

Financial Statements and Report of Independent Certified Public Accountants

United Way Foundation of Metropolitan Dallas

June 30, 2015 and 2014



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors
United Way Foundation of Metropolitan Dallas

We have audited the accompanying financial statements of United Way Foundation of Metropolitan Dallas, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way Foundation of Metropolitan Dallas as of June 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Grant Thornton LLP".

Dallas, Texas
November 4, 2015

United Way Foundation of Metropolitan Dallas

STATEMENTS OF FINANCIAL POSITION

June 30

ASSETS	2015	2014
Cash	\$ 1,481,877	\$ 605,892
Investments, at fair value	30,970,778	29,210,587
Pledges receivable, net	3,243,434	229,765
Other assets	111,799	71,492
Total assets	<u>\$35,807,888</u>	<u>\$30,117,736</u>
LIABILITIES AND NET ASSETS		
Due to UWMD	\$ 2,621,917	\$ 1,817,902
Commitments and contingencies		
Net assets		
Unrestricted	22,150,746	22,395,910
Temporarily restricted	1,063,234	1,152,641
Permanently restricted	9,971,991	4,751,283
Total net assets	<u>33,185,971</u>	<u>28,299,834</u>
Total liabilities and net assets	<u>\$35,807,888</u>	<u>\$ 30,117,736</u>

The accompanying notes are an integral part of these financial statements.

United Way Foundation of Metropolitan Dallas

STATEMENT OF ACTIVITIES

Year ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenue				
Contributions	\$ 825,317	\$ 88,021	\$5,220,708	\$ 6,134,046
Net realized and unrealized gain on investments	243,781	54,669	-	298,450
Interest and dividends	522,035	144,657	-	666,692
Net assets released for satisfaction of time restrictions	311,111	(311,111)	-	-
Net assets released for satisfaction of purpose restrictions	65,643	(65,643)	-	-
	<u>1,967,887</u>	<u>(89,407)</u>	<u>5,220,708</u>	<u>7,099,188</u>
Total revenue				
Expenses				
Program services	1,009,003	-	-	1,009,003
Support services				
Distribution to UWMD	463,819	-	-	463,819
Fundraising	704,635	-	-	704,635
Management and general	35,594	-	-	35,594
	<u>1,204,048</u>	<u>-</u>	<u>-</u>	<u>1,204,048</u>
Total supporting services				
Total expenses	2,213,051	-	-	2,213,051
Change in net assets	(245,164)	(89,407)	5,220,708	4,886,137
Net assets, beginning of year	<u>22,395,910</u>	<u>1,152,641</u>	<u>4,751,283</u>	<u>28,299,834</u>
Net assets, end of year	<u><u>\$22,150,746</u></u>	<u><u>\$1,063,234</u></u>	<u><u>\$9,971,991</u></u>	<u><u>\$33,185,971</u></u>

The accompanying notes are an integral part of these financial statements.

United Way Foundation of Metropolitan Dallas

STATEMENT OF ACTIVITIES

Year ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenue				
Contributions	\$ 133,053	\$ 152,178	\$ 641,007	\$ 926,238
Net realized and unrealized gain on investments	3,250,486	746,928	-	3,997,414
Interest and dividends	504,139	126,081	-	630,220
Net assets released for satisfaction of time restrictions	381,638	(381,638)	-	-
Net assets released for satisfaction of purpose restrictions	<u>43,364</u>	<u>(43,364)</u>	<u>-</u>	<u>-</u>
Total revenue	4,312,680	600,185	641,007	5,553,872
Expenses				
Program services	992,970	-	-	992,970
Support services				
Distribution to UWMD	783,081	-	-	783,081
Fundraising	101,174	-	-	101,174
Management and general	<u>31,711</u>	<u>-</u>	<u>-</u>	<u>31,711</u>
Total supporting services	<u>915,966</u>	<u>-</u>	<u>-</u>	<u>915,966</u>
Total expenses	1,908,936	-	-	1,908,936
Change in net assets	2,403,744	600,185	641,007	3,644,936
Net assets, beginning of year	<u>19,992,166</u>	<u>552,456</u>	<u>4,110,276</u>	<u>24,654,898</u>
Net assets, end of year	<u><u>\$22,395,910</u></u>	<u><u>\$1,152,641</u></u>	<u><u>\$4,751,283</u></u>	<u><u>\$28,299,834</u></u>

The accompanying notes are an integral part of these financial statements.

