THE BROWN FOUNDATION
FOR EDUCATIONAL EQUITY, EXCELLENCE AND RESEARCH

FINANCIAL STATEMENTS
WITH
SUPPLEMENTARY INFORMATION

As of and For the Year Ended December 31, 2010

Cummins & Coffman, CPA’s, P.A.
3706 S. Topeka Blvd., Suite 302
Topeka, Kansas 66609-1246
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</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

Board of Directors
The Brown Foundation for Educational Equity, Excellence and Research
Topeka, Kansas

We have audited the accompanying statement of financial position of The Brown Foundation for Educational Equity, Excellence and Research as of December 31, 2010, and the related statement of activities and cash flows for the year 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 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 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 audit provides 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 Brown Foundation for Educational Equity, Excellence and Research as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles of the United States.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Brown Foundation for Educational Equity, Excellence and Research taken as a whole. The Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Topeka, Kansas
August 29, 2011
THE BROWN FOUNDATION FOR EDUCATIONAL EQUITY, EXCELLENCE AND RESEARCH
STATEMENTS OF FINANCIAL POSITION
December 31, 2010

ASSETS

CURRENT ASSETS
Cash and cash equivalents $ 50,670
Mutual fund investments 9,086
Contract revenue receivable 1,778
Total current assets 61,534

FIXED ASSETS
Land 3,500
Property & equipment, net of accumulated depreciation of $15,601 17,052
Total fixed assets 20,552

Total Assets $ 82,086

LIABILITIES & NET ASSETS

CURRENT LIABILITIES
Accounts payable $ 8,208
Return of contribution payable 4,000
Accrued payroll liabilities & related benefits 11,318
Total current liabilities 23,526

UNRESTRICTED NET ASSETS
Designated by the Board for transportation 11,830
Undesignated 46,730
Total unrestricted net assets 58,560

Total Liabilities and Net Assets $ 82,086

The accompanying notes are an integral part of the financial statements.
### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Park Service contract revenue</td>
<td>$297,298</td>
</tr>
<tr>
<td>Contributions</td>
<td>27,436</td>
</tr>
<tr>
<td>Conferences &amp; symposium fees</td>
<td>4,863</td>
</tr>
<tr>
<td>Park project revenue</td>
<td>1,292</td>
</tr>
<tr>
<td>Interest &amp; dividends</td>
<td>480</td>
</tr>
<tr>
<td>Unrealized gain on investments</td>
<td>1,194</td>
</tr>
<tr>
<td>Miscellaneous revenues</td>
<td>190</td>
</tr>
</tbody>
</table>

**Total revenues**                                  **$332,753**

### Expenses

**Program services:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Park Service program</td>
<td>320,011</td>
</tr>
<tr>
<td>Reading program</td>
<td>1,028</td>
</tr>
<tr>
<td>Scholarship program</td>
<td>248</td>
</tr>
</tbody>
</table>

**Total program expenses**                          **$321,287**

**Support Services:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and general</td>
<td>33,887</td>
</tr>
</tbody>
</table>

**Total expenses**                                  **$355,174**

**Change in net assets**                             **(22,421)**

**Net assets, beginning of year**                    **$80,981**

**Net assets, end of year**                          **$58,560**

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The accompanying notes are an integral part of the financial statements.
THE BROWN FOUNDATION FOR EDUCATIONAL EQUITY, EXCELLENCE AND RESEARCH
STATEMENT OF CASH FLOWS
Year Ended December 31, 2010

Cash Flows From (Used In) Operating Activities:
Change in net assets $ (22,421)

Adjustments to reconcile change in net assets to net cash from (used in) operating activities:
Depreciation 4,999
Unrealized gain on investments (1,194)

Changes in assets and liabilities:
Contract revenue receivable 29,419
Accounts payable (2,616)
Return of contribution payable 4,000
Accrued payroll liabilities & related benefits (5,783)
Scholarships payable (15,000)

Net cash from (used in) operating activities (8,596)

