



Financial Statements

December 31, 2013

The Community Foundation for the Capital Region, Inc.

Financial Statements

December 31, 2013

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Independent Auditor's Report

Board of Directors
The Community Foundation for the
Greater Capital Region, Inc.
Albany, New York

Report on the Financial Statements

We have audited the accompanying financial statements of The Community Foundation for the Greater Capital Region, Inc. (a New York not-for-profit corporation) which comprise of the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 reasonable 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 The Community Foundation for the Greater Capital Region, Inc. as of December 31, 2013, and the change 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.

Other Matters

Report on Summarized Comparative Information

The financial statements of The Community Foundation for the Greater Capital Region, Inc., as of and for the year ended December 31, 2012, were audited by Bollam, Sheedy, Torani & Co. LLP and their report dated April 30, 2013, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information for 2013 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The 2012 supplementary information was subject to audit procedures applied in the audit of the basic financial statements by Bollam, Sheedy, Torani & Co. LLP, and their report dated April 30, 2013, stated they are not aware of any material modifications that should be made to such information.

SaxBST LLP

Albany, New York
April 28, 2014

The Community Foundation for the Greater Capital Region, Inc.

Statement of Financial Position

	December 31, 2013 (comparative totals for 2012)			
	Managed for the Benefit of the Foundation	Managed on Behalf of Donors	2013 Totals	2012 Totals
ASSETS				
Cash	\$ -	\$ 3,691,522	\$ 3,691,522	\$ 1,634,410
Investments	4,080,243	53,771,947	57,852,190	54,566,148
Promises of gifts	-	98,550	98,550	109,050
Contributions receivable from				
Charitable remainder trusts	-	28,817	28,817	26,252
Pooled income fund	-	49,667	49,667	46,492
Other receivables	2,919	870	3,789	5,220
Prepaid expenses	2,899	1,616	4,515	11,551
Property and equipment, net	15,635	-	15,635	13,884
Assets held in charitable remainder trusts	454,217	731,043	1,185,260	1,152,216
Assets reserved under charitable gift annuity agreements	668,351	-	668,351	559,271
Cash surrender value of life insurance	-	237,730	237,730	254,600
	\$ 5,224,264	\$ 58,611,762	\$ 63,836,026	\$ 58,379,094
LIABILITIES				
Accounts payable and accrued expenses	\$ 8,831	\$ 1,626	\$ 10,457	\$ 12,718
Grants payable	-	188,925	188,925	326,163
Liability under charitable remainder trust agreements	380,997	140,173	521,170	544,940
Liability under charitable gift annuity agreements	398,345	-	398,345	378,018
Funds held as Agency endowments	-	1,733,868	1,733,868	1,465,784
	788,173	2,064,592	2,852,765	2,727,623
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Unrestricted				
Designated				
Board designated, donor-advised	-	26,614,622	26,614,622	26,151,408
Board designated, endowment funds	471,044	-	471,044	283,799
Undesignated	637,422	9,203,392	9,840,814	8,333,044
	1,108,466	35,818,014	36,926,480	34,768,251
Temporarily restricted	1,010,156	6,135,549	7,145,705	4,878,098
Permanently restricted	2,317,469	14,593,607	16,911,076	16,014,594
	4,436,091	56,547,170	60,983,261	55,660,943
	\$ 5,224,264	\$ 58,611,762	\$ 63,836,026	\$ 58,388,566

See accompanying Notes to Financial Statements

The Community Foundation for the Greater Capital Region, Inc.

Statement of Activities

Year Ended December 31, 2013
(comparative totals for 2012)

