

**AUDITED FINANCIAL STATEMENTS**  
**December 31, 2011**



San Diego  
Human Dignity  
Foundation

**Presented By**  
***Douglas R. Ashbrook, CPA***

**SAN DIEGO HUMAN DIGNITY FOUNDATION  
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DECEMBER 31, 2011**

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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, 2011, 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, 2011, 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.

September 20, 2012

Douglas R. Ashbrook, CPA

**SAN DIEGO HUMAN DIGNITY FOUNDATION**  
**Statement of Financial Position**  
**December 31,2011**

ASSETS

Cash & cash equivalents	\$	209,587
Investments held at Vanguard		2,725,780
Pledges receivable, (Note 11)		225
Prepaid expenses (Note 7)		1,027
Deposits		1,028
Endowment-SDF (Note 13)		59,526
Computer equipment, net of accumulated depreciation of \$2,784		2,462
		2,462
Total Assets	\$	2,999,635

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$	5,096
Accrued payroll liabilities		10,604
		15,700
Total Liabilities		15,700

NET ASSETS:

Unrestricted		81,479
Temporarily restricted (Note 15)		2,271,893
Permanently restricted (Note 15)		630,564
		2,983,936
Total Net Assets		2,983,936
Total Liabilities and Net Assets	\$	2,999,635

See accompanying notes

**SAN DIEGO HUMAN DIGNITY FOUNDATION**  
**Statement of Activities**  
**For the Year Ended December 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b><u>REVENUE &amp; OTHER SUPPORT:</u></b>				
Contributions	\$ 59,542	\$ 542,140	\$ 300	\$ 601,982
Special events income, net (Note 5)	12,572	-	-	12,572
Fund advisory fees	52,481	-	-	52,481
Donated services (Note 5)	2,365	-	-	2,365
Interest & dividends (Note 13)	2,911	85,055	-	87,966
Net assets released from restriction:				
Restrictions satisfied by payment	<u>767,333</u>	<u>(758,333)</u>	<u>(9,000)</u>	<u>-</u>
Total Revenues and Other Support	897,204	(131,138)	(8,700)	757,366
<b><u>EXPENSES:</u></b>				
Program Services:				
Grants	603,586	-	-	603,586
Operating Expenses	<u>194,577</u>	<u>-</u>	<u>-</u>	<u>194,577</u>
Total Program Services	<u>798,163</u>	<u>-</u>	<u>-</u>	<u>798,163</u>
Supporting Services:				
Management & general	45,326	-	-	45,326
Fundraising	<u>26,106</u>	<u>-</u>	<u>-</u>	<u>26,106</u>
Total Supporting Services	<u>71,432</u>	<u>-</u>	<u>-</u>	<u>71,432</u>
Total Expenses	<u>869,595</u>	<u>-</u>	<u>-</u>	<u>869,595</u>
Change in Net Assets before Net				
Realized and Unrealized Gains/(Losses)	27,609	(131,138)	(8,700)	(112,229)
Net Realized and Unrealized Gains/(Losses)	<u>(4,057)</u>	<u>(64,104)</u>	<u>-</u>	<u>(68,161)</u>
Change in Net Assets	23,552	(195,242)	(8,700)	(180,390)
Net Assets, Beginning of Year	<u>58,031</u>	<u>2,477,981</u>	<u>628,314</u>	<u>3,164,326</u>
Reclassification of Net Assets	(104)	(10,846)	10,950	-
Net Assets, End of Year	<u>\$ 81,479</u>	<u>\$ 2,271,893</u>	<u>\$ 630,564</u>	<u>\$ 2,983,936</u>

See accompanying notes

**SAN DIEGO HUMAN DIGNITY FOUNDATION**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	(180,390)
Adjustments to Reconcile Change in Net Assets to		
<u>Net Cash Provided/(Used) Operating Activities:</u>		
Net gain on investments		109,396
Bad debt expense		750
Depreciation		948
<u>(Increase)/Decrease in Current Assets:</u>		
Prepaid expenses		(570)
Investment Accounts and Endowments (net of realized and unrealized gains)		57,677
Pledges receivable net of bad debt expense		(325)
Other Assets		978
<u>Increase/(Decrease) in Current Liabilities:</u>		
Accounts payable		(5,446)
Accrued payroll liabilities		1,888
Deferred revenue		-
		-
Net Cash Provided/(Used) by Operating Activities		(15,094)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from sales of investments		3,177,604
Purchases of investments		(3,245,765)
Purchase property and equipment		(761)
		(68,922)
Net Cash Provided/(Used) by Investing Activities		(68,922)
Net Increase/(Decrease) in Cash and Cash Equivalents		(84,016)
Cash and Cash Equivalents at:		
Beginning of Year		293,603
End of Year	\$	209,587

