

TURKISH PHILANTHROPY FUNDS, INC.

FINANCIAL STATEMENTS

For the Years Ended June 30, 2015 and 2014

And

Independent Auditor's Report



TURKISH PHILANTHROPY FUNDS, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Turkish Philanthropy Funds, Inc.
216 East 45th Street, 7th Floor
New York, NY 10017

We have audited the accompanying financial statements of Turkish Philanthropy Funds, Inc., which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, 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 of 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Turkish Philanthropy Funds, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Valles Vendiola LLP

Elmhurst, New York

September 14, 2015

TURKISH PHILANTHROPY FUNDS, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2015 AND 2014

	2015	2014
<u>ASSETS</u>		
Assets		
Cash and cash equivalents	\$ 949,000	\$ 1,258,009
Investments, at fair values	4,688,472	4,993,882
Other receivables and prepayments	6,331	88
Property and equipment, net	3,235	3,737
TOTAL ASSETS	\$ 5,647,038	\$ 6,255,716
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 8,743	\$ 40,965
Total liabilities	8,743	40,965
Net Assets		
Unrestricted	3,329,655	3,421,187
Temporarily restricted	252,295	737,319
Permanently restricted	2,056,345	2,056,245
Total net assets	5,638,295	6,214,751
TOTAL LIABILITIES AND NET ASSETS	\$ 5,647,038	\$ 6,255,716

See accompanying notes to financial statements.

TURKISH PHILANTHROPY FUNDS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(With summarized information for the year ended June 30, 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
Revenues and support					
Contributions	\$ 826,883	\$ 15,348	\$ 100	\$ 842,331	\$ 1,791,056
Interest and dividend income, net	38,146	3,634	-	41,780	162,708
Fees and miscellaneous	37,246	-	-	37,246	22,382
Unrealized and realized gains (losses) on investments:					
Realized gains (losses), net	43,237	112,952	-	156,189	137,804
Unrealized gains (losses), net	(71,124)	(129,291)	-	(200,415)	274,353
Release from restrictions	487,667	(487,667)	-	-	-
Total revenue and support	<u>1,362,055</u>	<u>(485,024)</u>	<u>100</u>	<u>877,131</u>	<u>2,388,303</u>
Expenses					
Program services	1,110,482	-	-	1,110,482	1,069,017
Management and general	311,064	-	-	311,064	218,773
Fundraising	32,041	-	-	32,041	17,550
Total expenses	<u>1,453,587</u>	<u>-</u>	<u>-</u>	<u>1,453,587</u>	<u>1,305,340</u>
Change in net assets	(91,532)	(485,024)	100	(576,456)	1,082,963
Net assets at beginning of year	<u>3,421,187</u>	<u>737,319</u>	<u>2,056,245</u>	<u>6,214,751</u>	<u>5,131,788</u>
Net assets at end of year	<u>\$ 3,329,655</u>	<u>\$ 252,295</u>	<u>\$ 2,056,345</u>	<u>\$ 5,638,295</u>	<u>\$ 6,214,751</u>

See accompanying notes to financial statements.

TURKISH PHILANTHROPY FUNDS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014
Revenues and support				
Contributions	\$ 1,428,503	\$ 362,303	\$ 250	\$ 1,791,056
Interest and dividend income	155,570	7,138	-	162,708
Fees and miscellaneous	22,382	-	-	22,382
Unrealized and realized gains (losses) on investments:				
Realized losses, net	94,392	43,412	-	137,804
Unrealized gains, net	12,287	262,066	-	274,353
Release from restrictions	617,628	(617,628)	-	-
Total revenues and support	<u>2,330,762</u>	<u>57,291</u>	<u>250</u>	<u>2,388,303</u>
Expenses				
Program services	1,069,017	-	-	1,069,017
Management and general	218,773	-	-	218,773
Fundraising	17,550	-	-	17,550
Total expenses	<u>1,305,340</u>	<u>-</u>	<u>-</u>	<u>1,305,340</u>
Change in net assets	1,025,422	57,291	250	1,082,963
Net assets at beginning of year	<u>2,395,765</u>	<u>680,028</u>	<u>2,055,995</u>	<u>5,131,788</u>
Net assets at end of year	<u>\$ 3,421,187</u>	<u>\$ 737,319</u>	<u>\$ 2,056,245</u>	<u>\$ 6,214,751</u>

See accompanying notes to financial statements.

