

2010
ANNUAL REPORT



UNIFORM LAW FOUNDATION

UNIFORM LAW
FOUNDATION

2010 Annual Report

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TRUSTEES AND MISSION STATEMENT

Trustees

Timothy Berg, *Chair*

Carl H. Lisman

Edwin E. Smith

Marti T. Starkey

Howard J. Swibel

Mission Statement

The Uniform Law Foundation is dedicated to the guiding principle that uniformity of state law, on all subjects where uniformity is desirable and practicable, contributes to the general welfare of the citizens of the United States (1) by facilitating commerce, (2) by increasing understanding of and respect for the laws of the states and (3) by assisting the citizens of the states in their pursuit of the benefits of a free society.

In furtherance of its guiding principle, the Foundation promotes uniformity of state laws by making funds available for study, research and development, and educational efforts, carried out by, or in support of the activities of, the National Conference of Commissioners on Uniform State Laws. When making direct grants or loans to the National Conference, the Foundation supplements the funds provided to the National Conference by its constituent governmental entities and other sources.

MESSAGE FROM THE CHAIRMAN

The Uniform Law Foundation (ULF) enjoyed a successful year in 2010, with a slight increase in fundraising from 2009. The Annual Campaign includes unrestricted and tribute contributions to the ULF, as well as the net proceeds from the ULF Gala.

In 2010, the ULF continued to distribute grants to the Uniform Law Commission (ULC) to support study, research and development, and education activities. Grants to the ULC included funding for Scholars for a ULC Study Committee. Scholars are typically law school professors who provide expertise in a particular area of the law, and are primarily responsible for providing background research and identifying issues that would have to be considered if a drafting project were to be undertaken. In 2010, ULF funding supported Scholars for the following Study Committee:

Recovery of Stolen Cultural and Artistic Property:

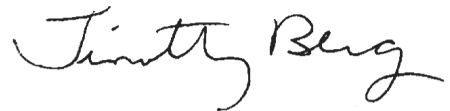
This Committee will consider and make recommendations concerning the need for and feasibility of drafting a uniform act that provides for private rights of action to recover stolen cultural or artistic property and illegally exported artifacts. In its study, the Committee also will consider the relationship between any uniform state legislation and existing federal laws and international treaties.

In 2010 the ULC undertook a major project to re-design and re-launch its website. This was a significant undertaking, and the ULF provided a grant of \$30,000 to fund the completion of the project. The new website (www.uniformlaws.org) has been completed and has

enabled the ULC to more effectively communicate with its Commissioners and broaden its outreach to the general public.

In general, ULF funding over the years has enabled the ULC to undertake more study initiatives; provide more support for Study Committees, thus contributing to more fully informed decisions as to whether to undertake a particular drafting project; and hold more stakeholder meetings. With the ongoing generosity of our donors, the ULF will continue to raise additional funds to support the important work of the ULC.

On behalf of the ULF Trustees, Carl H. Lisman, Edwin E. Smith, Marti T. Starkey, Howard J. Swibel and myself, I would like to thank all our donors for your support, which helps the ULC continue the important work of drafting uniform and model laws as it has been doing since 1892.



Timothy Berg, *Chair*
ULF Trustees

DONOR RECOGNITION SOCIETIES

Lifetime Fellows

Includes ULC Commissioners whose cumulative unrestricted contributions to the ULF total \$10,000 or more.

Sally and Richard E. Ford	Carlyle C. Ring, Jr.
Michael Houghton	Howard T. Rosen
Harry D. Leinenweber	Hiroshi Sakai
Carl H. Lisman	Edwin E. Smith
Leon M. McCorkle, Jr.	Frederick P. Stamp, Jr.
James C. McKay, Jr.	Marti T. Starkey
Fred H. Miller	Robert A. Stein

Distinguished Donor Society

Includes donors whose cumulative unrestricted contributions to the ULF total \$10,000 or more.

