

EL VIENTO FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

WITH INDEPENDENT AUDITORS' REPORT

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JUNE 30, 2015**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
El Viento Foundation
Huntington Beach, California

We have audited the accompanying financial statements of El Viento Foundation (a nonprofit organization) (the "Foundation"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Viento Foundation as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

White Nelson Dick Evans LLP

Irvine, California
November 19, 2015

EL VIENTO FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Current Assets:				
Cash and cash equivalents	\$ 326,240	\$ 35,000	\$ -	\$ 361,240
Investments	49,999	-	-	49,999
Other current assets	969	-	-	969
Total Current Assets	<u>377,208</u>	<u>35,000</u>	<u>-</u>	<u>412,208</u>
Fixed Assets:				
Equipment, furniture and equipment, at cost	1,317	-	-	1,317
Less: accumulated depreciation	<u>(1,317)</u>	<u>-</u>	<u>-</u>	<u>(1,317)</u>
Total Fixed Assets, at Net Book Value	-	-	-	-
Other Assets:				
Cash value of life insurance	32,891	-	-	32,891
Beneficial interest in foundation endowment	264,734	500	177,106	442,340
Golden West College Foundation fund	34,867	-	-	34,867
Total Other Assets	<u>332,492</u>	<u>500</u>	<u>177,106</u>	<u>510,098</u>
Total Assets	<u>\$ 709,700</u>	<u>\$ 35,500</u>	<u>\$ 177,106</u>	<u>\$ 922,306</u>

LIABILITIES AND NET ASSETS

Current Liabilities:				
Accrued expenses	\$ 1,737	\$ -	\$ -	\$ 1,737
Accrued vacation and payroll	<u>10,104</u>	<u>-</u>	<u>-</u>	<u>10,104</u>
Total Current Liabilities	11,841	-	-	11,841
Net Assets:				
Unrestricted	697,859	-	-	697,859
Temporarily restricted	-	35,500	-	35,500
Permanently restricted	<u>-</u>	<u>-</u>	<u>177,106</u>	<u>177,106</u>
Total Net Assets	<u>697,859</u>	<u>35,500</u>	<u>177,106</u>	<u>910,465</u>
Total Liabilities and Net Assets	<u>\$ 709,700</u>	<u>\$ 35,500</u>	<u>\$ 177,106</u>	<u>\$ 922,306</u>

The accompanying notes are an integral part of the financial statements

**EL VIENTO FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Operating Revenues and Gains:				
Contributions				
Corporate, foundation, and individual giving	\$ 194,288	\$ -	\$ -	\$ 194,288
Grants	363,700	35,000	-	398,700
Fundraising	91,424	-	-	91,424
In-kind donations	163,557	-	-	163,557
Interest income	18,279	-	-	18,279
Decrease in fair value of beneficial interest in foundation endowment	<u>(7,011)</u>	<u>-</u>	<u>-</u>	<u>(7,011)</u>
Total Operating Revenues and Gains	<u>824,237</u>	<u>35,000</u>	<u>-</u>	<u>859,237</u>
Operating Expenses:				
Program Services	795,932	-	-	795,932
Supporting Services:				
General and administrative expenses	50,251	-	-	50,251
Fundraising expenses	<u>74,864</u>	<u>-</u>	<u>-</u>	<u>74,864</u>
Total Operating Expenses	<u>921,047</u>	<u>-</u>	<u>-</u>	<u>921,047</u>
Other Income	<u>69,254</u>	<u>-</u>	<u>-</u>	<u>69,254</u>
Income (Decrease) in Net Assets	(27,556)	35,000	-	7,444
Net Assets at Beginning of the Year	<u>725,415</u>	<u>500</u>	<u>177,106</u>	<u>903,021</u>
Net Assets at End of the Year	<u>\$ 697,859</u>	<u>\$ 35,500</u>	<u>\$ 177,106</u>	<u>\$ 910,465</u>