United Way Foundation of Metropolitan Dallas

STATEMENTS OF CASH FLOWS

Years ended June 30

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ 4,886,137	\$ 3,644,936
Adjustments to reconcile change in net assets to net cash used in operating activities		
Proceeds from contributions restricted for long-term purposes	(5,220,708)	(641,007)
Net realized and unrealized gain on investments	(298,450)	(3,997,414)
Life insurance premiums expense	34,635	22,617
Changes in assets and liabilities		
Pledges receivable	(3,013,669)	(129,765)
Due to/due from UWMD	804,015	808,064
Net cash used in operating activities	<u>(2,808,040)</u>	<u>(292,569)</u>
Cash flows from investing activities		
Purchases of investments	(5,338,563)	(12,713,773)
Proceeds from sales or maturities of investments	3,876,822	12,427,146
Purchase of life insurance policy	<u>(74,942)</u>	<u>(44,661)</u>
Net cash used in investing activities	<u>(1,536,683)</u>	<u>(331,288)</u>
Cash flows from financing activities		
Proceeds from contributions restricted for long-term purposes	<u>5,220,708</u>	<u>641,007</u>
Net cash provided by financing activities	<u>5,220,708</u>	<u>641,007</u>
Net increase in cash and cash equivalents	875,985	17,150
Cash, beginning of year	<u>605,892</u>	<u>588,742</u>
Cash, end of year	<u><u>\$ 1,481,877</u></u>	<u><u>\$ 605,892</u></u>

The accompanying notes are an integral part of these financial statements.

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS

Years ended June 30, 2015 and 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The United Way Foundation of Metropolitan Dallas (the “Foundation”), a Texas nonprofit corporation, was founded in 1999 exclusively for the purpose of receiving gifts, grants, and bequests in order to establish an endowment fund for the long-term benefit of the United Way of Metropolitan Dallas, Inc. (the “United Way” or “UWMD”). The Foundation is governed by a volunteer Board of Directors (the “Board”), which is appointed by the Board of Directors of the United Way. The Foundation receives both restricted gifts and unrestricted gifts. However, the Board’s intent is to treat all unrestricted contributions to the Foundation as a permanent endowment whereby the corpus of these gifts is held in perpetuity and only the earnings are spent. For reporting purposes, the Foundation is consolidated in the United Way’s financial statements.

Basis of Presentation

The accompanying financial statements of the Foundation are prepared on the accrual basis of accounting.

Cash

The Foundation places its cash with high quality financial institutions which cash balances, at times, may exceed federally insured limits. The Foundation has not experienced any losses on such accounts.

Investments

Investments are carried at fair value, which is determined based on quoted market prices. Realized and unrealized gains and losses are reflected in the statements of activities. Gains and losses on sales transactions are recorded when realized based on the original cost (amortized in the case of bonds) of the investments sold based on the specific identification method. Earnings from investments are recorded as interest and dividends and are reflected in the statements of activities.

Pledges Receivable and Contributions

Contributions are recorded at their estimated fair value when received.

Unconditional promises to give are recorded as pledges receivable and contribution revenue when the promise is made. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible pledges is estimated based on recent historical experience, as well as other factors anticipated to affect collections. Provisions for losses, if any, are charged to change in net assets and credited to the allowance. There was no allowance for contributions receivable as of June 30, 2015 and 2014.

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2015 and 2014

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued**

Life Insurance Policy

As part of a planned giving program called United Way Life, sponsored by United Way Worldwide, the Foundation purchased life insurance policies on behalf of six donors and four donors during fiscal years ended June 30, 2015 and 2014, respectively. The Foundation is the beneficiary of these policies. This program allows donors to utilize life insurance to accomplish their philanthropic objectives by enabling the donors to create a future legacy that will endow their annual gift into perpetuity. The donor contributes an amount sufficient to cover the annual premiums. Additionally, donors may provide funds for “matching” premiums which increases the value of the policy. The life insurance policy is issued as one single policy. The cash surrender value of the policy is included in other assets in the statements of financial position. The difference between the premium paid and the cash surrender value of the policy is expensed as fundraising expenses in the statements of activities.

Income Taxes

The Foundation has received a tax-exempt ruling from the Internal Revenue Service under Internal Revenue Code Section 501(c)(3). However, income generated from activities unrelated to the exempt purpose of the Foundation is subject to tax. The Foundation had no unrelated business income during 2015 or 2014. Contributions to the Foundation are tax-deductible within the limitations prescribed by law. No tax accrual for uncertain tax positions was recorded as management believes there are no uncertain tax positions for the Foundation.

Distribution to UWMD

Annually, the Board approves an operating expense reimbursement to the United Way. The amount paid to United Way during the years ended June 30, 2015 and 2014 was \$783,081 and \$356,687, respectively. The amount to be paid during the year ended June 30, 2016 of \$1,133,819 was approved by the Board during fiscal year 2015 and is therefore included in Due to UWMD in the accompanying financial statements. On the related Statement of Activities, this amount is reflected in two line items. The approved reimbursement to UWMD for management and general expenses of \$463,819 is shown in the Distribution to UWMD expense line item and the \$670,000 to be reimbursed for campaign expenses is included in the Fundraising expense line item.