REHNQUIST CIRCLE (\$25,000 and above)

Fred H. Miller
Carlyle C. Ring, Jr.
Edwin E. Smith
Frederick P. Stamp, Jr.
Robert A. Stein

BRANDEIS CIRCLE (\$15,000 - \$19,999)

CT Corp - A Wolters Kluwer Business
LexisNexis
Leon M. McCorkle, Jr.
James C. McKay, Jr.
Howard T. Rosen
Marti T. Starkey

WILLISTON CIRCLE (\$10,000 - \$14,999)

Sally and Richard E. Ford
Michael Houghton
Harry D. Leinenweber
Carl H. Lisman
Motion Picture Association of America
Hiroshi Sakai



A 'legacy' is something that is passed from one generation to the next. The Uniform Law Foundation's Legacy Society perpetuates the legacies of our benefactors, and helps to protect and strengthen the important work of the Uniform Law Commission for future generations.

The Legacy Society recognizes those who have made a provision for a gift to the ULF in their will, a trust, or through some other type of planned gift.

Gerald L. Bepko

Tom Bolt

The Donegan Family Foundation

Stanley M. Fisher (deceased)

Richard B. Long

Carlyle C. Ring, Jr.

Edwin E. Smith

Marti T. Starkey

Robert A. Stein

John J. Stieff

Justin L. Vigdor

DONOR RECOGNITION SOCIETIES

2010 Annual Campaign Leadership Society

Includes all donors who made a contribution to the ULF in 2010.

Benefactor

\$2,500 and above

CT Corp - A Wolters Kluwer Business
Leon M. McCorkle, Jr.
Edwin E. Smith
Martha T. Starkey
Robert A. Stein

Patron

\$1,000 - \$2,499

Terry J. Care
Constellation Energy Group Foundation, Inc.
Stanley M. Fisher
Patty Gregory
Harry D. Leinenweber
James C. McKay, Jr.
Fred H. Miller
William J. Quinlan
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Fellow

\$500 - \$999

Timothy Berg	Richard C. Hite
Bilzin Sumberg Baena Price & Axelrod, LLP	Michael Houghton
Bingham McCutchen LLP	Peter F. Langrock
Bruce A. Coggeshall	David C. McBride
Jack Davies	Ostrow Reisin Berk & Abrams Ltd.
Thomas P. Foy, Sr.	Carlyle C. Ring, Jr.
Patricia Brumfield Fry	Schwabe Williamson & Wyatt, P.C.
The Garland Condominium Association	Sandra S. Stern
Michael B. Getty	Howard J. Swibel
Gail Hagerty	Taft Stettinius & Hollister
Dale G. Higer	

DONOR RECOGNITION SOCIETIES

Friend

\$250 - \$499

Francisco L. Acevedo	Stanley C. Kent
Scott L. Baena	Theodore C. Kramer
William W. Barrett	Paul M. Kurtz
Rhoda B. Billings	Gene N. Lebrun
Tom Bolt	Richard B. Long
Thomas J. Buiteweg	Esson McKenzie Miller, Jr.
Robert H. Cornell	Marian P. Opala
John C. Deacon	Byron D. Sher
Lani Liu Ewart	Lane Shetterly
Steven G. Frost	John F. Stroud, Jr.
Thomas S. Hemmendinger	Justin L. Vigdor
C. Robert Jameson	Harry M. Walsh

SUPPORTER

Up to \$249

Marlin J. Appelwick	Brian K. Flowers
Barbara A. Atwood	Lynn Foster
Jerry L. Bassett	Lorie Fowlke
C. Arlen Beam	Jessica French
Deborah E. Behr	Thomas Earl Geu
Loyd Benson	Cullen M. Godfrey
Carl S. Bjerre	Jerry J. Guillot
Rex Blackburn	Jess O. Hale, Jr.
Caroline N. Brown	Harry J. Haynsworth, IV
Lawrence J. Bugge	Roger C. Henderson
Esther and K. King Burnett	Gene H. Hennig
James M. Bush	William H. Henning
Phillip Carroll	M. King Hill, Jr.
Stephen C. Cawood	William C. Hillman
Paul W. Chaiken	Patrick D. Hughes
Ann E. Conaway	Charles W. Joiner
Ronald W. Del Sesto	William E. Kretschmar
Vincent C. DeLiberato, Jr.	Sheldon F. Kurtz
Ellen F. Dyke	John H. Langbein
Barry H. Evenchick	Ryan Leonard

DONOR RECOGNITION SOCIETIES

SUPPORTER, cont.