	Unrestricted			Temporarily Restricted			Permanently Restricted			2013 Totals	2012 Totals
	Managed for the Benefit of the Foundation	Managed on Behalf of Donors	Total	Managed for the Benefit of the Foundation	Managed on Behalf of Donors	Total	Managed for the Benefit of the Foundation	Managed on Behalf of Donors	Total		
REVENUES AND OTHER SUPPORT											
Contributions	\$ 194,280	\$ 1,644,369	\$ 1,838,649	\$ -	\$ -	\$ -	\$ 13,263	\$ 883,219	\$ 896,482	\$ 2,735,131	\$ 8,839,124
Interest and dividends	65,439	1,894,010	1,959,449	-	277,944	277,944	-	-	-	2,237,393	975,158
Change in value of split-interest agreements	89,276	(126,708)	(37,432)	-	62,552	62,552	-	-	-	25,120	5,570
Management fees	463,194	(439,882)	23,312	-	-	-	-	-	-	23,312	25,234
Events	60,900	69,584	130,484	-	-	-	-	-	-	130,484	87,510
Grants	-	3,801	3,801	-	-	-	-	-	-	3,801	5,000
Other income	43,851	(43,851)	-	-	-	-	-	-	-	-	-
Net assets released from restrictions, satisfaction of restrictions	-	1,155,269	1,155,269	-	(1,155,269)	(1,155,269)	-	-	-	-	-
Total revenues and other support	<u>916,940</u>	<u>4,156,592</u>	<u>5,073,532</u>	<u>-</u>	<u>(814,773)</u>	<u>(814,773)</u>	<u>13,263</u>	<u>883,219</u>	<u>896,482</u>	<u>5,155,241</u>	<u>9,937,596</u>
EXPENSES											
Program services											
Community programs	208,538	4,402,986	4,611,524	-	-	-	-	-	-	4,611,524	3,942,926
Fund management	85,278	244,276	329,554	-	-	-	-	-	-	329,554	302,495
	293,816	4,647,262	4,941,078	-	-	-	-	-	-	4,941,078	4,245,421
Management and general	465,072	152,906	617,978	-	-	-	-	-	-	617,978	537,028
Development	144,600	(33,178)	111,422	-	-	-	-	-	-	111,422	85,732
Events	22,616	97,743	120,359	-	-	-	-	-	-	120,359	103,052
Total functional expenses	<u>926,104</u>	<u>4,864,733</u>	<u>5,790,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,790,837</u>	<u>4,971,233</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(9,164)	(708,141)	(717,305)	-	(814,773)	(814,773)	13,263	883,219	896,482	(635,596)	4,966,363
Realized gains on investments, net	322,066	4,105,162	4,427,228	-	1,696,712	1,696,712	-	-	-	6,123,940	350,190
Unrealized gains (losses) on investments, net	101,468	(1,653,162)	(1,551,694)	202,599	1,183,069	1,385,668	-	-	-	(166,026)	4,617,532
CHANGE IN NET ASSETS	414,370	1,743,859	2,158,229	202,599	2,065,008	2,267,607	13,263	883,219	896,482	5,322,318	9,934,085
NET ASSETS, beginning of year	<u>694,096</u>	<u>34,074,155</u>	<u>34,768,251</u>	<u>807,557</u>	<u>4,070,541</u>	<u>4,878,098</u>	<u>2,304,206</u>	<u>13,710,388</u>	<u>16,014,594</u>	<u>55,660,943</u>	<u>45,726,858</u>
NET ASSETS, end of year	<u>\$ 1,108,466</u>	<u>\$ 35,818,014</u>	<u>\$ 36,926,480</u>	<u>\$ 1,010,156</u>	<u>\$ 6,135,549</u>	<u>\$ 7,145,705</u>	<u>\$ 2,317,469</u>	<u>\$ 14,593,607</u>	<u>\$ 16,911,076</u>	<u>\$ 60,983,261</u>	<u>\$ 55,660,943</u>

The Community Foundation for the Greater Capital Region, Inc.

Statement of Functional Expenses

Year Ended December 31, 2013
(comparative totals for 2012)

	<u>Community Programs</u>	<u>Fund Management</u>	<u>Management and General</u>	<u>Development</u>	<u>Events</u>	<u>2013 Totals</u>	<u>2012 Totals</u>
Salaries and wages	\$ 129,815	\$ 86,552	\$ 187,675	\$ 54,528	\$ -	\$ 458,570	\$ 435,417
Payroll related costs	17,499	9,121	26,566	7,684	-	60,870	57,090
Accounting and legal	-	-	19,726	-	-	19,726	26,470
Advertising	-	-	-	14,663	-	14,663	-
Annual report	-	-	-	8,030	-	8,030	6,686
Bank and investment related fees	-	225,796	22,681	-	-	248,477	208,728
Board training	-	-	4,340	-	-	4,340	-
Depreciation	-	-	4,500	-	-	4,500	3,433
Equipment leases and maintenance	-	-	31,412	-	-	31,412	33,728
Grants expense	4,384,491	-	-	-	-	4,384,491	3,691,068
Insurance	-	-	11,675	-	-	11,675	11,043
Meeting expense	1,948	-	13,032	-	24,793	39,773	28,794
Newsletters	-	-	-	7,924	-	7,924	8,175
Office supplies and expense	-	-	6,519	-	-	6,519	16,355
Pass-through grants	69,071	-	190,952	-	-	260,023	231,141
Postage	-	-	9,670	-	-	9,670	8,353
Printing	-	-	-	8,804	3,172	11,976	6,373
Professional services	376	251	41,439	157	2,380	44,603	30,293
Public relations and marketing	-	-	-	1,308	-	1,308	5,731
Professional development	-	-	6,636	-	-	6,636	7,177
Rent	6,775	6,377	19,928	6,775	-	39,855	39,795
Telephone and utilities	1,549	1,457	4,554	1,549	-	9,109	7,691
Travel	-	-	3,943	-	1,309	5,252	9,762
Web sites	-	-	2,652	-	-	2,652	2,429
Miscellaneous	-	-	10,078	-	88,705	98,783	95,499
	<u>\$4,611,524</u>	<u>\$ 329,554</u>	<u>\$ 617,978</u>	<u>\$ 111,422</u>	<u>\$ 120,359</u>	<u>\$ 5,790,837</u>	<u>\$4,971,233</u>

See accompanying Notes to Financial Statements

The Community Foundation for the Greater Capital Region, Inc.

