NORTH CAROLINA COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

As of and for the Years Ended March 31, 2018 and 2017

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

NORTH CAROLINA COMMUNITY FOUNDATION, INC.

TABLE OF CONTENTS

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

Board of Directors
North Carolina Community Foundation, Inc.
Raleigh, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the North Carolina Community Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of March 31, 2018 and 2017, 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 audits 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 Foundation'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 Foundation'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 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 the Foundation as of March 31, 2018 and 2017 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.

Cherry Bekaert LLP

Raleigh, North Carolina
September 25, 2018

NORTH CAROLINA COMMUNITY FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2018 AND 2017

	2018	2017
ASSETS		
Cash	$ 10,323,866	$ 8,237,998
Short-term investments	2,000,000	2,250,000
Investments	252,553,185	229,321,354
Contributions receivable, net	1,366,914	1,588,291
Beneficial interests in split-interest agreements	3,309,522	4,373,969
Prepaid expenses and other assets	396,856	395,586
Property, equipment, and leasehold improvements, net	526,900	605,572
Total Assets	$ 270,477,243	$ 246,772,770
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 907,323	$ 1,075,654
Obligations under split-interest agreements	57,296	59,727
Agency funds payable	27,495,732	23,455,067
Total Liabilities	28,460,351	24,590,448
Net Assets:		
Unrestricted:		
Donor advised	104,386,743	95,694,794
Designated	55,080,997	50,353,897
Scholarship	25,138,289	23,590,597
Field of interest	25,218,126	20,792,991
Undesignated	17,519,611	16,643,337
Total Unrestricted	227,343,766	207,075,616
Temporarily restricted	7,490,110	8,171,125
Permanently restricted	7,183,016	6,935,581
Total Net Assets	242,016,892	222,182,322
Total Liabilities and Net Assets	$ 270,477,243	$ 246,772,770

The accompany notes to the financial statements are an integral part of these statements.

NORTH CAROLINA COMMUNITY FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains, and Other Support:				
Contributions	$ 21,939,592	$ 93,000	$ 233,000	$ 22,265,592
Less amounts received on behalf of others	(5,481,421)	-	-	(5,481,421)
Net Contributions	16,458,171	93,000	233,000	16,784,171
Interest and other investment income	5,745,950	178,214	-	5,924,164
Realized and unrealized gains	15,129,901	706,676	-	15,836,577
Adjust amounts from agency funds	(2,179,207)	-	-	(2,179,207)
Net Investment Income and Gains	18,696,644	884,890	-	19,581,534
Provision for losses on uncollectible pledges receivable	-	(166,875)	-	(166,875)
Other income	444,447	-	-	444,447
Net Miscellaneous Revenue (Expense)	444,447	(166,875)	-	277,572
Total Revenues, Gains, and Other Support	35,599,262	811,015	233,000	36,643,277
Net assets released from donor restrictions	1,491,606	(1,491,606)	-	-
Expenses:				
Program Services:				
Grants and scholarships	15,122,226	-	-	15,122,226
Less grants and scholarships made on behalf of others	(3,302,052)	-	-	(3,302,052)
Grants and Scholarships Expense	11,820,174	-	-	11,820,174
Grantmaking and fund holder support	3,335,490	-	-	3,335,490
Adjust amounts from agency funds	(317,911)	-	-	(317,911)
Grantmaking and Fund Holder Support Expense	3,017,579	-	-	3,017,579
Total Program Services	14,837,753	-	-	14,837,753
Fundraising and development	561,965	-	-	561,965
Administrative	1,408,989	-	-	1,408,989
Total Expenses	16,808,707	-	-	16,808,707
Change in net assets	20,282,161	(680,591)	233,000	19,834,570
Transfer to endowment funds	(14,011)	(424)	14,435	-
Net Assets:				
Beginning	207,075,616	8,171,125	6,935,581	222,182,322
Ending	$ 227,343,766	$ 7,490,110	$ 7,183,016	$ 242,016,892

NORTH CAROLINA COMMUNITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

YEAR ENDED MARCH 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains, and Other Support:				
Contributions	$ 17,963,070	$ 725,039	$ 1,362,293	$ 20,050,402
Less amounts received on behalf of others	(2,891,705)	-	-	(2,891,705)
Net Contributions	15,071,365	725,039	1,362,293	17,158,697
Interest and other investment income	5,821,956	159,340	-	5,981,296
Realized and unrealized gains	17,464,341	762,190	-	18,226,531
Adjust amounts from agency funds	(2,346,039)	-	-	(2,346,039)
Net Investment Income and Gains	20,940,258	921,530	-	21,861,788
Provision for losses on uncollectible pledges receivable	-	(411,257)	-	(411,257)
Other income	489,304	-	-	489,304
Net Miscellaneous Revenue (Expense)	489,304	(411,257)	-	78,047
Total Revenues, Gains, and Other Support	36,500,927	1,235,312	1,362,293	39,098,532
Net assets released from donor restrictions	1,423,115	(1,423,115)	-	-
Expenses:				
Program Services:				
Grants and scholarships	14,180,437	-	-	14,180,437
Less grants and scholarships made on behalf of others	(5,109,351)	-	-	(5,109,351)
Grants and Scholarships Expense	9,071,086	-	-	9,071,086
Grantmaking and fund holder support	3,409,937	-	-	3,409,937
Adjust amounts from agency funds	(284,982)	-	-	(284,982)
Grantmaking and Fund Holder Support Expense	3,124,955	-	-	3,124,955
Total Program Services	12,196,041	-	-	12,196,041
Fundraising and development	533,500	-	-	533,500
Administrative	1,167,620	-	-	1,167,620
Total Expenses	13,897,161	-	-	13,897,161
Change in net assets	24,026,881	(187,803)	1,362,293	25,201,371
Net Assets:				
Beginning	183,048,735	8,358,928	5,573,288	196,980,951
Ending	$ 207,075,616	$ 8,171,125	$ 6,935,581	$ 222,182,322