Up to \$249

Carl H. Lisman
Richard A. Lord
Edward F. Lowry, Jr.
David Lust
Morris W. Macey
Joseph P. Mazurek
Sallie McClaugherty
Robert L. McCurley, Jr.
John T. McGarvey
Anne L. McGihon
Bruce J. McKee
Robert W. Moak
Edward W. Mullins, Jr.
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Francis J. Pavetti
Harvey S. Perlman
Arthur H. Peterson
Mark H. Ramsey
Leonard J. Reese
Curtis R. Reitz
Rodney W. Satterwhite
John J. Stieff
Ken H. Takayama
J. Samuel Tenenbaum
Michele L. Timmons
Robert S. Toyofuku
Michael B. Unhjem
Elisa White
Stephanie J. Willbanks

Note: every effort was made to accurately recognize all those who donated to the Uniform Law Foundation. Please contact the Development Consultant, Amy Steinback (312-450-6604 or asteinback@uniformlaws.org) to report any discrepancies.

2010 MEMORIAL AND TRIBUTE GIFTS

In Memory of David A. Gibson

Barbara A. Atwood
Rhoda B. Billings
K. King Burnett
Phillip Carroll
Robert H. Cornell
Patricia Brumfield Fry
Patty Gregory
Gail Hagerty
Richard C. Hite
Paul M. Kurtz
Peter F. Langrock
Gene N. Lebrun
Fred H. Miller
Carlyle C. Ring, Jr.
Frederick P. Stamp, Jr.
Marti T. Starkey
Robert A. Stein
Ken H. Takayama
Stephanie J. Willbanks

In Memory of Elmer R. Oettinger

Carlyle C. Ring, Jr.

In Memory of Frank F. Jestrab

Deborah E. Behr
James M. Bush
Phillip Carroll
John C. Deacon
Patricia Brumfield Fry
Gail Hagerty
Roger C. Henderson
Richard C. Hite
Michael Houghton
Charles W. Joiner
Peter F. Langrock
Gene N. Lebrun
Richard A. Lord
Fred H. Miller
Arthur H. Peterson

In Memory of Frank F. Jestrab, cont.

Carlyle C. Ring, Jr.
Frederick P. Stamp, Jr.
Marti T. Starkey
Robert A. Stein

In Memory of Genevieve Linton

Deborah E. Behr

In Honor of William C. Hillman

Thomas S. Hemmendinger

In Honor of Howard J. Swibel

Stanley M. Fisher

In Honor of Robert A. Stein

Stanley M. Fisher

In Honor of Ohio Lt. Governor Lee Fisher

Stanley M. Fisher

In Honor of Tom Jones

Robert L. McCurley

In Memory of Joanne Pomeroy

John C. Deacon
Patty Gregory
Sallie McClaugherty

In Memory of John F. Hayes

K. King Burnett
Phillip Carroll
John C. Deacon
M. King Hill, Jr.
Richard C. Hite
Peter F. Langrock
Gene N. Lebrun
Frederick P. Stamp, Jr.

2010 MEMORIAL AND TRIBUTE GIFTS

In Memory of Marian P. Opala

Deborah E. Behr
K. King Burnett
Terry J. Care
Robert H. Cornell
Patricia Brumfield Fry
Patty Gregory
Gail Hagerty
Richard C. Hite
Peter F. Langrock
Gene N. Lebrun
Fred H. Miller
Francis J. Pavetti
Mark H. Ramsey
Frederick P. Stamp, Jr.

