Roy J. Carver Charitable Trust

Financial Report
April 30, 2016

Contents

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Independent Auditor's Report

RSM US LLP

To the Board of Trustees
Roy J. Carver Charitable Trust
Muscatine, Iowa

Report on the Financial Statements
We have audited the accompanying financial statements of Roy J. Carver Charitable Trust (Trust) which comprise the statements of financial position as of April 30, 2016 and 2015, and the related statements of activities 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 qualified audit opinion.

Basis for Qualified Opinion
The Trust's financial statements do not disclose the level hierarchy under Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic No. 820, Fair Value Measurements, (ASC 820) for any investments not classified as Level 1 and certain additional information required to be disclosed for investments classified as Level 3. Disclosure of this information is required by accounting principles generally accepted in the United States of America.

Qualified Opinion
In our opinion, except for the omission of the information described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Roy J. Carver Charitable Trust as of April 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 13 – 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Davenport, Iowa
July 6, 2016

Roy J. Carver Charitable Trust

Statements of Financial Position
April 30, 2016 and 2015

	2016	2015
Assets		
Cash	$ 817,223	$ 634,258
Money market funds	1,876,450	3,589,994
Total cash and cash equivalents	2,693,673	4,224,252
Accrued investment income	511,303	461,729
Excise taxes receivable	-	16,000
Investments	292,166,385	313,052,316
Property and equipment:		
Land and land improvements	567,038	567,038
Building and building improvements	2,134,456	2,124,809
Furniture, fixtures and equipment	277,356	278,770
	2,978,850	2,970,617
Less accumulated depreciation	1,349,323	1,282,970
Total property and equipment	1,629,527	1,687,647
Total assets	$ 297,000,888	$ 319,441,944
Liabilities and Net Assets		
Liabilities:		
Grant obligations payable	$ 3,501,916	$ 9,487,388
Other accrued expenses	79,818	83,954
Excise taxes payable	3,000	-
Deferred excise taxes	1,175,500	1,660,400
Total liabilities	4,760,234	11,231,742
Commitments (Note 2)		
Net assets, unrestricted	292,240,654	308,210,202
Total liabilities and net assets	$ 297,000,888	$ 319,441,944

See notes to financial statements.

Roy J. Carver Charitable Trust

Statements of Activities
Years Ended April 30, 2016 and 2015

	2016	2015
Unrestricted revenue:		
Interest	**$ 2,084,471**	$ 1,991,419
Dividends	**3,400,967**	3,344,594
Net realized and unrealized gains (losses) on investments, net of investment fees 2016 $862,700; 2015 $981,251	**(11,277,413)**	21,852,855
Total unrestricted revenue (loss)	**(5,791,975)**	27,188,868
Unrestricted expenses:		
Grants approved	**9,078,051**	14,762,373
Trustee fees	**152,400**	138,200
Salaries and payroll taxes	**846,052**	808,285
Professional fees	**109,826**	102,535
Provision for federal excise taxes	**(289,685)**	318,600
Depreciation	**73,807**	72,754
Building repair and maintenance	**71,594**	69,361
Travel	**2,735**	2,585
Office	**33,482**	27,531
Insurance	**11,942**	12,414
Telephone	**6,077**	6,110
Miscellaneous	**81,292**	9,562
Total unrestricted expenses	**10,177,573**	16,330,310
Increase (decrease) in unrestricted net assets	**(15,969,548)**	10,858,558
Unrestricted net assets:		
Beginning	**308,210,202**	297,351,644
Ending	**$ 292,240,654**	$ 308,210,202

See notes to financial statements.

Roy J. Carver Charitable Trust

Statements of Cash Flows
Years Ended April 30, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Increase (decrease) in unrestricted net assets	**$ (15,969,548)**	$ 10,858,558
Adjustments to reconcile change in unrestricted net assets to net cash (used in) operating activities:		
Depreciation	**73,807**	72,754
Accretion	**(9,902)**	(13,672)
Deferred excise taxes	**(484,900)**	182,600
Realized and unrealized (gains) losses on investments	**10,414,713**	(22,834,106)
Changes in assets and liabilities:		
(Increase) in accrued investment income	**(49,574)**	(38,650)
(Increase) decrease in excise taxes receivable	**16,000**	(16,000)
(Increase) decrease in other accrued expenses	**(4,136)**	8,025
(Decrease) in grant obligations payable	**(5,985,472)**	(811,127)
Increase (decrease) in excise taxes payable	**3,000**	(41,000)
Net cash used in operating activities	**(11,996,012)**	(12,632,618)
Cash flows from investing activities:		
Purchase of property and equipment	**(15,687)**	(79,143)
Purchases of investments	**(36,652,348)**	(35,446,872)
Proceeds from sales, maturities and calls of investments	**47,133,468**	48,813,700
Net cash provided by investing activities	**10,465,433**	13,287,685
Increase (decrease) in cash and cash equivalents	**(1,530,579)**	655,067
Cash and cash equivalents:		
Beginning	**4,224,252**	3,569,185
Ending	**$ 2,693,673**	$ 4,224,252
Supplemental disclosure of cash flow information, cash payments made for excise taxes	**$ 176,215**	$ 193,000

