EPISCOPAL FOUNDATION OF DALLAS

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2015 AND 2014

EPISCOPAL FOUNDATION OF DALLAS

DECEMBER 31, 2015 AND 2014

CONTENTS

LANE GORMAN TRUBITT PLLC
Accountants & Advisors

Independent Auditor's Report

Board of Trustees
Episcopal Foundation of Dallas

We have audited the accompanying financial statements of Episcopal Foundation of Dallas (the "Foundation"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets 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 Episcopal Foundation of Dallas as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lane Gorman Trubitt, PLLC

Dallas, Texas
June 6, 2016

Episcopal Foundation of Dallas
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

ASSETS

	2015	2014
Cash and cash equivalents	$ 100,531	$ 91,749
Accounts receivable	47,558	39,068
Accrued investment income	-	5,170
Investments	4,905,918	5,013,232
Agency funds	33,459,901	34,727,528
Furniture and equipment, net	1,479	2,864
Other assets	5,554	7,676
Total assets	$ 38,520,941	$ 39,887,287

LIABILITIES AND NET ASSETS

	2015	2014
LIABILITIES		
Accounts payable	$ 5,481	$ 7,600
Agency funds	33,459,901	34,727,528
Total liabilities	33,465,382	34,735,128
COMMITMENTS	-	-
NET ASSETS		
Unrestricted	5,053,809	5,150,409
Temporarily restricted	1,750	1,750
Total net assets	5,055,559	5,152,159
Total liabilities and net assets	$ 38,520,941	$ 39,887,287

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

Episcopal Foundation of Dallas
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31,

	2015	2014
UNRESTRICTED NET ASSETS		
Support and revenue:		
Contributions	$ 18,575	$ 3,575
Investment income, net	73,569	265,420
Administrative fee income, net	161,227	152,545
Other income, net	17,231	14,432
Total support and revenue	270,602	435,972
Expenses:		
Programs:		
Grants	179,819	236,929
Investment management	129,400	136,610
Management and general	57,983	77,620
Total expenses	367,202	451,159
CHANGE IN NET ASSETS	(96,600)	(15,187)
Net assets, beginning of year	5,152,159	5,167,346
Net assets, end of year	$ 5,055,559	$ 5,152,159

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

Episcopal Foundation of Dallas
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (96,600)	$ (15,187)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	1,385	1,290
Net realized (gains) losses on investments	87,097	(142,402)
Change in operating assets and liabilities:		
Accounts receivable	(8,490)	(1,607)
Accrued investment income	5,170	216
Other assets	2,122	(1,657)
Accounts payable	(2,119)	5,083
Net cash used in operating activities	(11,435)	(154,264)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(5,704,595)	(683,255)
Proceeds from sale of investments	5,724,812	819,257
Purchases of furniture and equipment	-	(2,959)
Net cash provided by investing activities	20,217	133,043
Net increase (decrease) in cash and cash equivalents	8,782	(21,221)
Cash and cash equivalents at beginning of year	91,749	112,970
Cash and cash equivalents at end of year	$ 100,531	$ 91,749

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

NATURE OF BUSINESS

Episcopal Foundation of Dallas (the "Foundation") is a Texas not-for-profit corporation. The Foundation's mission is to expand the Kingdom of God through disciplined investing for transformative ministries.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A summary of significant accounting policies consistently applied by the Foundation in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees.

Temporarily restricted net assets - Net assets that are subject to donor-imposed restrictions that may or will be met by the occurrence of a specific event or the passage of time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Permanently restricted net assets - Net assets required to be maintained in perpetuity, due to donor-imposed restrictions, with generally only the income used for general or specific purposes. There are no permanently restricted net assets at December 31, 2015 and 2014.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is limited by donor-imposed restrictions or by law. Expirations of temporary restrictions on net assets (i.e., the donor-restricted purpose has been fulfilled and/or the stipulated time period has elapsed) are recorded as reclassifications between the applicable classes of net assets.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less. The Foundation maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Foundation has not incurred any losses in these accounts and does not believe that they are exposed to any significant credit risk on cash and cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Cash and Cash Equivalents (Continued)

Cash and securities maintained through a registered securities dealer are insured up to $500,000 by the Securities Investor Protection Corporation ("SIPC"). SIPC covers losses from fraud and negligence of the registered securities dealer, but not against market losses or investment return. Balances held in accounts may still at times exceed insured limits. The Foundation has not incurred any losses in these accounts, outside normal trading activities, and does not believe that they are exposed to any significant credit risk.

