



2010 Financial Statements

**As of and for the Year
Ended December 31, 2010
and Independent
Auditors' Report**

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Members of
The Paley Center for Media
New York, New York

We have audited the accompanying statement of financial position of The Paley Center for Media (the "Paley Center" or the "Company") as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2010, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

April 29, 2011

THE PALEY CENTER FOR MEDIA

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2010

ASSETS

Cash and cash equivalents	\$ 3,747,749
Marketable securities	721,840
Prepaid expenses and other assets	212,848
Pledges and other receivables — net	13,665,929
Collection — net	333,938
Land	12,132,590
Building — net	16,268,018
Furniture, fixtures, and equipment — net	6,184,067
Endowment held by William S. Paley Foundation, Inc.	44,530,527
Long term investments	<u>14,481,733</u>

TOTAL \$112,279,239

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 1,714,406
Deferred revenue	325,640
Other liabilities	<u>374,144</u>

Total liabilities 2,414,190

NET ASSETS

Unrestricted	48,313,032
Temporarily restricted	16,221,172
Permanently restricted	<u>45,330,845</u>

Total net assets 109,865,049

TOTAL \$112,279,239

See notes to financial statements.

THE PALEY CENTER FOR MEDIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT:				
Annual galas:				
Revenues	\$ 1,890,096	\$ 319,925	\$ -	\$ 2,210,021
Direct costs of events	654,370	-	-	654,370
Net support from galas	1,235,726	319,925		1,555,651
Contributions	9,934,689	673,390	-	10,608,079
Fees	1,133,151	-	-	1,133,151
Investment income including unrealized gains and losses	1,952,468	-	-	1,952,468
Change in fair market value of endowment held by William S. Paley Foundation, Inc.	-	-	6,331,615	6,331,615
Change in value of split interest agreements	(1,750)	1,050,095	-	1,048,345
Other	633,018	-	-	633,018
Net assets released from restrictions:				
Satisfaction of program restrictions	2,242,635	(2,242,635)		-
Satisfaction of asset acquisition restrictions	384,281	(384,281)		-
Expiration of time restrictions	272,478	(272,478)		-
Reclassification for change in law	12,158,395	-	(12,158,395)	-
Distributions and transfers from endowment held by William S. Paley Foundation, Inc.	2,598,901	-	(2,598,901)	-
Total revenues, gains, and other support	32,543,992	(855,984)	(8,425,681)	23,262,327
OPERATING EXPENSES:				
Program services	15,241,185	-	-	15,241,185
Management and general	3,508,225	-	-	3,508,225
Fundraising	2,149,742	-	-	2,149,742
Total operating expenses	20,899,152	-	-	20,899,152
CHANGE IN NET ASSETS	11,644,840	(855,984)	(8,425,681)	2,363,175
NET ASSETS — Beginning of year	36,668,192	17,077,156	53,756,526	107,501,874
NET ASSETS — End of year	\$ 48,313,032	\$ 16,221,172	\$ 45,330,845	\$ 109,865,049

See notes to financial statements.

THE PALEY CENTER FOR MEDIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 2,363,175
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in fair market value of endowment held by William S. Paley Foundation, Inc.	(6,331,615)
Realized and unrealized gains on long-term investments	(1,701,134)
Change in fair value of split interest agreements	(1,048,345)
Depreciation and amortization	2,353,224
Writeoff of fixed assets	128,245
Decrease in prepaid expenses and other assets	235,999
Decrease in pledges and other receivables	4,992,502
Increase in accounts payable and accrued expenses, deferred revenue and other liabilities	<u>342,011</u>
Net cash provided by operating activities	<u>1,334,062</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(534,604)
Proceeds from sales of investments	3,170,636
Purchase of investments	<u>(3,320,444)</u>
Net cash used in investing activities	<u>(684,412)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Distributions and transfers from endowment held by William S. Paley Foundation, Inc.	<u>2,598,901</u>
Net cash provided by financing activities	<u>2,598,901</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,248,551
CASH AND CASH EQUIVALENTS — Beginning of year	<u>499,198</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 3,747,749</u>

See notes to financial statements.