Statement of Cash Flows

	Year Ended December 31, 2013 (comparative totals for 2012)	
	<u>2013</u>	<u>2012</u>
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 5,322,318	\$ 9,934,085
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	4,500	3,433
Contributions of investments	(455,411)	(5,714,200)
Realized gains on investments and assets reserved under charitable gift annuity agreement transactions, net	(6,123,940)	(350,190)
Unrealized (gains) losses on investments and assets reserved under charitable gift annuity agreements, net	166,026	(4,902,307)
Reinvested earnings on other investments	-	16,441
Contribution from charitable remainder trust	(56,139)	-
Change in value of split-interest agreements	(26,626)	(43,846)
Change in cash surrender value of life insurance	16,870	35,041
Change in funds held as Agency endowments	55,500	(282,417)
Decrease (increase) in		
Promises of gifts	10,500	46,000
Other receivables	1,431	(577)
Prepaid expenses	7,036	6,354
Increase (decrease) in		
Accounts payable and accrued expenses	(2,261)	7,499
Grants payable	(137,238)	(13,152)
	<u>(1,217,434)</u>	<u>(1,257,836)</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Proceeds from sale of investments	66,531,845	12,889,300
Purchases of investments	(63,188,787)	(11,614,667)
Purchases of property and equipment	(6,251)	(14,235)
Distribution from other investments	-	(789)
Proceeds from cash surrender value of life insurance	-	3,830
	<u>3,336,807</u>	<u>1,263,439</u>
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES		
Charitable gift annuity payments	<u>(62,261)</u>	<u>(58,960)</u>
Net increase (decrease) in cash	2,057,112	(53,357)
CASH, beginning of year	<u>1,634,410</u>	<u>1,687,767</u>
CASH, end of year	<u><u>\$ 3,691,522</u></u>	<u><u>\$ 1,634,410</u></u>

See accompanying Notes to Financial Statements

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2013

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization

The Community Foundation for the Greater Capital Region, Inc. (Community Foundation) is a corporation organized under the Membership Corporation Laws of the State of New York.

The Community Foundation formed CFCR Real Property Transactions, LLC (Real Property) to hold title to, manage, operate, and maintain real property that is intended to be donated to the Community Foundation. All activities of Real Property are reported within the accompanying financial statements.

Included within the Community Foundation's financial statements are the activities of the William and Mary Barnet Foundation (Barnet Foundation), a supporting organization of the Community Foundation.

The Community Foundation's mission is to strengthen our community by attracting charitable endowments, both large and small, maximizing benefits to donors and making effective grants, and providing leadership to address community needs.

b. Basis of Accounting and Financial Statement Presentation

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profits entities.

In achieving its mission, the Community Foundation:

- Serves over 340 separate charitable funds, working with donors to achieve their philanthropic goals. The Community Foundation presents the resources of this mission in these financial statements as "Managed on Behalf of Donors."
- Provides grants, technical assistance, and leadership to address community needs and provide for the long-term operations of the Community Foundation. The Community Foundation presents the resources of this mission in these financial statements as "Managed for the Benefit of the Foundation."

c. Recognition of Donor Restrictions

The net assets of the Community Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets are not subject to donor-imposed restrictions. Unrestricted net assets consist of both undesignated funds and Board designated funds. Board designated funds may be donor-advised or endowment funds. Undesignated funds reflect the net equity of the Community Foundation.

Temporarily Restricted Net Assets are subject to donor-imposed stipulations that will be met by the passage of time.

All donor-restricted support is reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently Restricted Net Assets are endowment funds restricted by donors to be maintained in perpetuity.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

d. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

e. Fair Value Measurements

The Community Foundation reports certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (Note 12).

f. Investments

The Community Foundation reports investments in marketable equity securities and debt securities at fair value with gains and losses on the statement of activities.

The Community Foundation has investments in limited partnerships, referred to as "alternative investments," which are recorded at estimated fair value. Estimated fair value, as determined by the alternative investments' managers, is based upon the Community Foundation's proportionate share of the net assets of the alternative investments at December 31, 2013. Alternative investments primarily consist of ownership percentages in limited partnerships, privately held equity securities (preferred and common), publicly traded equity securities, and international private investment companies.

Management evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near term prospects of the issuer, and (3) the intent and ability of the Community Foundation to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. The Community Foundation determined that there were no other-than-temporary impairments as of December 31, 2013.

g. Promises of Gifts

Unconditional promises of gifts that are expected to be collected within one year are recorded at net realizable value. Unconditional promises of gifts that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

h. Property and Equipment, Net

Property and equipment are reported at cost, net of accumulated depreciation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to the change in net assets.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2013

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Property and Equipment, Net - Continued

Donations of property and equipment are recorded as contributions at their estimated fair value. Absent donor stipulations regarding the length of time that donated assets must be maintained, the Community Foundation reports expirations of donor restrictions based on the assets' estimated useful lives. Accordingly, those donations are recorded as support increasing temporarily restricted net assets. The Community Foundation reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of the donated asset's depreciation expense.