Investments

Investments include cash and cash equivalents, fixed income securities, mutual funds and exchange traded funds, marketable equity securities and alternative investments. The Foundation's investment policy, as approved by the Board of Trustees, permits investments in alternative investments which are comprised of hedge fund limited partnerships. Invested with three different fund of fund managers, the alternative strategy investment objectives are to protect capital during declining markets while participating during market advances, to achieve returns with low volatility and to minimize the possibility for capital loss.

Investments are stated at their fair value. Realized and unrealized gains and losses on investments are determined by comparison of the actual cost to the proceeds at the time of disposition or market values as of the end of the financial statement period.

Investment income or loss (including realized and unrealized gains and losses on investments and interest and dividend income, net) is included in the determination of the change in net assets and is reported as revenue in the accompanying statements of activities and changes in net assets.

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

Investment transactions are recorded on the trade date. Realized gains and losses are determined using the first-in-first-out ("FIFO") method. Interest income is recognized on the accrual basis and dividends are recognized on the ex-dividend date.

The Foundation pays management fees related to its investments and the investments of the agency fund it manages. Fees paid to various money managers are allocated between the Foundation's investment accounts and agency funds based on the relative fair value of the funds. Mutual funds, exchange traded funds and alternative investments report performance net of management fees such that fees for those funds are not reflected as expense, but instead reduce reported investment income.

Agency Funds

The Foundation maintains funds for various Diocesan institutions in which it has no economic interest. These funds are held as agency accounts. The Foundation records agency funds at fair value and recognizes a corresponding liability of an equal amount.

Fair Value Measurements

The Foundation reports its fair value measurements using the framework for measuring fair value established by GAAP. That framework provides 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments. The three levels of the fair value hierarchy under GAAP are described below:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Fair Value Measurements (Continued)

Level 1 Inputs - Quoted prices (unadjusted) in active markets for identical assets and liabilities. Valuations of these instruments do not require a high degree of judgment since the valuations are based on readily available quoted prices in active markets.

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.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

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

Furniture and Equipment

Furniture and equipment are capitalized at cost or, if acquired by gift, at the fair market value at the date of gift. Provisions for depreciation are determined on a straight-line basis over the expected useful lives of the assets, which range from three to ten years. Total accumulated depreciation was $5,710 and $5,443 at December 31, 2015 and 2014, respectively. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is recognized in the statements of activities and changes in net assets. Costs of betterments and improvements are capitalized, while replacements, maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to expense as incurred.

Contributions

Contributions are recognized as revenue in the period in which unconditional promises to give are received. Conditional promises to give are not recognized until the conditions on which they depend are substantially satisfied. Contributions of assets other than cash are recorded at estimated fair values.

Contributed Services

Contributions of services are recognized in the accompanying financial statements if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would otherwise be purchased by the Foundation if not provided by donation. Any services that meet the criteria for recognition under GAAP are recorded in the accompanying statements of activities and changes in net assets at the estimated fair value of the services received. Officers and trustees donate administrative services to the Foundation. No amounts have been recorded in the accompanying financial statements for these services because they either do not meet the criteria for recognition or because they are not material to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Administrative Fee Income

The Foundation charges an administrative fee to cover the expense of administering agency funds. The fee is based on the fair value of the investment accounts and is accrued quarterly and deducted from agency fund balances in the month following accrual.

Grants

Grants are recognized as expenses when approved by the Board of Trustees. Grants approved during 2015 totaling $3,000 are included in the statements of financial position as accounts payable at December 31, 2015. All grants approved during 2014 were paid in the year approved.

Income Taxes

The Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (the “Code”), except to the extent it has unrelated business income. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. For the years ended December 31, 2015 and 2014, the Foundation had no material unrelated business income. Accordingly, no provision for income tax has been provided in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Foundation’s tax returns to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold would be recorded as a tax benefit or expense in the current year. A reconciliation is not provided herein, as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions or settlements. The Foundation is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations and interpretations thereof.

On May 22, 2015, the Foundation received a ruling from the Internal Revenue Service (“IRS”) confirming the Foundation’s classification as a public charity under section 509(a)(3). The IRS further determined the Foundation meets the requirements of an integrated auxiliary of a church and as such, is not required to file Form 990 but management intends to continue filing Form 990 for transparency.

The Foundation recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense. There were no interest or penalties for the years ended December 31, 2015 or 2014. The Foundation’s informational returns filed are generally subject to examination for three years after the later of the due date or date of filing. As a result, the Foundation is no longer subject to income tax examinations by tax authorities for years prior to fiscal year 2012.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. Expenses that are readily identifiable to a single program service or supporting service are charged directly to that function. However, many expenses relate to more than one function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation of the current year financial statements.