NORTH CAROLINA COMMUNITY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	$ 19,834,570	$ 25,201,371
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	85,437	47,915
Provision for losses on uncollectible pledges receivable	166,875	411,257
Net realized and unrealized gains on investments	(15,659,796)	(18,258,086)
Contributions restricted for long-term investment	(233,000)	(1,362,293)
Change in value of split-interest agreements	(176,609)	49,216
Changes in assets and liabilities:		
Contributions receivable, net	54,502	(173,698)
Prepaid expenses and other assets	(1,270)	(84,247)
Accounts payable and accrued expenses	(168,331)	56,739
Agency funds payable	4,040,665	(557,900)
Net cash provided by operating activities	7,943,043	5,330,274
Cash flows from investing activities:		
Sale of short-term investments	250,000	247,500
Purchase of property and equipment	(6,765)	(634,620)
Purchase of investments	(152,023,067)	(79,795,229)
Proceeds from sale of investments	144,451,032	74,435,437
Net cash used in investing activities	(7,328,800)	(5,746,912)
Cash flows from financing activities:		
Payment of obligations under split-interest agreements	(2,431)	(2,386)
Proceeds from charitable trusts	1,241,056	368,536
Proceeds from contributions restricted for investment in permanent endowment	233,000	1,362,293
Net cash provided by financing activities	1,471,625	1,728,443
Net change in cash	2,085,868	1,311,805
Cash, beginning of year	8,237,998	6,926,193
Cash, end of year	$ 10,323,866	$ 8,237,998

Note 1—Nature of Foundation and summary of significant accounting policies

The North Carolina Community Foundation, Inc. (the "Foundation") was established in 1988 as a nonprofit corporation and is a statewide organization created to build capacity through philanthropy. Governed by a volunteer Board of Directors, the Foundation administers nearly 1,300 component funds and provides long-term support of a broad range of charitable needs, nonprofit organizations, and scholarships across North Carolina, with an emphasis on underserved areas. The Foundation also partners with 57 affiliate foundations to provide local resource allocation in 64 counties across the state, primarily in rural communities.

The Foundation's grantmaking programs reflect its fund holders' and donors' commitment to a number of charitable causes that are important in North Carolina and beyond. Individuals, families, corporations, institutions, and nonprofit organizations may establish funds with the Foundation. The Foundation's fund holders benefit from inclusion in a large portfolio of funds with access to experienced investment managers and professional administration for grantmaking, planned giving, and endowment services.

Basis of Presentation – The accompanying financial statements are prepared using the accrual basis of accounting.

Classification of Contributions and Net Assets – The Foundation presents its net assets and its revenue and gains (losses) based upon existence or absence of donor-imposed restrictions into three classes: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets – Net assets not subject to donor-imposed restrictions. The Foundation's policy is to report revenues, gains, and other support that are limited to specific uses by donor-imposed restrictions as increases in unrestricted net assets when the restrictions are met in the same reporting period as the income recognized.

While certain donors and fund holders may make recommendations on distribution of funds, a 501(c)(3) community foundation retains variance power pursuant to U.S. Treasury regulations. This variance power provides the Foundation's Board of Directors with the ability to modify donor stipulations that are unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. As a result of this variance power, the Foundation's financial statements classify the majority of funds as unrestricted net assets. For internal management and recordkeeping, the Foundation classifies unrestricted net assets as follows:

- *Donor Advised* – Fund holder annually recommends grants to specific qualified charities.
- *Designated* – Fund holder suggests specific eligible organizations to receive charitable grants in the fund agreement. If a designated organization ceases to exist or if the Foundation's Board votes that support of the organization is no longer necessary or is inconsistent with the needs in the community, the Foundation works with the fund holder to identify a similar organization to maintain the spirit of the original charitable intent.
- *Scholarship* – Fund holder recommends an academic focus for the scholarship fund (such as nursing, the arts, or engineering) and eligibility criteria (including financial need, academic merit, geographic residence, and/or community service). The Foundation provides oversight and administrative support of the scholarship selection process and manages due diligence.
- *Field of Interest* – Fund holder establishes a fund for unspecified programs or organizations in a general field of interest important to the donor, such as education, historic preservation, children, the elderly, the environment, or arts and culture.
- *Undesignated* – Fund holder provides the Foundation with ongoing operational support to meet changing needs across North Carolina, giving the Foundation the flexibility to respond quickly to emerging community needs and shifting priorities.