Depreciation is provided for in amounts to relate the cost of depreciable assets to operations over their estimated useful lives on the straight-line method. The estimated life used in determining depreciation is three to five years.

i. Funds Held as Agency Endowments

The Community Foundation has established endowment funds for contributions from donors that are specified to be released to agencies/beneficiaries other than the Community Foundation. The Community Foundation has established a liability for the fair value of the funds, which is generally equivalent to the present value of the future payments to be made to the agencies/beneficiaries.

j. Recognition of Donor Restrictions

The Community Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Community Foundation reports the support as unrestricted.

k. Donated Goods and Services

Quantifiable donated goods and skilled services are reported, based on estimated fair value, as both revenue and expense in the year contributed. There were no in-kind contributions for the year ended December 31, 2013.

A number of unpaid volunteers have made contributions of their time. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or evaluation.

l. Functional Expenses

Expenses are allocated after all attempts have been made to charge expenses directly to programs. Methodologies used for allocation include actual hours of service and ratio value.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

m. Tax Status

The Community Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (Code) and related New York State law and is exempt from income taxes. The Community Foundation has been classified as a publicly-supported organization that is not a private foundation under Section 509(a)(1) of the Code.

The Community Foundation files a Form 990 annually with the Internal Revenue Service. When annual returns are filed, some tax positions taken are highly certain to be sustained upon examination by the taxing authorities, while other tax positions are subject to uncertainty about the technical merits of the position or amount of the position's tax benefit that would ultimately be sustained. Management evaluated the Community Foundation's tax positions, including interest and penalties attributable thereto, and concluded that the Community Foundation had taken no tax positions that required adjustment in its financial statements as of December 31, 2013.

Forms 990 filed by the Community Foundation are subject to examination by the Internal Revenue Service. The Community Foundation is no longer subject to examination for the fiscal years ended December 31, 2009, and prior.

n. Summarized Financial Information for 2012

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Community Foundation's previously issued financial statements for the year ended December 31, 2012, from which the summarized information was derived.

o. Reclassifications

Certain reclassifications were made to the prior year amounts in order to conform to the current year presentation.

p. Subsequent Events

The Community Foundation has evaluated subsequent events for potential recognition or disclosure through April 28, 2014, the date the financial statements were available to be issued.

Note 2 - Investments

A summary of the Community Foundation's investments is as follows:

	December 31, 2013			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Alternative investments	\$ 5,710,349	\$ 1,067,846	\$ (28,529)	\$ 6,749,666
Corporate stock	6,918,844	1,272,105	(142,214)	8,048,735
Mutual funds	38,586,554	3,701,984	(295,094)	41,993,444
Other Investments	9,472			9,472
Private common stock receivable	1,050,873	-	-	1,050,873
	<u>\$ 52,276,092</u>	<u>\$ 6,041,935</u>	<u>\$ (465,837)</u>	<u>\$ 57,852,190</u>

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 3 - Promises of Gifts

A summary of promises of gifts to the Community Foundation is as follows:

	December 31, 2013
	<u>2013</u>
Amounts due in	
Less than one year	\$ 63,950
One to five years	<u>34,600</u>
	<u>\$ 98,550</u>

Note 4 - Property and Equipment, Net

A summary of property and equipment, net, is as follows:

	December 31, 2013
	<u>2013</u>
Furniture and fixtures	\$ 174,535
Office equipment	<u>37,442</u>
	211,977
Less accumulated depreciation	<u>196,342</u>
Property and equipment, net	<u>\$ 15,635</u>

Note 5 - Split-Interest Agreements

Split-interest agreements are trusts or other arrangements under which the Community Foundation receives benefits that are shared with other beneficiaries. The Community Foundation's split-interest agreements include charitable remainder trusts and charitable gift annuities. A summary of the Community Foundation's significant split-interest agreements is as follows:

a. Charitable Remainder Trusts

Assets Held in Charitable Remainder Trusts

A summary of assets held in charitable remainder trusts is as follows:

	December 31, 2013			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Mutual funds	\$ 968,999	\$ 195,116	\$ (21,507)	\$ 1,142,608
Cash	<u>42,652</u>	<u>-</u>	<u>-</u>	<u>42,652</u>
	<u>\$ 1,011,651</u>	<u>\$ 195,116</u>	<u>\$ (21,507)</u>	<u>\$ 1,185,260</u>

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 5 - Split-Interest Agreements - Continued

a. Charitable Remainder Trusts - Continued

Liabilities Under Charitable Remainder Trust Agreements

The obligations, as trustee for each trust, are reported herein as liabilities under charitable remainder trust agreements. The obligations are estimated at the time of the agreements (unitrust or annuity trust) based on the average life expectancies of the beneficiaries and the expected rate of return on invested assets. Any excess amount of the gift over the estimated liability is recorded as a temporarily restricted net asset. The obligations are subject to adjustments and reflect amortization of any discount, reevaluation of the present value of estimated future payments, and any change in actuarial assumptions. These adjustments, if any, are recorded in the statement of activities as a change in value of split-interest agreements. The assumptions used in computing the liabilities under charitable remainder trust agreements include discount rates ranging from 5% to 9.4% and life expectancies based on published single and multiple life expectancy tables.

b. Charitable Gift Annuity Agreements

Under New York State Insurance Law, the Community Foundation is required to maintain qualified reserves reported herein as assets reserved under charitable gift annuity agreements. As of December 31, 2013, the Community Foundation maintained a segregated reserve of \$668,351, as reflected in the accompanying statement of financial position, which is in excess of the minimum required reserve of \$503,607.