THE PALEY CENTER FOR MEDIA

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2010

1. DESCRIPTION

The Paley Center for Media (the “Paley Center”), which opened to the public in 1976, seeks to acquire, preserve and make accessible to the general public, scholars and members of the television and radio industry, a representative collection for media programs, commercials, artifacts and related materials and to lead the discussion about the cultural, creative, and social significance of television, radio, and emerging platforms for the professional community and media-interested public. In September 1991, the Paley Center opened its facility in the William S. Paley Building at 25 West 52 Street, New York City (the “Building”), to the public. In March 1996, the Paley Center opened an additional facility to the public in the Leonard H. Goldenson Building at 465 North Beverly Drive, Beverly Hills, California (the “California Facility”).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — Under the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, *Presentation of Financial Statements*, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Paley Center and changes therein are classified and reported as follows:

Unrestricted Net Assets — These net assets are not subject to donor-imposed stipulations and may be expendable for any purpose in performing the primary objectives of the Paley Center. Donor-restricted contributions that are received and expensed in the same reporting period are considered unrestricted in the accompanying financial statements.

Temporarily Restricted Net Assets — These net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Paley Center and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently Restricted Net Assets — These net assets are subject to donor-imposed stipulations that resources be maintained permanently while permitting the Paley Center to use or expend part or all of the income (or other economic benefits) derived from the donated assets.

Cash and Cash Equivalents — The Paley Center considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. Under the provisions of FASB ASC 958-205, cash held temporarily by a custodian for investment purposes may be included as part of investments rather than as cash. At December 31, 2010, approximately \$104,000 of cash held temporarily by custodians was included in investments. At December 31, 2010 \$52,759 of cash equivalents was in an account at Wells Fargo Advisors, LLC which is pledged as collateral in connection with a revolving credit facility (Note 11).

Marketable Securities and Long-Term Investments — Marketable securities and long-term investments are stated at fair value. Fair value is based on published market prices. The realized gains and losses are recorded when investments are redeemed. Unrealized gains and losses represent the change in fair value as of the balance sheet date. Interest and dividend income is recorded when earned. At December 31, 2010 \$436,702 of marketable securities was in an account at Wells Fargo Advisors, LLC which account is pledged as collateral in connection with a revolving credit facility (Note 11).

Contributions and Grants — In accordance with FASB ASC 958-605, *Revenue Recognition*, contributions are recognized as revenue when they are received or unconditionally pledged.

The Paley Center 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. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restrictions are accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

The Paley Center offers various membership levels that include invitations to certain events held throughout the membership period. The Paley Center reports the contribution portion of membership fees as unrestricted contributions, but defers the portion of membership fees that are considered an exchange transaction. The deferred exchange fees are amortized over the period that they are earned.

The Paley Center reports gifts of equipment and other long-lived assets as unrestricted support unless explicit donor restrictions specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify the donated assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Paley Center reports expirations of donor restrictions when the long-lived assets are placed in service. There were no contributions of equipment or other long-lived assets for the year ended December 31, 2010.

Endowment Held by the William S. Paley Foundation, Inc. — The William S. Paley Foundation, Inc. (the “Foundation”) holds and invests funds as an endowment for the financial support, expansion and promotion of the Paley Center. In accordance with FASB ASC 958-20, *Financially Interrelated Entities*, as a specified beneficiary, the Paley Center recognizes its rights to the assets held by the Foundation on the Statement of Financial Position.

Split Interest Agreements — The Paley Center is the beneficiary of split interest agreements related to certain charitable trusts under varying terms and conditions. The assets recorded by the Paley Center under these agreements are recorded at their fair market value. The discount rates and actuarial assumptions used in the present value calculation for future payments are the prevailing rates of interest for similar types of high quality, fixed income investments of similar duration. The 2010 discount rates utilized ranged from 2.05% to 4.15% and the remaining terms of the split interest agreements as of December 31, 2010, range from 7.4 years to 13.6 years. The fair value of investments of these charitable trusts is \$5,308,686 as of December 31, 2010, which is recorded as pledges and other receivables. The Paley Center received distributions of \$272,478, recorded \$1,050,095 as unrealized gain related to the change in the fair value of such investments, and incurred \$1,750 of fees for the year ended December 31, 2010.

