



**AUSTIN COMMUNITY FOUNDATION  
FOR THE CAPITAL AREA, INC.**

Consolidated Financial Statements

December 31, 2004

(With summarized comparative information for 2003)

(With Independent Auditors' Report Thereon)



## Independent Auditors' Report

To the Board of Governors  
of Austin Community Foundation for the Capital Area, Inc.:

We have audited the accompanying consolidated statement of financial position of Austin Community Foundation for the Capital Area, Inc. (the "Foundation") and its affiliate as of December 31, 2004, and the related consolidated statements of activities and cash flows for the year ended December 31, 2004. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation and its affiliate as of December 31, 2004, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The consolidated financial statements as of December 31, 2003, were audited by other accountants, and they expressed an unqualified opinion on them in their report dated March 5, 2004. They have not performed any auditing procedures on the financial statements since March 5, 2004. As discussed in Note 14 to the consolidated financial statements, the Foundation restated changes in net assets and total net assets effective December 31, 2003.

**Helin, Donovan, Trubee & Wilkinson, LLP**

*Helin, Donovan, Trubee + Wilkinson, LLP*

Austin, Texas  
March 4, 2005

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**  
Consolidated Statements of Financial Position  
As of December 31, 2004  
(with comparative totals for 2003)

	<b>2004</b>	<b>2003 (memorandum only)</b>
<b>Assets</b>		
Cash and cash equivalents (note 2)	\$ 14,126,014	\$ 13,159,921
Investments, at fair value		
Marketable securities (note 3)	59,422,848	46,338,695
Real estate investments (note 4)	6,031,030	2,400,030
Other	1,595,962	2,349,777
Pledges and note receivable, net	1,299,880	4,507,485
Property and equipment, net	7,686	10,563
Other assets	42,996	48,795
Total assets	\$ 82,526,416	\$ 68,815,266
<b>Liabilities and Net Assets</b>		
Accounts and grants payable	\$ 151,324	\$ 84,893
Funds held for others (note 7)	309,157	254,690
Funds held for others - Agency (note 8)	1,276,298	1,098,207
Total liabilities	1,736,779	1,437,790
Net assets		
Unrestricted	39,906,793	28,116,228
Temporarily restricted (note 5)	6,081,073	5,904,870
Permanently restricted (note 6)	34,801,771	33,356,378
Total net assets	80,789,637	67,377,476
Total liabilities and net assets	\$ 82,526,416	\$ 68,815,266

See accompanying notes and independent auditors' report.

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**  
 Consolidated Statements of Activities  
 Year Ended December 31, 2004  
 (with comparative totals for 2003)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>2003 (memorandum only)</u>
<b>Revenues and Gains</b>					
Contributions	\$ 14,539,810	\$ 3,085,023	\$ 2,212,267	\$ 19,837,100	\$ 24,269,369
Investment return	1,938,303	306,543	-	2,244,846	1,056,120
Other income	104,292	140,987	541,048	786,327	428,247
Appreciation on investments, net	3,171,049	56,114	-	3,227,163	7,307,526
Net assets released from restrictions	4,720,386	(3,412,464)	(1,307,922)	-	-
Total revenues and gains	<u>24,473,840</u>	<u>176,203</u>	<u>1,445,393</u>	<u>26,095,436</u>	<u>33,061,262</u>
<b>Expenses and Losses</b>					
Program services:					
Community grant funding	10,134,205	-	-	10,134,205	11,905,097
Special projects funding	2,179,555	-	-	2,179,555	2,014,097
Total program services	<u>12,313,760</u>	<u>-</u>	<u>-</u>	<u>12,313,760</u>	<u>13,919,194</u>
Supporting services:					
Management and general	302,323	-	-	302,323	285,445
Fundraising	67,192	-	-	67,192	62,313
Total supporting services	<u>369,515</u>	<u>-</u>	<u>-</u>	<u>369,515</u>	<u>347,758</u>
Total expenses and losses	<u>12,683,275</u>	<u>-</u>	<u>-</u>	<u>12,683,275</u>	<u>14,266,952</u>
Other changes in net assets	-	-	-	-	89,026
Changes in net assets	11,790,565	176,203	1,445,393	13,412,161	18,883,336
Net assets at beginning of year (note 14)	28,116,228	5,904,870	33,356,378	67,377,476	48,494,140
Net assets at end of year	<u>\$ 39,906,793</u>	<u>\$ 6,081,073</u>	<u>\$ 34,801,771</u>	<u>\$ 80,789,637</u>	<u>\$ 67,377,476</u>

See accompanying notes and independent auditors' report.

