

AUDITED FINANCIAL STATEMENTS
December 31, 2010



San Diego
Human Dignity
Foundation

Presented By
Douglas R. Ashbrook, CPA

**SAN DIEGO HUMAN DIGNITY FOUNDATION
TABLE OF CONTENTS
DECEMBER 31, 2010**

	<u>Page Number</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to the Financial Statements	6-14

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
San Diego Human Dignity Foundation

I have audited the accompanying statement of financial position of San Diego Human Dignity Foundation (SDHDF) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the SDHDF's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Diego Human Dignity Foundation as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

November 12, 2011

Douglas R. Ashbrook, CPA

SAN DIEGO HUMAN DIGNITY FOUNDATION
Statement of Financial Position
December 31,2010

ASSETS

Cash & cash equivalents	\$	293,603
Investments held at Merrill Lynch		2,823,559
Pledges receivable, (Note 10)		650
Credit Card Receivables		978
Prepaid expenses (Note 7)		457
Deposits		1,028
Endowment-SDF (Note 12)		60,659
Computer equipment, net of accumulated depreciation of \$1,836		2,649
Total Assets	\$	3,183,583

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$	10,542
Accrued payroll liabilities		8,716
Total Liabilities		19,258

NET ASSETS:

Unrestricted		58,031
Temporarily restricted (Note 14)		2,477,981
Permanently restricted (Note 14)		628,314
Total Net Assets		3,164,326
Total Liabilities and Net Assets	\$	3,183,583

See accompanying notes

SAN DIEGO HUMAN DIGNITY FOUNDATION
Statement of Activities
For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>REVENUE & OTHER SUPPORT:</u>				
Contributions	\$ 53,154	\$ 495,645	\$ 3,500	\$ 552,299
Special events income, net (Note 5)	30,839	-	-	30,839
Fund advisory fees	31,596	-	-	31,596
In-kind donations (Note 6)	2,055	-	-	2,055
Donated services (Note 5)	-	-	-	-
Interest & dividends (Note 12)	1,440	70,211	-	71,651
Net assets released from restriction:				
Restrictions satisfied by payment	584,733	(584,733)	-	-
Total Revenues and Other Support	<u>703,817</u>	<u>(18,877)</u>	<u>3,500</u>	<u>688,440</u>
<u>EXPENSES:</u>				
Program Services:				
Grants	659,335	-	-	659,335
Operating Expenses	222,830	-	-	222,830
Total Program Services	<u>882,165</u>	<u>-</u>	<u>-</u>	<u>882,165</u>
Supporting Services:				
Management & general	39,116	-	-	39,116
Fundraising	18,899	-	-	18,899
Total Supporting Services	<u>58,015</u>	<u>-</u>	<u>-</u>	<u>58,015</u>
Total Expenses	<u>940,180</u>	<u>-</u>	<u>-</u>	<u>940,180</u>
Change in Net Assets before Net				
Realized and Unrealized Gains/(Losses)	(236,363)	(18,877)	3,500	(251,740)
Net Realized and Unrealized Gains/(Losses)	<u>280,855</u>	<u>-</u>	<u>-</u>	<u>280,855</u>
Change in Net Assets	44,492	(18,877)	3,500	29,115
Net Assets, Beginning of Year	<u>13,539</u>	<u>2,472,058</u>	<u>649,614</u>	<u>3,135,211</u>
Reclassification of Net Assets	-	24,800	(24,800)	-
Net Assets, End of Year	<u>\$ 58,031</u>	<u>\$ 2,477,981</u>	<u>\$ 628,314</u>	<u>\$ 3,164,326</u>

