

OUR FUND, INC.

FINANCIAL STATEMENTS

June 30, 2016 and June 30, 2017

OUR FUND, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Our Fund
1600 NE 26th Street
Wilton Manors, FL 33305

Report on the Financial Statements

We have audited the accompanying financial statements of Our Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017 and the related statements of activities 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 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 Our Fund, Inc. as of June 30, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adjustments to Prior Period Financial Statements

The financial statements of Our Fund, Inc. as of June 30, 2016, were audited by other auditors whose opinion dated November 7, 2016 expressed an unqualified opinion. As discussed in Note 2, the organization has restated its 2016 financial statements during the current year to properly classify \$400,000 of grants as temporarily restricted net assets in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the 2016 financial statements were before the restatement.

As part of our audit of the 2017 financial statements, we also audited the adjustments described in note 2 that were applied to restate the 2016 financial statements. In our opinion, such adjustments were appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2016 financial statements of the organization other than with respect to the adjustment and accordingly, we do not express an opinion or any other form of assurance on the 2016 financial statements taken as a whole.

Liggett & Webb, P.A.

LIGGETT & WEBB P.A.
Certified Public Accountants
Boynton Beach, Florida
October 31, 2017

OUR FUND, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	<u>As of June 30, 2017</u>	<u>As of June 30, 2016 (Restated)</u>
ASSETS		
Cash and Cash Equivalents	\$ 127,624	\$ 27,303
Investments	5,073,415	2,389,428
Pledges and Accounts Receivable	13,403	432,901
Prepaid Expenses	5,914	5,921
Furniture and Computer Equipment, Net	15,146	7,886
TOTAL ASSETS	<u>\$ 5,235,502</u>	<u>\$ 2,863,439</u>

LIABILITIES AND NET ASSETS

LIABILITIES AND NET ASSETS

Liabilities		
Grants and Accounts Payable	\$ 50,000	\$ 890
Accrued Expenses	609	-
Funds Held for Benefit of Agencies	203,919	98,075
Total Liabilities	<u>254,528</u>	<u>98,965</u>
Net Assets		
Unrestricted	4,161,441	2,364,474
Temporarily Restricted	819,533	400,000
Total Net Assets	<u>4,980,974</u>	<u>2,764,474</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,235,502</u>	<u>\$ 2,863,439</u>

See accompanying notes to financial statements.

OUR FUND, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	For the year ended June 30, 2017			For the year ended June 30, 2016 (restated)		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues						
Contributions	\$ 3,653,681	\$ 419,533	\$ 4,073,214	\$ 1,625,562	\$ 400,000	\$ 2,025,562
Dividend and Interest, Net	63,724	-	63,724	32,329	-	32,329
Realized Gains	16,237	-	16,237	7,573	-	7,573
Unrealized Gains (Losses)	158,738	-	158,738	(11,562)	-	(11,562)
Net Assets Released from Restriction Satisfaction of Purpose Restrictions	-	-	-	-	-	-
Total Revenues	<u>3,892,380</u>	<u>419,533</u>	<u>4,311,913</u>	<u>1,653,902</u>	<u>400,000</u>	<u>2,053,902</u>
Grants and Expenses						
Grants and Expenses	1,944,473	-	1,944,473	1,239,339	-	1,239,339
Administrative	57,525	-	57,525	48,120	-	48,120
Donor Development	93,415	-	93,415	88,949	-	88,949
Total Grants and Expenses	<u>2,095,413</u>	<u>-</u>	<u>2,095,413</u>	<u>1,376,408</u>	<u>-</u>	<u>1,376,408</u>
Change in Net Assets	<u>1,796,967</u>	<u>419,533</u>	<u>2,216,500</u>	<u>277,494</u>	<u>400,000</u>	<u>677,494</u>
Net Assets, Beginning of Year	<u>2,364,474</u>	<u>400,000</u>	<u>2,764,474</u>	<u>2,086,980</u>	<u>-</u>	<u>2,086,980</u>
Net Assets, End of Year	<u>\$ 4,161,441</u>	<u>\$ 819,533</u>	<u>\$ 4,980,974</u>	<u>\$ 2,364,474</u>	<u>\$ 400,000</u>	<u>\$ 2,764,474</u>

See accompanying notes to financial statements.