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Consolidated Statements of Cash Flows

Years Ended December 31, 2004

(with comparative totals for 2003)

	<u>2004</u>	<u>2003</u> <u>(memorandum only)</u>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 13,412,161	\$ 18,883,336
Adjustments to reconcile increase in net assets to net cash provided by operations		
Depreciation	61,680	6,181
Appreciation on investments	(3,227,163)	(7,307,526)
Noncash contribution	(10,619,958)	(10,064,229)
Reclassification of investments to cash	-	1,487,052
(Increase) decrease in operating assets		
Account receivable	-	(4,247,086)
Other assets	5,799	(554,833)
Pledges and note receivable	3,207,605	(620,349)
Increase (decrease) in operating liabilities		
Accounts payable and grants payable	66,431	24,893
Funds held for others	54,467	318,965
Funds held for other - agencies	178,091	-
Other payables	-	(132,445)
Net cash provided by (used in) operating activities	<u>3,139,113</u>	<u>(2,206,041)</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(2,303)	(2,672)
Payment received on notes receivable	-	617,978
Purchase of investments	(2,170,717)	-
Proceeds from sale of investments	-	3,519,646
Net cash (used in) provided by investing activities	<u>(2,173,020)</u>	<u>4,134,952</u>
<b>Cash flows from financing activities</b>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	966,093	1,928,911
Cash and cash equivalents at beginning of year	13,159,921	11,231,010
Cash and cash equivalents at end of year	\$ <u><u>14,126,014</u></u>	\$ <u><u>13,159,921</u></u>
<b>Non cash investing and financing activities</b>		
Investments securities contributed	\$ <u><u>11,040,646</u></u>	\$ <u><u>9,764,753</u></u>

See accompanying notes and independent auditors' report.

## AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.

Notes to the Consolidated Financial Statements

December 31, 2004

### (1) Organization and Summary of Significant Accounting Policies

#### Organization

Austin Community Foundation for the Capital Area, Inc. (the "Foundation") is a Texas non-profit corporation chartered in 1977. The Foundation's primary mission is to receive gifts, bequests, and donations to be administered in charitable, scientific, literary, educational, social, and public welfare activities for the benefit of the Capital Area community.

The Foundation is exempt from federal income tax under the Internal Revenue Code Section 501 (c) (3) for income related to its exempt purpose. The Foundation is classified by the Internal Revenue Service as an organization other than a private foundation.

#### Summary of Significant Accounting Policies

- (a) **Basis of Presentation** – The financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets. The consolidated financial statements include the accounts of the Foundation and its affiliate, Charitable Holdings as of December 31, 2004 and 2003 and for the years then ended.
- (b) **Basis of Accounting** – The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America. They are presented in accordance with the provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations".
- (c) **Contributions** – The Foundation reports contributions as restricted support if the support is 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 period in which the contribution is received, the Foundation reports the support as unrestricted. Donated assets are recorded at their estimated fair market values at the date of receipt.

The Foundation reports contributions of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are accounted for restricted support. The Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Notes to the Consolidated Financial Statements

December 31, 2004

**(1) Summary of Significant Accounting Policies - Continued**

- (d) Contributed Services** – During the year ended December 31, 2004, the value of contributed services meeting the requirements for recognition in the financial statements was not material and no amounts have been recorded. Although individuals volunteer their time and perform a variety of tasks that assist the organization, these services do not meet the criteria for recognition as contributed services.
- (e) Cash and Cash Equivalents** – The Foundation considers all highly liquid investments with an original maturity of three months or less, purchased for use primarily in operations, to be cash equivalents.
- (f) Investments** – Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. All non cash contributions are recorded at fair value at the date of receipt. The cost of investments sold or otherwise disposed of is determined primarily by the average cost method.