See accompanying notes

SAN DIEGO HUMAN DIGNITY FOUNDATION
Statement of Cash Flows
For the Year Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	29,115
Adjustments to Reconcile Change in Net Assets to <u>Net Cash Provided/(Used) Operating Activities:</u>		
Unrealized gain on investments		(187,579)
Bad debt expense		5,380
Depreciation		872
<u>(Increase)/Decrease in Current Assets:</u>		
Prepaid expenses		6,828
Investment Accounts and Endowments (net of realized and unrealized gains)		(94,594)
Pledges receivable net of bad debt expense		(4,380)
Other Assets		(1,406)
<u>Increase/(Decrease) in Current Liabilities:</u>		
Accounts payable		442
Accrued payroll liabilities		2,925
Deferred revenue		0
		0
Net Cash Provided/(Used) by Operating Activities		(242,397)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from sales of investments		1,475,472
Purchases of investments		(1,382,196)
Purchase property and equipment		(761)
		(761)
Net Cash Provided/(Used) by Investing Activities		92,515
Net Increase/(Decrease) in Cash and Cash Equivalents		(149,882)
Cash and Cash Equivalents at:		
Beginning of Year		443,485
End of Year	\$	293,603

See accompanying notes

SAN DIEGO HUMAN DIGNITY FOUNDATION
Statement of Functional Expenses
For the Year Ended December 31, 2010

	<u>SUPPORTING SERVICES</u>			<u>Combined Total</u>
	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	
FUNCTIONAL EXPENSES:				
Salaries and wages	\$ 94,402	\$ 11,950	\$ 13,145	\$ 119,497
Payroll taxes	7,673	971	1,068	9,712
Payroll benefits	1,998	253	278	2,529
Bad debt	5,380	-	-	5,380
Bank service fees	1,835	459	-	2,294
Depreciation	-	872	-	872
Dues & Subscriptions	1,885	-	-	1,885
Investment fees	60,746	-	-	60,746
Interest Expense	-	137	-	137
Development	2,453	341	984	3,779
Grants made (Note 8)	659,335	-	-	659,335
Insurance	6,609	1,058	671	8,338
In-kind donations	2,055	-	-	2,055
Marketing	4,437	-	1,180	5,617
Miscellaneous	-	-	-	-
Occupancy	7,615	1,344	-	8,958
Office expense	9,415	509	537	10,462
Postage & delivery	598	199	199	997
Printing	1,311	437	437	2,185
Professional fees	5,191	19,017	162	24,370
Telephone	1,703	216	237	2,155
Travel, Meetings & Education	7,526	1,354	-	8,880
Total Expenses	<u>\$ 882,165</u>	<u>\$ 39,116</u>	<u>\$ 18,899</u>	<u>\$ 940,180</u>

See accompanying notes

San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Note 1 - Nature of Activities

San Diego Human Dignity Foundation (the Foundation) was incorporated as a California non-profit corporation in 1996. The Foundation is committed to providing perpetual and significant funding to community based organizations serving the San Diego area's lesbian, gay, bisexual and transgender population. The Foundation raises, invests and distributes funds in partnership with donors and grantees.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting – The financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles in the United States (GAAP) and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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 assets, and permanently restricted net assets.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the Foundation, in substance and unconditionally. It is the agency's policy to treat donor restricted contributions whose restrictions are met in the same reporting period as unrestricted.

Donated Services – The Foundation receives a substantial amount of donated services, however, not all donated services meet the criteria for recognition established by FASB 116, *Accounting for Contributions Received and Contributions Made*.

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.

Cash and Cash Equivalents – For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, money market funds and certificates of deposits with an original maturity of three months or less.

Property and Equipment – Property and equipment costing \$1,000 or more is capitalized at cost and depreciated. The fair market value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, generally five years. Depreciation expense for the year ended December 31, 2010 is \$872 .

San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Note 3 - Income Tax Status

The Foundation is a private not-for-profit corporation organized under the laws of the State of California. As a Section 501(c)(3) organization, it is exempt from income taxes on the basis that it qualifies for exemption under section 501(a) of the Internal Revenue Code, and Section 23701(d) of the State Revenue and Taxation Code. The Foundation is liable for income tax on unrelated business income. This income is limited to advertising income received for ads placed in their Gala program. The advertising income is offset by the direct costs of the advertising. The net amount of this unrelated business income is immaterial and therefore no provision for income taxes is included in the accompanying financial statements.