In Memory of Matthew “Sandy” Rae

Deborah E. Behr
K. King Burnett
Robert H. Cornell
Patricia Brumfield Fry
Patty Gregory
Gail Hagerty
Richard C. Hite
Sheldon F. Kurtz
Peter F. Langrock
Gene N. Lebrun
Fred H. Miller
Francis J. Pavetti
Frederick P. Stamp, Jr.
Marti T. Starkey
Robert A. Stein

In Memory of Michael B. Unjhem

K. King Burnett
Robert H. Cornell
Patricia Brumfield Fry
Patty Gregory
Gail Hagerty
Richard C. Hite

In Memory of Michael B. Unjhem, cont.

William E. Kretschmar
Peter F. Langrock
Gene N. Lebrun
Richard A. Lord
Arthur H. Peterson
Carlyle C. Ring, Jr.
Frederick P. Stamp, Jr.

In Memory of Robert G. Beverly

Patricia Brumfield Fry

In Memory of Robinson O. Everett

Carlyle C. Ring, Jr.

In Memory of Stanley Plettman

K. King Burnett
Robert H. Cornell
Patty Gregory
Gail Hagerty
Peter F. Langrock
Gene N. Lebrun
Frederick P. Stamp, Jr.

In Memory of Thomas S. Linton

Phillip Carroll
Patricia Brumfield Fry
Gail Hagerty
Richard C. Hite
Peter F. Langrock
Gene N. Lebrun
Frederick P. Stamp, Jr.
Michael B. Unjhem

INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Uniform Law Foundation
Chicago, Illinois

We have audited the accompanying statement of financial position of The Uniform Law Foundation (the Foundation) as of December 31, 2010 and 2009 and the related statements of activities, the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these 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 Uniform Law Foundation as of December 31, 2010 and 2009 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.

Ostrow Reisin Berk & Abrams, Ltd.
May 2, 2011

STATEMENT OF FINANCIAL POSITION

Years ended December 31,	2010	2009
ASSETS:		
Cash	\$ 135,243	348,839
Investments (Note 4)	5,119,594	4,274,104
Unconditional promises to give, due in one year or less	60,000	2,147
Accrued interest receivable	38,427	32,742
Prepaid expenses	2,159	10,554
Office condominium, and improvements, net of accumulated depreciation of \$194,982 in 2010 and \$103,604 in 2009	2,315,763	2,380,141
Lease incentive, net (Note 8)	98,694	102,361
Bond issuance costs, net of accumulated amortization of \$13,577 in 2010 and \$9,408 in 2009	111,486	115,655
Total assets	\$ 7,881,366	7,266,543
LIABILITIES AND NET ASSETS:		
Liabilities:		
Grants payable (Note 6)	\$ 29,235	34,238
Bond payable (Note 9)	2,740,000	2,740,000
Deferred rent	1,222	35,832
Security deposit	500,000	500,000
Derivative liability - interest rate swap (Note 10)	316,169	241,416
Total liabilities	\$ 3,586,626	3,551,486
Net assets:		
Unrestricted	4,021,823	3,504,666
Temporarily restricted (Note 7)	272,917	210,391
Total net assets:	\$ 4,294,740	3,715,057
TOTAL LIABILITIES AND NET ASSETS:	\$ 7,881,366	7,266,543

STATEMENT OF ACTIVITIES

Years ended December 31,	2010	2009
UNRESTRICTED NET ASSETS:		
Support and Revenue:		
Contributions	\$ 61,771	60,994
Benefit dinner, net of related costs of \$55,586 in 2010 and \$26,042 in 2009	9,179	10,484
Fundraising raffle, net of related costs of \$4,147 in 2009		5,623
Rental income	272,417	216,427
Interest and dividend income	150,578	146,393
Other income	347	2,012
Realized and unrealized net gain on investments	514,644	881,620
Fair value adjustment on interest rate swap agreement (Note 10)		217,669
Net assets released from restrictions	65,350	21,069
Total support and revenue	\$ 1,074,286	1,562,291
Expenses:		
Condominium expenses:		
Association fees	100,007	66,757
Other		1,930
Interest expense	107,123	106,627
Bond fees	27,525	27,276
Grants (Note 3)	88,500	44,831
General and administrative expenses	44,929	46,351
Depreciation and amortization	68,547	68,547
Annual meeting expenses	45,745	21,460
Fair value adjustment on interest rate swap agreement (Note 10)	74,753	
Total expenses	\$ 557,129	383,779
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ 517,157	1,178,512