TURKISH PHILANTHROPY FUNDS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2015
(With summarized information for the year ended June 30, 2014)

	2015				2014
	Program Services	Management and General	Fundraising	Total	Total
Donor advised fund grants	\$ 337,034	\$ -	\$ -	\$ 337,034	\$ 767,464
Competitive grants	641,930	-	-	641,930	133,322
Scholarship grants	-	-	-	-	58,778
Salaries and employee benefits	121,146	146,904	28,431	296,481	165,195
Professional fees	-	61,857	-	61,857	17,795
Rent	-	40,900	-	40,900	37,200
Events and meetings	1,420	2,283	-	3,703	4,012
Travel	2,541	5,144	28	7,713	3,462
Insurance	-	-	-	-	1,964
Office expenses	-	20,734	310	21,044	8,990
Depreciation	-	1,801	-	1,801	1,110
Marketing	-	28,108	3,272	31,380	21,552
Real estate related expenses	-	-	-	-	52,749
Taxes and filing fees	-	1,517	-	1,517	18,086
Miscellaneous	6,411	1,816	-	8,227	13,661
TOTAL	\$ 1,110,482	\$ 311,064	\$ 32,041	\$ 1,453,587	\$ 1,305,340

See accompanying notes to financial statements.

TURKISH PHILANTHROPY FUNDS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ (576,456)	\$ 1,082,963
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contributions restricted for endowments	(100)	(250)
Net unrealized and realized (gains) losses on investments	44,226	(412,157)
Depreciation	1,801	1,110
Changes in assets and liabilities:		
Other receivables and prepayments	(6,243)	29,287
Accounts payable and accrued expenses	(32,222)	16,935
Net cash provided by (used in) operating activities	(568,994)	717,888
Cash flows from investing activities		
Proceeds from sale of investments	4,063,466	1,869,843
Purchase of investments	(3,802,282)	(4,275,303)
Proceeds from sale of real estate property	-	750,000
Purchase of property and equipment	(1,299)	(4,847)
Net cash provided by (used in) investing activities	259,885	(1,660,307)
Cash flows from financing activities		
Contributions restricted for endowments	100	250
Net cash provided by financing activities	100	250
Net change in cash and cash equivalents	(309,009)	(942,169)
Cash and cash equivalents at beginning of year	1,258,009	2,200,178
Cash and cash equivalents at end of year	\$ 949,000	\$ 1,258,009
Supplementary cash flow information		
Taxes paid	\$ 17,959	\$ -

See accompanying notes to financial statements.

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

1. NATURE OF ORGANIZATION

Turkish Philanthropy Funds, Inc. (“TPF”) is a not-for-profit charitable organization incorporated on February 1, 2007 in the State of Delaware. TPF was established for the purpose of enabling individuals, corporations, trusts and other entities, to make charitable contributions for the philanthropic support of programs and/or organizations in Turkey and in the United States of America.

TPF administers individual charitable funds, each established with an instrument of gift describing either the general or specific purposes for which grants are to be made.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (“GAAP”). The Financial Accounting Standards Board (“FASB”) has established the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with GAAP. The TPF’s net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions or time-related restrictions. Accordingly, net assets of TPF and changes therein are classified and reported as follows:

Unrestricted net assets – Net asset that are not subject to donor-imposed stipulation or time related restrictions for which restrictions have expired. Donor advised funds comprised 37% and 50% of unrestricted net assets at June 30, 2015 and 2014, respectively.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulation that may or will be met either by actions of TPF and/or by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulation that they be maintained permanently by TPF. Generally, donors of these assets permit TPF to use all or part of the earnings on related investments for the donor restricted purpose.

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014
(continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions with temporary restrictions that are received and used within the year are included in unrestricted activities. When a 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 accompanying statement of activities as net assets released from restrictions.

Contributions received in kind are valued at fair market value at the time of donation.

Grants

Grants to charitable organizations are expensed with approval of the Board of Directors of TPF.

Donor Advised Funds

Individuals may establish donor advised funds, whereby each fund and its related earnings can be distributed to charities recommended by the donor, subject to the approval of TPF's Board of Directors. Donor advised funds are included in unrestricted net assets and amounted to approximately \$1,228,521 and \$1,699,072 at June 30, 2015 and 2014, respectively.

Cash and Cash Equivalents

TPF considers all highly liquid instruments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair values. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Purchases and sales of investments are recorded on a trade date basis.

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014
(continued)

Fair Value Measurement

FASB ASC 820 – *Fair Value Measurements and Disclosures*, establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. It also establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values by requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs for the asset or liability.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Cost of property and equipment purchased in excess of \$1,000 is capitalized.

Depreciation is provided in amounts sufficient to amortize the cost of property and equipment over the estimated useful lives of the assets. Property and equipment are depreciated using the straight-line method as follows:

Computer Hardware	24 months
Office Equipment	60 months

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated between the programs and supporting services.