The obligations under the agreements are reported herein as liabilities under charitable gift annuity agreements. The obligations are estimated at the time of the agreement based on the present value of future cash flows expected to be paid to the donors. The obligations are subject to adjustments to reflect amortization of any discount and changes in the life expectancies of the donors. The assumptions used in computing the liabilities under charitable gift annuity agreements include discount rates ranging from 5.5% to 10.6% and life expectancies based on published single and multiple life expectancy tables.

Note 6 - Funds Held As Agency Endowments

A summary of the Community Foundation's agency endowment funds is as follows:

Agency Endowment Funds, December 31, 2012	\$ 1,465,784
Amounts raised, net	123,880
Interest and dividends	19,137
Realized investment gains, net	115,584
Unrealized investment gains, net	97,000
Fees	(25,187)
Grants to public charities	<u>(62,330)</u>
Agency Endowment Fund balances, December 31, 2013	<u>\$ 1,733,868</u>

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 7 - Net Assets

A summary of unrestricted, undesignated net assets available is as follows:

	December 31, 2013
Pass-through grants	\$ 444,009
Unrestricted donor gifts	8,759,384
Operating fund	637,421
	<u>\$ 9,840,814</u>

Temporarily restricted net assets available are for the following purposes:

	December 31, 2013
Time restrictions	
Endowment funds	\$ 6,376,442
Charitable remainder trusts	624,221
Community Sponsor pledges	98,550
Pooled Income Fund receivable	46,492
	<u>\$7,145,705</u>

Note 8 - Endowment

The Community Foundation's endowment consists of various investments overseen by the Investment Committee of the Board of Directors. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Relevant Law

The Board of Directors of the Community Foundation has interpreted the New York State Not-For-Profit Corporation Law (NPCL). The interpretation views NPCL 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 Community 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 in a manner consistent with the standard procedures prescribed in NPCL Article 5-A.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2013

Note 8 - Endowment - Continued

Relevant Law - Continued

The Community 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 Community 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. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the organization, and
8. The investment policies of the organization.

Endowment net asset composition by type of fund:

	December 31, 2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 6,376,442	\$ 16,911,076	\$ 23,287,518
Board-designated endowment funds	471,044	-	-	471,044
Total funds	\$ 471,044	\$ 6,376,442	\$ 16,911,076	\$ 23,758,562

Changes in endowment net assets:

	December 31, 2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, <i>beginning of year, as restricted</i>	\$ 283,799	\$ 4,089,028	\$ 16,014,594	\$ 20,387,421
Investment return				
Interest and dividends	-	277,942	-	277,942
Net gain, realized	-	1,696,712	-	1,696,712
Fees to managers	(103,476)	-	-	(103,476)
Net gain, unrealized	-	1,385,668	-	1,385,668
Total investment return	(103,476)	3,360,322	-	3,256,846
Contributions	-	-	896,482	896,482
Withdrawals	(782,187)	-	-	(782,187)
Transfers to other funds	1,072,908	(1,072,908)	-	-
Endowment net assets, <i>end of year</i>	\$ 471,044	\$ 6,376,442	\$ 16,911,076	\$ 23,758,562

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 8 - Endowment - Continued

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 requires the Community Foundation to retain it as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature would be reported in unrestricted net assets. There were no funds with deficiencies at December 31, 2013.

Return Objectives and Risk Parameters

The Community 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. Endowment assets include those assets of donor-restricted funds that the Community Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to obtain a real rate of return on plan assets so that plan assets both grow in value at a rate that exceeds the rate of inflation over the long-term and that limits yearly volatility to acceptable levels as reviewed and determined by the Investment Committee.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Community 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 Community Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Community Foundation has approved a spending policy which calculates a percentage (currently 4%) of the average value of the fund, including income, realized and unrealized appreciation and, in some cases, principal over the past 36 months.

Note 9 - Defined Contribution Plan

The Community Foundation offers a 403(b) tax deferred annuity plan to its employees. The Community Foundation matches employee contributions in the amount of 25% of every dollar contributed by the employee, with a maximum of 10% of each employee's salary. For the year ended December 31, 2013, the Community Foundation's match was \$3,626.

Note 10 - Commitments and Contingencies

Operating Leases

The Community Foundation's office is leased under a noncancelable operating lease. The lease calls for monthly payments of \$3,321 to \$3,764 from 2012 through 2016. The Community Foundation is also required to pay, as additional rent, its pro rata share of the increases in the lessor's operating expenses, computed on an annual basis.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 10 - Commitments and Contingencies - Continued

Operating Leases - Continued

The Community Foundation also rents office equipment under an operating lease that calls for quarterly payments of \$285 through March 2016 and monthly payments of \$376 through June 2016.

A summary of the Community Foundation's future minimum rental commitments under these leases is as follows:

For the year ending December 31,	
2014	\$ 45,499
2015	50,813
2016	<u>2,537</u>
	<u>\$ 98,849</u>

Note 11 - Risks and Uncertainties

a. Fair Value of Investments

The Community Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

b. Concentrations of Credit Risk - Cash

The Community Foundation maintains operating cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, the Community Foundation has bank deposits in excess of the amounts insured by the FDIC. Cash related to investments held by custodians is separately insured by these custodians.