Depreciation and Amortization — Depreciation and amortization of the Paley Center’s fixed assets, including furnishings, equipment and the Paley Center’s collection, is calculated using the straight-line method with useful lives ranging from 5 to 10 years for fixed assets and 10 to 30 years for the collection. The Building, substantially completed in July 1991, is being depreciated over 40 years. Leasehold improvements related to the California Facility were amortized over approximately 14 years (the remaining life of the lease at the opening of the facility, in March of 1996) and are fully depreciated at December 31, 2010.

Impairment of Long-Lived Assets — The Paley Center accounts for impairment of long-lived assets in accordance with FASB ASC 360, *Property, Plant and Equipment*. The Paley Center evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Upon such an occurrence, recoverability of assets to be held and used is measured by comparing the carrying amount of an asset to forecasted undiscounted future net cash flows expected to be generated by the asset. If the carrying amount exceeds its estimated future cash flows, an

impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Use of 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 have an effect on the reported amounts of assets and liabilities and the 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.

New Accounting Pronouncements – Effective for the year ended December 31, 2010, the Paley Center adopted FASB ASC 958-205-45, *Classification of Donor-Restricted Endowment Funds Subject to UPMIFA*, which incorporates guidance previously included in FASB Staff Position (FSP) FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act* (“UPMIFA”), and *Enhanced Disclosures for All Endowment Funds*. New York Prudent Management of Institutional Funds Act or “NYPMIFA” was enacted into law on September 17, 2010 and is applicable to the Paley Center’s 2010 financial statements. FASB ASC 958-205-45 improves disclosures about an organization’s endowment funds (both donor-restricted endowment funds and board-designated endowment funds). As a result of adopting FASB ASC 958-205-45, endowment funds totaling \$12,158,395 were reclassified from permanently restricted net assets to unrestricted net assets. (See Note 9.)

3. PLEDGES AND OTHER RECEIVABLES — NET

Pledges and other receivables, net are due to be collected at December 31, 2010, as follows:

Within one year	\$ 6,715,992
In one to five years	2,222,429
In more than five years	<u>6,187,629</u>
	15,126,050
Present value discount	<u>(1,460,121)</u>
	<u>\$ 13,665,929</u>

Pledges and other receivables include \$2,799,354 due from the Foundation. The allowance for doubtful accounts was \$3,375 as of December 31, 2010.

4. COLLECTION — NET

The Paley Center’s collection consists of programs, commercials, books, scripts, artifacts and other materials relating to television and radio and other media. The television and radio programs and commercials in the Paley Center’s collection have not been assigned a value in the financial statements because there is no clearly measurable basis for an amount to be recorded. The amounts shown in the financial statements for the collection include the payments made for acquiring and transferring television and radio programs and commercials to the Paley Center’s tape format and related materials including videotape, audiotape and books or, if donated, the estimated retail value of the material or services at the time of donation, net of accumulated depreciation.

5. PROPERTY, BUILDING, AND OTHER FIXED ASSETS

Property, building, and other fixed assets as of December 31, 2010, are as follows:

Collection (Note 4)	\$ 5,167,036
Land	12,132,590
Building	31,676,421
Leasehold improvements	12,726,403
Furniture, fixtures, and equipment	<u>14,630,393</u>
	76,332,843
Accumulated depreciation and amortization	<u>(41,414,230)</u>
	<u>\$ 34,918,613</u>

The Paley Center retired \$685,501 of fully depreciated fixed assets during 2010.

6. RISK AND UNCERTAINTIES

The Paley Center holds various investments in securities with various investment objectives. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, management believes it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

7. ENDOWMENT HELD BY THE FOUNDATION

The Board of Directors of the Foundation (the "Board") is authorized to distribute from time to time some portion or all of the principal of the endowment if the Board determines in their discretion that such principal distribution shall be necessary or advisable for some current purpose of the Paley Center. Since the inception of the endowment, the Board has not authorized any distribution of endowment principal. As a result, these funds, as well as all earnings and appreciation (depreciation) thereon, are included in permanently restricted net assets until such time that the Board determines otherwise. The Paley Center recognized an unrealized gain of \$6,331,615 during the year ended December 31, 2010, related to the change in fair value of the Foundation's endowment. Distributions to the Paley Center are recorded as a reclassification between permanently restricted and temporarily restricted or unrestricted net assets. During the year ended December 31, 2010, distributions of \$2,100,000 were made from the Foundation's endowment to unrestricted net assets and an additional \$498,901 was appropriated and transferred to unrestricted net assets.