The accompanying notes are an integral part of the financial statements

**EL VIENTO FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015**

Cash Flows from Operating Activities:	
Increase in net assets	\$ 7,444
Non-cash items included in change in net assets:	
Unrealized losses on investments	7,011
Cash value of life insurance	60,033
Changes in:	
Other current assets	(969)
Accrued expenses	1,737
Accrued vacation and payroll	801
	<hr/>
Net Cash Provided by Operating Activities	76,057
Cash Flows from Investing Activities:	
Purchase of investments	(49,999)
Beneficial interest in foundation endowment funds	(12,834)
Beneficial interest in Golden West College Foundation fund	(3,121)
	<hr/>
Net Cash Used in Investing Activities	(65,954)
	<hr/>
Net Increase in Cash	10,103
Cash and Cash Equivalents, at Beginning of the Year	<hr/>
	351,137
Cash and Cash Equivalents, at End of the Year	<hr/> <hr/>
	\$ 361,240

The accompanying notes are an integral part of the financial statements

**EL VIENTO FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015**

	<u>Supporting Services</u>			<u>Totals</u>
	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	
Advertising	\$ 391	\$ 565	\$ 15,332	\$ 16,288
Bank fees	-	16,895	-	16,895
Employee benefits	16,380	360	360	17,100
In-kind rent	40,790	870	870	42,530
Insurance	57,893	6,727	6,677	71,297
Miscellaneous	4,878	2,267	749	7,894
Office supplies	40,643	690	690	42,023
Outside services	7,662	11,387	34,358	53,407
Program activities and trips	254,804	-	-	254,804
Salaries	368,206	10,490	10,490	389,186
Special events	-	-	5,338	5,338
Telephone	2,748	-	-	2,748
Training	1,537	-	-	1,537
Totals	<u>\$ 795,932</u>	<u>\$ 50,251</u>	<u>\$ 74,864</u>	<u>\$ 921,047</u>

The accompanying notes are an integral part of the financial statements

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

El Viento Foundation (the “Foundation”) is a nonprofit public benefit corporation, which was incorporated in the State of California in 2000, for the purpose of providing children and young adults a variety of educational and recreational activities to encourage academic success. The Foundation’s program was started under the auspices of the Golden West College Foundation in 1997, and incorporated into its existing status as an independent 501(c)(3) in 2000.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Contributions are recognized as revenues in the year received. The net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions as prescribed for not-for profit organizations by the Financial Accounting Standards Board (“FASB”). Accordingly, the net assets of the Foundation are classified and reported as follows:

- *Unrestricted net assets* - consist of resources that have not been restricted by the donor and represent contributions raised through various fund-raising efforts and donated products and merchandise.
- *Temporarily restricted net assets* - consist of resources that were received with donor stipulations that limit use and represent contributions given specifically by the donor.
- *Permanently restricted net assets* - consist of donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of such assets permit the Foundation to use all or part of the income earned on the assets.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include petty cash funds, bank checking accounts used for operating purposes, and investments with maturities of three months or less from the original purchase date.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Support and Revenue

The Foundation receives grants and contributions from corporations, foundations, and individuals. The grants are recognized on an accrual basis, based on funding provided through the term of the individual contracts, as specified by the grantor or donor.

Donated Services and Materials

A substantial number of volunteers have donated significant amounts of time in the operation of the Foundation. Consulting, professional fundraising, and information technology services meet the criteria of FASB Accounting Standards Codification (“ASC”) 958-605, “*Accounting for Contributions Received*”, and have been recognized in the accompanying statement of activities as revenue and a corresponding expense. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation that do not meet the requirements to be recognized for financial statement purposes. Donated materials and assets are recorded at fair market value at the date of the gift.

Fixed Assets

Fixed assets are stated at cost if purchased or fair value if donated, less accumulated depreciation. Depreciation is computed using straight-line over the estimated useful lives of the assets. At June 30, 2015, there was no depreciation expense as fixed assets were fully depreciated.

Income Taxes

The Foundation is recognized as a tax-exempt Foundation under Section 501(c)(3) of the Internal Revenue Code and the corresponding state code. Accordingly, there is no provision for income taxes in the accompanying financial statements. In addition, the Foundation has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi).