See notes to financial statements.

Note 1. Organization and Significant Accounting Policies

Organization: The Roy J. Carver Charitable Trust was created on June 16, 1981 under the provisions of the Last Will and Testament of Roy J. Carver. The Trust is a nonprofit entity whose purpose is to enhance charitable, educational and scientific programs. This purpose is accomplished through the aid of grants which are distributed to various academic and charitable institutions. The Trust is required by the Will to distribute all cash basis income at least semiannually; therefore, internal accounting records are maintained on a cash basis and these financial statements are adjusted to the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Significant accounting policies:

Accounting estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, 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.

Basis of accounting: The records of the Trust are kept on the basis of cash receipts and disbursements. The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, long-lived assets, and accrued items, including grants payable, as approved by the Trustees.

Cash and cash equivalents: The Trust considers all cash accounts and money market funds with an original maturity of three months or less to be cash and cash equivalents. Money market funds are carried at cost.

Investments: Investments are valued using quoted market prices obtained from national securities exchanges, and third party pricing services where available. For limited partnerships where quoted market value of investments may not be available, fair values are based on information provided by the general partners, which includes quoted fair values when available and estimates of fair value of investments that are not readily ascertainable. There have been no changes in valuation techniques used for any investments during the year ended April 30, 2016.

Investment transactions are accounted for on the date the securities are purchased or sold. Realized and unrealized gains and losses on investment transactions including management and custodial fees, determined by the specific-identification method, are included in net gains (losses) on investments. Interest and dividends are recognized as revenue when earned.

Property and equipment: Property and equipment is carried at cost. Depreciation is computed by accelerated and straight-line methods over the assets estimated useful lives.

Grant obligations payable: Grants payable are discounted using a risk free rate of return as of the date of the grant approval.

Federal income and excise taxes: The Trust is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Trust has been determined to be a private foundation under Section 509(a), Chapter 42 of the Code and is subject to federal excise taxes. Deferred taxes are provided on a liability method whereby deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. The Trust's temporary differences relate primarily to the difference between the cost and fair value of the investments. Deferred tax liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Note 1. Organization and Significant Accounting Policies (Continued)

The Trust files a Form 990-PF (Return of Private Foundation) annually. An excise tax of 2 percent (or 1 percent subject to certain criteria) is imposed on the net investment income of all domestic tax-exempt private foundations for each tax year, and is reported on Form 990-PF. UBIT is reported on Form 990-T, as appropriate. As of April 30, 2016 and 2015, there were no uncertain tax benefits identified and recorded as a liability. Forms 990-PF and 990-T filed by the Trust are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. Forms 990-PF and 990-T filed by the Trust are no longer subject to examination for the fiscal years ended 2011 and prior.

Fair value of financial instruments: The carrying amount of cash and cash equivalents, accrued investment income and accrued expenses approximate fair value because of the short maturity of these instruments. Investments are carried at fair value based on quoted market prices for those or similar investments. For limited partnerships where quoted market value of investments are not readily available, fair values are based on information provided by the general partners or fund manager, which includes quoted fair values when available and estimates of fair value of investments that are not readily ascertainable. The carrying value of grant obligations payable was calculated by discounting future cash flows using interest rates commensurate with the risks involved, which approximates the fair value.

Pending accounting guidance: In May 2015, the FASB issued ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or Its Equivalent) (Topic 820),* which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (NAV) per share practical expedient. This amendment also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. This updated standard will be effective for annual reporting periods beginning after December 15, 2016. The Trust is currently evaluating the effect that the updated standard will have on the financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 will be effective for the Trust for fiscal years beginning after December 15, 2018. The Trust is currently evaluating the impact of the adoption of ASU 2016-01 on its financial statements.