Unrestricted Net Assets

Contributions received from third parties that are not restricted as to use or for which the donor-imposed restrictions have been fulfilled are reported as unrestricted net assets in the accompanying financial statements. Unrestricted net assets are available to cover operating expenses and grants to the United Way.

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2015 and 2014

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
Continued**

Temporarily Restricted Net Assets

Contributions received from third parties with donor stipulations that limit the use of the donated assets, either by purpose or time restriction, are reported as temporarily restricted net assets in the accompanying financial statements. When the applicable restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions. Contributions received with temporary restrictions which are satisfied in the same reporting period are accounted for as described above and are included in net assets released from restrictions in the accompanying statements of activities. As of June 30, 2015 and 2014, \$165,233 and \$142,855 of temporarily restricted net assets are restricted for a specific purpose, respectively, and the remainder is restricted for use in a future time period.

Permanently Restricted Net Assets

Contributions received from third parties that are restricted such that the original gift (or principal) must be maintained in perpetuity, such as an endowment fund, are reported as permanently restricted net assets in the accompanying financial statements. For such contributions, only the income earned on the original principal is available for use according to donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2015 and 2014

NOTE B - INVESTMENTS AND FAIR VALUE

The Foundation records its financial instruments in accordance with the fair value guidance as established by the Financial Accounting Standard Board (“FASB”). In accordance with this guidance, fair value is defined as the price the Foundation would receive from the sale of an asset, or pay to transfer a liability, in a timely transaction with an independent buyer in a principal market. This guidance establishes a three-tier hierarchy to distinguish between various types of inputs used in determining the value of the Foundation’s investments and liabilities. The inputs are summarized in three levels as outlined below:

Level 1 Inputs - Quoted prices (unadjusted) in active markets for identical assets and liabilities. Level 1 assets include fixed income mutual funds, equity mutual funds and money market funds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.

Level 2 Inputs - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 Inputs - Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgment by management.

The Foundation does not have Level 2 or 3 assets or liabilities.

The fair value of investments at June 30 is summarized as follows:

	<u>2015</u>	<u>2014</u>
Equity mutual funds	\$21,940,949	\$20,869,410
Fixed income mutual funds	8,574,579	8,332,171
Money market funds	<u>455,250</u>	<u>9,006</u>
Total	<u>\$30,970,778</u>	<u>\$29,210,587</u>

A professional investment advisor manages the investments with periodic review by United Way management and the Foundation Investment Committee with approval by the Board. Investment fees of \$35,594 and \$31,711 were incurred for the years ending June 30, 2015 and 2014, respectively, and are included in management and general expenses in the accompanying statements of activities. Management of the United Way does not believe these investments pose unusual market or credit risks.

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2015 and 2014

NOTE C - ENDOWMENT FUNDS

The Foundation’s endowment consists of individual endowment funds established for the exclusive purpose of operating for the benefit of United Way. The endowment includes funds that are both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Unrestricted endowment funds represent those funds designated by the Board at the inception of the endowment plus general public contributions, estate settlements, and contributions not supported by an endowment agreement.

Interpretation of Relevant Law

The Foundation interprets the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) enacted by the State of Texas as allowing the Foundation, absent donor stipulations to the contrary as stated in the gift instrument, to appropriate as much of a donor-restricted endowment fund as the Board determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established.

The following factors are considered 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 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; and 6) other resources of the Foundation.

Endowment net asset composition by type of fund consists of the following as of June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (9,693)	\$898,001	\$9,971,991	\$10,860,299
Board-designated endowment funds	<u>22,068,029</u>	<u>-</u>	<u>-</u>	<u>22,068,029</u>
Total endowment net assets	<u>\$22,058,336</u>	<u>\$898,001</u>	<u>\$9,971,991</u>	<u>\$32,928,328</u>

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2015 and 2014

NOTE C - ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the year ended June 30, 2015, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$22,334,508	\$1,009,786	\$4,751,283	\$28,095,577
Investment return:				
Investment income	522,035	144,657	-	666,692
Net depreciation (unrealized and realized)	<u>243,781</u>	<u>54,669</u>	-	<u>298,450</u>
Total investment return	765,816	199,326	-	965,142
Contributions	825,317	-	5,220,708	6,046,025
Appropriation of assets for expenditure	<u>(1,867,305)</u>	<u>(311,111)</u>	-	<u>(2,178,416)</u>
Endowment net assets, end of year	<u>\$22,058,336</u>	<u>\$ 898,001</u>	<u>\$9,971,991</u>	<u>\$32,928,328</u>