See accompanying notes

**SAN DIEGO HUMAN DIGNITY FOUNDATION**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2011**

	Program Services	SUPPORTING SERVICES		Combined Total
		Management & General	Fund Raising	
<u>FUNCTIONAL EXPENSES:</u>				
Salaries and wages	\$ 79,917	\$ 13,884	18,370	\$ 112,171
Payroll taxes	7,975	273	361	8,609
Payroll benefits	1,841	320	424	2,585
Bad debt	-	750	-	750
Bank service fees	83	1,705	-	1,788
Depreciation	-	948	-	948
Dues & Subscriptions	200	1,095	-	1,295
Investment fees	63,133	-	-	63,133
Board Development	-	65	-	65
Grants made (Note 8)	603,586	-	-	603,586
Insurance	6,490	1,127	1,492	9,109
In-kind services	-	2,365	-	2,365
Marketing	-	2,220	1,140	3,360
Computer Maintenance	3,804	275	264	4,343
Occupancy	9,008	902	1,196	11,106
Office expense	516	1,639	-	2,155
Postage & delivery	374	947	-	1,321
Printing	141	746	-	887
Professional fees	15,622	13,035	2,389	31,046
Telephone	1,887	328	434	2,649
Travel, Meetings & Education	3,586	2,702	36	6,324
Total Expenses	<u>\$ 798,163</u>	<u>\$ 45,326</u>	<u>\$ 26,106</u>	<u>\$ 869,595</u>

See accompanying notes

**San Diego Human Dignity Foundation**  
**Notes to Financial Statements**  
**December 31, 2011**

**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 ASC 958, *Not-for-Profit Entities*. Under ASC 958, 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 ASC 958, *Not-for-Profit Entities*.

**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, 2011 is \$948.



**San Diego Human Dignity Foundation**  
**Notes to Financial Statements**  
**December 31, 2011**

**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, 2011, the foundation has no uninsured balances.

**Note 5 - Special Events**

The Foundation hosts special events to raise funds. As of December 31, 2011, revenue from special events is as follows:

	<u>Revenue</u>	<u>Expense</u>	<u>Net Income</u>
Gala	\$ <u>50,130</u>	\$ <u>37,558</u>	\$ <u>12,697</u>

**Note 6 - In-kind Donations and Donated Services**

As of December 31, 2011, \$2,365 was recorded for various donated services that met the criteria for recognition under FASB ASC 958, *Not-for-Profit Entities*. Services include magazine advertising and discounted accounting fees. There were no In-Kind Donations received in 2011.

**Note 7 - Prepaid Expenses**

Prepaid expenses as of December 31, 2011 are as follows:

Insurance	\$ 527
Memberships	<u>500</u>
Total Prepaid Expenses	<u>\$ 1,027</u>

**Note 8 – Subsequent Events**

Subsequent events are events or transactions occurring subsequent to the balance sheet date but prior to the issuance of financial statements that have a material effect on the financial statements that would require adjustment to or disclosure in the financial statements. Management has evaluated subsequent events through September 20, 2012, the date on which the financial statements were available to be issued.

**San Diego Human Dignity Foundation**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 9 - 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, 2011, the Foundation awarded the following grants:

Aids Walk San Diego	\$	20,000
Being Alive		10,000
Bienestar Human Services		12,352
Christie's Place		40,000
Family Health Centers of San Diego		90,000
Fraternity House		40,000
Gay & Lesbian Leadership Institute		1,200
Jewish Family Service of San Diego		19,999
Mama's Kitchen		40,000
Mira Costa College Foundation		2,500
North County Health Service		23,619
PFLAG San Diego		2,000
San Diego Volunteer Lawyer Program		40,000
San Diego Youth Services		26,403
San Ysidro Health Center		40,000
San Diego Hospice Foundation		28,813
San Diego LGBT Community Center		16,000
HFC Pool		95,000
SDHDF-Aging with Dignity		10,000
SDHDF-Richard Sagar		1,200
SDHDF-Admin Fees PAN & Legacy		4,000
The Imperial Court of San Diego		500
Vista Community Clinic		40,000
		<u>40,000</u>
	\$	<u><u>603,586</u></u>

**San Diego Human Dignity Foundation**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 10 - 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, 2011, the Foundation contributed \$2,585.