Note 12 - Fair Value of Financial Instruments

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The following three levels of inputs that may be used to measure fair value:

- Level 1 Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than quoted market prices and can include active markets and markets not considered to be active.
- Level 3 Unobservable inputs that are supported by little or no market activity.

Fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 12 - Fair Value of Financial Instruments - Continued

Following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2013.

Cash and Cash Equivalents: The carrying amounts approximate fair value because of the short maturity of these instruments.

Common Stock: Valued at the closing price reported on the active market on which the individual security is traded.

Mutual Funds: Valued at net asset value (NAV) reported by the fund.

Alternative Investments, Limited Partnership Interest, and Other Investments: Fair value is determined by the Community Foundation's interest in the limited partnership's capital, and the real estate mutual funds (other investments) are valued at the share value for the number of shares owned at year end.

Private Common Stock: Fair value determined by an independent valuation of the Community Foundation's Class A and B common stock on a per share basis.

Liabilities Under Charitable Gift Annuities, Charitable Remainder Trusts, and Funds Held as Agency Endowments: Fair value is equivalent to the present value of the future payments to be made based on the average life expectancies of the beneficiaries and the expected rate of return on the invested assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Community Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

A summary of assets and liabilities measured at fair value on a recurring basis follows:

	December 31, 2013			Total
	Level 1	Level 2	Level 3	
Assets				
Investments				
Mutual funds				
Fixed income funds	\$ 8,100,117	\$ -	\$ -	\$ 8,100,117
International	2,974,204	-	-	2,974,204
Small-mid cap select	1,762,100	-	-	1,762,100
Capital preservation	8,239	-	-	8,239
International equity	8,253,970	-	-	8,253,970
Mid-cap value	4,552	-	-	4,552
Large cap blend	41,390	-	-	41,390
Large cap equity	17,946,345	-	-	17,946,345
Large cap growth	14,526	-	-	14,526
Emerging markets fund	2,725,149	-	-	2,725,149
Common stocks				
Financial	1,591,071	-	-	1,591,071
Healthcare	1,108,030	-	-	1,108,030
Basic materials	544,981	-	-	544,981
Technology	1,669,323	-	-	1,669,323
Consumer good	1,313,936	-	-	1,313,936
Energy resources	644,641	-	-	644,641
Industrial	975,412	-	-	975,412
Utilities	150,389	-	-	150,389

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 12 - Fair Value of Financial Instruments - Continued

	December 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets held in charitable remainder trusts				
Cash and cash equivalents	42,429	-	-	42,429
Mutual funds				
Equity, large-cap	152,599	-	-	152,599
Equity, mid-cap	72,872	-	-	72,872
Equity, small-cap	176,104	-	-	176,104
International development	87,754	-	-	87,754
Emerging markets	43,984	-	-	43,984
Fixed income, investment grade	122,708	-	-	122,708
Fixed income, global high yield	20,400	-	-	20,400
Fixed income, international developed bonds	7,009	-	-	7,009
Real estate, public REIT	42,134	-	-	42,134
Commodities	20,907	-	-	20,907
Hedge funds specific strategy	84,189	-	-	84,189
Large blend	37,620	-	-	37,620
Equity energy	52,663	-	-	52,663
International	75,859	-	-	75,859
Small blend	52,888	-	-	52,888
Gold related	59,172	-	-	59,172
Industrial	33,969	-	-	33,969
Assets reserved under charitable gift annuity agreements				
Mutual funds				
Blend	68,196	-	-	68,196
International	72,573	-	-	72,573
Mid-cap	100,183	-	-	100,183
Emerging markets	3,610	-	-	3,610
Fixed income Funds	250,505	-	-	250,505
Common stocks				
Consumer goods	93,573	-	-	93,573
Energy/utilities	17,328	-	-	17,328
Financial	20,794	-	-	20,794
Industrial	6,932	-	-	6,932
Technology	19,061	-	-	19,061
Other	15,596	-	-	15,596
Alternative investments	-	-	3,713,543	3,713,543
Limited partnership interest	-	-	3,249,927	3,249,927
Other investments	-	-	9,472	9,472
Investment receivable	1,050,873	-	-	1,050,873
	<u>\$ 52,732,859</u>	<u>\$ -</u>	<u>\$ 6,972,942</u>	<u>\$ 59,705,801</u>
Liabilities				
Liability under charitable remainder trust agreements	\$ -	\$ -	\$ 521,170	\$ 521,170
Liability under charitable gift annuity agreements	-	-	398,345	398,345
Funds held as Agency endowments	1,733,868	-	-	1,733,868
	<u>\$ 1,733,868</u>	<u>\$ -</u>	<u>\$ 919,515</u>	<u>\$ 2,653,383</u>

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements December 31, 2013

Note 12 - Fair Value of Financial Instruments - Continued

The following represents a reconciliation of all assets and liabilities measured at fair value on a recurring basis using unobservable Level 3 inputs during 2013.

