

MIND AND LIFE INSTITUTE

**Consolidated Financial Statements
and
Independent Auditors' Report
December 31, 2010 and 2009**

EKS&H
**EHRHARDT • KEEFE
STEINER • HOTTMAN PC**
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

MIND AND LIFE INSTITUTE

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Mind and Life Institute
Boulder, Colorado

We have audited the accompanying consolidated statements of financial position of Mind and Life Institute (the "Organization") (a Colorado non-profit corporation) as of December 31, 2010 and 2009, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mind and Life Institute as of December 31, 2010 and 2009, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Ehrhardt Keefe Steiner & Hottman PC

July 29, 2011
Boulder, Colorado

MIND AND LIFE INSTITUTE

Consolidated Statements of Financial Position

	December 31,	
	<u>2010</u>	<u>2009</u>
Assets		
Assets		
Cash and cash equivalents	\$ 1,105,351	\$ 560,560
Pledges receivable, net	1,284,666	1,722,596
Other current assets	27,277	13,749
Investments at fair value	3,554,330	3,594,357
Property and equipment	<u>7,223</u>	<u>13,934</u>
Total assets	<u>\$ 5,978,847</u>	<u>\$ 5,905,196</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 21,538	\$ 115,800
Grants payable	225,000	314,000
Accrued expenses	<u>99,391</u>	<u>188,488</u>
Total liabilities	<u>345,929</u>	<u>618,288</u>
Commitments		
Net assets		
Unrestricted	4,348,252	3,966,996
Temporarily restricted	<u>1,284,666</u>	<u>1,319,912</u>
Total net assets	<u>5,632,918</u>	<u>5,286,908</u>
Total liabilities and net assets	<u>\$ 5,978,847</u>	<u>\$ 5,905,196</u>

See notes to consolidated financial statements.

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Consolidated Statements of Activities

	For the Years Ended					
	December 31, 2010			December 31, 2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support						
Contributions	\$ 1,027,049	\$ 612,428	\$ 1,639,477	\$ 1,065,634	\$ 413,896	\$ 1,479,530
Ticket sales	849,924	-	849,924	-	-	-
Service fees	60,735	-	60,735	847,214	-	847,214
Book sales	45,884	-	45,884	65,324	-	65,324
Publication royalties	42,249	-	42,249	33,347	-	33,347
Investment income	<u>105,320</u>	<u>-</u>	<u>105,320</u>	<u>99,841</u>	<u>-</u>	<u>99,841</u>
Total revenues, gains, and other support	<u>2,131,161</u>	<u>612,428</u>	<u>2,743,589</u>	<u>2,111,360</u>	<u>413,896</u>	<u>2,525,256</u>
Net assets released from restrictions	<u>647,674</u>	<u>(647,674)</u>	<u>-</u>	<u>991,120</u>	<u>(991,120)</u>	<u>-</u>
Total net assets released from restrictions	<u>647,674</u>	<u>(647,674)</u>	<u>-</u>	<u>991,120</u>	<u>(991,120)</u>	<u>-</u>
Expenses and losses						
Program services	2,068,664	-	2,068,664	2,089,953	-	2,089,953
Fundraising	156,338	-	156,338	184,585	-	184,585
General and administrative	<u>159,126</u>	<u>-</u>	<u>159,126</u>	<u>198,138</u>	<u>-</u>	<u>198,138</u>
Total expenses and losses	<u>2,384,128</u>	<u>-</u>	<u>2,384,128</u>	<u>2,472,676</u>	<u>-</u>	<u>2,472,676</u>
Other income (expenses)						
Other income (expenses)	(3,150)	-	(3,150)	3,682	-	3,682
Loss on foreign currency transactions	<u>(41,371)</u>	<u>-</u>	<u>(41,371)</u>	<u>(24,123)</u>	<u>-</u>	<u>(24,123)</u>
Total other expenses	<u>(44,521)</u>	<u>-</u>	<u>(44,521)</u>	<u>(20,441)</u>	<u>-</u>	<u>(20,441)</u>
Change in net assets	350,186	(35,246)	314,940	609,363	(577,224)	32,139
Foreign currency translation adjustment	31,070	-	31,070	-	-	-
Net assets at beginning of year	<u>3,966,996</u>	<u>1,319,912</u>	<u>5,286,908</u>	<u>3,357,633</u>	<u>1,897,136</u>	<u>5,254,769</u>
Net assets at end of year	<u>\$ 4,348,252</u>	<u>\$ 1,284,666</u>	<u>\$ 5,632,918</u>	<u>\$ 3,966,996</u>	<u>\$ 1,319,912</u>	<u>\$ 5,286,908</u>

See notes to consolidated financial statements.