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014
(continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

TPF is recognized as an organization exempt from income tax under Section 501(c) (3) of the Internal Revenue Code. However, certain activities of exempt organizations, to the extent profitable, may be subject to Federal and State taxation as unrelated business income. The unrelated business income tax for the fiscal year ended June 30, 2015 and 2014 amounted to \$0 and \$17,786, respectively, as shown in the statement of functional expenses as part of taxes and filing fees under management and general.

FASB issued a guidance clarifying the accounting for uncertain income tax positions, which could require additional disclosure. Management believes there are no material uncertain tax positions that require recognition in the accompanying financial statements. Income tax returns for the tax year 2012 and afterwards are still subject to examination by taxing authorities.

3. INVESTMENTS

Investments are comprised of the following as of June 30:

	<u>2015</u>	<u>2014</u>
Equity funds	\$ 2,373,765	\$ 1,803,118
Fixed income	33,596	-
Government securities	58,911	-
Mutual funds and others	1,718,055	-
Partnership interests	504,145	471,164
Investment in long-term pool	-	2,719,600
	<u>\$ 4,688,472</u>	<u>\$ 4,993,882</u>

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014
(continued)

TPF has classified investments measured at fair value on a recurring basis at June 30, 2015 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity funds	\$ 2,373,765	\$ -	\$ -	\$ 2,373,765
Fixed income	33,596	-	-	33,596
Government securities	58,911	-	-	58,911
Mutual funds and others	1,718,055	-	-	1,718,055
Partnership interests	-	-	504,145	504,145
	<u>\$ 4,184,327</u>	<u>\$ -</u>	<u>\$ 504,145</u>	<u>\$ 4,688,472</u>

TPF has classified investments measured at fair value on a recurring basis at June 30, 2014 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity funds	\$ 1,803,118	\$ -	\$ -	\$ 1,803,118
Investment in long-term pool	-	-	2,719,600	2,719,600
Partnership interests	-	-	471,164	471,164
	<u>\$ 1,803,118</u>	<u>\$ -</u>	<u>\$ 3,190,764</u>	<u>\$ 4,993,882</u>

The table below presents the change in fair value measurement that used Level 3 inputs during the fiscal year ended June 30, 2015:

	<u>Partnership Interests</u>	<u>Investment in Long-term Pool</u>	<u>Total</u>
Balance at July 1, 2014	\$ 471,164	\$ 2,719,600	\$ 3,190,764
Purchases and contributions	-	-	-
Investment income	-	5,375	5,375
Withdrawals and distributions	-	(2,758,478)	(2,758,478)
Realized gains (losses)	-	33,503	33,503
Unrealized gains (losses)	32,981	-	32,981
Balance at June 30, 2015	<u>\$ 504,145</u>	<u>\$ -</u>	<u>\$ 504,145</u>

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014
(continued)

The table below presents the change in fair value measurement that used Level 3 inputs during the fiscal year ended June 30, 2014:

	Partnership Interests	Investment in Long-term Pool	Total
Balance at July 1, 2013	\$ -	\$ -	\$ -
Purchases and contributions	500,003	2,500,000	3,000,003
Investment income	82,233	8,108	90,341
Withdrawals and distributions	(40,130)	-	(40,130)
Realized gains (losses)	-	49,314	49,314
Unrealized gains (losses)	(70,942)	162,178	91,236
Balance at June 30, 2014	<u>\$ 471,164</u>	<u>\$ 2,719,600</u>	<u>\$ 3,190,764</u>

Partnership Interests – This category pertains to Class A and Class B units of Airvana LP owned by Airvana Network Solutions, Inc. which were donated to TPF on August 29, 2013. The fair market value of the contribution as of June 30, 2015 and 2014 are based on the Appraisal Reports submitted by Bay Valuation Advisers as of December 9, 2014 and Houlihan Lokey Financial Advisors, Inc. as of August 29, 2013, respectively. No appraisal reports are available as of June 30, 2015 and 2014.

Investment in Long Term Pool – The fair value of investment in long term pool as of June 30, 2014 was provided by Arizona Community Foundation (ACF). TPF participated in the long term pool of ACF on August 20, 2013. ACF utilizes benchmarks and indices to examine the total return of the market over a specified period of time and also serve as a performance standard for investment managers. ACF has included the performance of the Long Term Pool versus broadly recognized and utilized market indices as well as benchmarks which track both the target and actual underlying asset allocation of the portfolio. Income, investment gains or losses, and fees are allocated on a monthly basis. On April 1, 2015, TPF closed the account.

