>2011</u>	<u>2010</u>
Programs	\$ 3,492,542	\$ 2,532,593
Management and general	<u>769,062</u>	<u>630,748</u>
Totals	<u>\$ 4,261,604</u>	<u>\$ 3,163,341</u>

**JEROME FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2011 and 2010

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**NOTE 10 - LEASE COMMITMENT**

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The Foundation has a non-cancelable operating lease for office space that expires September 30, 2013. The Foundation is required to pay base rent and its share of operating expenses. Rent expense related to this lease was \$56,274 and \$55,193 for the years ended April 30, 2011 and 2010, respectively. At April 30, 2011, the minimum lease payments were as follows:

Year Ending April 30:	
2012	\$ 51,153
2013	51,957
2014	<u>21,789</u>
Total Lease Commitments	<u>\$ 124,899</u>

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**NOTE 11 - NET ASSETS**

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Temporarily restricted

Temporarily restricted net assets as of April 30, 2011 and 2010 consist of funds related to the Foundation's beneficial interest in a charitable remainder trust.

	<u>2011</u>	<u>2010</u>
Beneficial interest in a charitable remainder trust	<u>\$ 3,101,116</u>	<u>\$ 2,801,188</u>

There were no releases of restrictions for the years ended April 30, 2011 and 2010.

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**NOTE 12 - SUBSEQUENT EVENTS**

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Subsequent to April 30, 2011, the investment markets have seen a significant decline in value. It is highly likely that the values of the Foundation's investments have decreased by material amounts since April 30, 2011.

The Foundation has evaluated subsequent events through August 22, 2011 which is the date that the financial statements were approved and available to be issued.



BAKER TILLY

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## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors and Members  
Jerome Foundation, Inc.  
Saint Paul, Minnesota

Our report on our audits of the basic financial statements of Jerome Foundation, Inc. for 2011 and 2010 appears on page one. The audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules on pages 16 through 24 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Baker Tilly Virchow Krause, LLP*

Minneapolis, Minnesota  
August 22, 2011

**JEROME FOUNDATION, INC.**

**SCHEDULE OF ADMINISTRATIVE EXPENSES**  
Years Ended April 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Salaries and benefits expenses</b>		
Salaries and temporary services	\$ 496,523	\$ 452,075
Health, dental, and other insurance	76,098	73,790
Retirement plan expense	43,245	11,128
Payroll taxes	32,139	30,286
Total salaries and benefits expenses	<u>648,005</u>	<u>567,279</u>
<b>Office and other expenses</b>		
Rent	56,274	55,193
Meetings and events	30,280	21,381
Education program	1,910	1,660
Office operations	49,307	7,589
Travel	10,189	8,719
Telephone and internet	3,736	5,049
Professional fees	15,845	16,275
Insurance	6,565	6,579
Postage	3,167	2,782
Publications	245	141
Legal services	2,201	4,469
Depreciation	5,553	10,918
Total office and other expenses	<u>185,272</u>	<u>140,755</u>
Total expenses	<u>833,277</u>	<u>708,034</u>
Less expenses allocated to program activities		
General Program	24,605	21,856
Service	26,050	45,150
Minnesota Film and Video Program	3,055	2,078
New York City Film and Video Program	4,005	3,260
Travel and Study Grant Program	6,500	4,942
Total expenses allocated to program activities	<u>64,215</u>	<u>77,286</u>
<b>Total administrative expenses</b>	<u>\$ 769,062</u>	<u>\$ 630,748</u>



JEROME FOUNDATION, INC.