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Consolidated Statements of Cash Flows

	For the Years Ended	
	December 31,	
	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Change in net assets	\$ 314,940	\$ 32,139
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	6,711	21,451
Donated stock	-	(101,831)
Net unrealized gains on investments	(20,067)	(370)
Allowance for bad debt and amortization of discount	(18,042)	(28,349)
Changes in assets and liabilities		
Pledges receivable	455,972	138,015
Other assets	(13,528)	(4,687)
Accounts payable	(94,262)	97,568
Accrued expenses	(89,097)	148,713
Grants payable	(89,000)	33,642
	<u>138,687</u>	<u>304,152</u>
Net cash provided by operating activities	<u>453,627</u>	<u>336,291</u>
Cash flows from investing activities		
Purchase of investments and accrued interest	(1,409,906)	(3,405,623)
Proceeds from sale of investments	<u>1,470,000</u>	<u>1,817,831</u>
Net cash provided by (used in) investing activities	60,094	(1,587,792)
Effects of foreign currency exchange rates on cash	<u>31,070</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	544,791	(1,251,501)
Cash and cash equivalents at beginning of year	<u>560,560</u>	<u>1,812,061</u>
Cash and cash equivalents at end of year	<u>\$ 1,105,351</u>	<u>\$ 560,560</u>

See notes to consolidated financial statements.

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Consolidated Statements of Functional Expenses For the Year Ended December 31, 2010

	General and Administrative	Fundraising	Program Services	Total
Salaries	\$ 26,627	\$ 101,748	\$ 575,981	\$ 704,356
Staff benefits	28,851	16,012	129,321	174,184
Payroll taxes	<u>1,874</u>	<u>6,046</u>	<u>25,543</u>	<u>33,463</u>
Total salaries and related expenses	57,352	123,806	730,845	912,003
Facility and furniture rental	-	-	348,030	348,030
International event expenses	-	-	282,382	282,382
Research grants	-	-	140,262	140,262
Outside services	14,048	5,108	112,451	131,607
Airfare	-	5,537	90,761	96,298
Lodging	-	566	72,036	72,602
Rent	14,143	4,132	36,250	54,525
Meals	4,021	8,129	34,590	46,740
Honorarium	-	-	35,000	35,000
Professional fees and services	11,816	450	17,185	29,451
Production expense	-	-	25,462	25,462
Ground transportation and mileage	-	2,259	22,219	24,478
Telephone, internet, and communication	2,061	2,387	18,163	22,611
Legal	8,694	-	12,303	20,997
Miscellaneous expenses	15,328	898	2,867	19,093
Office supplies	765	309	17,698	18,772
Uncollectible pledge expense	18,042	-	-	18,042
Bank fees	7,703	20	7,488	15,211
AV expense	-	-	14,179	14,179
Postage and delivery	1,068	371	8,409	9,848
Database	1,234	458	6,484	8,176
Website	588	526	5,219	6,333
Printing	-	5	6,268	6,273
Graphic design	-	363	4,833	5,196
Charitable contributions	-	765	3,544	4,309
Insurance	1,134	197	1,966	3,297
Dues, subscriptions, licenses, and fees	986	-	2,104	3,090
Interpretation, transcription, and translation costs	-	-	2,500	2,500
Utilities	143	52	455	650
Entourage costs	-	-	-	-
Registration and booking	-	-	-	-
Decoration	-	-	-	-
Advertising and promotion	-	-	-	-
Security	-	-	-	-
Catering	-	-	-	-
Total before depreciation	<u>159,126</u>	<u>156,338</u>	<u>2,061,953</u>	<u>2,377,417</u>
Depreciation of building and equipment	<u>-</u>	<u>-</u>	<u>6,711</u>	<u>6,711</u>
Total functional expenses	<u>\$ 159,126</u>	<u>\$ 156,338</u>	<u>\$ 2,068,664</u>	<u>\$ 2,384,128</u>

See notes to consolidated financial statements.