Note 1—Nature of Foundation and summary of significant accounting policies (continued)

All distributions are approved by the Board of Directors, whose charge it is to see that all grants are within the charitable purposes of the Foundation as set forth in the Foundation's governing instruments.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation and/or by the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions that they be maintained permanently by the Foundation. The earnings on the related investments are recorded as temporarily restricted net assets.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts 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 estimates.

Cash – The Foundation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. At times, the Foundation maintains deposits with financial institutions that are in excess of the federal depository insurance limit, but management believes that such deposits pose no significant credit risk.

Short-Term Investments – Short-term investments at March 31, 2018 and 2017 represent certificates of deposit with original maturities ranging from 2 to 21 months.

Valuation of Investments – Investments are stated at fair value. See Note 7 for further information related to fair value measurements.

Securities Transactions, Interest, and Dividends – Securities transactions are recorded on a trade-date basis. Realized gains and losses on securities transactions, determined on a specific identification basis, and the difference between the cost and the fair value of open investments are included as realized and unrealized gains (losses) in the accompanying statements of activities. Interest and other investment income are recognized on the accrual basis. At each month-end, investment income is allocated to all funds using the daily average balance of the assets for each component fund. Other assets earn investment income based upon earnings of the specific investments held.

Interest and dividends and net realized and unrealized gains (losses) are generally recorded as unrestricted revenue, unless restricted by the donor, because the related investments on which the revenue is earned are classified as unrestricted assets.

Investment and other asset management fees for the years ended March 31, 2018 and 2017 totaled $555,985 and $456,234, respectively. These fees are reflected within grantmaking and fund holder support on the Foundation's statements of activities.

Certain donors contribute beneficiary interests in life insurance policies to the Foundation. These gifts are recorded at current cash surrender values less any outstanding loans.

Note 1—Nature of Foundation and summary of significant accounting policies (continued)

Contributions and Donor-Imposed Restrictions – Contributions are recognized as revenue when received or unconditionally promised. Most contributions, including those with donor-imposed stipulations, are subject to variance power established by the Foundation. This variance power provides the Foundation's Board of Directors with the ability to modify donor stipulations that are incapable of fulfillment or inconsistent with the needs of the community. The Foundation reports gifts of cash and other assets as restricted support if such gifts are received with donor stipulations that limit the use of the donated asset to a future time period. 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 statements of activities as net assets released from restrictions. The Foundation initially recognizes donated assets, including gifts of real estate and stock, at fair value on the date of the gift.

Contributions Receivable – Unconditional promises to give that are expected to be collected within one year are recognized at net realizable value. Unconditional promises to give that are expected to be collected in future years are recognized at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-adjusted interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue.

Management evaluates contributions receivable for collectability at least annually. The Foundation provides an allowance for uncollectible contributions equal to the estimated uncollectible amounts. Management's estimate is based on historical charge-offs, factors related to specific donors' ability to pay, donor giving history, and current economic trends. If amounts become uncollectible, they will be charged to operations in the period in which that determination is made.

Conditional promises to give are not recognized as revenue until the donors' conditions are substantially met. From time to time, the Foundation may become aware of certain donors having named the Foundation in their wills. These testamentary gifts are treated as conditional promises to give and not recognized as revenue until a probate court finalizes a decedent's will, declares the will valid, and authorizes distribution of assets to the Foundation. If the value of the bequest is not known, or cannot be reasonably estimated, the contribution receivable is not recorded until amounts can be estimated with reasonable accuracy.

Property, Equipment, and Leasehold Improvements – Purchased property, equipment, and leasehold improvements are initially recorded at cost and capitalized when the cost exceeds $2,000. Those assets which are donated are initially recorded at fair value at the date of receipt. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 31.5 years. Leasehold improvements are depreciated over the shorter of the useful life of the assets or the term of the lease. Once an asset meets the criteria to be classified as held for sale, the Foundation discontinues depreciation on that asset.

The Foundation evaluates property, equipment, and leasehold improvements for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability of these assets is based on an estimate of the undiscounted future cash flows resulting from the use of the assets and their eventual disposition. In the event such cash flows are not expected to be sufficient to recover the carrying value of the assets, the useful lives of the assets are revised or the assets are written down to their estimated fair values.

Note 1—Nature of Foundation and summary of significant accounting policies (continued)

Grants and Scholarships – The Foundation receives grant and scholarship recommendations from donors on a regular basis. Only recommendations that have been unconditionally approved by the Foundation as of the end of the year and not yet paid are recorded as grants and scholarships payable within accounts payable and accrued expenses on the accompanying statements of financial position. Multi-year grants and scholarships are expensed in the year in which the grant or scholarship is approved, although the amounts approved may be payable over several years. Recommendations that are not unconditionally approved are not recorded until paid or they become unconditional.

Split-Interest Agreements – Certain donors have entered into trust or other arrangements under which the Foundation is to receive benefits that are shared with other beneficiaries. Only irrevocable split-interest agreements are reported in the accompanying financial statements, which are summarized as follows.