Subsequent events: The Trust has evaluated subsequent events through July 6, 2016, the date on which the financial statements were available to be issued.

Note 2. Investments and Investment Gains (Losses)

The Trust's investments are held by a bank-administered trust fund. As of April 30, 2016 and 2015, the Trust's investments consist of the following:

	2016		2015	
	Fair Value	Original Cost	Fair Value	Original Cost
Common stock	$ 75,597,459	$ 52,988,983	$ 83,588,687	$ 50,438,994
Domestic equity mutual funds	92,125,880	62,444,737	100,146,665	66,155,362
International equity mutual funds	16,977,499	12,184,261	17,708,319	12,254,401
U.S. government bonds	3,876,597	3,656,699	2,091,387	1,869,827
U.S. government agency securities	2,456,943	2,395,310	2,731,851	2,629,141
Municipal/provincial bonds	6,699,366	6,264,224	6,723,517	6,409,608
Corporate bonds	22,901,243	22,024,907	20,633,385	19,717,895
U.S. government mortgage-backed securities	11,456,085	11,216,121	10,890,498	10,676,829
Commercial mortgage-backed securities	4,294,107	4,238,900	4,802,088	4,717,378
Asset backed securities	3,380,968	3,342,163	3,407,185	3,368,342
Partnerships invested in:				
Private equity	16,405,508	17,066,601	16,462,229	16,172,625
Venture capital and emerging markets	35,994,730	36,000,000	43,866,505	36,000,000
	$292,166,385	$233,822,906	$313,052,316	$230,410,402

Alternative investments are investments not listed on national exchanges or over-the-counter markets, or for which quoted market prices are not available from sources such as financial publications. Alternative investments may be structured as limited partnerships, limited liability corporations, trusts or corporations. The Trust's alternative investments are the partnerships and the international equity mutual funds above. As of April 30, 2016, the Trust had commitments for these investments of approximately $22,433,000 for which capital calls had not been exercised. Such commitments generally have fixed expiration dates or other termination clauses.

Net gains (losses) on investments for the years ended April 30, 2016 and 2015 consist of:

	2016	2015
Net realized gains, net of investment fees	$ 13,021,022	$ 12,752,768
Net increase (decrease) in unrealized gains	(24,298,435)	9,100,087
	$ (11,277,413)	$ 21,852,855

The investments of the Trust are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Note 3. Federal Excise Tax

In accordance with the applicable provisions of Section 4940, the Trust is subject to a federal excise tax of 2 percent (or 1 percent subject to certain criteria) on net investment income, including realized gains on investment transactions, as defined under this provision. The provision (benefit) for federal excise taxes for the years ended April 30, 2016 and 2015 consists of:

	2016	2015
Current	$ 195,215	$ 136,000
Deferred	(484,900)	182,600
	$ (289,685)	$ 318,600

In addition, the Trust operates as a private nonoperating foundation. One of the requirements to maintain private nonoperating foundation status is to make grants equaling approximately 5 percent of the average value of the noncharitable assets each year. As of April 30, 2016, the Trust had an excess distribution carryover, which is estimated to be approximately $7,100,000, which is available to offset amounts to be distributed during the year ending April 30, 2017. If the Trust were to have undistributed income, any portion of the amount not distributed by the end of the following fiscal year would be subject to a 30 percent penalty tax.

Note 4. Summary of Functional Expenses

The Trust enhances charitable, educational and scientific programs by making grants that are distributed to various academic and charitable institutions. Grants approved are direct program expenses while the excise tax expense is an administrative expense related to investment income. Substantially all other expenses are related to the management of the grant programs or administration of the Trust.

Note 5. Grants Payable

Grants payable are summarized as follows as of April 30, 2016 and 2015:

	2016	2015
In one year or less	$ 3,125,063	$ 5,644,221
Over one year through five years	399,759	4,049,123
	3,524,822	9,693,344
Present value discount	22,906	205,956
	$ 3,501,916	$ 9,487,388

Note 6. Fair Value Measurements

The Fair Value Measurements and Disclosures Topic of the FASB Codification defines fair value, establishes a framework for measuring fair value and requires disclosure of fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy set forth in the Topic are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

When quoted prices in active markets for identical assets are available, the Trust used these quoted market prices to determine the fair value of financial assets and classify these as Level 1.

Level 1 securities totaled $167,723,339 and $183,735,352 as of April 30, 2016 and 2015, respectively. There were no transfers in or out of Level 1 during the year ended April 30, 2016.