Note 4 -Concentration of Credit Risk

The Foundation maintains its cash balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2010, the foundation has no uninsured balances.

Note 5 - Special Events

The Foundation hosts special events to raise funds. As of December 31, 2010, revenue from special events is as follows:

	<u>Revenue</u>	<u>Expense</u>	<u>Net Income/(Loss)</u>
Cruise	\$ 9,045	\$ 9,397	\$ (352)
Gala	<u>66,826</u>	<u>35,636</u>	<u>31,190</u>
Total special events	<u>\$ 75,871</u>	<u>\$ 45,033</u>	<u>\$ 30,838</u>

Note 6 - In-kind Donations and Donated Services

The Foundation received \$750 of In-Kind donations during 2010. As of December 31, 2010, \$1,305 was recorded for various donated services that met the criteria for recognition under FASB 116, *Accounting for Contributions Received and Contributions Made*. Services include magazine advertising and discounted accounting fees.

Note 7 - Prepaid Expenses

Prepaid expenses as of December 31, 2010 are as follows:

Insurance	<u>\$ 457</u>
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San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Note 8 - Grants

San Diego Human Dignity Foundation makes various grants in accordance with donors, donor advised fund agreements, and its mission to improve the quality of life within San Diego's lesbian, gay, bisexual and transgender community by addressing specific needs. During the year ended December 31, 2010, the Foundation awarded the following grants:

San Diego LGBT	\$ 7,000	
Deaf Community Services	10,000	
Eunime	12,500	
Family Health Centers of San Diego	57,432	
Fraternity House	32,500	
Mama's Kitchen	34,500	
North County Health Services	27,175	
Operation Samahan	9,000	
San Diego Foundation for Change	8,507	
San Diego Volunteer Lawyer Program	32,500	
San Ysidro Health Center	32,500	
Special Delivery San Diego	10,000	
UCSD Owen Clinic	10,767	
San Diego Youth Services	25,603	
Vista Community Clinic	32,500	
Being Alive San Diego	22,500	
Comite Civico Del Valle, Inc.	9,755	
Bienestar Human Service	38,747	
Christie's Place	32,500	
Jewish Family Services	32,499	
AIDS Walk San Diego	15,000	
San Diego Hospice Foundation	10,000	
The Imperial Court of San Diego	250	
Vista Community Clinic	6,300	
Family Health Centers	8,400	
Dr. Susan Love	4,200	
Point Foundation	1,000	
Diversionsary Theatre	1,500	
PFLAG		2,000
Stepping Stone	250	
HFC Pool	110,000	
SDHDF – Endowment Initiative	1,950	
SDHDF-Because Funds	<u>20,000</u>	
Total grants awarded	<u>\$ 659,335</u>	

San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Note 8 - Grants (cont.)

The Foundation may also help facilitate donations to specific organizations from individuals or other donors with pass-through grants. As of December 31, 2010, pass-through grants were distributed as follows:

San Ysidro Health Center	\$30,000
PFLAG San Diego	<u>2,000</u>
Total pass-through grants	<u>\$32,000</u>

Note 9 - Employee Benefits

The Foundation has a Simple IRA for the staff's retirement. The plan requires a 3% matching contribution, except that in 2 out of 5 years the Foundation can reduce the matching contribution to 1% with proper advance notification to all employees. For the year ending December 31, 2010, the Foundation contributed \$2,529.

Note 10 - Pledges Receivable

Pledges receivable consist of unconditional promises to give that are expected to be collected within one year. A provision for estimated uncollectible pledges is based on past experience adjusted by management estimates of current economic factors and applied to gross pledges.