The Foundation adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, “*Accounting for Uncertainty in Income Taxes*” (“FIN 48”). In accordance with ASC 740-10, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of ASC 740-10 had no impact on the Foundation’s financial statements. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits or any related interest or penalties.

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

The Foundation's 2012 to 2014 tax returns are open to review for federal income tax purposes and the 2011 to 2014 tax returns are open to review for state income tax purposes.

Advertising Costs

Advertising costs are charged to program and supporting services when incurred. Advertising costs charged to these services for the year ended June 30, 2015, totaled \$16,288.

Use of Estimates

The preparation of financial statements in accordance 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, liabilities, revenues and gains, and expenses and losses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Actual results may differ from estimated amounts.

Investments

The Foundation records equity securities with readily determinable fair values, and all investments in debt securities, in accordance with FASB ASC 958-320 and subsections (formerly SFAS No. 124, "*Accounting for Certain Investments Held by Not-for-Profit Foundations*" ["SFAS 124"]). This standard requires these types of investments to be reported at fair value, with gains and losses included in the statement of activities.

Investment Valuation and Income Recognition

The Foundation's investments are stated at fair value at June 30, 2015, and quoted market prices are used when applicable. Shares of mutual funds are valued at the net asset value of shares held by the Foundation at year end.

Purchases and sales of investments are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Capital gains and/or losses are reported the day after the trade date.

Net realized and unrealized activities increases and decreases are recorded net in the accompanying statement of activities in the increase in fair value of beneficial interest in foundation endowment. Brokerage fees are added to the acquisition costs of assets purchased and subtracted from the proceeds of assets sold.

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2: Concentrations, Risks, and Uncertainties

The Foundation maintains cash balances at a financial institution. At June 30, 2015, accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2015, the Foundation had no balances in excess of federally insured limits.

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash deposits at a brokerage firm. Balances are insured up to \$500,000, with a limit of \$100,000 for cash, by the Securities Investor Protection Corporation (SPIC). At June 30, 2015, the Foundation had no balances in excess of SPIC insured limits.

The Foundation's endowment fund investments maintained by the foundation mentioned in Note 5 are not insured. The uninsured balance was \$442,340 as of June 30, 2015.

Note 3: Cash Value of Life Insurance

The cash value of life insurance as shown on the statement of financial position represents the approximate cash redemption value of a universal life insurance policy on the life of one former board member. The Foundation is listed as the owner and beneficiary of the policy and if kept in force (i.e. premiums paid), the Foundation will ultimately receive the face amount of the policy. For the year ended June 30, 2015, the cash surrender value decreased by \$60,033, of which \$60,000 was used to cover the premium costs for the year.

Note 4: Donated Services, Donated Goods, and Facilities

The estimated fair market value of donated services and facilities included in the financial statements for the year ended June 30, 2015, is as follows:

Support:	
Donated rent	\$ 42,530
Donated services	92,800
Donated supplies	<u>28,227</u>
Total	<u>\$ 163,557</u>
Expenses:	
General & administrative	\$ 870
Fundraising	870
Program	<u>161,817</u>
Total	<u>\$ 163,557</u>

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 5: Endowment Funds

The Foundation's endowment funds are made up of two funds established for a variety of purposes. Its endowment includes both donor-restricted funds and unrestricted investment funds designated by the Board of Directors to be included in the endowment fund. As required by accounting principles generally accepted in the United States of America ("U.S. GAAP"), net assets associated with endowment funds, including unrestricted investment funds designated by the Board of Directors to be included in the endowment funds, are classified and reported based on existence or absence of donor-imposed restrictions.

Through December 31, 2007, the Foundation's management and investment of donor-restricted endowment funds were subject to the provision of the Uniform Management of Institutional Funds Act ("UMIFA"). In 2006, the Uniform Law Commission approved the model act, the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") which serves as a guideline for states to use in enacting legislation. Among UPMIFA's most significant changes is the elimination of UMIFA's important concept of historic dollar value threshold, the amount below which a Foundation could not spend from the donor-restricted endowment fund in favor of a more robust set of guidelines about what constitutes prudent spending.