2. INVESTMENTS

In 2015, the Investment Committee of the Foundation recommended, and the Board of Trustees approved, hiring Vanguard Institutional Advisory Services ("Vanguard") to assist the Investment Committee in reassessing the existing asset allocation and to provide guidance in selecting active and passive management vehicles consistent with the allocation. All previous investment holdings with the exception of one alternative investment were liquidated and transferred to Vanguard during the third and fourth quarters of 2015. The final alternative fund was liquidated January 1, 2016.

The table below sets forth, by level, investments that were accounted for at fair value as of December 31, 2015:

	Carrying Value	Measured Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:					
Domestic equity	$ 1,995,364	$ 1,995,364	$ 1,995,364	$ -	$ -
International equity	1,300,811	1,300,811	1,300,811	-	-
Domestic fixed income	853,938	853,938	853,938	-	-
International fixed income	284,478	284,478	284,478	-	-
Real estate	282,598	282,598	282,598	-	-
	4,717,189	4,717,189	4,717,189	-	-
Alternative investments	188,729	188,729	-	-	188,729
Total	$ 4,905,918	$ 4,905,918	$ 4,717,189	$ -	$ 188,729

2. INVESTMENTS (Continued)

The table below sets forth, by level, investments that were accounted for at fair value as of December 31, 2014:

	Carrying Value	Measured Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 155,072	$ 155,072	$ 155,072	$ -	$ -
Fixed income securities:					
U.S. Government and agency bonds	414,246	414,246	-	414,246	-
U.S. Corporate bonds	288,127	288,127	-	288,127	-
	702,373	702,373	-	702,373	-
Mutual funds and exchange traded funds:					
Large growth	1,259,005	1,259,005	1,259,005	-	-
Large value	1,056,105	1,056,105	1,056,105	-	-
Diversified emerging markets	125,837	125,837	125,837	-	-
World bond	89,911	89,911	89,911	-	-
	2,530,858	2,530,858	2,530,858	-	-
Marketable equity securities:					
Domestic	575,451	575,451	575,451	-	-
International	524,405	524,405	524,405	-	-
	1,099,856	1,099,856	1,099,856	-	-
Alternative investments	525,073	525,073	-	-	525,073
Total	$ 5,013,232	$ 5,013,232	$ 3,785,786	$ 702,373	$ 525,073

The following methods and assumptions were used to estimate fair value. There were no changes in valuation techniques during the years ended December 31, 2015 and 2014.

Cash and cash equivalents – Reflected in the accompanying financial statements at amounts which approximate fair value, primarily because of the short-term maturity of those instruments.

Fixed income securities - Valued based on quotes market prices for investments with similar yields, bond ratings, and other relevant information from various sources including pricing vendors, investment managers, and market conditions.

Mutual funds, exchange traded funds and marketable equity securities – Valued based on quoted market prices on the active markets on which they are traded.

Alternative investments – Valued based on the net asset value as a particular expedient in estimating fair value. The net asset values are determined by the management of the funds and the Foundation's management believes that the carrying value is a reasonable estimate of the fair value as of December 31, 2015 and 2014.

2. INVESTMENTS (Continued)

The schedule below summarizes the activity for the items above which have been classified as Level 3 measurements for the years ended December 31:

	2015	2014
Balance at beginning of year	$ 525,073	$ 513,586
Investment sales	(338,003)	-
Total realized and unrealized gains reported in investment income	1,659	11,487
Balance at end of year	$ 188,729	$ 525,073

The alternative investments may be redeemed with 90 days notice at the end of any calendar quarter, or in the case of one investment, at the end of any calendar year.

3. AGENCY FUNDS

The table below sets forth, by level, agency funds that were accounted for at fair value as of December 31, 2015:

	Carrying Value	Measured Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:					
Domestic equity	$ 13,609,011	$ 13,609,011	$ 13,609,011	$ -	$ -
International equity	8,871,940	8,871,940	8,871,940	-	-
Domestic fixed income	5,824,123	5,824,123	5,824,123	-	-
International fixed income	1,940,228	1,940,228	1,940,228	-	-
Real estate	1,927,408	1,927,408	1,927,408	-	-
	32,172,710	32,172,710	32,172,710	-	-
Alternative investments	1,287,191	1,287,191	-	-	1,287,191
Total	$ 33,459,901	$ 33,459,901	$ 32,172,710	$ -	$ 1,287,191