SCHEDULE OF GRANT COMMITMENTS AND PAYMENTS  
Year Ended April 30, 2011

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
American Composers Forum Saint Paul, Minnesota Jerome Fund for New Music and Minnesota Emerging Composer Awards Program	\$ 98,500	\$ -	\$ 98,500	\$ -
American Composers Orchestra New York, New York Commissions for emerging composers	-	26,000	26,000	-
Anderson Center for Interdisciplinary Studies Red Wing, Minnesota Residencies for emerging artists	-	32,000	16,000	16,000
Art in General New York, New York Emerging artists in the New Commissions Program	-	38,000	38,000	-
Art International Radio New York, New York Emerging artists in the Clocktower Studio Residencies Program	-	25,000	25,000	-
Bowery Arts + Science New York, New York Stakeholders Choice for Emerging Poets/Spoken Word Artists	-	20,000	20,000	-
Bronx Museum of the Arts (The) Bronx, New York Artist in the Marketplace Program and Biennial Exhibition and catalog	-	18,000	18,000	-
Brooklyn Arts Exchange Brooklyn, New York New dance work by Luciana Achugar	-	10,000	10,000	-
Cave Canem New York, New York Workshops for emerging African American, Arab American, and other poets of color	-	17,000	17,000	-
Center for Fiction New York, New York Residency program for emerging New York City fiction writers	-	25,000	25,000	-
Clubbed Thumb New York, New York Development and production of new works by emerging playwrights	-	15,000	15,000	-
Coffee House Press Minneapolis, Minnesota Publication of books by emerging writers	-	18,000	18,000	-
Council on Foundations Arlington, Virginia General support and membership	-	10,050	10,050	-

JEROME FOUNDATION, INC.

SCHEDULE OF GRANT COMMITMENTS AND PAYMENTS  
Year Ended April 30, 2011

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Council of Literary Magazines & Presses New York, New York FACE OUT Program	-	46,000	46,000	-
Dance Theater Workshop New York, New York Commissions to emerging choreographers	-	32,500	32,500	-
Danspace Project New York, New York Commissions to emerging choreographers	-	65,000	32,500	32,500
Dixon Place/Open Channels New York, New York Mondo Cane! Commissioning Program and Artist-in-Residence Program	-	29,000	29,000	-
Duluth Art Institute Duluth, Minnesota Emerging artists in the Exhibition Program	-	10,000	10,000	-
Electronic Music Foundation New York, New York Commissions and technical residencies	-	17,250	17,250	-
Ensemble Studio Theatre New York, New York Youngblood Program	-	16,000	16,000	-
Ethel's Foundation for the Arts New York, New York Homebaked Commissioning Program	-	15,000	15,000	-
Exit Art New York, New York Emerging artists in the Exhibition Program	-	15,000	15,000	-
Eyebeam Art + Technology Center New York, New York Artists at Eyebeam Residency Program	-	30,000	15,000	15,000
New work by Melanie Crean	-	7,000	7,000	-
Field (The)/Performance Zone New York, New York New work by Kimberly Bartosik	-	10,000	10,000	-
New work by Yanira Castro	-	8,000	8,000	-
Forecast Public Art Saint Paul, Minnesota Grant Program for Emerging Artists	-	65,000	65,000	-
Foundation Center (The) New York, New York General support	-	2,000	2,000	-
Foundry Theatre (The) New York, New York Commissioning, development, and production of new works by emerging artists	-	24,000	24,000	-

**JEROME FOUNDATION, INC.**

**SCHEDULE OF GRANT COMMITMENTS AND PAYMENTS**  
Year Ended April 30, 2011

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Fourway Books New York, New York Publication of books by emerging poets	-	13,000	13,000	-
Franconia Sculpture Park Shafer, Minnesota Emerging Artists Program	-	35,000	35,000	-
Franklin Art Works Minneapolis, Minnesota Exhibition of works by emerging artists	-	20,000	-	20,000
Franklin Furnace Brooklyn, New York Franklin Furnace Fund for Artists	-	80,000	80,000	-
Givens Foundation for African American Literature (The) Minneapolis, Minnesota Givens Black Writers Collaborative Retreat	-	18,000	18,000	-
Harlem Stage (Aaron Davis Hall) New York, New York Emerging artists' commissions within the Fund for New Work	-	25,000	25,000	-
Harvestworks New York, New York Creative Residencies Program	8,500	17,000	17,000	8,500
Heart of the Beast Puppet and Mask Theatre Minneapolis, Minnesota PuppetLab Program	-	18,000	18,000	-
HERE Arts Center New York, New York HERE Artist Residency Program	-	40,000	20,000	20,000
Highpoint Center for Printmaking Minneapolis, Minnesota Emerging Printmakers' Fellowship Program	-	34,000	17,000	17,000
Independent Feature Project Minnesota Saint Paul, Minnesota Training and Professional Development, tuition scholarships, equipment rental subsidies and 10 free memberships	-	20,000	20,000	-
Seasons 11 and 12 of <i>MNTV</i>	-	66,000	66,000	-
Intermedia Arts Minneapolis, Minnesota VERVE Grants for Spoken Word Poets and SASE/Jerome Grants for Writers	3,315	42,000	45,315	-
ISSUE Project Room Brooklyn, New York Emerging composers in the Artist in Residency Program	6,000	12,000	18,000	-
Jazz Gallery (The) New York, New York Commissioning and residency program	-	25,000	25,000	-

JEROME FOUNDATION, INC.