OUR FUND, INC.
STATEMENTS OF CASH FLOWS

	<u>For the year ended June 30, 2017</u>	<u>For the year ended June 30, 2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 2,216,500	\$ 677,494
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and Amortization	3,039	2,867
Unrealized Gains/Losses	(158,738)	-
Realized Gains/Losses	(16,237)	-
Provision for Bad Debt	20,875	-
 (Increase) Decrease in Operating Assets:		
Pledge Receivable	398,624	(271,511)
Prepaid Expenses	7	(563)
Increase (Decrease) in Operating Liabilities:		
Grants and Accounts Payable	49,719	(10,347)
Funds Held for Others	105,844	98,075
Net Cash Provided By Operating Activities	<u>2,619,633</u>	<u>496,015</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Investments	85,647	1,792,614
Purchase of Investments	(2,594,659)	(2,310,30)
Purchase of Property & Equipment	(10,300)	-
Net Cash Used in Investing Activities	<u>(2,519,312)</u>	<u>(517,689)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
	<u>-</u>	<u>-</u>
 NET INCREASE/(DECREASE) IN CASH	 100,321	 (21,674)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>27,303</u>	 <u>48,977</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 127,624</u>	 <u>\$ 27,303</u>
 Supplemental Disclosure of Cash Flow Information:		
-Cash Paid for Interest	\$ -	\$ -
-Cash Paid for Income Taxes	\$ -	\$ -

See accompanying notes to financial statements.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 1 - ORGANIZATION AND OPERATIONS

Our Fund, Inc. (the "Foundation") was incorporated on January 29, 2011, under the laws of the State of Florida as a non-profit organization and is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and as a publicly supported charitable organization under Section 509(a)(1) and 170(b)(1)(A)(vi). The Foundation is an autonomous, publicly supported, independent philanthropic institution working to support non-profit organizations primarily serving the lesbian, gay, bisexual and transgender (LGBT) community in South Florida and solicits contributions from individuals, foundations and non-profit organizations.

A long-term goal of the Foundation is to build a portfolio of endowed and non-endowed funds, each of which is established by one or more donors ("Named Funds") to carry out their charitable interests. Grant distributions from endowed Named Funds are typically recommended by the donor and are made by the Foundation based on a spending rate with the long-term objective to preserve the original gift indefinitely, as explained in Note 2. Donors of non-endowed Named Funds may recommend grants up to the balance of the respective fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements have been prepared using the accrual basis of accounting under the guidance of Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*.

Promises to Give: The Foundation records unconditional promises as pledges receivable at the date when the promise is received. These pledges receivable are reduced by an allowance for uncollectible pledges, if deemed necessary, and are discounted to the present value of their expected future cash flows if due in more than one year. As of June 30, 2016 the Foundation had pledges receivable of \$425,186. Of this amount, management determined that \$20,875 was uncollectible, and the Foundation had a net write off of \$15,061 for the fiscal year ending June 30, 2017. As of June 30, 2017, the Foundation had no pledges receivable recorded on its books.

Net Assets: The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets: - net assets without donor imposed stipulations that are available for use by the Foundation.

Temporarily restricted net assets - net assets whose use by the Foundation are subject to donor-imposed stipulations that can be fulfilled by the actions of the Foundation according to those stipulations or by the passage of time.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Permanently restricted net assets – net assets subject to donor-imposed restrictions that the Foundation maintains the principal contribution in perpetuity. The Foundation had no permanently restricted net assets as of June 30, 2016 and June 30, 2017.

In accordance with U.S. Treasury Regulations and the Foundation bylaws, all Fund agreements include a variance provision that permits the Board of Directors to modify conditions or restrictions attached to particular gifts if the Board judges the restrictions to be incapable of fulfillment, unnecessary or inconsistent with the charitable goals of the Foundation. Based on this variance provision, all of the Foundation’s net assets, except for those set aside for a special project in central Florida (see below), including endowed funds, were classified as unrestricted at all times during the years ended June 30, 2016 and June 30, 2017.