**Note 11 - 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, 2011 pledges receivable are as follows:

Net pledges receivable           \$ 225

**Note 12 - Fair Value Measurement**

Effective January 1, 2008, the Foundation adopted ASC 820 -10 *Fair Value Measurements and Disclosures*, for measuring and reporting financial assets and liabilities at fair value. ASC 820 -10 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.

ASC 820 -10 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, 2011**

**Note 12 - Fair Value Measurement (cont.)**

Financial assets and liabilities, by level, for items measured at fair value on a recurring basis as of December 31, 2011, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments:</u>				
SD Foundation Endowment Fund	\$ 59,526	\$ -	\$ -	\$ 59,526
Fixed income-Bonds	1,113,557	-	-	1,113,557
Equities	1,612,223	-	-	1,612,223
	\$ 2,785,306	\$ -	\$ -	\$ 2,785,306

**Note 13 - 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, 2011 consist of the following:

SD Foundation Endowment Fund	\$ 59,526
Fixed income-Bonds	1,113,557
Equities	<u>1,612,233</u>
Total investments	\$ <u>2,785,306</u>

Investment return is summarized as follows:

Interest & dividend income	\$ 87,555
Net realized & unrealized gains & (losses)	<u>(68,161)</u>
Total investment return	\$ <u>19,394</u>

Additional interest income of \$411 was earned on savings accounts considered as cash and cash equivalents.

**Note 14 - Endowments**

The Foundation has approximately thirteen (13) 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, 2011**

**Note 14 - 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, 2011**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (7,879)	\$ 4,346	\$ 244,998	\$ 241,465
SD Human Dignity Fdtn. general endowment	(1,025)	-	385,566	384,541
<b>Total Funds</b>	<b>\$ (8,904)</b>	<b>\$ 4,346</b>	<b>\$ 630,564</b>	<b>\$ 626,006</b>

**San Diego Human Dignity Foundation**  
**Notes to Financial Statements**  
**December 31, 2011**

**Note 14 - Endowments (cont.)**

**Change in Endowment Net Assets**  
**for the Year Ended December 31, 2011**  
**Description of Amounts Classified as Permanently Restricted Net Assets and**  
**Temporarily Restricted Net Assets (Endowment Only)**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment net assets beginning of year	\$ (4,783)	\$ 11,269	\$ 628,314	\$ 634,800
<u>Investment return:</u>				
Investment income	2,500	20,231	-	22,731
Brokerage fees	(2,461)	(12,019)	-	(14,480)
Net gain/(loss) (realized and unrealized)	<u>(4,056)</u>	<u>(15,135)</u>	<u>-</u>	<u>(19,191)</u>
Total investment return	(4,017)	(6,923)	-	(10,940)
Contributions	-	-	300	300
Appropriation of endowment assets for expenditure	-	-	(9,000)	(9,000)
Reclassify/Adjustment	<u>(104)</u>	<u>-</u>	<u>10,950</u>	<u>10,846</u>
Endowment net assets, end of year	<u>\$ (8,904)</u>	<u>\$ 4,346</u>	<u>\$ 630,564</u>	<u>\$ 626,006</u>

**Permanently Restricted Net Assets**

The portion of perpetual endowment funds required to be retained permanently either by explicit donor stipulation or by SPMIFA \$ 630,564

**Temporarily Restricted Net Assets**

The portion of perpetual endowment funds subject to a time Restriction under SPMIFA \$ 4,346

**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, 2011**

**Note 14 - Endowments (cont.)**

In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$8,904 as of December 31, 2011. 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. The reclassification/adjustment in the amount of \$10,846 was to classify as an endowment a fund that was previously classified as a non-endowment fund.

**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, 2011**

**Note 14 - 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 15 - 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, 2011, 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 Fdtn.Endowment Fund	\$ -	\$ 59,526	\$ -	\$ 59,526
Endowment Funds	(8,904)	4,346	630,564	626,006
Donor Advised Funds	-	2,099,916	-	2,099,916
Alliance Grant	-	7,741	-	7,741
HFC Pool Grant	-	100,364	-	100,364
Operating - unrestricted	<u>90,383</u>	<u>-</u>	<u>-</u>	<u>90,383</u>
Total Net Assets	<u>\$ 81,479</u>	<u>\$ 2,271,893</u>	<u>\$ 630,564</u>	<u>\$ 2,983,936</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.