Charitable Lead Trusts – The Foundation has been named as a beneficiary in charitable lead trusts in which the Foundation is not the trustee. When the Foundation is notified of an irrevocable trust, contribution revenue, and the related receivable under the trust agreement are recorded at the present value of management's estimate of expected future cash receipts. The discount rates used in determining the present value of the expected future payments are based on U.S. Department of Labor consumer price indexes. Changes in the fair value of contributions receivable from charitable lead trusts are recognized in realized and unrealized gains (losses) in the accompanying statements of activities.

Gift Annuities – The Foundation has been named as a beneficiary in certain gift annuities in which the Foundation is the trustee. When the Foundation receives assets in connection with an annuity, the assets are recorded at fair value while a liability is recorded at the present value of the expected future payments to be made to the beneficiary. The discount rate and actuarial assumptions used in determining the present value of the expected future payments are based on the U.S. Department of Labor consumer price indexes and applicable Internal Revenue Service life expectancy assumptions.

Beneficial Interest in Charitable Remainder Trusts – The Foundation has been named as a beneficiary in certain charitable remainder trusts in which an independent third party serves as trustee. When the Foundation is notified of an irrevocable charitable remainder trust, contribution revenue, and a related receivable under the trust agreement are recorded at the present value of management's estimate of future expected cash receipts (remainder interests). The discount rates and actuarial assumptions used in determining the present value of the expected future payments are based on the U.S. Department of Labor consumer price indexes. Amounts reported approximate fair value due to the nature of the discounts used to determine present value of estimated future cash receipts. Change in the fair value of contributions receivable from beneficial interests in charitable remainder trusts are recognized in realized and unrealized gains (losses) in the accompanying statements of activities.

Agency Funds Payable – The Foundation has entered into agreements whereby it acts as an agent, or an intermediary, on behalf of a donor or donee. The agency relationship is established when the Foundation has received assets from the donor and agreed to use or transfer those assets, the return on investment of those assets, or both to a grantee beneficiary specified by the donor. These include arrangements in which the Foundation's Board does not have the unilateral power (i.e., variance power) to redirect the use of the transferred assets to another beneficiary, or when the Foundation receives assets transferred to the Foundation by a not-for-profit organization that specifies itself as the designated grantee of the fund or endowment.

Agency fund assets are included in the statements of financial position, and a corresponding liability is recorded to reflect the intent that the assets will eventually be transferred back to the beneficiary. Asset transfers to these funds and related distributions and expenses are not reflected in change in net assets in the Foundation's statements of activities. These amounts are reported as agency funds payable at March 31, 2018 and 2017.

Note 1—Nature of Foundation and summary of significant accounting policies (continued)

Fair Value of Financial Instruments – The carrying amounts of all financial instruments approximate fair value.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and, accordingly, certain costs have been allocated, based on management's judgment, among the programs and supporting services benefited.

Income Taxes – The Foundation is a public charity and is exempt from federal income taxation as defined by Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code and is generally exempt from state income taxes under the provisions of the North Carolina Nonprofit Corporation Act. Therefore, no provision for income taxes has been reflected in the accompanying financial statements.

Management evaluated the Foundation's tax positions and concluded that the Foundation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

Future Pronouncements – On August 18, 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The amendments in this ASU are intended to improve financial statement presentation by not-for-profit organizations by providing more relevant information about their resources and the changes in those resources to their donors, grantors, creditors, and other users. There are qualitative and quantitative requirements in a number of areas, including net asset classes, investment return, expenses, liquidity and availability of resources, and presentation of operating cash flows. The standard will be effective for the fiscal years beginning after December 15, 2017. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of the lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the calendar year ending December 15, 2020. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The amendments in this ASU are intended to clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. An exchange transaction will be considered by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The standard will be effective for the fiscal years beginning after December 15, 2018. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Note 2—Investments

The fair value of investments by type at March 31, 2018 and 2017 is as follows:

	2018	2017
Cash equivalents	$ 3,466,109	$ 6,310,100
Equities	161,708,233	119,346,700
Fixed income	50,243,439	37,113,146
Bank common trust funds	-	28,510,911
Alternative strategies	16,476,596	19,911,145
Investments in Limited Liability Entities	20,631,844	18,096,593
Mortgage notes receivable	26,964	32,759
	$ 252,553,185	$ 229,321,354

The Foundation invests in a combination of equity securities, fixed income securities, money market funds, and other investment securities. Investments are exposed to various risks, such as interest rate, credit, and market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the Foundation's investment balance reported in the statements of financial position.

Bank common trust funds at March 31, 2017 represented the Foundation's investment in several funds employing varying strategies. The Foundation liquidated its holdings in bank common trust funds during the year ended March 31, 2018.

Market Risk – Market risk arises primarily from changes in the market value of financial instruments. Theoretically, the Foundation's exposure is equal to the value of the securities purchased.

Exposure to market risk is influenced by several factors, including the relationships between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded. The Foundation attempts to control its exposure to market risk through various analytical monitoring techniques.

Concentrations of Credit Risk – The Foundation is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Foundation may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Foundation's policy to review, as necessary, the credit standing of each counterparty.

In the normal course of its business, the Foundation enters into contracts and agreements with certain service providers, such as clearing and custody agents, trustees, and administrators that contain a variety of representations and warranties which provide general indemnifications in connection with their activities as an agent of, or service providers to, the Foundation. The Foundation's maximum exposure under these agreements is unknown, as this may involve future claims that could be made against the Foundation and have not yet occurred. The Foundation expects the risk of any future obligation under these arrangements to be remote and has not recorded any contingent liability in the financial statements for these indemnifications.