Temporarily Restricted Net Assets: In response to the Pulse nightclub shooting in Orlando in June of 2016, several national foundations requested the Foundation to oversee a special project to assist the non-profit community in central Florida respond to, recover from, and build future capacity in that area of the state. Due to the specified use of these funds, the assets associated with this project, called ‘The Contigo Fund’ have been classified as temporarily restricted as of June 30, 2016 and June 30, 2017.

Use of Estimates in the Preparation of Financial Statements: The Foundation makes estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Spending Policy: The Finance and Investment Committee of the Board of Directors evaluates the spending policy of grants from endowed Funds periodically in light of total estimated long-term results from investments, fees, expenses and the effects of inflation. The current spending policy is 5% of the rolling three-year quarterly average fair value of the applicable Funds.

The Foundation segregates all of its unrestricted Funds into the diversified asset or the fixed income pool in order to obtain greater investment advantage and more efficient administration. The objective of investment management of both pools is to maximize the growth consistent with minimizing exposure to risks of capital losses and attainment of the desired level of grant making. The Foundation’s investment policy is to invest initial contributions and subsequent additions to pooled Funds based on allocations determined by the Investment Committee and approved by the Board of Directors. The Foundation allocates net investment income or loss from pooled investments monthly based on the ratio of the previous month’s average share of each Fund’s fair value to the total of the pool in which it is included. The Foundation has segregated its temporarily restricted net assets into a money market account with a nationally known bank with a local presence as well as FDIC insured certificates of deposits, placed with various institutions, but remaining under the threshold of the \$250,000 FDIC insurance limit.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
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Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Salaries and related benefits are allocated among the functional categories based upon the estimated proportion of time spent for each function. All other expenses are distributed based upon management's estimate of the relative functional activity. All Donor Development costs as listed in the Statement of Activities for both 2017 and 2016 are an allocation of salary, salary related, and other overhead expenses.

Foundation Management Fees: The Foundation assesses an annual management fee ranging from .5% to 1.2% of the fair market value of the assets in the Fund. The Foundation also assesses a management fee of 1% on gifts received from estates. The management fee is used to support the operations of the Foundation. Management fees amounted to \$ 30,546 for the year ended June 30, 2016 and \$ 40,699 for the year ended June 30, 2017.

Equipment and Improvements: Equipment and Improvements are reported in the Statement of Financial Position at cost, if purchased, and at fair value at the date of the donation, if donated. Depreciation is computed on a straight-line method over a five year period for both equipment and improvements for purchases and donations greater than or equal to \$1,000, and all other additions are expenses as incurred. Repairs and maintenance that do not significantly increase the life of the asset are expensed as incurred. Depreciation expense amounted to \$ 2,867 for the year ended June 30, 2016 and \$ 3,039 for the year ended June 30, 2017.

Advertising: The Foundation uses advertising to promote its programs to the community it serves. The production costs of advertising are expensed as incurred. Advertising costs totaled \$349 and \$1,079 for the years ended June 30, 2017 and 2016, respectively.

Prior Period Adjustment: Temporarily restricted net assets - During the year ended June 30, 2017, management determined that a \$400,000 grant related to the Pulse nightclub shooting fund should be accounted for as a temporarily restricted net asset. As a result the Foundation has restated the accompanying financial statements as of and for the year ended June 30, 2016 to reflect the correct classification as temporarily restricted. The prior period adjustment did not have any effect on the total net assets or cashflows for the year.

Date of Management Review: Subsequent events were evaluated by management through October 31, 2017, which is the date the financial statements were issued.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and cash in banks. For purposes of the statement of cash flows, the Foundation considers all unrestricted liquid investments with maturities of three months or less to be cash equivalents. As of June 30, 2017 and 2016, the Foundation had no cash balances in excess of FDIC insurance at its financial institutions.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 4 – CREDIT RISK AND CONCENTRATIONS

Contributions received from one major donor accounted for 20% of contributions received for the year ended June 30, 2016 and 93% of the pledges and accounts receivable balance at June 30, 2016. There were no individual donors that accounted for over 10% of total contributions for the year ended June 30, 2017.