Investment income is reported as an increase in unrestricted net assets unless the donor placed restrictions on the income's use. The change in fair value between years along with realized gains or losses are reflected in the statement of revenues and expenses in the year of the change. Gains and losses are reflected as increases or decreases in unrestricted net assets unless the donor or relevant laws place temporary or permanent restrictions on the gains and losses.

- (g) Consolidation** – The consolidated financial statements include the accounts of the Foundation and its affiliate, Charitable Holdings. Charitable Holdings was formed in October 1991 to assist the Foundation in carrying out the charitable purposes for which the Foundation was organized and operated. All inter-company transactions have been eliminated in consolidation.
- (h) Income Taxes** – The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, of which the ACF had none for the year ended December 31, 2004, would be subject to federal income taxes. Accordingly, there is no provision or liability for federal income taxes in the accompanying financial statements.
- (i) Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure 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 estimated.
- (j) Reclassification** - Reclassification of certain prior year amounts has been made to conform to current year presentation.

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Notes to the Consolidated Financial Statements

December 31, 2004

**(2) Cash and Cash Equivalents**

Cash and cash equivalents consist of the following at December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Cash	\$ 1,018,954	\$ 418,432
Money market funds	13,107,060	12,741,489
Total cash and cash equivalent	<u>\$ 14,126,014</u>	<u>\$ 13,159,921</u>

**(3) Marketable Securities**

Marketable securities are stated at fair value based on quoted market prices and consist of the following as of December 31, 2004 and 2003:

	<u>Fair Market Value</u>	
	<u>2004</u>	<u>2003</u>
U.S. government securities	\$ 1,711,000	\$ 1,844,965
Fixed income securities	19,678,392	11,267,641
Equity securities	38,033,456	33,226,089
Total marketable securities	<u>\$ 59,422,848</u>	<u>\$ 46,338,695</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Interest, dividends and other income	\$ 2,244,846	\$ 1,056,120
Appreciation on investments	3,227,163	7,307,526
	<u>\$ 5,472,009</u>	<u>\$ 8,363,646</u>

**(4) Real Estate Investments**

The real estate and other investments consist of the following at December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Land held for sale	\$ 4,791,570	\$ 1,160,570
Oil and gas leasehold	1,110,000	1,110,000
Investment in partnership	129,460	129,460
Total real estate investments	<u>\$ 6,031,030</u>	<u>\$ 2,400,030</u>

The fair value of land held for sale is based on an independent appraisal. The oil and gas leasehold and investment in partnership are based on management's estimates of fair value.

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Notes to the Consolidated Financial Statements

December 31, 2004

**(5) Temporarily Restricted Net Assets**

The part of the net assets of a not-for-profit organization resulting from contributions whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by actions of the Foundation are considered temporarily restricted net assets.

At year-end, temporarily restricted funds at the Foundation consist of the following:

<u>Type of Restriction</u>	<u>December 31, 2003</u>	<u>New Gifts and Investment Earnings</u>	<u>Restrictions Released</u>	<u>December 31, 2004</u>
Program and capital restrictions	\$ 5,904,870	3,588,667	(3,412,464)	\$ 6,081,073
Timing restrictions	-	-	-	-
Total temporarily restricted assets	<u>\$ 5,904,870</u>	<u>3,588,667</u>	<u>(3,412,464)</u>	<u>\$ 6,081,073</u>

**(6) Permanently Restricted Net Assets**

The part of the net assets of a not-for-profit organization resulting from contributions whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization are considered permanently restricted net assets. An example of a permanently restricted net asset would be the donation of funds (or other assets) to the organization in which the donor imposed a restriction that the funds not be expended, but that the organization would be permitted to use or expend part or all of the income (or other economic benefit) derived from the donation.

At December 31, 2004 and 2003, the Foundation had permanently restricted net assets restricted to:

	<u>2004</u>	<u>2003</u>
Investment in perpetuity, the income from which is expendable to support any activities of the organization	\$ 26,320,706	\$ 22,909,103
Endowment requiring a percentage of the income to be added to the original gift each year	<u>8,481,065</u>	<u>10,447,275</u>
Total permanently restricted net assets	<u>\$ 34,801,771</u>	<u>\$ 33,356,378</u>

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Notes to the Consolidated Financial Statements

December 31, 2004

**(7) Funds Held For Others**

Certain amounts reported in the statements of financial position are accounted for as funds held for others. Details of these amounts at December 31, 2004 and 2003 are as follows:

	<u>2004</u>	<u>2003</u>
Pittman Charitable Lead Unitrust-funds to be paid out to C&J Charitable Fund	\$ 275,380	\$ 254,690
Other	33,777	-
Total funds held for others	<u>\$ 309,157</u>	<u>\$ 254,690</u>

**(8) Funds Held For Others-Agency Endowments**

In 2002, the Organization adopted Financial Accounting Standards Board Statement No. 136, *“Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others”*, which establishes standards for transactions in which a not-for-profit organization (such as a community foundation) accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. If a not-for-profit organization establishes with its own funds, a fund at a community foundation for its own benefit, the transfer of assets to the community foundation is not contribution revenue and should be accounted for as liability. The community foundation continues to report the funds as an asset of the foundation; however, they must establish a liability for the market value, representing the present value of the future payments expected to be made to the not-for-profit organization.

An agency endowment arises when a transfer is received from a not-for-profit organization where it specifies itself as the beneficiary. The following are reported as agency endowments as of December 31, 2004 and 2003:

<u>Not-for-Profit Organization</u>	<u>2004</u>	<u>2003</u>
A.R.C.I.L.	\$ 88,733	\$ 82,641
Austin History Center Association	39,120	36,540
Austin Chamber Music Center	9,590	8,192
Writer’s League of Texas	30,761	27,871
Austin High School	24,769	21,823
Austin Child Guidance Center	11,425	10,336
Casis Elementary School	33,771	29,068
Center for Battered Women	2,854	2,586
The Junior League of Austin	579,297	474,350
New Milestones Foundation	181,207	163,935
Northwest Austin Rotary Club	23,505	24,229
O. Henry Middle School	20,107	17,194
Rawson-Saunders School	77,741	70,684

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Notes to the Consolidated Financial Statements

December 31, 2004

**(8) Funds Held For Others-Agency Endowments - Continued**

<u>Not-for-Profit Organization</u>	<u>2004</u>	<u>2003</u>
West Austin Youth Association	\$ 56,167	\$ 50,707
Austin Children's Shelter Endowment	1,000	-
AWC Preservation Endowment	10,920	-
Committee for Wild Basin Wilderness Foundation, Inc.	55,456	51,649
Wildlife Rescue, Inc.	29,875	26,402
Total funds held for others-agency endowments	\$ <u>1,276,298</u>	\$ <u>1,098,207</u>

**(9) Retirement Plan**

The Foundation has contracted with Administaff to provide employment services. Administaff provides a 401(k) plan for its eligible employees. The Foundation has agreed to contribute to this 401(k) plan. To be eligible, an employee must be over 21 years of age and have worked at the Foundation for a minimum of six months. At December 31, 2004, there were four eligible employees. The Foundation's contributions to the plan must be approved by the Board at the end of each fiscal year. For the year-ended December 31, 2004 and 2003, the Foundation contributed \$6,981 and \$5,113, respectively, representing 6% of the eligible employees' salaries to the plan.

**(10) Split-interest Agreements**

The Foundation is the beneficiary of one charitable remainder trust administered by a third party trustee. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Foundation's use. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded in the Statement of Activities as a permanently restricted contribution and as a receivable from a beneficial interest in the trust in the period the trust is established. Such contributions totaled \$80,868 in 2004. On an annual basis, the Foundation revalues the receivable and the adjust contributions based on actuarial assumptions. The present value of the estimated future benefit to the Foundation is \$80,868 at December 31, 2004, using a discount rate of 4% and applicable mortality tables.

**(11) Fair Value of Financial Instruments**

The Foundation has estimated fair value of financial instruments in accordance with requirements of Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments." The estimated fair value amounts have been determined by the Foundation, using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Notes to the Consolidated Financial Statements

December 31, 2004

**(11) Fair Value of Financial Instruments - Continued**

interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the ACF could realize in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value amounts. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and due to affiliated organizations approximated fair market value at December 31, 2004, because of their relatively short maturity. The fair value of long term investments at December 31, 2004, is determined based on quoted market values for U.S. government securities, fixed income securities and equity securities. The fair values for other investments are based on management's estimates.