STATEMENT OF ACTIVITIES, CONTINUED

Years ended December 31,	2010	2009
Temporarily restricted net assets (Note 7):		
Support:		
Contributions	\$ 120,350	226,069
Interest and dividend income	7,526	
Net assets released from restrictions	(65,350)	(21,069)
Increase (decrease) in temporarily restricted assets	\$ 62,526	205,000
INCREASE (DECREASE) IN TOTAL NET ASSETS:	\$ 579,683	1,383,512

STATEMENT OF CASH FLOWS

Years ended December 31,	2010	2009
OPERATING ACTIVITIES:		
Increase in total net assets	\$ 579,683	1,383,512
Adjustments to reconcile above to cash provided by operating activities:		
Realized and unrealized net gain on investments	(514,644)	(881,620)
Donated stock	(13,120)	
Amortization of bond premium and discount	4,409	1,485
Depreciation	64,378	64,378
Amortization of lease incentive	3,667	3,667
Amortization of bond issuance costs	4,169	4,169
Fair value adjustment on interest rate swap agreement	74,753	(217,669)
(Increase) decrease in operating assets:		
Unconditional promises to give	(57,853)	532
Accrued interest receivable	(5,685)	(6,549)
Prepaid expenses	8,395	(5,265)
Increase (decrease) in operating liabilities:		
Accounts payable		(5,022)
Grants payable	(5,003)	(20,165)
Deferred rent	(34,610)	16,645
Cash provided by operating activities	\$ 108,539	338,098
INVESTING ACTIVITIES:		
Proceeds from sale of investments	1,159,342	1,107,929
Purchases of investments	(1,481,477)	(1,547,698)
Cash used in investing activities	\$ (322,135)	(439,769)

STATEMENT OF CASH FLOWS, CONTINUED

Years ended December 31,	2010	2009
DECREASE IN CASH	\$ (213,596)	(101,671)
CASH, BEGINNING OF YEAR	\$ 348,839	450,510
CASH, END OF YEAR	\$ 135,243	348,839
Supplemental disclosure of cash flow information:		
Interest paid during the year	\$ 107,123	106,627

STATEMENT OF CHANGES IN NET ASSETS

	Unrestricted	Temporarily restricted	Total
Balances, December 31, 2008	\$ 2,326,154	5,391	2,331,545
Increase in net assets during the year ended December 31, 2009	1,178,512	205,000	1,383,512
Balances, December 31, 2009	\$ 3,504,666	210,391	3,715,057
Increase in net assets during the year ended December 31, 2010	517,157	62,526	579,683
BALANCES, DECEMBER 31, 2010	\$ 4,021,823	272,917	4,294,740

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

The Uniform Law Foundation (the Foundation) is a not-for-profit charitable trust organized to raise and distribute funds in support of the purposes of the National Conference of Commissioners on Uniform State Laws (the Conference), a not-for-profit unincorporated association established to promote uniformity in state laws in all areas where uniformity is deemed desirable and practicable. The Foundation also distributes funds for the further purpose of researching, drafting and promoting uniform legislative solutions to important issues facing the states. The Foundation acquired an office in downtown Chicago on August 1, 2007. The Foundation is leasing the condominium to the Conference under the terms of an operating lease (see Note 8). The Foundation is governed by the laws of the state of Illinois and is managed by a Board of Trustees.

The Foundation has received a determination letter from the Internal Revenue Service that it is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Contributions to the Foundation are deductible for income tax purposes within limitations of the law.

2. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

The financial statements have been prepared on the accrual basis of accounting.

Financial statements:

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. There were no permanently restricted net assets as of December 31, 2010 and 2009.

Fair value measurements:

As required by the Fair Value Measurements and Disclosures of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the Foundation defines fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The three levels of hierarchy are as follows:

- Level 1 Quoted prices for identical instruments in active markets.
- Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

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

NOTES TO FINANCIAL STATEMENTS

See Note 3 - fair value of financial instruments.