The funds of the Endowment at December 31, 2010, consist of the following:

	Market Value
Cash and cash equivalents	\$ 1,434,942
Equities	32,391,376
Fixed income	<u>10,704,209</u>
	<u>\$44,530,527</u>

8. LONG-TERM INVESTMENTS

At December 31, 2010, long-term investments consisted of the following:

	Market Value
Cash and money market funds	\$ 103,901
U.S. equities	2,885,290
U.S. equity mutual funds	3,594,607
International equities	687,340
International equity mutual funds	3,762,264
U.S. government bond funds	<u>3,448,331</u>
	<u>\$14,481,733</u>

Long-term investments include \$14,168,248 of endowment funds (not held by the Foundation) at December 31, 2010. The contributed value of these funds amounted to \$14,060,175 at December 31, 2010, \$800,318 of which is permanently restricted as to principal.

At December 31, 2010 \$6,468,346 of long-term investments was in an account at Wells Fargo Advisors, LLC which is pledged as collateral in connection with a revolving credit facility (Note 11).

9. ENDOWMENT

The Paley Center's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As defined by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Under the Paley Center's spending policy, in fiscal year 2010, the Trustees approved a 5% spending rate, which was based on a thirteen month trailing average of the market value of the endowment. Under the spending policy, \$698,760 was utilized in support of operations in fiscal year 2010. Accumulated appreciation and income on endowment funds is classified as Unrestricted Net Assets.

Endowment net asset composition by type of funds as of December 31, 2010 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ 6,152	-	\$ 45,330,845	\$ 45,336,997
Board-designated endowment funds	<u>13,361,778</u>	<u>-</u>	<u>-</u>	<u>13,361,778</u>
Total funds	<u>\$ 13,367,930</u>	<u>-</u>	<u>\$ 45,330,845</u>	<u>\$ 58,698,775</u>

Changes in endowment net assets for the year ended December 31, 2010 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — beginning of the year	\$ -	\$ -	\$ 53,756,526	\$ 53,756,526
Net asset reclassification based on change in law	<u>12,158,395</u>	<u>-</u>	<u>(12,158,395)</u>	<u>-</u>
Endowment net assets after reclassification	12,158,395	-	41,598,131	53,756,526
Investment return:				
Investment income	237,007	-	-	237,007
Net appreciation (realized and unrealized)	<u>1,671,287</u>	<u>-</u>	<u>-</u>	<u>1,671,287</u>
Total investment return	<u>1,908,294</u>	<u>-</u>	<u>-</u>	<u>1,908,294</u>
Appropriation of endowment assets for expenditure	(698,759)	-	-	(698,759)
Other changes:				
Change in fair market value of endowment held by William S. Paley Foundation, Inc.	-	-	6,331,615	6,331,615
Distribution from endowment held by William S. Paley Foundation, Inc	-	-	(2,100,000)	(2,100,000)
Transfer to unrestricted net assets	<u>-</u>	<u>-</u>	<u>(498,901)</u>	<u>(498,901)</u>
Endowment net assets — end of the year	<u>\$ 13,367,930</u>	<u>\$ -</u>	<u>\$ 45,330,845</u>	<u>\$ 58,698,775</u>

10. DEFERRED REVENUE

Deferred revenue consists primarily of the portion of membership fees that are considered an exchange transaction. These fees are deferred over the period of membership, typically one year.