Note 3—Contributions receivable, net

Contributions receivable include unconditional promises to give (i.e., pledges) and pending distributions from an estate or trust as directed by a donor's bequest. Contributions receivable are included in the financial statements as contributions receivable and revenue of the appropriate net asset category.

Contributions expected to be received in periods greater than one year are recorded at the discounted present value of future cash flows. Contributions with due dates extending beyond one year are discounted using Treasury bill rates for similar term investments with 50 to 85 basis points added depending on the year the promise was made as per the Foundation's policy. The applicable rates at March 31, 2018 ranged from 1.72% to 3.41%, which includes the additional basis points.

Contributions receivable at March 31, 2018 and 2017 are expected to be realized in the following periods:

	2018	2017
In one year or less	$ 1,323,347	$ 1,495,617
Between one and five years	54,809	123,400
	1,378,156	1,619,017
Less unamortized discount and allowance for uncollectibles	(11,242)	(30,726)
	$ 1,366,914	$ 1,588,291

Note 4—Property, equipment, and leasehold improvements

Property, equipment, and leasehold improvements at March 31, 2018 and 2017 consisted of the following:

	2018	2017
Land and building	$ 4,313	$ 4,313
Leasehold improvements	257,773	251,583
Office furniture and equipment	394,119	393,547
Computer equipment and software	91,979	93,049
	748,184	742,492
Less accumulated depreciation	(221,284)	(136,920)
	$ 526,900	$ 605,572

Depreciation expense was $85,437 and $47,915 for the years ended March 31, 2018 and 2017, respectively.

Note 5—Leases

The Foundation leases office equipment and administrative facilities under operating leases. Total lease expense for the years ended March 31, 2018 and 2017 was $383,764 and $317,999 respectively. The lease agreements require the Foundation to pay their related repairs, maintenance, utilities, and insurance.

Note 5—Leases (continued)

Future minimum lease payments, by year and in the aggregate, under noncancelable operating leases with initial or remaining terms of one year or more at March 31, 2018 are as follows:

Years Ending March 31,	Amount
2019	$ 364,935
2020	372,894
2021	380,998
2022	386,044
2023	387,990
Thereafter	1,676,623
	$ 3,569,484

A portion of the leased space was subleased to unaffiliated entities. For the years ended March 31, 2018 and 2017, rental income under the subleases was $5,000 and $32,544, respectively, and is included in other income on the statements of activities.

Note 6—Agency funds payable

Agency funds payable activity for the years ended March 31, 2018 and 2017 is as follows:

	2018	2017
Amounts received on behalf of others	$ 5,481,421	$ 2,891,705
Interest and other investment income	630,338	579,401
Realized and unrealized gains	1,548,869	1,766,638
Total Increases	7,660,628	5,237,744
Grants and scholarships	3,302,052	5,109,351
Grant making and fund holder support	317,911	284,982
Reclassifications	-	401,311
Total Decreases	3,619,963	5,795,644
Change in agency funds payable	4,040,665	(557,900)
Agency funds payable:		
Beginning	23,455,067	24,012,967
Ending	$ 27,495,732	$ 23,455,067

Note 7—Fair value measurement

Guidance provided by the FASB 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. The Foundation uses valuation techniques to maximize the use of observable inputs and to minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

The three levels of the fair value hierarchy are described below:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The type of investments included in Level 1 includes listed equities and certain fixed income securities. As required by the guidance provided by the FASB, the Foundation does not adjust the quoted price for these investments, even in situations where the Foundation holds a large position and a sale could reasonably impact the quoted price.

- Level 2 Inputs – Inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. Investments within this category would include certain fixed income securities, less liquid and restricted equity securities, and certain over-the-counter derivatives. A significant adjustment to a Level 2 Input could result in the Level 2 measurement becoming a Level 3 measurement.

- Level 3 Inputs – Unobservable inputs for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In determining fair value, the Foundation uses various valuation approaches within the FASB ASC 820 fair value measurement framework. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the hierarchy.

Investments
Cash Equivalents – Cash equivalents and money market funds are in active markets and classified within Level 1 of the valuation hierarchy.

Equities – Equity securities and equity mutual funds listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

Fixed Income – Investments in debt securities include corporate bonds and funds and blended fixed income mutual funds that are either exchange-traded and/or valued at last sales price. If there is no sale and the market is considered active, these securities are valued at the mean of the last bid and asked prices on such exchange. These fixed income investments are classified within Level 1 of the valuation hierarchy. Government and government agency obligation bonds are classified within Level 2, as exact securities may not be traded on a daily basis.

Note 7—Fair value measurement (continued)

Bank Common Trust Fund – Bank common trust funds are valued using the net asset value ("NAV") provided by the administrator of the fund as a practical expedient to determine fair value. The NAV is based on the value of the funds' underlying assets and liabilities. Bank common trust funds include certain proprietary common trust funds for the U.S. Large Cap, Mid Cap, Small Cap Equity, and Intermediate Bond asset styles, all with a regional bank.