Office condominium and improvements and related depreciation:

The office condominium is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of the office condominium.

Amortization of bond issuance costs:

Bond issuance costs are amortized using the straight-line method over the 30-year life of the bond.

Contributions and contributed services:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the contributions are recognized. All other temporarily restricted support is reclassified to unrestricted net assets upon satisfaction of the restriction. There were no permanently restricted contributions for the years ended December 31, 2010 and 2009.

The Foundation records the fair value of contributed services if the contributed services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would need to be purchased if not provided by donation. No such amounts have been recorded in these financial statements for contributed services.

Donated assets:

Donated marketable securities are recorded as contributions at their fair values at the date of donation.

Grants to National Conference of Commissioners on Uniform State Laws:

The Foundation generally reflects grants to the National Conference of Commissioners on Uniform State Laws (see Note 1) as expenses at the time at which the grants are authorized.

Use of estimates:

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

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Foundation in estimating the fair value of its financial instruments:

Level 1:

Investments:

The fair value of investments in marketable equity and debt securities is based on quoted market prices.

NOTES TO FINANCIAL STATEMENTS

Level 2:

Bond payable:

The carrying amount reported in the statement of financial position approximates fair value as the bond is re-priced weekly at an adjustable rate which is based on market conditions.

Interest rate swap:

The interest rate swap is measured at fair value using quoted market prices for the swap interest rate indexes over the term of the swap discounted to present value versus the fixed rate of the contract.

4. INVESTMENTS

Investments are reported in the statement of financial position at their fair value, with any realized and unrealized gains and losses reported in the statement of activities. All gains and investment income are available for unrestricted use.

The Foundation has investments in domestic and foreign corporate debt instruments, certificates of deposit, mutual funds and corporate stock. These investments are stated at fair value. The debt investments bear interest at rates between 4.125% and 9.125% and mature at various dates through July 2020.

Investments at December 31, 2010 and 2009 are summarized as follows:

December 31, 2010	Cost	Fair value	Net unrealized gain (loss)
Domestic common stocks:			
Consumer discretionary	\$ 262,099	625,926	363,827
Consumer staples	95,027	188,136	93,109
Financial	87,708	112,055	24,347
Industrial goods	348,734	466,097	117,363
Information technology	74,606	100,975	26,369
Materials	235,705	292,733	57,028
Services	209,469	240,832	31,363
Technology	54,059	129,024	74,965
Total domestic common stocks	\$ 1,367,407	2,155,778	788,371
Bonds and notes:			
Domestic corporate bonds	\$ 2,219,878	2,339,539	119,661
Foreign government obligations	21,385	22,746	1,361
Total bonds and notes	\$ 2,241,263	2,362,285	121,022

NOTES TO FINANCIAL STATEMENTS

Mutual funds:				
Domestic large-cap index fund	\$	231,284	341,506	110,222
Domestic REIT fund		87,040	60,622	(26,418)
International index fund		35,581	52,398	16,817
International REIT fund		58,773	43,574	(15,199)
Total mutual funds	\$	412,678	498,100	85,422

Certificates of deposit:				
Domestic	\$	50,000	52,302	2,302
International		50,000	51,129	1,129
Total certificates of deposit	\$	100,000	103,431	3,431

TOTAL INVESTMENTS	\$	4,121,348	5,119,594	998,246
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December 31, 2009			Cost	Fair value	Net unrealized gain (loss)
Domestic common stocks:					
Consumer discretionary	\$	235,371	458,610	223,239	
Consumer staples		47,979	53,152	5,173	
Energy		74,525	54,252	(20,273)	
Financial		87,708	127,990	40,282	
Health care		301,288	442,882	141,594	
Industrial goods		132,196	173,156	40,960	
Information technology		74,605	105,396	30,791	
Materials		152,926	172,579	19,653	
Technology		125,237	175,923	50,686	
Total domestic common stocks	\$	1,231,835	1,763,940	532,105	
Bonds and notes:					
Domestic corporate bonds	\$	1,942,994	1,992,009	49,015	
Foreign government obligations		21,724	22,884	1,160	
Total bonds and notes	\$	1,964,718	2,014,893	50,175	
Mutual funds:					
Domestic large-cap index fund	\$	231,284	302,446	71,162	
Domestic REIT fund		87,040	53,671	(33,369)	
International index fund		35,581	49,752	14,171	
International REIT fund		58,773	38,656	(20,117)	