11. CREDIT FACILITY

As of September 1 2009, the Paley Center entered into an agreement with Wachovia Bank, N.A. (“Wachovia”) for a revolving credit facility in the aggregate principal amount of \$3 million, which expired on September 1, 2010 and was subsequently extended to October 1, 2011. This facility bears interest on any unpaid principal balance based on the London Inter-Bank Offering Rate (for one month U.S. dollar deposits) plus .5% (.76% at December 31, 2010). During 2010, there were no borrowings from the Wachovia revolving credit facility. There is a commitment fee of .25% on any unused portion of the commitment payable quarterly.

The agreement with Wachovia contains certain covenants. As of December 31, 2010, the Paley Center is in compliance with all such covenants. The agreement requires that aggregate fair market value of

collateral, as defined, shall exceed \$4,000,000. Cash equivalents (Note 2), marketable securities (Note 2) and long-term investments (Note 8) serve as collateral.

12. TAX STATUS

The Internal Revenue Service (IRS) has ruled that the Paley Center qualifies as a Section 501(c)(3) organization, exempt from federal income tax under Section 501(a) of the IRC. The IRS has also determined that the Paley Center is a publicly supported organization under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code (IRC). Management is not aware of any course of action or series of events that have occurred that might adversely affect the Paley Center's qualified status. The Paley Center is subject to unrelated business taxes under Section 511 of the IRC on income that is unrelated to its primary exempt purposes. For the year ended December 31, 2010, the Paley Center has no material tax liability for unrelated business income. The Paley Center has a net operating loss carryover of \$320,105 resulting from losses from unrelated business taxes; however, due to a history of losses, a full valuation allowance has been set up against this deferred asset.

As of December 31, 2010, tax years 2007 through 2010 are subject to examination by the federal tax authorities.

13. PROFIT SHARING PLAN

Effective January 1, 1994, the Paley Center adopted a profit-sharing plan (the "Plan") to provide retirement benefits for its employees. The Plan is a noncontributory, defined contribution plan available to all employees after one year with 1,000 hours of service. After three years of service in the Plan, an employee becomes 100% vested. Costs of the Plan are funded as incurred. Costs for 2010 amounted to \$245,053.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

- a. The carrying amounts of cash and cash equivalents, accounts payable and accrued expenses, deferred revenue and other liabilities approximate fair value because of the short maturity of those instruments.
- b. Pledges and other receivables are recorded at their net present value which approximates fair value.
- c. Marketable securities and long-term investments are carried at market value.

The Paley Center follows the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*, for financial assets and liabilities. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities:

Level One — Valuations based on quoted prices in active markets for identical assets or liabilities that the Paley Center has the ability to access.

Level Two — Valuations based on one or more quoted prices in active markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level Three — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All of the Paley Center's long-term investments, marketable securities, and the endowment held by the Foundation are valued based on level one inputs.

15. IN-KIND INCOME

During the year ended December 31, 2010, the Paley Center received approximately \$582,995 of in-kind income. The in-kind income consisted primarily of business and professional services. These amounts have been recorded based upon the fair value of the services as reported to the Paley Center by the donors and are included in financial statements as unrestricted contributions.

16. COMMITMENTS AND CONTINGENCIES

The Paley Center has been named as a codefendant with its general contractor in a lawsuit arising from the construction of the Paley Center’s New York Building. According to its agreement with the contractor, the Paley Center is indemnified against losses from such lawsuits. Therefore, in the opinion of management, the resolution of the lawsuit will not have a material adverse impact on the Paley Center’s financial position.

On November 1, 1994, the Paley Center entered into a lease for the premises on which the California Facility has been constructed. The lease term was 15 years with options to extend until February 28, 2024. Rent expense related to this lease was \$1,280,744 for 2010. On July 30, 2008, the Paley Center entered into an amendment to the lease extending the term until February 28, 2024. Minimum lease payments under the Paley Center’s operating lease are as follows:

2011	\$ 999,396
2012	1,034,375
2013	1,070,578
2014	1,108,048
2015	1,146,830
Thereafter	<u>12,039,027</u>
	<u>\$ 17,398,254</u>

17. SUBSEQUENT EVENTS

The Paley Center evaluated subsequent events through April 29, 2011, the date these financial statements were available to be issued, for both conditions existing and not existing as of December 31, 2010 and concluded there were no subsequent events to recognize or disclose.

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