Mortgage Note Receivable – The Foundation holds a promissory note that is sufficiently collateralized by real property in an active market. The amounts receivable under the promissory note are classified within Level 2 of the valuation hierarchy.

Alternative Investments – Alternative securities mutual funds listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the active market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

Investments in Limited Liability Entities – Ownership interests in limited liability partnerships and corporations are typically valued using the net asset valuations provided by the partnerships or the corporation and information provided by professional appraisers.

Beneficial Interests in Split-Interest Agreements – The Foundation has been named as a beneficiary in charitable lead and remainder trusts in which the Foundation is not the trustee. Amounts reported approximate fair value. Under the guidelines set forth in the FASB ASC 820 fair value hierarchy, the charitable lead and remainder trust assets are classified as Level 3 inputs due to the nature of the discounts used to determine present value of estimated future cash flows.

Note 7—Fair value measurement (continued)

The following tables summarize financial assets measured at fair value on a recurring basis by classification within the fair value hierarchy as of March 31, 2018 and 2017:

	2018			
	Investments Measured at Fair Value	**Quoted Prices Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Beneficial interests in split-interest agreements	$ 3,309,522	$ -	$ -	$ 3,309,522
Investments:				
Cash equivalents	$ 3,466,109	$ 3,466,109	$ -	$ -
Equities:				
Domestic Equities	97,773,076	97,773,076	-	-
International Equities	63,935,157	63,935,157	-	-
Total Equities	161,708,233	161,708,233	-	-
Fixed Income:				
U.S. Government and Agencies	11,844,807	-	11,844,807	-
Corporate	6,812,604	6,812,604	-	-
Blended Bond Funds	31,586,028	31,586,028	-	-
Total Fixed Income	50,243,439	38,398,632	11,844,807	-
Mortgage notes receivable	26,964	-	26,964	-
Alternative strategies	16,476,596	16,476,596	-	-
	231,921,341	$ 220,049,570	$ 11,871,771	$ -
Investments measured at net asset value*				
Bank Common Trust Funds	-			
Investment in Limited Liability Entities	20,631,844			
Total Investments	$ 252,553,185			

(*) In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Note 7—Fair value measurement (continued)

	2017			
	Investments Measured at Fair Value	**Quoted Prices Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Beneficial interests in split-interest agreements	$ 4,373,969	$ -	$ -	$ 4,373,969
Investments:				
Cash equivalents	$ 6,310,100	$ 6,310,100	$ -	$ -
Equities:				
Domestic Equities	64,530,727	64,530,727	-	-
International Equities	54,815,973	54,815,973	-	-
Total Equities	119,346,700	119,346,700	-	-
Fixed Income:				
U.S. Government and Agencies	8,003,775	-	8,003,775	-
Corporate	2,860,530	2,860,530	-	-
Blended Bond Funds	26,248,841	26,248,841	-	-
Total Fixed Income	37,113,146	29,109,371	8,003,775	-
Mortgage notes receivable	32,759	-	32,759	-
Alternative strategies	19,911,145	19,911,145	-	-
	182,713,850	$ 174,677,316	$ 8,036,534	$ -
Investments measured at net asset value*				
Bank Common Trust Funds	28,510,911			
Investment in Limited Liability Entities	18,096,593			
Total Investments	$ 229,321,354			

(*) In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

There were no changes in the valuation techniques during 2018 or 2017. Unrealized gains (losses) are included in investment gains (losses) on the statements of activities. Transfers between levels, if any, are recognized at the end of the year.

Note 7—Fair value measurement (continued)

The following tables reconcile the beginning and ending balances of financial assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended March 31, 2018 and 2017:

2018 Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Beginning Balance	Contributions	Distributions	Change in Value	Write-offs	Ending Balance
Beneficial Interests in						
Split-Interest Agreements	$ 4,373,969	$ -	$ (1,241,056)	$ 176,609	$ -	$ 3,309,522

2017 Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Beginning Balance	Contributions	Distributions	Change in Value	Write-offs	Ending Balance
Beneficial Interests in						
Split-Interest Agreements	$ 5,202,978	$ -	$ (368,536)	$ (49,216)	$ (411,257)	$ 4,373,969

The following presents further information regarding the composition of the Foundation's investments in bank common trust funds at March 31, 2017. The Foundation liquidated its holdings in bank common trust funds during the year ended March 31, 2018.

	2017	
Strategy Category	**Fair Value**	**Redemption Frequency**
Large Cap Fund (a)	$ 18,102,729	4 times per month
Mid Cap Fund (b)	2,964,206	4 times per month
Small Cap Fund (c)	3,006,997	4 times per month
Intermediate Bond Fund (d)	4,436,979	4 times per month

a) This category included investments in domestic companies in the S & P 500 Index. The portfolio was fully invested holding approximately 70 – 150 stocks. This fund's strategy utilized primarily a large-cap stock selection model and both sector and style emphasis was utilized in constructing the portfolio. The fund was formed to invest in stocks considered to be high quality, with attractive valuations and favorable growth dynamics. The net asset value of the fund was determined four times per month, which included the last day of each month. Units were issued and redeemed only as of the valuation dates at the determined net asset value. There were no unfunded commitments or redemption notice periods related to this fund. The Foundation's percentage of this fund's net assets at March 31, 2017 was 51.9%.

b) This category included investments in domestic companies in the S & P 400 index. The portfolio was fully invested, holding approximately 70 – 150 stocks. This fund's strategy utilized primarily a mid-cap stock selection model and both sector and styles emphasis was utilized in constructing this portfolio. The fund was formed to invest in stocks considered to be high quality, with attractive valuations and favorable growth dynamics. The net asset value of the fund was determined four times a month, which included the last day of each month. Units were issued and redeemed only as of the valuation dates at the determined net asset value. There were no unfunded commitments or redemption notice periods related to this fund. The Foundation's percentage of this fund's net assets at March 31, 2017 was 29.7%.