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments: Investments are in the custody of a nationally recognized investment firm (the “Management Firm”) that manages them in accordance with policies approved by the Board of Directors. The Foundation has established two investment pools, a diversified asset pool investing in publicly traded stocks, bonds, mutual funds, money market funds and cash, and a fixed income pool investing in publicly traded bonds, mutual funds, money market funds and cash. Donors establishing Named Funds at the Foundation have the option of recommending that their gift be invested in either the diversified asset or fixed income pool.

Fair Value Measurements: FASB’s guidance on the fair value for financial assets and financial liabilities permits organizations to choose to measure financial assets and liabilities, and certain other items at fair value. This guidance requires the Foundation to record unrealized gains and losses on items for which the fair value option has been elected in its performance sector. The fair value option may be applied on an instrument-by-instrument basis, which is the practice of the Foundation. Once elected, the fair value option is irrevocable for that instrument. The fair value option can be applied only to entire instruments and not to portions thereof.

The Foundation follows the guidance on fair value measurements, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. This guidance applies to other accounting pronouncements that require or permit fair value measurements and, accordingly, this guidance does not require any new fair value measurements.

This guidance discusses valuation techniques such as the market approach, cost approach and income approach. The guidance establishes a three-tier hierarchy for fair value measurements based upon the transparency of inputs used to value an asset or liability as of the measurement date. The three-tier hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted market prices for identical assets or liabilities in active markets;
- Level 2 – Observable inputs for similar assets or liabilities in an active market, or other than quoted prices in an active market that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data that require the reporting entity to develop its own assumptions. The Foundation has no instruments

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

requiring Level 3 classification.

The following table presents the financial instruments carried at fair value as of June 30, 2017 grouped by hierarchy level:

Investments	Total Fair Value	Level 1	Level 2
Cash and cash equivalents	\$ 593,811	\$ 593,811	\$ -
Certificates of Deposit	751,310	-	751,310
Corporate Bonds	430,523	-	430,523
Equities and Equity Funds	2,027,487	2,027,487	-
Fixed Income Funds	1,014,264	-	1,014,264
Asset Backed Funds	<u>256,020</u>	<u>-</u>	<u>256,020</u>
Totals	<u><u>\$ 5,073,415</u></u>	<u><u>\$ 2,621,298</u></u>	<u><u>\$ 2,452,117</u></u>

The following table presents the financial instruments carried at fair value as of June 30, 2016 grouped by hierarchy level:

Investments	Total Fair Value	Level 1	Level 2
Cash and cash equivalents	\$ 501,485	\$ 501,485	\$ -
Corporate Bonds	181,589	-	181,589
Equities and Equity Funds	805,272	805,272	-
Fixed Income Funds	805,200	-	805,200
Asset Backed Funds	<u>95,881</u>	<u>-</u>	<u>95,881</u>
Totals	<u><u>\$ 2,389,427</u></u>	<u><u>\$ 1,306,685</u></u>	<u><u>\$ 1,082,742</u></u>

Cash and cash equivalents: Cash, commercial paper, money market funds, overnight investments and Certificates of Deposit with original maturities of three months or less. These are rendered level 1 due to their frequent pricing and ease of converting to cash.

Certificates of Deposit: Certificates of deposit with original maturities greater than three months. These are rendered level 2 due to computed pricing and frequent evaluation verses fair value.

Corporate Bonds: For investments in corporate bonds, fair value is based on quotes for similar securities; therefore these investments are rendered level 2.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

Equities and Equity Funds: Equities include individual equities and investments in mutual funds. The individual equities and mutual funds are value based on the closing price on the primary market and are rendered level 1.

Fixed Income Funds: Fixed income funds are investments in mutual funds and fixed income instruments and fair value is based on quotes for similar securities, rendering these level 2.

Asset Backed Funds: Asset backed funds are instruments invested in real estate and commodities, with assets securing the value of the fund. Fair value is based on quotes for similar securities, also rendering these instruments level 2.

The Foundation holds funds in both endowed and non-endowed funds. The balances in each for years ending June 30, 2016 and 2017 are:

	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Non-Endowed Funds	\$ 1,647,783	\$ 3,878,071
Endowed Funds	741,644	1,195,344
Total	\$ 2,389,427	\$ 5,073,415

Investment expenses paid directly to the Management Firm for the fiscal years 2016 and 2017 were \$5,157 and \$7,602 respectively. In addition, a substantial portion of the Foundation's investments are in mutual funds operated by the Management Firm, and fees paid to the Management Firm by the mutual funds reduce the amount of dividends received from them.