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Consolidated Statements of Functional Expenses For the Year Ended December 31, 2009

	General and Administrative	Fundraising	Program Services	Total
Salaries	\$ 29,273	\$ 126,106	\$ 523,011	\$ 678,390
Staff benefits	8,627	16,597	142,631	167,855
Payroll taxes	<u>8,633</u>	<u>7,932</u>	<u>32,144</u>	<u>48,709</u>
Total salaries and related expenses	46,533	150,635	697,786	894,954
Research grants	-	-	310,645	310,645
Outside services	42,750	7,381	138,881	189,012
Lodging	-	1,180	176,949	178,129
Airfare	-	2,853	101,977	104,830
AV expense	-	-	94,509	94,509
Catering	-	-	81,919	81,919
Facility and furniture rental	-	-	73,673	73,673
Office supplies	55,099	114	15,125	70,338
Advertising and promotion	-	-	45,922	45,922
Rent	3,707	3,323	34,457	41,487
Meals	-	6,500	29,215	35,715
Ground transportation and mileage	9	2,196	33,137	35,342
Legal	17,329	-	11,780	29,109
Entourage costs	-	-	29,014	29,014
Honorarium	-	-	27,500	27,500
Professional fees and services	-	1,487	25,895	27,382
Telephone, internet, and communication	7,244	1,931	15,174	24,349
Production expense	-	-	22,885	22,885
Bank fees	16,298	15	612	16,925
Graphic design	100	300	15,554	15,954
Postage and delivery	868	75	14,648	15,591
Website	1,844	438	12,893	15,175
Transcription	-	-	12,593	12,593
Utilities	1,121	1,001	10,384	12,506
Security	-	-	10,500	10,500
Database	-	3,097	6,797	9,894
Printing	54	20	6,024	6,098
Registration and booking	-	-	4,674	4,674
Charitable contributions	82	1,209	3,189	4,480
Insurance	3,480	-	-	3,480
Decoration	-	-	2,655	2,655
Dues, subscriptions, and licenses	188	594	1,423	2,205
Other expenses	1,432	236	113	1,781
International event expenses	-	-	-	-
Uncollectible pledge expense	-	-	-	-
Total before depreciation	<u>198,138</u>	<u>184,585</u>	<u>2,068,502</u>	<u>2,451,225</u>
Depreciation of building and equipment	<u>-</u>	<u>-</u>	<u>21,451</u>	<u>21,451</u>
Total functional expenses	<u>\$ 198,138</u>	<u>\$ 184,585</u>	<u>\$ 2,089,953</u>	<u>\$ 2,472,676</u>

See notes to consolidated financial statements.

MIND AND LIFE INSTITUTE

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

The Mind and Life Institute (the "Organization"), a non-profit corporation, was incorporated in the State of California on July 2, 1991, and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Organization is licensed to conduct business in Colorado, actively promoting dialogue and research among western scientists and leading figures in the Buddhist tradition through conferences, publications, and research activities. These programs, that investigate the mind and the nature of reality, have been established to guide and inform medicine, neuroscience, psychology, education, and human development in ways that integrate the diverse dimensions of Western and Eastern thought.

The Board of Directors approved establishment of Mind and Life International ("MLI") on February 8, 2008. MLI was established as a Swiss Association to meet both short-term as well as long-term needs of the Organization, and to address a strategic requirement of MLI to be an international organization. The entity is a subsidiary of the Organization.

The consolidated financial statements include the accounts of the Organization and MLI. All intercompany accounts and transactions have been eliminated upon consolidation.

Basis of Presentation

The Organization 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.

Unrestricted amounts are those currently available at the discretion of the Board of Trustees for use in the Organization's operations, fundraising, and certain programs.

Temporarily restricted amounts are monies restricted by donors specifically for certain time periods, purposes, or programs.

Permanently restricted amounts are assets that must be maintained permanently by the Organization as required by the donor, but the Organization is permitted to use or expend part or all of any income derived from those assets. As of December 31, 2010 and 2009, the Organization did not have any permanently restricted amounts.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Organization continually monitors its positions with, and the credit quality of, the financial institutions with which it maintains balances. Periodically throughout the year, the Organization has maintained cash balances in excess of federally insured limits. The Organization's cash equivalents consist of money market funds, which, at December 31, 2010 and 2009 totaled \$814,894 and \$280,969, respectively.

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Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Investments

The Organization reports investments in securities with readily determinable fair values and all investments in debt securities at their fair values with unrealized gains and losses included in the consolidated statements of activities. At December 31, 2010 and 2009, investments consist of certificates of deposit and government bond obligations.