The following table sets forth the breakdown of the fair value of Level 1 securities as of April 30, 2016 and 2015:

	2016	2015
Common stock:		
Consumer discretionary	$ 8,844,043	$ 10,827,491
Consumer staples	1,661,896	2,226,037
Energy	3,486,042	4,501,215
Financials	19,237,957	20,477,058
Health care	12,299,049	11,928,063
Industrials	9,543,318	11,567,948
Information technology	12,417,235	14,017,006
Materials	2,460,569	3,608,342
Telecommunication services	1,224,425	945,424
Utilities	3,685,047	3,490,103
Real estate investment trusts	737,878	-
Equity mutual funds:		
Real estate investment trust	15,725,354	16,404,856
Mid cap funds	30,630,155	33,859,210
Large cap funds	15,461,680	17,286,618
Small cap funds	30,308,691	32,595,981
	$ 167,723,339	$ 183,735,352

Note 6. Fair Value Measurements (Continued)

The remaining investments totaling $124,443,046 in the portfolio where quoted market prices are not available or where fair values are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flow or where there is limited activity or less transparency around inputs to the valuation would be classified within Level 2 or Level 3 of the valuation hierarchy. The Trust declines to disclose information for these investments not classified within Level 1.

The following table sets forth additional disclosure of the Trust's investments whose fair value is estimated using NAV per share (or its equivalent) as of April 30, 2016 and 2015:

	April 30, 2016				
Investment	Fair Value	Unfunded Commitment	April 30, 2015 Fair Value	Redemption Frequency	Redemption Notice Period
Investments:					
International equity fund (A)	$ 16,977,499	$ -	$ 17,708,319	Daily	30 days
Private equity limited partnerships (B)	16,405,508	22,433,000	16,462,229	None	N/A – see (B)
Venture capital and emerging market limited partnership (C)	35,994,730	-	43,866,505	Monthly	30 days

(A) The fund invests in international equities that are all exchange traded in other countries outside of the United States of America (USA). This fund can be redeemed immediately at the current NAV per share based on the fair value of the underlying assets. The fair value of this investment has been estimated using the NAV per share of the investment provided by the fund manager.

(B) The partnerships in this category consist of both funds that invest in the following types of investments in the USA and also outside of the USA: venture capital partnerships, buyout partnerships, mezzanine/subordinated debt partnerships, restructuring/distressed debt partnerships and special situation partnerships. These investments cannot be redeemed during the life of the partnership which can be up to 12 years; however they can be transferred to another eligible investor. Distributions will be received as the underlying investments of the funds are liquidated over time. The fair value of this investment has been estimated using the NAV per share of the investment provided by the fund manager. Management and the Trust's Investment Committee of the Board of Trustees has reviewed financial information of these partnerships and believes that the NAV reported is a reasonable estimate of the fair value of these investments, however since there is not an active market for these investments, if the Trust required immediate sale of these investments, opportunities for transfers could require a discount which could range between none and 20 percent. The Trust does not have plans for sale of these investments at this time.

(C) The partnership in this category consists of closed-end funds and investment trusts that invest in equity securities of companies in one or more emerging market countries. From time to time, as a result certain closed-end funds having distributed portions of their portfolio investments, the partnership may hold direct investments in individual companies primarily operating in emerging market countries. This partnership can be redeemed monthly if the withdrawal request is no later than the first business day of the month containing the desired withdrawal date. The fair value of the partnership has been estimated by using the NAV per share of the investment provided by the fund manager.

Note 7. Investment Funds

Under the definition of endowment funds in current accounting guidance, all of the Trust's investments are considered an endowment fund. The Trust's investment funds are considered unrestricted as they are fully expendable by the Trust Board of Trustees subject to various tax and legal limitations.

Interpretation of relevant law: The Board of Trustees has interpreted that the Trust is not subject to the State of Iowa's Uniform Prudent Management of Institutional Funds Act since the Trust's by-laws provide for the full ability of the Board to spend investment funds subject to tax and legal limitations. The Trust has no temporarily or permanently restricted net assets.

Investment policy: The Trust invests based on the goals to preserve capital, strive for consistent, positive returns and preserve the purchasing power by striving for long-term returns in excess of the inflation rate. The Trust utilizes a long term investment horizon with a high standard of quality. The Trust's strategy includes an asset mix of 9 percent - 28 percent in domestic fixed income, 24 percent - 56 percent in domestic equity, 18 percent - 42 percent in international equity and 6 percent - 14 percent in other type investments with further breakdowns within those broad categories.