As of December 31, 2010 pledges receivable are as follows:

Net pledges receivable	\$ <u>650</u>
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Note 11 - Fair Value Measurement

Effective January 1, 2008, the Foundation adopted Financial Accounting Standards Board (FASB) Statement No. 157, *Fair Value Measurement*, for measuring and reporting financial assets and liabilities at fair value. FASB Statement No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

FASB Statement No. 157 establishes a three-level disclosure hierarchy to indicate the level of judgment used to estimate fair value measurements.

Level 1 – Quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; and inputs other than quoted prices (such as interest rate and yield curves).

Level 3 – Uses inputs that are unobservable, supported by little or no market activity and reflect significant management judgment.

San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Note 11 - Fair Value Measurement (cont.)

Financial assets and liabilities, by level, for items measured at fair value on a recurring basis as of December 31, 2010, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Cash and cash equivalents:</u>				
Money market accounts	\$ 96,711	\$ -	\$ -	\$ 96,711
<u>Investments:</u>				
SD Foundation Endowment Fd	60,659	-	-	60,659
Fixed income-Bond	625,595	-	-	625,595
Equities	<u>2,193,050</u>	<u>-</u>	<u>-</u>	<u>2,193,050</u>
	<u>\$2,976,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,976,015</u>

Note 12 - Investments

Investments, charitable donor-advised funds and endowment funds are combined in two separate investment accounts. Earnings are allocated accordingly among the various funds. The San Diego Foundation (SDF) Endowment Fund is a separate investment established to encourage contributions for the SDHDF's exempt purpose and held by The San Diego Foundation. Investments are carried at fair market value; realized and unrealized gains and losses are reflected in the statement of activities. The Investment accounts as of December 31, 2010 consists of the following:

SD Foundation Endowment Fund	\$ 60,659
Fixed income-Bonds	625,595
Equities	2,193,050
Accrued interest	<u>4,913</u>
Total investments	\$ <u>2,884,217</u>

Investment return is summarized as follows:

Interest & dividend income	\$ 71,226
Net realized & unrealized gains & losses	<u>280,855</u>
Total investment return	\$ <u>352,081</u>

Additional interest income of \$425 was earned on savings accounts considered as cash and cash equivalents

Note 13 - Endowments

The Foundation has approximately twelve (12) individual endowment funds established for a variety of purposes maintained in two separate investment accounts. The primary purpose of the majority of the funds is to support qualified lesbian, gay, bisexual and transgender organizations in San Diego County and throughout the United States and to support qualified arts, sciences, health, and educational organizations as well.

San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Note 13 - Endowments (cont.)

As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment Funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the Foundation and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the organization.
- (7) The investment policies of the organization.

**Endowment Net Asset Composition by Type of Fund
as of December 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (9,397)	\$ 11,269	\$ 234,049	\$ 235,921
SD Human Dignity Fdtn. general endowment	<u>4,614</u>	<u>-</u>	<u>394,265</u>	<u>398,879</u>
Total funds	<u>\$ (4,783)</u>	<u>\$ 11,269</u>	<u>\$ 628,314</u>	<u>\$ 634,800</u>

San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Change in Endowment Net Assets
for the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (60,767)	\$ 3,173	\$ 649,614	\$ 592,020
<u>Investment return:</u>				
Investment income	24,276	9,497	-	33,773
Brokerage fees	(12,809)	(3,462)	-	(16,271)
Net gain/loss (realized and unrealized)	<u>39,676</u>	<u>2,061</u>	<u>-</u>	<u>41,737</u>
Total investment return	51,143	8,096	-	59,239
Contributions	-	-	3,500	3,500
Appropriation of endowment assets for expenditure	-	-	-	-
Reclassify/Adjustment	<u>(4,841)</u>	<u>-</u>	<u>(24,800)</u>	<u>(19,959)</u>
Endowment net assets, end of year	<u>\$ (4,783)</u>	<u>\$ 11,269</u>	<u>\$ 628,314</u>	<u>\$ 634,800</u>

**Description of Amounts Classified as Permanently Restricted Net Assets and
Temporarily Restricted Net Assets (Endowment Only)**

Permanently Restricted Net Assets

The portion of perpetual endowment funds required to be retained permanently either by explicit donor stipulation or by SPMIFA \$ 628,314

Temporarily Restricted Net Assets

The portion of perpetual endowment funds subject to a time Restriction under SPMIFA \$ 11,269

Endowment Investment Policies

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration.