Property and Equipment

Furniture, machinery, and lab equipment purchased by the Organization are recorded at cost. Donated fixed assets are capitalized at fair value at the date of donation. Maintenance and repairs are expensed as incurred. Depreciation is provided on the straight-line method based upon the estimated useful lives of the assets, which range from three to five years.

Contributions and Pledge Receivables

Contributions are recorded when the Organization receives unconditional promises to give from donors. Gifts of cash and other assets received without donor stipulations are reported as unrestricted support. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted support. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Gifts of land, buildings, equipment, and other long-lived assets are reported as unrestricted support unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted support. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service. An allowance for uncollectible receivables is recorded for amounts that there is uncertainty of realization.

As of December 31, 2010, three donors represented 23%, 20%, and 15% of unconditional promises to give, respectively. In addition, three donors represented 69% of total revenue for the year ended December 31, 2010.

Ticket Sales

Ticket sales to events are recorded as revenue when the event occurs.

Functional Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the programs, general and administrative, and fundraising categories for services benefited.

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Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization has determined that it is exempt from federal income taxes under Section 501(c)(3) of the IRC. The Organization is not a private foundation within the meaning of Section 509(a) of the IRC.

The Organization has determined that MLI is tax exempt from local taxes under the applicable rules of Switzerland. As such, no taxes are due internationally.

The Organization adopted guidance related to uncertainty in income taxes on January 1, 2009. After evaluating the tax positions taken, none are considered to be uncertain, including its qualification as a not-for-profit under 501(c)(3); therefore, no income tax liabilities have been recognized as of December 31, 2010 or 2009.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expense. No interest or penalties have been assessed as of December 31, 2010 or 2009. Tax years that remain subject to examination include 2007 through 2010.

Foreign Currency Translation

The Organization's reporting currency is the U.S. dollar. Assets and liabilities of the Organization's foreign subsidiary are translated into U.S. dollars at year-end exchange rates. Revenue and expense accounts and cash flows are translated using an average of exchange rates in effect during the period. As the current year cumulative translation gains and losses are immaterial, accumulated other comprehensive income has not been presented. Exchange gains and losses from transactions denominated in a foreign currency are recognized as a component of other expense in current operations.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2009 consolidated financial statements have been reclassified to conform to the 2010 presentation.

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Notes to Consolidated Financial Statements

Note 2 - Temporarily Restricted Net Assets

The Organization has received certain contributions which are restricted due to the time in which those contributions will be received. As such, these amounts are shown as temporarily restricted net assets in the accompanying consolidated statements of activities. At December 31, 2010, the Organization had \$1,284,666 in temporarily restricted net assets. The Organization expects these net assets to be released from restriction and be available for use by the Organization in future fiscal years, as indicated below:

Year Ending December 31,

2011	\$	644,210
2012		387,500
2013		212,500
2014		<u>57,500</u>
	\$	<u>1,301,710</u>

Note 3 - Pledges Receivable

Pledges receivable consist of the following:

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Due in less than one year	\$ 644,210	\$ 865,737
Due in one to five years	<u>657,500</u>	<u>883,602</u>
	1,301,710	1,749,339
Less allowance for uncollectible contributions and discount on pledges receivable	<u>(17,044)</u>	<u>(26,743)</u>
	<u>\$ 1,284,666</u>	<u>\$ 1,722,596</u>

Promises to give with maturity dates in excess of one year are discounted using U.S. Treasury Bill rates for similar investments. The applicable rates at December 31, 2010 were 0.28% to 2.07%.

Note 4 - Investments

As of December 31, 2010, investments consist of certificates of deposit with maturity dates ranging from January 14, 2011 to August 13, 2014, as well as municipal bonds and government obligations with maturity dates ranging from July 1, 2013 to November 15, 2016.

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Notes to Consolidated Financial Statements

Note 4 - Investments (continued)

Investment income consists of the following:

	For the Years Ended December 31,	
	2010	2009
Dividends	\$ 241	\$ 2,105
Interest	85,012	97,366
Net realized/unrealized gains on investments	<u>20,067</u>	<u>370</u>
Total investment income	<u>\$ 105,320</u>	<u>\$ 99,841</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$6,711 and \$21,451, respectively.