SCHEDULE OF GRANT COMMITMENTS AND PAYMENTS  
Year Ended April 30, 2011

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Jerome Foundation Saint Paul, Minnesota (Foundation-Administered Programs)				
Jerome Hill Centennial Program	2,544	-	-	2,544
Minnesota Film and Video Program	59,963	101,217	77,305	83,875
New York City Film and Video Program	38,981	320,364	251,856	107,489
New Initiatives	9,612	-	-	9,612
Special Needs	6,303	-	1,835	4,468
Strategic Development Program	1,197	-	1,197	-
Travel and Study Grant Program	56,742	129,491 64,245 64,746	106,739	79,494
Kitchen (The) (a.k.a. Haleakala, Inc.) New York, New York Emerging Artists' Commissions	-	16,000	16,000	-
Lark Play Development Center (The) New York, New York Developmental programs and fellowship for emerging playwright	-	28,000	20,000	8,000
Loft Literary Center (The) Minneapolis, Minnesota Mentor Series	-	98,000	49,000	49,000
Minnesota Emerging Writers' Grant Program	-	45,000	45,000	-
Asian Pacific Islander American Spoken Word & Poetry Summit	-	7,000	7,000	-
Lower East Side Printshop New York, New York Keyholder and Special Editions Residency Programs	-	17,000	17,000	-
Lower Manhattan Cultural Council New York, New York Workspace Studio Residency Program	-	46,000	46,000	-
Mabou Mines New York, New York Suite Resident Artist Program	30,000	30,000	45,000	15,000
Minneapolis College of Art and Design Minneapolis, Minnesota MCAD/Jerome Fellowships for Emerging Artists	-	80,000	80,000	-
Minneapolis Institute of Arts (The) Minneapolis, Minnesota Minnesota Artists Exhibition Program	-	40,000	20,000	20,000

JEROME FOUNDATION, INC.

SCHEDULE OF GRANT COMMITMENTS AND PAYMENTS  
Year Ended April 30, 2011

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Minnesota Center for Book Arts Minneapolis, Minnesota Book Arts Mentorship and Fellowship Programs	-	43,000	20,000	23,000
Minnesota Council on Foundations Minneapolis, Minnesota General support and membership	-	5,055	5,055	-
Mixed Blood Theatre Company Minneapolis, Minnesota Commissioning and production of four new works	-	18,600	7,050	11,550
Momenta Art Brooklyn, New York Solo exhibitions of works by emerging artists	-	7,200	7,200	-
Mizna Minneapolis, Minnesota Artists' fees and the publication of the Mizna Journal	16,000	-	-	16,000
Mu Performing Arts Saint Paul, Minnesota New Performance Program	-	22,500	22,500	-
Museum of Modern Art (The) New York, New York Restoration and preservation of Jerome Hill's Film <i>Sand Castle</i>	-	47,500	47,500	-
New Dramatists New York, New York Playwrights Lab and the Composer-Librettist Studio	-	80,000	80,000	-
New Georges New York, New York Development and production of new works by emerging playwrights	-	30,000	30,000	-
New Radio and Performing Arts Staten Island, New York Emerging artists' commissions to create networked art for <i>Turbulence</i> website	-	32,000	16,000	16,000
New York Foundation for the Arts Brooklyn, New York New work by Maria Hassabi	-	8,000	-	8,000
New York Theatre Workshop New York, New York Artist Development Activities	-	20,000	20,000	-
Northern Clay Center Minneapolis, Minnesota Jerome Ceramic Artist Project Grants Program	-	26,500	26,500	-
Northern Lights.mn Minneapolis, Minnesota Art(ists) On The Verge Fellowship Program	-	128,000	63,000	65,000