	December 31, 2013		
	Alternative Investments	Other Investments	Total
Assets			
Balance, beginning of year	\$ 8,879,121	\$ 9,472	\$ 8,888,593
Contributions	3,180,798	-	3,180,798
Net gains			
Unrealized	875,455	-	875,455
Settlements	(5,971,904)	-	(5,971,904)
Balance, end of year	<u>\$ 6,963,470</u>	<u>\$ 9,472</u>	<u>\$ 6,972,942</u>
Liabilities under Charitable			
	Remainder Trusts	Gift Annuity	Total
	Agreements	Agreements	
Liabilities			
Balance, beginning of year	\$ 544,940	\$ 378,018	\$ 922,958
Change in actuarial assumptions	24,753	35,928	60,681
Contributions	-	46,660	46,660
Payments	(48,523)	(62,261)	(110,784)
	<u>\$ 521,170</u>	<u>\$ 398,345</u>	<u>\$ 919,515</u>

A summary of fair value measurements of investments in alternative investments based on net asset value is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Available	Notice Period
Multi Strategy Hedge Funds	\$ 1,569,613	\$ -	Quarterly	60 days written notice	N/A
Multi Strategy Hedge Funds	1,634,402	-	None	January 31, 2015	45 days
Investment in Limited Partnership	45,915	854,088	None	N/A	N/A
Long-Short Hedge Funds	900,278	1,088,975	None	Approx. 12 years after inception	N/A
Long-Short Hedge Funds	2,813,265	-	None	June 30, 2016	60 days
Other investments	9,472	-	None	N/A	N/A
	<u>\$ 6,972,945</u>	<u>\$ 1,943,063</u>			

The Community Foundation for the Greater Capital Region, Inc.

Supplementary Information Financial Position - Managed for the Benefit of the Foundation

December 31, 2013

	The Community Foundation for the Greater Capital Region, Inc.	Community Impact Fund	Judith N. Lyons Administrative Endowment	Other Endowments	Total
ASSETS					
Investments	\$ 281,704	\$ 780,713	\$ 1,833,963	\$ 1,183,863	\$ 4,080,243
Other receivables	2,789	-	130	-	2,919
Prepaid expenses	2,899	-	-	-	2,899
Property and equipment, net	15,635	-	-	-	15,635
Assets held in charitable remainder trusts	454,217	-	-	-	454,217
Assets reserved under charitable gift annuity agreements	668,351	-	-	-	668,351
Total assets	\$ 1,425,595	\$ 780,713	\$ 1,834,093	\$ 1,183,863	\$ 5,224,264
LIABILITIES					
Accounts payable and accrued expenses	\$ 8,831	\$ -	\$ -	\$ -	\$ 8,831
Liability under charitable remainder trust agreements	380,997	-	-	-	380,997
Liability under charitable gift annuity agreements	398,345	-	-	-	398,345
	788,173	-	-	-	788,173
COMMITMENTS AND CONTINGENCIES					
NET ASSETS					
Unrestricted					
Designated					
Board designated, endowment funds	-	(185,339)	113,702	542,681	471,044
Undesignated	637,422	-	-	-	637,422
	637,422	(185,339)	113,702	542,681	1,108,466
Temporarily restricted	-	221,052	556,844	232,260	1,010,156
Permanently restricted	-	745,000	1,163,547	408,922	2,317,469
	637,422	780,713	1,834,093	1,183,863	4,436,091
Total liabilities and net assets	\$ 1,425,595	\$ 780,713	\$ 1,834,093	\$ 1,183,863	\$ 5,224,264

December 31, 2012

	The Community Foundation for the Greater Capital Region, Inc.	Community Impact Fund	Judith N. Lyons Administrative Endowment	Other Endowments	Total
ASSETS					
Investments	\$ 162,608	\$ 698,449	\$ 1,630,892	\$ 1,066,171	\$ 3,558,120
Other receivables	4,220	-	50	-	4,270
Prepaid expenses	9,934	-	-	-	9,934
Property and equipment, net	13,884	-	-	-	13,884
Assets held in charitable remainder trusts	463,975	-	-	-	463,975
Assets reserved under charitable gift annuity agreements	559,271	-	-	-	559,271
Total assets	\$ 1,213,892	\$ 698,449	\$ 1,630,942	\$ 1,066,171	\$ 4,609,454
LIABILITIES					
Accounts payable and accrued expenses	\$ 11,544	\$ -	\$ -	\$ -	\$ 11,544
Liability under charitable remainder trust agreements	414,033	-	-	-	414,033
Liability under charitable gift annuity agreements	378,018	-	-	-	378,018
	803,595	-	-	-	803,595
COMMITMENTS AND CONTINGENCIES					
NET ASSETS					
Unrestricted					
Designated					
Board designated, endowment funds	-	(214,692)	29,998	468,493	283,799
Undesignated	410,297	-	-	-	410,297
	410,297	(214,692)	29,998	468,493	694,096
Temporarily restricted	-	173,874	444,927	188,756	807,557
Permanently restricted	-	739,267	1,156,017	408,922	2,304,206
	410,297	698,449	1,630,942	1,066,171	3,805,859
Total liabilities and net assets	\$ 1,213,892	\$ 698,449	\$ 1,630,942	\$ 1,066,171	\$ 4,609,454

See Independent Auditor's Report.