Note 5 - Property and Equipment

The Organization's property and equipment are comprised of the following:

	December 31,	
	2010	2009
Books and video equipment	\$ 151,435	\$ 151,435
Lab equipment	56,022	56,022
Office equipment and furniture	<u>24,548</u>	<u>24,548</u>
	232,005	232,005
Less accumulated depreciation	<u>(224,782)</u>	<u>(218,071)</u>
	<u>\$ 7,223</u>	<u>\$ 13,934</u>

Note 6 - Intercompany Transactions

Intercompany transactions that were eliminated upon consolidation consisted of the following cumulative amounts:

	December 31,	
	2010	2009
Cash advances to MLI	\$ -	\$ 232,502
Expenses paid on behalf of MLI	<u>18,354</u>	<u>87,589</u>
Total intercompany transactions	<u>\$ 18,354</u>	<u>\$ 320,091</u>

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Notes to Consolidated Financial Statements

Note 7 - Retirement Plans

The Organization has established a 403 (b) plan (the "Plan") whereby employees meeting certain requirements may participate in the Plan. The Organization, at its discretion, may make certain matching contributions into the Plan subject to certain Internal Revenue Service ("IRS") limitations. For the years ended December 31, 2010 and 2009, no matching contributions were made to the Plan.

The Organization has established certain 457 deferred compensation plans ("Deferred Compensation Plans") whereby employees meeting certain requirements may participate in the Deferred Compensation Plans at the Organization's discretion. The Organization may make contributions on behalf of the employees, subject to certain IRS limitations. During the years ended December 31, 2010 and 2009, the Organization contributed \$48,000 and \$38,500, respectively, to the 457 Deferred Compensation Plans on behalf of one employee. Of the amounts contributed, \$25,500 and \$16,500 was accrued for and paid subsequent to December 31, 2010 and 2009, respectively.

The Organization has established a profit sharing plan ("Profit Sharing Plan") whereby the Organization may elect to make contributions into the Profit Sharing Plan on behalf of employees meeting certain eligibility requirements, subject to certain IRS limitations. During the years ended December 31, 2010 and 2009, the Organization contributed \$83,596 on behalf of seven employees and \$64,150 on behalf of five employees, respectively, to the Profit Sharing Plan. Annual distributions are subject to approval by the Board of Directors. Of the amounts contributed, \$68,000 and \$49,000 was accrued for and paid subsequent to December 31, 2010 and 2009, respectively.

Note 8 - Subsequent Events

The Organization has evaluated subsequent events through July 29, 2011, the date the consolidated financial statements were available to be issued.

Note 9 - Fair Value Measurements

The Organization values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the following fair value hierarchy prioritizes observable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2: Quoted prices in active markets for similar assets or liabilities and inputs that are observable for the asset or liability.
- Level 3: Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

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Notes to Consolidated Financial Statements

Note 9 - Fair Value Measurements (continued)

The determination of where assets and liabilities fall within this hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds: The value of money market funds was based upon unadjusted quoted prices in active markets for identical assets that the Organization has the ability to assess at the measurement date.

Certificates of deposit and government obligations: Valued based on prices currently available on comparable securities of the issuer or other issuers with similar credit ratings.

Financial assets carried at fair value as of December 31, 2010 are classified in the table below in one of the three categories described above.

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 814,894	\$ -	\$ -	\$ 814,894
Certificates of deposit	-	3,090,424	-	3,090,424
Municipal bonds	-	463,906	-	463,906
Total	<u>\$ 814,894</u>	<u>\$ 3,554,330</u>	<u>\$ -</u>	<u>\$ 4,369,224</u>

Financial assets carried at fair value as of December 31, 2009 are classified in the table below in one of the three categories described above.

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 280,969	\$ -	\$ -	\$ 280,969
Certificates of deposit	-	3,594,357	-	3,594,357
Total	<u>\$ 280,969</u>	<u>\$ 3,594,357</u>	<u>\$ -</u>	<u>\$ 3,875,326</u>

Note 10 - Commitments

Operating Leases

The Organization leases facilities, equipment, and vehicles under non-cancelable operating leases. Rent expense for the years ended December 31, 2010 and 2009 was \$54,525 and \$41,487, respectively.

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Notes to Consolidated Financial Statements

Note 10 - Commitments (continued)

Operating Leases (continued)

Future minimum lease payments under these leases are as follows:

Year Ending December 31,

2011	\$	51,352
2012		52,903
2013		54,492
2014		56,136
2015		57,804
Thereafter		<u>120,864</u>
	\$	<u>393,551</u>