San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Note 13 - Endowments (cont.)

In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$4,783 as of December 31, 2010. These deficiencies resulted from unfavorable market fluctuations. There were no Appropriations made to organizations for programs in accordance with donor-restrictions or were deemed prudent by the Board of Trustees.

Return Objectives and Risk Parameters

The Foundation's primary investment objective is to earn a reasonable rate of return while preserving capital over a market cycle. The success of the program at achieving this objective shall be to calculate performance results in terms of the total rate of return, and compare the results to appropriate market benchmarks.

The Foundation's assets will be adequately diversified by asset class in order to manage risk and volatility of overall results from year-to-year, relative to market performance. The purpose of diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on total investment performance.

The Board recognizes that attainment of these objectives is, for any given period of time, largely dictated by the returns available from the capital markets in which the Foundation assets are invested. It is also recognized that the appropriate measurement period for evaluation must be of sufficient length to cover complete economic and capital market cycles.

The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 10% annually based on total return (income and capital appreciation) appraisal of investment performance. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation's finance committee shall supervise the management of the assets maintained and shall, as appropriate, obtain investment advice from independent sources, including other Foundations, Registered Investment Advisors, Securities Dealers, and other Financial Institutions.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution an amount equivalent to the income from investments. Appropriations from the Endowment shall be made in accordance with the Foundations procedures for requesting disbursements.

San Diego Human Dignity Foundation
Notes to Financial Statements
December 31, 2010

Note 13 - Endowments (cont.)

This process includes preparing a formal request of funds including a description of the proposed use of the funds, the proposed budget, the amount requested, and a statement as to how the intended request meets the objectives of the endowment fund as well as other detail information regarding the request for distribution.

Note 14 - Net Assets

Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor stipulations on their use. Temporarily restricted net assets are the portion of net assets resulting from contributions or other inflows whose use is limited by donor imposed stipulations that can be removed by the passage of time or action of the Foundation pursuant to those stipulations. If a restriction is fulfilled in the same reporting period in which the contribution is received, the Foundation reports the contribution as unrestricted. Permanently restricted net assets are the portion of net assets whose use is limited by donor imposed stipulations that cannot be removed by the passage of time or action of the Foundation.

As of December 31, 2010, net assets are classified as follows:

<u>Description of Purpose</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SD Foundation Endowment Fund	\$ -	\$ 60,658	\$ -	\$ 60,658
Endowment Funds	(4,783)	11,269	628,314	634,800
Donor Advised Funds	-	2,255,044	-	2,255,044
Alliance Grant	-	14,460	-	14,460
HFC Grant Pool	-	136,550	-	136,550
Operating-unrestricted	<u>62,814</u>	<u>-</u>	<u>-</u>	<u>62,814</u>
 Total Net Assets	 <u>\$ 58,031</u>	 <u>\$ 2,477,981</u>	 <u>\$ 628,314</u>	 <u>\$3,164,326</u>

The Foundation has received funds to establish permanently restricted endowment funds. Earnings allocated by the Foundation to the endowment funds are available for distribution for various purposes under the endowment agreements. The Foundation also maintains donor-advised charitable funds. Donors are given the opportunity to make recommendations for grants to charities to be paid from the fund, but the Foundation keeps control over these funds and makes grants at its sole discretion. Principal and earnings allocated by the Foundation to the donor-advised funds are available for distribution for various purposes under the donor advised agreements and become unrestricted at date of distribution.