Endowment net asset composition by type of fund consists of the following as of June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$1,009,786	\$4,751,283	\$ 5,761,069
Board-designated endowment funds	<u>22,334,508</u>	-	-	<u>22,334,508</u>
Total endowment net assets	<u>\$22,334,508</u>	<u>\$1,009,786</u>	<u>\$4,751,283</u>	<u>\$28,095,577</u>

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2015 and 2014

NOTE C - ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the year ended June 30, 2014, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$19,951,512	\$ 518,415	\$4,110,276	\$24,580,203
Investment return:				
Investment income	504,139	126,081	-	630,220
Net depreciation (unrealized and realized)	<u>3,250,486</u>	<u>746,928</u>	<u>-</u>	<u>3,997,414</u>
Total investment return	3,754,625	873,009	-	4,627,634
Contributions	133,053	-	641,007	774,060
Appropriation of assets for expenditure	<u>(1,504,682)</u>	<u>(381,638)</u>	<u>-</u>	<u>(1,886,320)</u>
Endowment net assets, end of year	<u><u>\$22,334,508</u></u>	<u><u>\$1,009,786</u></u>	<u><u>\$4,751,283</u></u>	<u><u>\$28,095,577</u></u>

Return Objective and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowments include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board-designated funds.

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 capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation. The Foundation's investment objectives are to generate sufficient long-term growth of capital without undue exposure to risk, to provide for spending distributions when needed, and to enhance the real purchasing power of the investments.

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2015 and 2014

NOTE C - ENDOWMENT FUNDS - Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

The primary long-term management objective of the Foundation’s board-designated and donor-restricted endowment funds (the “Endowment Fund”) is to ensure safety and preservation of principal, to achieve a satisfactory risk – adjusted total rate of return on assets under management, to maintain sufficient liquidity to meet operating and distribution needs, and to seek at all times to maintain public trust by adhering to the above stated objectives. The spending policy is a maximum of 5% of the twelve quarter rolling average of the portfolio’s market value, or the most recent quarter’s closing market value, whichever is lower. Other funds may be appropriated as deemed necessary by the Board from time to time. During the year ended June 30, 2015, the Board made a distribution to the United Way of \$1,009,003 which represented approximately 4.00% of the average market value of the 12-quarter rolling average balance at December 31, 2014. As this distribution will be paid during fiscal year 2016, it is recorded in the Due to UWMD and program services expense in the accompanying financial statements.

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 UPMIFA requires the Foundation to retain as a fund of perpetual duration. The aggregate amount of funds that had fallen below their original gift value was \$9,693 and \$0- as of June 30, 2015 and 2014, respectively.

NOTE D - PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2015 are summarized as follows:

	Pledges due in less than <u>one year</u>	Pledges due within 1 to 5 <u>years</u>	<u>Total</u>
Pledges restricted	\$2,015,000	\$1,190,000	\$3,205,000
Temporarily restricted	10,000	60,000	70,000
Unrestricted	<u>30,000</u>	<u>40,000</u>	<u>70,000</u>
Total	2,055,000	1,290,000	3,345,000
Less unamortized present value discount	<u>-</u>	<u>(101,566)</u>	<u>(101,566)</u>
Pledges receivable, net	<u>\$2,055,000</u>	<u>\$1,188,434</u>	<u>\$3,243,434</u>

United Way Foundation of Metropolitan Dallas

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Years ended June 30, 2015 and 2014

NOTE D - PLEDGES RECEIVABLE - Continued

The rate used for calculation of the discount was 3.25% as of June 30, 2015.

Pledges receivable as of June 30, 2014 are summarized as follows:

	<u>Pledges due in less than one year</u>	<u>Pledges due within 1 to 5 years</u>	<u>Total</u>
Pledges restricted	\$30,000	\$120,000	\$150,000
Temporarily restricted	<u>20,000</u>	<u>80,000</u>	<u>100,000</u>
Total	50,000	200,000	250,000
Less unamortized present value discount	<u>-</u>	<u>(20,235)</u>	<u>(20,235)</u>
Pledges receivable, net	<u>\$50,000</u>	<u>\$179,765</u>	<u>\$229,765</u>

The rate used for calculation of the discount was 3.25% as of June 30, 2014.

NOTE E - SUBSEQUENT EVENTS

The Foundation has evaluated its financial statements for subsequent events through November 4, 2015, the date the financial statements were available to be issued. The Foundation is not aware of any such events which would require recognition or disclosure in the financial statements.