**(12) Credit Risk**

Certain financial instruments potentially subject the Foundation to concentrations of credit risk. These financial instruments consist primarily of cash deposits and investments. The cash policy of the Foundation limits the amount of credit exposure, and requires that cash be placed with high credit quality financial institutions. Credit risk on investments is limited due to wide diversification of the investment portfolio. At December 31, 2004, bank balances exceeded the FDIC insured limits. The money market funds are maintained with an investment brokerage firm that maintains the Foundation's funds in an interest bearing account and all such funds are backed by high quality short term financial instruments

**(13) Charitable Holdings**

Charitable Holdings (a nonprofit organization) was created with the specific goal to hold and dispose of tangible assets donated to Charitable Holdings such as real estate and other revenue producing assets. In accordance with Statement of Position 94-3, *Reporting of Related Entities by Not-for-Profit Organizations*, the follow summarized financial statements for Charitable Holdings were consolidated in the Foundation's financial statements for the years ended December 31, 2004 and 2003:

**Statements of Financial Position**

	<u>2004</u>	<u>2003</u>
Cash	\$ 13,112	\$ 35,631
Real estate	3,663,000	112,526
Partnership interest	89,026	-
River boat	508,500	565,000
Total assets	<u>\$ 4,273,638</u>	<u>\$ 713,157</u>
Liabilities	\$ -	\$ -
Net assets - unrestricted	<u>4,273,638</u>	<u>713,157</u>
Total liabilities and net assets	<u>\$ 4,273,638</u>	<u>\$ 713,157</u>

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Notes to the Consolidated Financial Statements

December 31, 2004

**(13) Charitable Holdings - Continued****Statements of Activities**

	<u>2004</u>	<u>2003</u>
<b>Revenues</b>		
Donations	\$ 3,648,500	\$ 592,538
Interest	3,215	-
Distributions	1,199	-
Gain on sale of real estate	2,554	-
Total revenues	<u>3,655,468</u>	<u>592,538</u>
<b>Expenses</b>		
Repairs	20,030	-
Real estate expenses	4,916	-
Depreciation	56,500	-
Other expenses	-	1,167
Total expenses	<u>81,446</u>	<u>1,167</u>
Changes in unrestricted net assets	3,574,022	591,371
Inter-company transfers	(13,541)	89,026
Net assets at beginning of year	713,157	32,760
Net assets at end of year	<u>\$ 4,273,638</u>	<u>\$ 713,157</u>

The most significant donation to Charitable Holdings during the year ending December 31, 2004 was the contribution of 18 acres near the former Robert Mueller airport appraised at approximately \$3.65 million by an independent appraiser.

**(14) Restatement of Financial Statements**

The Foundation is the beneficiary of an estate and recorded a receivable of approximately \$4,273,378 for the estimated amount in 2003 but did not take into consideration the estates settlement expenses. During 2004, the Foundation received \$3,710,673 net of the estate's settlement expenses. The Foundation did not anticipate the \$562,705 of settlement expenses and recorded the receipt and the expenses in 2004. However, the \$562,705 expenses are an adjustment to the estimated contribution recognized in 2003 and have been recorded as a prior year adjustment to the estimated contribution.

The Foundation received a donation of \$1.3 million in fiscal year 1982 for the specific use of granting funds to Umlauf Sculpture Gardens. The Foundation recorded the donation as an agency endowment or liability rather than as a permanent and temporarily restricted contribution. The total net assets of the Foundation have been adjusted for \$1,238,123 as of December 31, 2003.

**AUSTIN COMMUNITY FOUNDATION FOR THE CAPITAL AREA, INC.**

Notes to the Consolidated Financial Statements

December 31, 2004

**(14) Restatement of Financial Statements - Continued**

The effects of the restatement on the change in statement of activities and the change in net assets as of and for the years ended December 31, 2003 are as follows:

	<u>Restated</u>	<u>As Previously Reported</u>
Contributions – 2003	\$ 24,269,369	\$ 24,832,074
Changes in total net assets - 2003	\$ 18,883,336	\$ 19,446,041
Total net assets – 2003	\$ 67,377,476	\$ 66,702,058

**(15) Subsequent Event**

As of March 31, 2005, the Foundation's investments depreciated by approximately \$1.9 million or 3% from \$59.5 million as of December 31, 2004 to \$57.6 million at March 31, 2005.