NOTES TO FINANCIAL STATEMENTS

Total mutual funds	\$	412,678	444,525	31,847
Domestic certificates of deposit	\$	50,000	50,746	746
TOTAL INVESTMENTS	\$	3,659,231	4,274,104	614,873

5. UNCONDITIONAL PROMISES TO GIVE

During the year ended December 31, 2010, the Foundation received an unconditional promise to give in the form of an \$80,000 grant from the Mandel Foundation. The grant will be payable in \$20,000 yearly installments. The first installment was received during the year ended December 31, 2010.

Unconditional promise to give at December 31, 2010 and 2009 is as follows:

December 31,		2010	2009
Mandel Foundation grant:			
Receivable in less than one year	\$	20,000	
Receivable in one to three years		40,000	
General accounts receivable			2,147
Total unconditional promises to give	\$	60,000	2,147

6. GRANTS

At December 31, 2010 and 2009, grants payable consisted of the following:

December 31,		2010	2009
National Conference of Commissioners on Uniform State Laws:			
Redesign of database and website	\$	24,235	24,238
Uniform Law Foundation Scholars Program		5,000	10,000
Total	\$	29,235	34,238

For the years ended December 31, 2010 and 2009, grants authorized consisted of the following:

Years ended December 31,		2010	2009
National Conference of Commissioners on Uniform State Laws:			
Redesign of database and website		66,000	35,000
Grant from the Mandel Foundation to support ULC activities and projects		20,000	

NOTES TO FINANCIAL STATEMENTS

Scholars Program	2,500	5,000
Support for UN Letters of Credit implementation project		3,831
Grant from OPUS Foundation to support ULC international projects		1,000
Total grants expense	\$ 88,500	44,831

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2010 and 2009 is as follows:

Years ended December 31,	2010	2009
Annual meetings	\$ 207,526	205,000
Commercial Finance Association to support drafting projects	5,391	5,391
Mandel Foundation grand to support ULC activities and projects	60,000	
Total temporarily restricted net assets	\$ 272,917	210,391

Net assets of \$65,350 and \$21,069 were released from donor restrictions by incurring expenses satisfying the restricted purpose of donations during the years ended December 31, 2010 and 2009, respectively, as follows:

Years ended December 31,	2010	2009
Annual meeting and benefit dinner	\$ 45,350	21,069
ULC activities and projects (Mandel Foundation grant)	20,000	
Total net assets released from restrictions	\$ 65,350	21,069

8. RELATED PARTY TRANSACTIONS

General and administrative and fundraising costs are usually paid by the Conference.

The Foundation generally reflects grants to the Conference, a related not-for-profit organization, as expenses at the time the grants are authorized.

The Foundation is the beneficiary of the interest from the security deposit.

The Foundation has an agreement to lease its office condominium to the Conference under an operating lease for a thirty-year term through November 30, 2037. The lease provides for an option to renew the lease for three consecutive five-year terms. Under this lease agreement, the Conference is to pay an escalating rent according to a schedule outlined in the lease. Rental income for the years ended December 31, 2010 and 2009 was \$272,417 and \$216,427, respectively. The Foundation is responsible for condominium assessment

NOTES TO FINANCIAL STATEMENTS

fees and other related costs. The amount of the minimum lease rentals presented below has been calculated in amounts sufficient to recover these operating expenses from the Conference.