Cash Flows From (Used In) Investing Activities:
Acquisition of property and equipment (5,025)
Net change in investments (94)
Net cash from (used in) investing activities (5,119)

Net increase (decrease) in cash and cash equivalents (13,715)
Cash and cash equivalents, beginning of year 64,385
Cash and Cash Equivalents, End of Year $ 50,670

The accompanying notes are an integral part of the financial statements.
NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foundation

The Brown Foundation for Educational Equity, Excellence and Research (the Foundation) is a non-profit Foundation established as a living tribute to the attorneys and plaintiffs in the landmark US Supreme Court decision of 1954, Brown v. Board of Education. The mission and purpose of the Foundation is to further educational equity and multi-cultural understanding in order to improve the quality of life for individuals and strengthen the overall sense of community. Through a cooperative agreement, the Foundation partners with the National Park Service in the formulation of plans and policies for the preservation of the Brown v. Board of Education National Historic Site.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assist, and permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and therefore, has made no provision for Federal income taxes in the accompanying financial statements. In addition, the Foundation has not been classified by the Internal Revenue Service as a "private Foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents. For the purposes of the statement of cash flows, cash and cash equivalents includes the operating bank accounts.
NOTE 1  ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of mutual funds, with readily determinable fair values. Investment income and investment gains and losses are reported as increases or decreases in unrestricted net assets unless restricted by donors. At the report date there are no restricted investments.

Land

Land is recorded at the fair value as of the date of the donation to the Foundation.

Property and Equipment

Acquisitions of property and equipment in excess of $600 and have an estimated useful life in excess of one year are capitalized. Property and equipment are recorded at cost or, if donated, at the fair value at the date of the donation. Depreciation for financial statement purposes is provided on the straight-line method based over the estimated useful lives which range from three to seven years. Expenditures for additions and improvements which increase the economic life asset value are capitalized. Expenditures for maintenance and repairs are expensed. Upon disposal or retirement of an asset, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is recognized in the change of net assets.

Net Assets

The Foundation's net assets and revenues are classified based on the existence or absence of grantor/donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets. Unrestricted net assets consists of both board designated and undesignated net assets. As of December 31, 2010, the Foundation has no temporarily or permanently restricted net assets.

Public Support and Revenues

Public support and revenue are reported as increases to unrestricted net assets unless use of the related assets is limited by grantor/donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Contributions without restrictions are reported in the period received.

When a restriction expires, that is, when a stipulation time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are re-classed to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials and Services

The Foundation records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and services are reflected as revenues and expenditures in the accompanying statements at their estimated values at date of receipt.

During the year ended December 31, 2010, there were no services meeting the requirements for recognition in the financial statements.

Donated Office Space

The Foundation's office space is located at the Brown v. Board of Education National Park site. The National Park does not charge the Foundation rent. The value of the office space has not been recorded in the financial statements as a contribution, because the fair value cannot be reasonably determined.

NOTE 2 CONTRACT REVENUE RECEIVABLE

Contract revenue receivable is stated at the amount management expects to collect from outstanding balances. Amounts determined by management to be uncollectible are charged off through a provision for bad debts expense. Foundation management believes all outstanding balances to be collectible at December 2010. The Foundation has a contract revenue receivable balance due from the National Parks Service at December 31, 2010, in the amount of $1,778.

NOTE 3 INVESTMENTS

Mutual funds consist of investments with Security Global Investors and the American Funds measured at fair market value at December 31, 2010, are as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rydex SGI -</td>
<td></td>
</tr>
<tr>
<td>Mid Cap Growth</td>
<td>$ 844</td>
</tr>
<tr>
<td>Mid Cap Value</td>
<td>741</td>
</tr>
<tr>
<td>Small Cap Growth</td>
<td>1,104</td>
</tr>
<tr>
<td>Large Cap Growth</td>
<td>1,453</td>
</tr>
<tr>
<td>American Funds</td>
<td></td>
</tr>
<tr>
<td>Washington Mutual Investors Fund - A</td>
<td>3,033</td>
</tr>
<tr>
<td>The New Economy Funds - A</td>
<td>1,911</td>
</tr>
<tr>
<td></td>
<td>$ 9,086</td>
</tr>
</tbody>
</table>