Note 7—Fair value measurement (continued)

c) This category included investments in domestic companies in the S & P 600 index. The portfolio was fully invested holding approximately 70 – 200 stocks. This fund's strategy utilized primarily a small-cap stock selection model and both sector and styles emphasis was utilized in constructing the portfolio. The fund was formed to invest in stocks considered to be high quality, with attractive valuations and favorable growth dynamics. The net asset value of the fund was determined four times a month, which included the last day of each month. Units were issued and redeemed only as of the valuation dates at the determined net asset value. There were no unfunded commitments or redemption notice periods related to this fund. The Foundation's percentage of this fund's net assets at March 31, 2018 was 52.3%.

d) This category included investments in U.S. Treasuries, U.S. government agencies, investment grade corporate, and pools of mortgage-backed bonds. Short-term cash was an integral part of this fund's strategy. The corporate bond portfolio was heavily diversified and typically no single issuer represented or exceed 1.5% of the portfolio at the time of purchase. Sector rotation, asset selection, and duration management decisions were emphasized during construction of the overall portfolio. The net asset value of the fund was determined four times a month, which included the last day of each month. Units were issued and redeemed only as of the valuation dates at the determined net asset value. There were no unfunded commitments or redemption notice periods related to this fund. The Foundation's percentage of this fund's net assets at March 31, 2017 was 8.5%.

The following presents further information regarding the Foundation's investments in Limited Liability Entities at March 31, 2018 and 2017.

	2018	
Strategy Category	**Fair Value**	**Redemption Frequency**
Harvest MLP Income Fund II (a)	$ 5,179,384	Monthly
FEG Absolute Access Fund (b)	10,115,344	Semi Annual
FEG Private Opportunities Fund II (c)	3,611,308	Time Table TBE
FEG Private Opportunities Fund III (d)	1,725,808	Time Table TBE

	2017	
Strategy Category	**Fair Value**	**Redemption Frequency**
Harvest MLP Income Fund II (a)	$ 4,800,430	Monthly
FEG Absolute Access Fund (b)	10,351,943	Semi Annual
FEG Private Opportunities Fund II (c)	2,489,220	Time Table TBE
FEG Private Opportunities Fund III (d)	455,000	Time Table TBE

a) The investment in the Harvest MLP Income Fund II is part of the diversified real asset portion of the portfolio, primarily infrastructure. The fund has a 30-day written notice redemption period.

b) The FEG Absolute Access Fund is a multi-manager investment composed of eight managers allocating across equities, fixed income, currencies, and other strategies with the goal of generating absolute returns irrespective of market cycle. The fund has redemption notice dates of June 30 and December 31.

Note 7—Fair value measurement (continued)

c) The FEG Private Opportunities Fund II includes investments in private equity, private debt and private real assets. The current value of the Foundation's Investment in the FEG Private Opportunities Fund II is the funded portion of a $5 million commitment made in April 2015. The Foundation expects that the remaining $1.4 million will be funded over the next 2 years. The redemption notice period for the fund has not yet been established.

d) The FEG Private Opportunities Fund III includes investments in private equity, private debt and private real assets. The current value of the Foundation's Investment in the FEG Private Opportunities Fund III is the funded portion of a $6.5 million commitment made in August 2016. The Foundation expects that the remaining $4.8 million will be funded over the next 3 years. The redemption notice period for the fund has not yet been established.

Note 8—Temporarily restricted net assets

Temporarily restricted net assets as of March 31, 2018 and 2017 are available for the following purposes:

	2018	2017
Future benefits from remainder trusts and gift annuity, to be used for the benefit of specific purposes at the death of the donor	$ 3,309,522	$ 4,373,969
Appreciation of endowment funds	2,528,121	2,070,932
Future periods	1,652,467	1,726,224
	$ 7,490,110	$ 8,171,125

These assets are subject to donor-imposed purpose and time restrictions. Upon lapse of these restrictions, the assets will be reclassified as unrestricted.

Note 9—Net assets released from donor restrictions

During the years ended March 31, 2018 and 2017, temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors.

	2018	2017
Time restrictions	$ 1,491,606	$ 1,423,115

Note 10—Permanently restricted net assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support charitable interests as recommended by the donor. At March 31, 2018 and 2017, permanently restricted net assets totaled $7,183,016 and $6,935,581, respectively.