NOTE 6 - GRANTS PAYABLE

As of June 30, 2017 the Foundation had commitments to two organizations in central Florida for grants totaling \$50,000.00 from The Contigo Fund, which are expected to be paid before December 31, 2017. There were no unconditional promises to provide funding to organizations as of June 30, 2016.

NOTE 7 - GRANTS AND PROGRAMS

Grants and Programs include grants of \$1,056,928 made directly to non-profit organizations during fiscal year ended June 30, 2016 and \$1,583,768 during fiscal year ended June 30, 2017.

NOTE 8 - COMMITMENTS

During the fiscal year ended June 30, 2015, the Foundation entered into a new three-year agreement with a software company for accounting and data management services. The agreement expires on March 31, 2018 and provides for monthly payments of \$667.

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

During the fiscal year ended June 30, 2014, the Foundation entered into a five-year lease agreement for office space. The agreement expires on February 28, 2019 and provides for monthly payments during the first 12 months of \$ 2,045 plus annual increases of 5% per year after the first year.

Future minimum payments for both agreements are as follows:

Year Ending June 30,	Software	Office Space	Total
2018	\$ 5,409	\$ 31,370	\$ 36,779
2019	<u>0</u>	<u>19,887</u>	<u>19,887</u>
Total	<u>\$ 5,409</u>	<u>\$ 51,257</u>	<u>\$ 56,666</u>

NOTE 9 - FUNDS HELD FOR THE BENEFIT OF AGENCIES

The Foundation accounts for Funds Held for the Benefit of Agencies in under the guidance of the Financial Accounting Standard Board’s (“FASB”) FAS 136 -*Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. This Statement establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investments of those assets or both to another entity that is specified by the donor.

FAS 136 specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such asset as a liability. The Foundation refers to such funds as Funds Held for the Benefit of Agencies in the accompanying Statements of Financial Position. The Foundation maintains variance power and legal ownership of certain Funds Held for the Benefit of Agencies and as such, continues to report the funds as assets of The Foundation. However, a liability has been established for the fair value of the funds.

The Foundation maintains Funds Held for the Benefit of Agencies as a component part of its investment funds. These funds are pooled and managed in the same manner as all other investments held by the Foundation. These funds and the corresponding liability totaled \$98,075 as of June 30, 2016, and \$203,919 as of June 30, 2017. The following is a summary of the activity for the years ended June 30, 2016 and 2017:

OUR FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Starting Balance	\$ 0	\$ 98,075
Contributions to funds held for the benefit of Agencies	97,291	100,000
Grants to Agencies	-	(4,600)
Investment Income	2,263	2,819
Investment expense	(227)	(318)
Realized and Unrealized gain (loss) on investments	(679)	8,864
Foundation fees paid	(573)	(921)
	<hr/>	<hr/>
Ending Balance	<u>\$ 98,075</u>	<u>\$ 203,919</u>

The amounts reflected in the statements of activities for the years ended June 30, 2016 and 2017 are presented net of the activity summarized above related to the funds held for the benefit of agencies.

NOTE 10 – LEGACY CONTRIBUTIONS

The Foundation received its first legacy bequest in March of 2016 in the amount of \$395,953. The gift is reflected in the financial statements in Contributions for the year ended June 30, 2016. The legacy gift received was unrestricted, and as such the Board of Directors of the Foundation designated the proceeds to further the mission of the organization, including increasing philanthropy, encouraging agencies to build endowed funds for their organizations by providing matching funds, and to educate individuals on the importance and opportunity of establishing legacy gifts. No legacy contributions were received for the year ended June 30, 2017.

NOTE 11 – INCOME TAXES

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, if income from certain activities not directly related to the Foundation’s tax-exempt purpose were received, it would be subject to taxation as unrelated business income. The organizations federal returns for the years ended June 30, 2015, 2016 and 2017 could be subject to examination by the Federal taxing authorities, generally three years from the date they are filed.