

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
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December 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Taco Bell Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Taco Bell Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2016, the related statements of activities, functional expenses, and cash flows 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.

Auditor's 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 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 the Foundation as of December 31, 2016, 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.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing style.

July 25, 2017

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
STATEMENT OF FINANCIAL POSITION
December 31, 2016
(with Comparative Totals as of December 31, 2015)

ASSETS

	2016	2015
Current assets		
Cash	\$ 6,419,027	\$ 10,241,211
Contributions receivable	783,817	568,673
Contributions receivable - related parties	62,303	186,150
Inventory	29,393	6,573
Total current assets	7,294,540	11,002,607
Property and equipment		
Computer software	256,000	-
Less accumulated amortization	(61,828)	-
Total property and equipment	194,172	-
Total assets	\$ 7,488,712	\$ 11,002,607

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	\$ 262,466	\$ 299,800
Accounts payable - related party	80,294	2,444,456
Total current liabilities	342,760	2,744,256
Commitments (Note 4)		
Net assets		
Unrestricted	7,145,952	8,258,351
Total liabilities and net assets	\$ 7,488,712	\$ 11,002,607

The accompanying notes are an integral part of these financial statements.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016
(with Comparative Totals for the Year Ended December 31, 2015)

	2016	2015
Net revenue and support		
Fundraising activities		
Canister collections		
Canister collections	\$ 1,959,390	\$ 2,564,714
Direct expenses	568,805	586,670
Net direct support from canister collections	1,390,585	1,978,044
Other fundraisers		
Other fundraiser revenue	7,178,675	6,662,538
Direct expenses	512,249	663,711
Net direct support from other fundraisers	6,666,426	5,998,827
Total net fundraising revenue	8,057,011	7,976,871
Grants and contributions	11,979,708	7,451,799
Interest and other income	3,059	7,448
Total net revenue and support	20,039,778	15,436,118
Functional expenses		
Program services	20,255,343	13,501,169
Supporting services	896,834	869,856
Total functional expenses	21,152,177	14,371,025
Change in net assets	(1,112,399)	1,065,093
Net assets, beginning of year	8,258,351	7,193,258
Net assets, end of year	\$ 7,145,952	\$ 8,258,351

The accompanying notes are an integral part of these financial statements.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2016
(with Comparative Totals for the Year Ended December 31, 2015)

	Program Services	Supporting Services	2016 Total	2015 Total
Functional expenses				
Advertising	\$ 8,810,862	\$ -	\$ 8,810,862	\$ 2,201,187
Amortization	30,914	30,914	61,828	-
Boys and Girls Club of America - National	1,000,000	-	1,000,000	2,000,000
Canister repairs	320,987	-	320,987	178,129
District management account grant expense	4,440,600	-	4,440,600	6,166,900
Get Schooled	1,000,000	-	1,000,000	1,100,000
Miscellaneous	5,958	1,051	7,009	4,641
Office supplies	115,889	20,451	136,340	116,830
Other grant expense	1,434,449	-	1,434,449	561,108
Outside services	1,919,094	-	1,919,094	-
Payroll taxes	51,829	9,147	60,976	45,649
Professional fees	-	629,637	629,637	635,068
Registration fees	-	7,147	7,147	6,463
Rent	105,588	18,633	124,221	122,875
Salaries and benefits	918,545	162,096	1,080,641	1,095,593
Travel	100,628	17,758	118,386	136,582
Total functional expenses	\$ 20,255,343	\$ 896,834	\$ 21,152,177	\$ 14,371,025

The accompanying notes are an integral part of these financial statements.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016
(with Comparative Totals for the Year Ended December 31, 2015)

	2016	2015
Cash flows from operating activities		
Change in net assets	\$ (1,112,399)	\$ 1,065,093
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	61,828	-
(Increase) decrease in		
Contributions receivable	(215,144)	62,615
Contributions receivable - related parties	123,847	(128,393)
Inventory	(22,820)	872
Increase (decrease) in		
Accounts payable and accrued expenses	(37,334)	164,311
Accounts payable - related party	(2,364,162)	2,226,141
	(3,566,184)	3,390,639
Cash flows from investing activities		
Purchase of property and equipment	(256,000)	-
	(256,000)	-
Net change in cash	(3,822,184)	3,390,639
Cash, beginning of year	10,241,211	6,850,572
Cash, end of year	\$ 6,419,027	\$ 10,241,211

The accompanying notes are an integral part of these financial statements.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - BUSINESS ACTIVITY

Taco Bell Foundation, Inc. (the “Foundation”) is a nonprofit California corporation established in September 1992 to receive and disburse or maintain funds to be expended for community, hospital, religious, charitable or educational purposes as determined by the Board of Directors. The Foundation’s revenues are derived from donations from Taco Bell Corporation (the “Corporation”) and Taco Bell Franchisees (the “Franchisees”), fundraisers at various Taco Bell Corporation and Taco Bell Franchise locations throughout the United States, and contributions collected in canisters at various Taco Bell Corporation and Taco Bell Franchise locations throughout the United States.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements include a statement of financial position that presents the amounts for each of the three classes of net assets: unrestricted, temporarily restricted and permanently restricted. These net assets are classified based on the existence or absence of donor-imposed restrictions and a statement of activities that reflects the changes in those categories of net assets.