In 2008, the State of California enacted UPMIFA, the provisions of which apply to endowment funds existing on or established after that date. Based on its interpretation of the provisions of UPMIFA, the Foundation is required to act prudently when making decisions to spend or accumulate donor-restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor-restricted endowment funds. As a result of this interpretation, the Foundation classifies as permanently restricted net assets, the original value of gifts with donor-imposed restrictions, that such funds be retained as a permanent endowment.

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 UPMIFA.

The Foundation was named as a beneficiary of the El Viento Endowment Fund, established in August 2001. The Foundation's investments are governed by a written investment policy of the Orange County Community Foundation (the "OCCF"), the principal objective of which is to make investments in a thoughtful and prudent manner so as to preserve and enhance the Foundation's ability to provide for the benefits of students. The El Viento Board of Directors has outsourced the management of the El Viento Endowment Fund to the OCCF. The Finance Committee of the El Viento Board of Directors approves the investment policy of the OCCF, and reviews the quarterly statements provided by the OCCF.

**EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 5: Endowment Funds (Continued)

The oversight of the investment portfolio is the responsibility of the OCCF Investment Committee whose members are appointed by and serve the OCCF Board of Directors, and which shall administer the investment portfolio in compliance with all written policies approved by the OCCF Board. Annual distributions are subject to the policies of the OCCF, which limit them to a maximum of five percent of the rolling average of the total account balance over the prior 12 months.

Accordingly, the Foundation records an asset entitled "Beneficial Interest in Foundation Endowment" equivalent to the present value of the expected future cash flows from the endowment.

The OCCF Investment Committee has contracted with an independent trust foundation for the purpose of managing the investment and reinvestment of fund assets in a manner consistent with the overall investment policy as approved by the OCCF Board.

The Foundation's investment objectives are determined by the OCCF to:

- Preserve the investment portfolio's corpus over the long-term.
- Ensure the investment portfolio's long-term ability to distribute income.
- Ensure that restricted donations are protected so that they are available for the target use.

In achieving the objectives, the Foundation's primary investment mission is to preserve principal and purchasing power in real dollar terms over time while supporting current income requirements.

The following is the endowment net asset composition by type of fund as of June 30, 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 177,106	\$ 177,106
Board-Designated Endowment Funds	<u>264,734</u>	<u>500</u>	<u>-</u>	<u>265,234</u>
Total Funds	<u>\$ 264,734</u>	<u>\$ 500</u>	<u>\$ 177,106</u>	<u>\$ 442,340</u>

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 5: Endowment Funds (Continued)

The following are the changes in the endowment net assets for the year ended June 30, 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 258,911	\$ 500	\$ 177,106	\$ 436,517
Contributions	10,719	-	-	10,719
Investment Return:				
Investment Income	8,170	-	-	8,170
Unrealized Loss	<u>(7,011)</u>	<u>-</u>	<u>-</u>	<u>(7,011)</u>
Total Investment Return	<u>1,159</u>	<u>-</u>	<u>-</u>	<u>1,159</u>
Amount Appropriated For Expenditure	<u>(6,055)</u>	<u>-</u>	<u>-</u>	<u>(6,055)</u>
Endowment Net Assets, End of Year	<u>\$ 264,734</u>	<u>\$ 500</u>	<u>\$ 177,106</u>	<u>\$ 442,340</u>

Note 6: Temporarily Restricted Support

The Foundation received unrestricted core support funding of \$35,000 during the period ending June 30, 2015 from two grant making foundations. These grant proceeds were recorded into revenue for the fiscal year ended June 30, 2015 resulting in a surplus of funding as of that date. The related program expenditures for these grant proceeds will be incurred during the year ending June 30, 2016.

Note 7: Fair Value Measurements

The Foundation adopted FASB ASC 820, "*Fair Value Measurements and Disclosures*". FASB ASC 820-10 defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurement.