Note 11—Endowment funds

The Foundation's endowment funds consist of individual funds established for a variety of charitable purposes. The endowment funds consist solely of donor-restricted endowment funds as there are no funds designated by the Board of Directors to function as endowments at March 31, 2018 or 2017. As required by generally accepted accounting principles, net assets associated with endowment funds, including any 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. The Foundation has determined that no other individual fund meets the definition of endowment under Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

The Foundation's Board of Directors has interpreted the North Carolina enacted version of UPMIFA ("NCUPMIFA") 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. Because of this interpretation, the Foundation classifies the endowment principal balance as permanently restricted net assets, which includes (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 by the Foundation in a manner consistent with the standard of prudence prescribed by NCUPMIFA. In accordance with NCUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Foundation and the endowment fund
- Price level trends and general economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policy of the Foundation

The Foundation's spending and investment policies establish an achievable return objective through diversification of asset classes of 6% above the rate of inflation, as measured by the Consumer Price Index, over a complete market and economic cycle (generally three to five years). To achieve this return, the Foundation must assume a moderate level of risk with a considerable exposure in equity securities. Investment returns are achieved through both capital appreciation (realized and unrealized) and current income (dividends and interest). Returns are measured against a weighted average of nationally recognized benchmark indices, such as the Russell 1000 Growth Index and the Morgan Stanley Capital International Europe, Australasia, and Far East Index (MSCI EAFE), as appropriate for each asset style.

Appropriations from endowment funds are approved by the Foundation's Board of Directors each year. The Boards' current general spending policy is to calculate an Available to Distribute ("ATD") as an amount equal to 5% of a rolling 12 quarter average fund balance. From time to time, however, the fair value of assets associated with a donor restricted endowment fund may fall below the level that the donor or NCUPMIFA requires the Foundation to retain as a fund of perpetual duration. When this occurs in any given year, the endowment is said to be "underwater," and the Board's general spending policy is to make the ATD available as follows:

- Fund principal balance ≥ 90% of fund balance: 100% ATD
- Fund principal balance < 90% of fund balance: 50% ATD
- Fund principal balance < 75% of fund balance: 0% ATD

Note 11—Endowment funds (continued)

The spending policies are the Board's approved guidelines consistent with the average long-term return expectation, providing ongoing support of donors' charitable interests and additional growth to the endowment funds. In any given year, the Board may override its general spending policies with regards to any particular fund's annual appropriation in a manner consistent with the standard of prudence prescribed by NCUPMIFA.

The following table summarizes changes in endowment net assets for the years ended March 31, 2018 and 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, March 31, 2016	$ -	$ 1,565,493	$ 5,573,288	$ 7,138,781
Contributions	-	-	1,362,293	1,362,293
Interest and other investment income, net of fees	-	159,340	-	159,340
Realized and unrealized gains	-	744,709	-	744,709
Appropriations of endowment assets for expenditure	-	(166,086)	-	(166,086)
Appropriations of endowment net assets for Interfund expenditure	-	(153,800)	-	(153,800)
Appropriations of endowment net assets related to administrative fees	-	(78,724)	-	(78,724)
Endowment net assets, March 31, 2017	-	2,070,932	6,935,581	9,006,513
Net asset transfer	-	(424)	14,435	14,011
Contributions	-	-	233,000	233,000
Interest and other investment income, net of fees	-	178,214	-	178,214
Realized and unrealized gains	-	710,346	-	710,346
Appropriations of endowment assets for expenditure	-	(177,416)	-	(177,416)
Appropriations of endowment net assets for interfund expenditure	-	(154,890)	-	(154,890)
Appropriations of endowment net assets related to administrative fees	-	(98,641)	-	(98,641)
Endowment net assets, March 31, 2018	$ -	$ 2,528,121	$ 7,183,016	$ 9,711,137

Note 11—Endowment funds (continued)

The following tables summarize the composition of endowment net assets by fund type on March 31, 2018 and 2017:

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds:				
Donor advised	$ -	$ 465,712	$ 602,397	$ 1,068,109
Designated	-	1,128,275	3,485,276	4,613,551
Scholarship	-	78,953	441,882	520,835
Undesignated	-	855,181	2,653,461	3,508,642
Total endowment net assets	$ -	$ 2,528,121	$ 7,183,016	$ 9,711,137

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds:				
Donor advised	$ -	$ 399,770	$ 602,397	$ 1,002,167
Designated	-	870,240	3,239,642	4,109,882
Scholarship	-	62,975	440,082	503,057
Undesignated	-	737,947	2,653,460	3,391,407
Total endowment net assets	$ -	$ 2,070,932	$ 6,935,581	$ 9,006,513

Note 12—Retirement plan

All full-time employees participated in the Foundation's defined contribution retirement plan. Employees are vested 100% from the date of employment. The Foundation contributes 3% to 6% of each employee's salary annually. The expense related to this plan was $131,049 and $113,365 for the years ended March 31, 2018 and 2017, respectively.

Note 13—Related party transactions

The Foundation receives contributions from its board members. Contribution revenue from board members was approximately $62,737 and $60,898 for the years ended March 31, 2018 and 2017, respectively. Undiscounted contributions receivable from board members totaled approximately $1,200 and $2,400 at March 31, 2018 and 2017, respectively.

Note 14—Subsequent events

The Foundation has evaluated subsequent events through September 25, 2018, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.