The Community Foundation for the Greater Capital Region, Inc.

Supplementary Information Activities - Managed for the Benefit of the Foundation

	Year Ended December 31, 2013				
	The Community Foundation for the Greater Capital Region, Inc.	Community Impact Fund	Judith N. Lyons Administrative Endowment	Other Endowments	Total
REVENUES AND OTHER SUPPORT					
Contributions	\$ 194,280	\$ -	\$ -	\$ -	\$ 194,280
Interest and dividends	19,753	9,270	22,048	14,368	65,439
Change in value of split-interest agreements	89,276	-	-	-	89,276
Management fees	463,194	-	-	-	463,194
Events	60,900	-	-	-	60,900
Other income	43,851	-	-	-	43,851
Total revenues and other support	<u>871,254</u>	<u>9,270</u>	<u>22,048</u>	<u>14,368</u>	<u>916,940</u>
EXPENSES					
Program services					
Community programs	88,868	10,593	65,106	43,971	208,538
Fund management	<u>38,338</u>	<u>25,431</u>	<u>8,276</u>	<u>13,233</u>	<u>85,278</u>
	127,206	36,024	73,382	57,204	293,816
Management and general	465,072	-	-	-	465,072
Development	144,600	-	-	-	144,600
Events	22,616	-	-	-	22,616
Total expenses	<u>759,494</u>	<u>36,024</u>	<u>73,382</u>	<u>57,204</u>	<u>926,104</u>
CHANGE IN NET ASSETS FROM OPERATIONS	111,760	(26,754)	(51,334)	(42,836)	(9,164)
Realized gains on investments, net	43,119	56,107	135,038	87,802	322,066
Unrealized gains on investments, net	<u>72,246</u>	<u>-</u>	<u>-</u>	<u>29,222</u>	<u>101,468</u>
INCREASE IN UNRESTRICTED NET ASSETS	227,125	29,353	83,704	74,188	414,370
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS					
Unrealized gains on investments, net	<u>-</u>	<u>47,178</u>	<u>111,917</u>	<u>43,504</u>	<u>202,599</u>
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS					
Contributions	<u>-</u>	<u>5,733</u>	<u>7,530</u>	<u>-</u>	<u>13,263</u>
CHANGE IN NET ASSETS	227,125	82,264	203,151	117,692	630,232
NET ASSETS, <i>beginning of year</i>	<u>410,297</u>	<u>698,449</u>	<u>1,630,942</u>	<u>1,066,171</u>	<u>3,805,859</u>
NET ASSETS, <i>end of year</i>	<u>\$ 637,422</u>	<u>\$ 780,713</u>	<u>\$ 1,834,093</u>	<u>\$ 1,183,863</u>	<u>\$ 4,436,091</u>

Year Ended December 31, 2012

	The Community Foundation for the Greater Capital Region, Inc.	Community Impact Fund	Judith N. Lyons Administrative Endowment	Other Endowments	Total
REVENUES AND OTHER SUPPORT					
Contributions	\$ 92,214	\$ -	\$ -	\$ 281,804	\$ 374,018
Interest and dividends	19,039	10,996	26,014	17,144	73,193
Management fees	402,516	-	-	-	402,516
Events	65,685	-	-	-	65,685
Other income	31,541	-	-	30,248	61,789
Total revenues and other support	<u>610,995</u>	<u>10,996</u>	<u>26,014</u>	<u>329,196</u>	<u>977,201</u>
EXPENSES					
Program services					
Community programs	154,944	26,993	61,635	46,990	290,562
Fund management	102,609	3,129	7,559	5,024	118,321
	<u>257,553</u>	<u>30,122</u>	<u>69,194</u>	<u>52,014</u>	<u>408,883</u>
Management and general	324,348	-	-	229	324,577
Development	83,218	-	-	-	83,218
Events	21,740	-	-	-	21,740
Total expenses	<u>686,859</u>	<u>30,122</u>	<u>69,194</u>	<u>52,243</u>	<u>838,418</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(75,864)	(19,126)	(43,180)	276,953	138,783
Realized losses on investments, net	(1,022)	(786)	(1,936)	(2,343)	(6,087)
Unrealized gains on investments, net	116,725	-	-	44,054	160,779
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	39,839	(19,912)	(45,116)	318,664	293,475
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS					
Unrealized gains on investments, net	-	77,005	181,484	72,132	330,621
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS					
Contributions	-	5,860	11,050	-	16,910
CHANGE IN NET ASSETS	39,839	62,953	147,418	390,796	641,006
NET ASSETS, <i>beginning of year</i>	<u>370,458</u>	<u>635,496</u>	<u>1,483,524</u>	<u>675,375</u>	<u>3,164,853</u>
NET ASSETS, <i>end of year</i>	<u>\$ 410,297</u>	<u>\$ 698,449</u>	<u>\$ 1,630,942</u>	<u>\$ 1,066,171</u>	<u>\$ 3,805,859</u>

See Independent Auditor's Report.