**JEROME FOUNDATION, INC.**

**SCHEDULE OF GRANT COMMITMENTS AND PAYMENTS**  
Year Ended April 30, 2011

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Pangea World Theater Minneapolis, Minnesota Alternate Visions	-	32,000	16,000	16,000
Creation and development of new work by Aniccha Arts	-	7,000	7,000	-
Penumbra Theatre Company Saint Paul, Minnesota OKRA: New Play Development Program	-	15,000	15,000	-
Performance Space 122 New York, New York Commissions of new works by emerging artists	-	42,500	42,500	-
Philanthropy New York New York, New York General support and membership	-	800	800	-
Pillsbury United Communities/Pillsbury House Theatre Minneapolis, Minnesota Development and production of new works by emerging playwrights	-	9,000	9,000	-
Naked Stages	-	36,500	36,500	-
The Late Nite Series	-	36,500	36,500	-
'Playwrights' Center (The) Minneapolis, Minnesota Many Voices Fellowship Program	-	35,000	35,000	-
Jerome Playwright Fellowship Program	-	72,000	72,000	-
Playwrights Horizons New York, New York Development and production of new works by emerging playwrights in the American Voice Program	-	46,000	46,000	-
Poets House New York, New York Emerging Writers Urban Residency Program	-	25,000	25,000	-
Red Eye Theater Minneapolis, Minnesota New Works 4 Weeks Festival and a commission to an emerging playwright	-	31,500	31,500	-
Rhizome New York, New York Commissioning Program for Emerging Artists	-	13,500	13,500	-
Rochester Art Center Rochester, Minnesota 3rd Floor Emerging Artist Series	-	20,000	20,000	-
Roulette Intermedium New York, New York Contemporary Music Series and the Emerging Composer Commissioning Program	-	64,000	44,000	20,000

**JEROME FOUNDATION, INC.**

**SCHEDULE OF GRANT COMMITMENTS AND PAYMENTS**  
Year Ended April 30, 2011

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
James Sewell Ballet Minneapolis, Minnesota Ballet Works Project	-	12,000	12,000	-
Jill Sigman/thinkdance New York, New York Creation and production of new work	-	8,000	8,000	-
Smack Mellon Brooklyn, New York Emerging artists in the Artist Studio Program	-	10,000	10,000	-
Soap Factory (The) Minneapolis, Minnesota Emerging artists in the Exhibition Program	-	25,000	25,000	-
Socrates Sculpture Park Long Island City, New York Emerging Artist Fellowship Program	-	46,000	23,000	23,000
SOHO REP New York, New York Creation, development, and production of new works by emerging playwrights	15,000	-	15,000	-
Springboard for the Arts Saint Paul, Minnesota Professional development services for artists	-	62,000	31,000	31,000
BodyCartography Project	-	10,000	10,000	-
New work by Chris Yon	-	8,500	8,500	-
STREB Lab for Action Mechanics Brooklyn, New York Emerging Artists Commissioning Program	-	21,000	21,000	-
Studio Museum in Harlem (The) New York, New York Artist-in-Residence Program	-	28,000	28,000	-
Teachers & Writers Collaborative New York, New York Fellowship Program for Emerging Writers	-	16,000	-	16,000
Textile Center Minneapolis, Minnesota Jerome Fiber Artists Project Grant Program	-	20,000	20,000	-
Programs and services for emerging fiber artists	-	10,800	10,800	-
Tickle the Sleeping Giant New York, New York Development and production of work by Trajal Harrell	-	8,000	8,000	-
Tofte Lake Center Ely, Minnesota Emerging Artists' Residencies	-	16,000	16,000	-

**JEROME FOUNDATION, INC.**

**SCHEDULE OF GRANT COMMITMENTS AND PAYMENTS**  
Year Ended April 30, 2011

	Grant Commitments Payable at Beginning of Year	Commitments Made During Year	Paid During Year	Grant Commitments Payable at End of Year
Vocal Essence Minneapolis, Minnesota Essentially Choral	-	27,000	27,000	-
VSA Minnesota Minneapolis, Minnesota VSA Minnesota/Jerome Foundation Project Grant for Artists with Disabilities	-	38,000	19,000	19,000
Zeitgeist Saint Paul, Minnesota Zeitgeist/Composer Workshop	-	13,500	13,500	-
Zenon Dance Company and School Minneapolis, Minnesota Emerging choreographers' commissions for new works	-	25,000	25,000	-
<b>Totals</b>	<b>\$ 352,657</b>	<b>\$ 3,428,327</b>	<b>\$ 3,007,952</b>	<b>\$ 773,032</b>