Policy for appropriation of assets for expenditure: The Trust's spending policy is based on the Last Will and Testament that established the Trust which requires distribution of all cash basis income and is also based on necessary expenditures required by federal excise tax laws governing private foundations. The Board also approves expenditures for administration of the Trust.

Changes in net assets for the years ended April 30, 2016 and 2015:

	Total Unrestricted
Net assets, April 30, 2014	$ 297,351,644
Investment return:	
Investment income	5,336,013
Net appreciation (realized and unrealized)	21,852,855
Total investment return	27,188,868
Appropriation of assets for expenditures	(16,330,310)
Net assets, April 30, 2015	308,210,202
Investment return:	
Investment income	5,485,438
Net (depreciation) (realized and unrealized)	(11,277,413)
Total investment (loss)	(5,791,975)
Appropriation of assets for expenditures	(10,177,573)
Net assets, April 30, 2016	$ 292,240,654

Roy J. Carver Charitable Trust

Book to GAAP Basis Conversion
April 30, 2016

	April 30, 2016 Book Balance	Item	Adjustments	April 30, 2016 Balance Accrual Basis
Statement of Financial Position				
Assets				
Investments, including cash and money market funds	$236,515,112	(1, 4)	$ 58,344,946	$ 294,860,058
Accrued investment income	8,816	(1, 3)	502,487	511,303
Property and equipment, net of accumulated depreciation	1,696,654	(5)	(67,127)	1,629,527
Total assets	$ 238,220,582		$ 58,780,306	$ 297,000,888
Liabilities and Net Assets				
Liabilities:				
Grant obligations payable	$ -	(1, 7)	$ 3,501,916	$ 3,501,916
Other accrued expenses	-	(1, 2)	79,818	79,818
Excise taxes payable and deferred	-	(1, 6)	1,178,500	1,178,500
Total liabilities	-		4,760,234	4,760,234
Net assets, unrestricted	238,220,582		54,020,072	292,240,654
Total liabilities and net assets	$ 238,220,582		$ 58,780,306	$ 297,000,888

See page 15 for description of adjustments.

Roy J. Carver Charitable Trust

Book to GAAP Basis Conversion
Year Ended April 30, 2016

	April 30, 2016 Book Balance	Item	Adjustments	April 30, 2016 Balance Accrual Basis
Statement of Activities				
Unrestricted revenue:				
Interest	$ 1,995,010	(1, 3)	$ 89,461	$ 2,084,471
Dividends	3,386,486	(1, 3)	14,481	3,400,967
Net gains (losses) on investments, net of investment fees	13,010,371	(2, 4)	(24,287,784)	(11,277,413)
Total unrestricted revenue (loss)	18,391,867		(24,183,842)	(5,791,975)
Unrestricted expenses:				
Grants approved	15,063,523	(7)	(5,985,472)	9,078,051
Trustee fees	152,400		-	152,400
Salaries and payroll taxes	846,052		-	846,052
Professional fees	109,826		-	109,826
Provision for federal excise taxes	176,215	(6)	(465,900)	(289,685)
Depreciation	-	(5)	73,807	73,807
Building repair and maintenance	71,594		-	71,594
Travel	2,735		-	2,735
Office	33,482		-	33,482
Insurance	11,942		-	11,942
Telephone	6,077		-	6,077
Miscellaneous	54,894	(3)	26,398	81,292
Total unrestricted expenses	16,528,740		(6,351,167)	10,177,573
Increase (decrease) in unrestricted net assets	1,863,127		(17,832,675)	(15,969,548)
Unrestricted net assets:				
Beginning	236,357,455		71,852,747	308,210,202
Ending	$ 238,220,582		$ 54,020,072	$ 292,240,654

See page 15 for description of adjustments.

Book to GAAP Basis Conversion
Year Ended April 30, 2016

Description of Adjustments

(1) To record the effect of prior year accruals on current year revenue and expenses.

(2) To record accrued liabilities at year-end.

(3) To accrue interest and dividends on investments.

(4) To record the change in unrealized gains (losses) on investments.

(5) To recognize property and equipment additions and depreciation expense.

(6) To record federal excise taxes receivable/payable and related tax expense and to adjust deferred federal excise taxes.

(7) To adjust grant obligations and expenses for grants approved.

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