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 7: Fair Value Measurements (Continued)

FASB ASC 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs in the valuation of an asset as of the measurement date. The three levels are defined as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Foundation's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

A description of the valuation methodologies used for assets measured at fair value is disclosed in Note 1. There have been no changes in the methodologies used during the year ended June 30, 2015.

The methods described in Note 1 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

At June 30, 2015, assets measured at fair value on a recurring basis included alternative investments comprised of hedge funds, private equities, interests in closely-held entities, and real estate funds totaling \$442,340. Fair value was determined using an estimated net asset value (NAV) per share.

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 7: Fair Value Measurements (Continued)

The fair value of the hedge funds, private equities and real estate funds is based on the net asset value of the fund and the Foundation's shares/ownership interest in the respective fund. Net asset values are evaluated by OCCF to determine if the values of these investments should be adjusted. Factors considered may include, but are not limited to, estimates of liquidation value, prices of recent transactions in the same or similar funds, current performance, future expectations of the particular investment and changes in market outlook and the financing environment. The fair value of interests in closely-held entities is based on appraisals and OCCF's review and assessment of current financial statements. Valuations of alternative investments are reviewed at least twice a year using a variety of qualitative factors to subjectively determine the most appropriate valuation methodologies. The estimated fair values may differ from the values that would have been used had a ready market for these securities existed.

The following is a reconciliation of activity for the year ended June 30, 2015, for assets measured at fair value based on significant unobservable (non-market) information:

Balance, Beginning of Year	\$ 436,517
Contributions	10,719
Interest Income	8,170
Net Unrealized Loss Included in Earnings	(7,011)
Purchases, Issuances, and Settlements	<u>(6,055)</u>
Balance, End of Year	<u>\$ 442,340</u>

Net unrealized losses of \$7,011 included in earnings are reported in the statement of activities as a component of decrease in fair value of beneficial interest in foundation endowment.

Note 8: Net Asset Value (NAV) per Share

The following table for June 30, 2015, sets forth a summary of the Foundation's investments whose fair value is estimated using NAV (or its equivalent):

	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
Alternative Investments:				
Hedge Funds (a)	None	Quarterly	None	35-65 Days
Private Equities (b)	None	N/A	None	N/A

EL VIENTO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8: Net Asset Value (NAV) per Share (Continued)

- (a) Hedge Funds - This class includes investments in hedge funds. Approximately 93 percent of the class is invested in two separate funds that can invest in U.S. and non U.S. equities, fixed income securities, currencies, commodities, or other investment strategies OCCF deems appropriate under prevailing economic and market conditions. The balance of the class includes direct investments or investments in funds comprised primarily of U.S. equities. Management of these funds is able to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position as deemed appropriate.

The fair values of the investments in this class have been estimated using the net asset value per share of the investments. Sixty percent of the class is redeemable on the last business day of each calendar, with 65 days' notice at the current net asset value. Thirty-three percent of the class is redeemable on the last business day of each calendar quarter with 95 days' notice at the current net asset value. Four percent of the value of this class is redeemable quarterly with at least 35 days' notice at the current net asset value. Three percent of the value of this class is redeemable at the general partner's discretion.

- (b) Private Equities - This class includes investments in private equity funds that invest primarily in the following industry sectors: Buyout, Venture Capital, Special Situation, International and Real Estate. Investments are made through private equity limited partnerships. The fair values of the investments in this class have been estimated using the net asset value of OCCF's ownership interest in partners' capital. Assets are purchased and sold within the limited partnership as deemed beneficial to the partnership. Current distributions are utilized to offset capital calls, if any, and the balance is distributed to the limited partners. There are no early withdrawals. It is estimated that the underlying assets of the funds will be liquidated over the next 3 to 7 years.

Note 9: Subsequent Events

Events occurring after June 30, 2015, have been evaluated for possible adjustment to the financial statements or disclosure as of November 19, 2015, which is the date the financial statements were available to be issued.