3. AGENCY FUNDS (Continued)

The table below sets forth, by level, agency funds that were accounted for at fair value as of December 31, 2014:

	Carrying Value	Measured Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 1,108,878	$ 1,108,878	$ 1,108,878	$ -	$ -
Fixed income securities:					
U.S. Government and agency bonds	2,866,597	2,866,597	-	2,866,597	-
U.S. Corporate bonds	1,993,850	1,993,850	-	1,993,850	-
	4,860,447	4,860,447	-	4,860,447	-
Mutual funds and exchange traded funds:					
Large growth	8,712,361	8,712,361	8,712,361	-	-
Large value	7,308,283	7,308,283	7,308,283	-	-
Diversified emerging markets	870,800	870,800	870,800	-	-
World bond	622,184	622,184	622,184	-	-
	17,513,628	17,513,628	17,513,628	-	-
Marketable equity securities:					
Domestic	3,982,145	3,982,145	3,982,145	-	-
International	3,628,903	3,628,903	3,628,903	-	-
	7,611,048	7,611,048	7,611,048	-	-
Alternative investments	3,633,527	3,633,527	-	-	3,633,527
Total	$ 34,727,528	$ 34,727,528	$ 26,233,554	$ 4,860,447	$ 3,633,527

The following methods and assumptions were used to estimate fair value. There were no changes in valuation techniques during the years ended December 31, 2015 and 2014.

Cash and cash equivalents – Reflected in the accompanying financial statements at amounts which approximate fair value, primarily because of the short-term maturity of those instruments.

Fixed income securities - Valued based on quotes market prices for investments with similar yields, bond ratings, and other relevant information from various sources including pricing vendors, investment managers and market conditions.

Mutual funds, exchange traded funds and marketable equity securities – Valued based on quoted market prices on the active markets on which they are traded.

Alternative investments – Valued based on the net asset value as a particular expedient in estimating fair value. The net asset values are determined by the management of the funds and the Foundation's management believes that the carrying value is a reasonable estimate of the fair value as of December 31, 2015 and 2014.

3. AGENCY FUNDS (Continued)

The schedule below summarizes the activity for agency funds for the years ended December 31:

	2015	2014
Investment income	$ 486,184	$ 1,789,258
Expenses	(210,770)	(235,320)
Agency fund additions	37,393,425	1,417,603
Agency fund distributions	(38,936,466)	(1,542,598)
Net agency fund activity	(1,267,627)	1,428,943
Agency funds at beginning of year	34,727,528	33,298,585
Agency funds at end of year	$ 33,459,901	$ 34,727,528

The schedule below summarizes the activity for the items above which have been classified as Level 3 measurements for the years ended December 31:

	2015	2014
Balance at beginning of year	$ 3,633,527	$ 3,412,001
Investment purchases	-	-
Investment sales	(2,357,648)	-
Total realized and unrealized gains	11,312	221,526
Balance at end of year	$ 1,287,191	$ 3,633,527

4. INVESTMENT INCOME

Investment income consists of the following for the years ended December 31:

	2015	2014
Interest and dividend income, net	$ 160,666	$ 123,018
Net realized and unrealized gains (losses) on investments	(87,097)	142,402
Total investment income	$ 73,569	$ 265,420

5. NET ASSETS

Temporarily restricted net assets of $1,750 at December 31, 2015 and 2014 are restricted for the benefit of another Diocesan institution.

Unrestricted net assets include $596,333 and $617,609 of donor advised funds at December 31, 2015 and 2014, respectively. Although grant recommendations are accepted from the donors or other advisors of these funds, the ultimate discretion regarding their use lies with the Board of Trustees.

6. RELATED PARTY TRANSACTIONS

Agency funds include $5,772,829 and $6,021,565 held on behalf of a not-for-profit organization that has the same Board of Trustees as the Foundation at December 31, 2015 and 2014, respectively. The not-for-profit organization incurred administrative fees with the Foundation of $26,950 and $27,265 for the years ended December 31, 2015 and 2014, respectively. A receivable for administrative fees was outstanding from this organization in the amount of $7,938 and $6,774 at December 31, 2015 and 2014, respectively.

7. CONCENTRATION OF FEE INCOME

Approximately 53% and 57% of the Foundations administrative fee income was generated from four individual agency funds for the years ended December 31, 2015 and December 31, 2014, respectively. Of those percentages, approximately 17% and 18% was generated from the related organization identified in Note 6 for the years ended December 31, 2015 and 2014, respectively.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 6, 2016, which is the date the financial statements were available to be issued.