The future minimum rentals to be received are as follows:

Year ending December 31:	Amount
2011	246,303
2012	251,229
2013	256,254
2014	261,379
2015	266,607
Thereafter	7,388,678
Total	\$ 8,670,450

As provided under the terms of the lease agreement, as an additional incentive to enter into the lease, the Foundation provided a furniture allowance to the Conference of \$170,000. All such costs in excess of the \$170,000 allowance are the responsibility of the Conference. As consideration for the Foundation providing the Conference a furniture allowance, the agreement provides for the Conference to pay certain fees and expenses incurred by the Foundation in financing the purchase of the office condominium. The fees paid by the Conference to the Foundation were \$60,000 which has been netted against the furniture allowance. The net allowance of \$110,000 is being amortized as a lease incentive using the straight-line method over the 30-year lease term as a reduction to rental income. The lease incentive amortization was \$3,667 for each of the years ended December 31, 2010 and 2009.

9. BOND PAYABLE

On July 1, 2007, the Illinois Finance Authority issued \$2,740,000 Variable Rate Community Facility Revenue Bonds (The Uniform Law Foundation Project) Series 2007. The bond proceeds were issued to finance the costs of the acquisition, renovations and equipping of an approximately 9,381 square foot commercial office condominium in downtown Chicago.

The bond, which is due at maturity on July 1, 2037, bears interest at a weekly adjustable rate, payable monthly. The weekly rate for each weekly period shall be the rate determined by the remarketing agent, Bank of America, on Wednesday of each week at the lowest rate which will, in the sole judgment of the remarketing agent, having due regard for the prevailing financial market conditions, permit the bonds to be remarketed at par, plus accrued interest, on the first day of such weekly period. The interest rate on the bonds may be converted to a flexible rate at the option of the Foundation.

Payments of principal and interest are payable solely from and secured by an assignment and pledge of payments. The Foundation may prepay all or any portion of the bonds payable at any time.

NOTES TO FINANCIAL STATEMENTS

The loan agreement requires the Foundation to comply with certain financial covenants. For the year ended December 31, 2010, the Foundation was in compliance with all covenants.

Under the terms of a guarantee agreement dated July 24, 2007, the Conference guarantees the indebtedness of the Foundation to Bank of America arising out of or in connection with the Reimbursement Agreement between Bank of America and the Foundation dated July 1, 2007.

10. SWAP AGREEMENT AND LETTER OF CREDIT

The Foundation is exposed to interest rate risk through the above borrowing activity. In order to minimize the effect of changes in interest rates, the Foundation has entered into an interest rate swap agreement with Bank of America under which the Foundation agrees to pay a fixed rate of 3.67% on a notional amount which approximates the outstanding bond balance and to receive a return of 67% of the one-month LIBOR rate on the same notional amount. This agreement terminates on May 31, 2022. The fair value of the swap agreement at December 31, 2010 and 2009 was a negative cumulative fair value adjustment of \$316,169 and \$241,416, respectively, which was recorded as a liability in the statement of financial position and the related annual fair value adjustment on the interest rate swap agreement was reported in the statement of activities for the years then ended. Cash flows from the swap arrangement are classified as an operating activity on the statement of cash flows.

The Series 2007 bond issued through the Illinois Finance Authority is secured by an irrevocable letter of credit in the original stated amount of \$2,766,274 issued on July 24, 2007 by Bank of America (Bank). The trustee is Amalgamated Bank (Trustee). This letter of credit secures the payment, when due, of the principal and interest on the Series 2007 bond. The letter of credit will expire on the earliest of July 24, 2012 or other dates as provided under the terms of the letter of credit. The obligation of the Bank under the letter of credit is reduced to the extent of any drawing under the letter of credit. With respect to a drawing solely to pay interest on the bond, the Trustee's right to draw under the letter of credit is reinstated automatically.

The letter of credit is secured by a mortgage dated July 24, 2007. Under the terms of the mortgage between the Foundation and the Bank, the Foundation grants the Bank collateral interest in the office condominium including all improvements to such real estate, rents, leases, fixtures and personal property used in connection with the real estate.

11. SUBSEQUENT EVENTS

Management of the Foundation has reviewed and evaluated subsequent events from December 31, 2010, the financial statement date, through May 2, 2011, the date the financial statements were available to be issued. No events have occurred in this period that would be required to be recognized and/or disclosed in these financial statements as required by generally accepted accounting principles.

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