-7-
NOTE 3 INVESTMENTS (continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2010:

Dividends (reinvested) $ 94
Unrealized gains (losses) 1,194

$ 1,288

NOTE 4 FIXED ASSETS

Fixed assets consist of:

Land $ 3,500
Property and equipment 32,653

36,153

Less: Accumulated depreciation 15,601
Net property and equipment $ 20,552

Depreciation expense for the year ended December 31, 2010, is $4,999.

NOTE 5 RETURN OF CONTRIBUTION

In March of 1999, a contribution in the amount of $4,000 was received for a specific purpose. During the year ending December 31, 2010, circumstances occurred to prevent the use of the funds for the specific purpose. The contribution is in the process of returning to the donor at December 31, 2010.

NOTE 6 PAYROLL TAX AND UNEMPLOYMENT LIABILITY

At December 31, 2010, the liabilities for the payroll taxes total $7,819 as follows:

Federal Withholding $ 1,272
Social Security 1,507
Medicare 352
State Withholding 432
State Unemployment 4,256

$ 7,819

During the year ending December 31, 2010, the Foundation discovered that state unemployment was not paid from 2008 through 2010. The amount due is $4,256.
NOTE 7  COMPENSATED ABSENCES

Personal leave is earned by employees at the rate of twenty days for a full-time work schedule and pro-rated for a part-time work schedule. If the maximum days allowed per year are accrued, employees will begin losing personal leave accrued unless taken within the preceding two years. Accrued personal time totals $3,499 at December 31, 2010. Employees accrue sick-leave of eight hours per month for a full-time work schedule and prorated for a part-time work schedule. Sick leave will accumulate from year to year but has no monetary value upon termination or resignation of employment.

NOTE 8  OPERATING LEASE

The Foundation leased a copier under an agreement which was classified as an operating lease. A four year lease, with monthly lease payments of $113, began in 2005. The lease ended in December 2010, and was not renewed. The copier was purchased for $300 at the end of the lease from the lessor.

NOTE 9  NET ASSETS

Unrestricted net assets include board designated funds for the transportation from schools to the museum. The designated amounts are determined each year by the board during the budget process during the year. During the year ended December 31, 2010, funds in the amount of $7,650 were used and the board allocated an additional $5,000.

NOTE 10  NEW METHOD OF APPLICATION OF ACCOUNTING PRINCIPLE

On January 1, 2010, the Foundation changed its method of accounting for contract revenue received from the National Park Service. In the prior year, the Foundation recognized revenues upon the agreement modification. Under the new accounting method, NPS contract revenue will be recognized when earned by incurring the expense. The revenue recognition change resulted in a prior period adjustment of $243,330; the net asset beginning balance was reduced and revenue was recognized in the current year.

NOTE 11  NATIONAL PARK SERVICES (NPS) COOPERATIVE CONTRACT

The Foundation has a cooperative agreement with the National Park Service beginning in 1995 and extended in one year periods for five years. The current contract was extended for an additional year while the contract is in the process of renewal. The yearly contract period runs from October 1 through September 30. The contract amount for both the year ended September 30, 2010, and September 30, 2011, is $300,000. At December 31, 2010, the remaining contract funds total $246,032.

NOTE 12  SYMPOSIUM "ANNE & EMMETT"

Several corporations made contributions to sponsor a symposium about the play, *Anne and Emmett*. The symposium occurred during May of 2010. This event was to commemorate the fifty-sixth anniversary of Brown v. Board of Education decision. Several corporations made contributions to sponsor this event, which were recognized in the amount of $17,850 for the year ended December 31, 2010. Total expenses incurred with this event were $45,459 for the year ended December 31, 2010.
NOTE 13  EMPLOYEE BENEFIT PLAN

Effective October 31, 1995, the Foundation adopted a deferred compensation plan under section 403(b) of the Internal Revenue Code all employees meeting certain age and service requirements are eligible to participate in the plan. Under the plan, employees may elect to defer an amount of their salary, subject to Internal Revenue Service limits. The Foundation does not make matching contributions.