4. **PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of June 30:

	2015	2014
Computer equipment	\$ 6,146	\$ 4,847
Less: Accumulated depreciation	(2,911)	(1,110)
Net book value	<u>\$ 3,235</u>	<u>\$ 3,737</u>

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014
(continued)

5. ENDOWMENT FUNDS

TPF's endowment funds are coming from 23 individual donors. The endowment funds include only donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors abides by the rule of New York Prudent Management of Institutional Fund Act ("NYPMIFA") in the valuation of endowment when there is an absent explicit donor stipulations to the contrary, fiduciary standards require the preservation of the "historic dollar value" of donor-restricted endowment funds. Historic dollar value as to any donor-restricted endowment fund means the aggregate fair value of: (a) the original value of gifts donated to such fund; (b) the original value of subsequent gifts to such fund; and (c) accumulations to such fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accordingly, TPF classifies the historic dollar value of a donor-restricted endowment fund as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted until those amounts are appropriated for expenditure by TPF.

In accordance with the NYPMIFA, TPF considers the following factors in making determination to appropriate or accumulate donor-restricted endowments funds:

- The duration and preservation of the funds
- The purposes of TPF and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of TPF
- The need to make distributions and preserve capital
- The investment policies of TPF

Spending Policy and How the Investment Objectives Relate to Spending Policy

The annual spending for grants shall be seven percent of a balance which is calculated by averaging the previous twelve quarters of a fund. This calculation will be done once a year, at the end of the fiscal year, and the resulting amount will be the grant amount for the next year. The spending policy may be modified by TPF at its sole discretion and will be communicated to the donor annually.

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014
(continued)

Endowment Investment Policy

TPF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that TPF must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that over time will average the level of the approved TPF endowment spending rate plus inflation. Actual results in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, TPF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). TPF employs a strategy designed to achieve a real return over consecutive rolling five-year periods of 7% over inflation with significant diversification to reduce volatility. TPF has adopted this strategy in order to protect the inviolate nature of the original corpus of permanently restricted gifts against potential market declines in the future and to provide a predictable flow of funds to support operations. This is consistent with TPF's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified period as well as to provide additional real growth through new gifts and investment return.

The following table presents changes in endowment net assets for the year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance as of June 30, 2013	\$ -	\$ -	\$ 2,055,995	\$ 2,055,995
Investment income	-	312,616	-	312,616
Contributions	144,546	-	250	144,796
Appropriation for expenditures	-	(119,299)	-	(119,299)
Balance as of June 30, 2014	144,546	193,317	2,056,245	2,394,108
Investment income	-	59,296	-	59,296
Contributions	-	-	100	100
Appropriation for expenditures	-	(134,854)	-	(134,854)
Balance as of June 30, 2015	<u>\$ 144,546</u>	<u>\$ 117,759</u>	<u>\$ 2,056,345</u>	<u>\$ 2,318,650</u>

TURKISH PHILANTHROPY FUNDS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014
(continued)

Endowment net asset composition by type of fund as of June 30, 2015 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor - restricted	\$ -	\$ 117,759	\$ 2,056,345	\$ 2,174,104
Board designated	144,546	-	-	144,546
	<u>\$ 144,546</u>	<u>\$ 117,759</u>	<u>\$ 2,056,345</u>	<u>\$ 2,318,650</u>

Endowment net asset composition by type of fund as of June 30, 2014 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor - restricted	\$ -	\$ 193,317	\$ 2,056,245	\$ 2,249,562
Board designated	144,546	-	-	144,546
	<u>\$ 144,546</u>	<u>\$ 193,317</u>	<u>\$ 2,056,245</u>	<u>\$ 2,394,108</u>

6. CONCENTRATION OF CREDIT RISK

TPF's financial instruments that are potentially exposed to concentration of credit risk consist of cash and cash equivalents, investments in equity funds, fixed income, government securities, mutual funds and others, and long term pool. The balance of cash and cash equivalents and investments in equity funds, fixed income, government securities, and mutual funds and others are fully insured by the Federal Deposit Insurance Corporation, Securities Investor Protection Corporation and Lloyd's of London. Exposure to credit risk is also reduced by the placement of such funds in high credit quality financial institution and financial instruments.

In order to control market risk, TPF has an investment committee that reviews and updates investment policy statements for TPF's various investment portfolio, oversees its investment portfolio, and engages the services of independent service adviser and consultants to perform due diligence services and ongoing valuation of investment managers. TPF monitors the market risks of its investment portfolio via ongoing review of asset allocation formulas and analysis of investment values as reported by investment custodian.

7. SUBSEQUENT EVENTS

TPF has evaluated subsequent events through September 14, 2015, which is the date the financial statements were available to be issued. Management is not aware of any events that have occurred subsequent to the statement of financial position date that would require adjustment to, or disclosure in, the accompanying financial statements.