NOTE 14  RISKS AND UNCERTAINTIES

The Foundation maintains a portion of its total assets in mutual funds. Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect investments and the amounts reported in the statements of financial position.

NOTE 15  SIGNIFICANT SOURCE OF PUBLIC SUPPORT

The Foundation receives a substantial amount of support from the National Parks Service. A significant reduction in the level of this support would have an effect on the Foundation's programs.

NOTE 16  SUBSEQUENT EVENTS

Subsequent events were evaluated through August 29, 2011, which is the date the financial statements were available to be issued. No events were found requiring disclosure in these financial statements.
<table>
<thead>
<tr>
<th>National Park Program</th>
<th>Reading Program</th>
<th>Scholarship Program</th>
<th>Total Program Expenses</th>
<th>Management &amp; General</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$144,815</td>
<td>$22,609</td>
<td>$144,815</td>
<td>$4,465</td>
<td>$149,280</td>
</tr>
<tr>
<td>Payroll tax &amp; benefit expense</td>
<td>22,609</td>
<td>22,609</td>
<td>22,609</td>
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<td>Professional fees</td>
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<td>8,859</td>
<td>2,720</td>
<td>11,579</td>
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<td>Web-site development</td>
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<td>1,940</td>
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<td>Internet Service</td>
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<td>Curriculum development</td>
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<td>1,823</td>
<td>8,659</td>
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<td>Advertising</td>
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<td>562</td>
<td>2,689</td>
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<td>Lease expense</td>
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<td>234</td>
<td>2,466</td>
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<tr>
<td>Scholarships</td>
<td>$248</td>
<td>$248</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts &amp; awards</td>
<td></td>
<td></td>
<td>669</td>
<td>669</td>
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<tr>
<td>Program expenses</td>
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<td>1,028</td>
<td>37,271</td>
<td>6,448</td>
<td>40,719</td>
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<tr>
<td>Anne &amp; Emmett symposium</td>
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<td>45,459</td>
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<tr>
<td>Office expenses</td>
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<td>2,967</td>
<td>6,741</td>
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<td>Telephone</td>
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<td>482</td>
<td>4,454</td>
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<td>Contract Labor</td>
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<td>Insurance</td>
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<td>280</td>
<td>1,634</td>
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<tr>
<td>Travel and conferences</td>
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<td>977</td>
<td>6,521</td>
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<td>Exhibit expense</td>
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<td>15</td>
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<tr>
<td>Transportation</td>
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<tr>
<td>Meeting expense</td>
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<td>558</td>
<td>2,195</td>
<td>2,753</td>
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<tr>
<td>Depreciation expense</td>
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<td></td>
<td>4,999</td>
<td>4,999</td>
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</tr>
<tr>
<td>Newsletter</td>
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<td>496</td>
<td>6,321</td>
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<tr>
<td>Repairs &amp; maintenance</td>
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<td>1,118</td>
<td>124</td>
<td>1,242</td>
<td></td>
</tr>
<tr>
<td>Royalty expense</td>
<td>104</td>
<td>104</td>
<td></td>
<td>104</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>168</td>
<td>168</td>
<td>162</td>
<td>330</td>
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</tr>
<tr>
<td>Dues &amp; subscriptions</td>
<td></td>
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<td>402</td>
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<td></td>
</tr>
<tr>
<td>Sponsorship</td>
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<td>2,247</td>
<td>3,190</td>
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<tr>
<td>Return of contribution</td>
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<td></td>
<td>4,000</td>
<td>4,000</td>
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</tr>
<tr>
<td>Miscellaneous</td>
<td>264</td>
<td>264</td>
<td>396</td>
<td>660</td>
<td></td>
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</tbody>
</table>

$320,011 $1,028 $248 $321,287 $33,887 $355,174