Temporarily restricted net assets include those assets whose use by the Foundation has been limited by donors to later periods of time or for specified purposes. Permanently restricted net assets include those net assets that must be maintained in perpetuity. There were no temporarily or permanently restricted net assets for the years ended December 31, 2016 and 2015.

If, subsequent to the period a restricted gift is made, a donor withdraws previously imposed restrictions, the related net assets are classified into the appropriate net asset category. Such reclassifications are reflected in net assets released from restrictions in the accompanying statement of activities when the restrictions are withdrawn.

Prior-Year Comparative Information

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended December 31, 2015, from which the summarized information was derived.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying value of the Foundation's cash, contributions receivable, contributions receivable - related parties, accounts payable and accrued expenses and accounts payable - related party reported in the balance sheet approximate fair value due to the short maturity of the instruments and are classified as Level 1 in the fair value hierarchy.

Contributions, Pledges and Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Conditional contributions are recorded as support in the period the condition is met. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the restriction, usually when the funds are spent.

Pledges for future contributions are recognized and recorded as receivables at their estimated realizable value in the year during which they are promised to the Foundation.

Contributions Receivable

Contributions receivable are amounts contributed prior to year end that were not submitted to the Foundation until after year end. All contributions are expected to be collected within one year.

Inventory

Inventory consists of gift cards and other rewards to be distributed to qualifying youth, for fundraising incentives to be distributed to employees at Taco Bell Corporation and Taco Bell Franchisee restaurants, and for use as raffle prizes for charity events. Certain inventory items are considered donated assets and are valued at fair market value. There were no donated assets as of December 31, 2016 and 2015.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

Donated materials and other non-cash contributions are reflected in the accompanying statements at their estimated fair market value at the date of receipt. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet the criteria are not recognized in the financial statements, as there is no objective basis of deriving their value. The Foundation received donated services from a substantial number of volunteers who donated their time to the Foundation's programs and fundraising activities.

Exchange Transactions

Exchange transactions are reciprocal transfers between two entities that result in the entities acquiring assets or services or satisfying liabilities by surrendering other assets or services or incurring other obligations. The Foundation has agreements with The Boys and Girls Club of America and the Get Schooled Foundation that are accounted for as exchange based transactions and the amounts expended on a yearly basis are based on services rendered under the respective contracts (Note 4).

Income Taxes

The Foundation has been designated as tax-exempt under Internal Revenue Code Section 501(c)(3) and is also exempt from state franchise taxes under Section 23701(d) of the California Revenue and Taxation Code and is not generally subject to federal or state income taxes. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as, in the opinion of management, the net income, if any, from any unrelated trade or business is not material to the basic financial statements taken as a whole.

The Foundation will recognize the impact of tax positions in the financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position. To date, the Foundation has not recorded any uncertain tax positions.

The Foundation recognizes potential accrued interest and penalties related to uncertain tax positions in income tax expense. During the years ended December 31, 2016 and 2015, the Foundation did not recognize any amount in potential interest and penalties associated with uncertain tax positions. The Foundation's income tax returns are subject to examination for all tax years ended on or after December 31, 2012 with regards to the positions taken and results reported.

Advertising

The Foundation expenses advertising costs as incurred. For the years ended December 31, 2016 and 2015, advertising costs amounted to \$8,810,862 and \$2,201,187, respectively.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the various classes of property, as follows:

Software	3 years
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Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the results of operations.

During the year ended December 31, 2016, the Foundation had developed and delivered internally developed software related to customer relationship management enhancements and other specific needs for the Foundation for a total cost of \$256,000. The products were launched in January 2016. The development cost was capitalized and included in the Statement of Financial Position at December 2016. The cost is to be amortized on straight-line basis over estimated useful life of 3 years. Amortization expense as for the year ended December 31, 2016, amounted to \$61,828.

Impairment of Long-Lived Assets

Impairment losses are recorded on long-lived assets and intangible assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 2016 and 2015, management believes no indicators existed that would require an impairment to be recorded.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14 which defers the effective date of ASU No. 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. The Foundation does not believe the guidance will have material impact on the financial statements.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern* (Subtopic 205-40): *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. ASU No. 2014-15 explicitly requires management to evaluate, at each annual or interim reporting period, whether there are conditions or events that exist which raise substantial doubt about an entity's ability to continue as a going concern and to provide related disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016, and annual and interim periods thereafter, with early adoption permitted. The adoption of ASU No. 2014-15 is not expected to have a material effect on the Foundation's financial statements or disclosures.

In June 2015, the FASB issued ASU No. 2015-10, *Technical Corrections and Improvements*, which clarifies the Codification, corrects unintended application of guidance, and makes minor improvements to the Codification that are not expected to have a significant effect on current accounting practice. ASU No. 2015-10 is effective for annual reporting periods beginning after December 15, 2016. Early application is permitted. The Company's management is currently evaluating the new standard.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which revises the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use ("ROU") asset for all leases. For finance leases the lessee would recognize interest expense and amortization of the ROU asset and for operating leases the lessee would recognize a straight-line total lease expense. The new lease guidance also simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. ASU No. 2016-02 is effective for annual and interim reporting periods within those years beginning after December 15, 2018 and early adoption is permitted. This update should be applied through a modified retrospective transition approach for leases existing at, or entered into after evaluating, the beginning of the earliest comparative period presented in the financial statements. Management is in the process of evaluating the impact of these rules on the Foundation's financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, which focuses on improving the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance, and cash flows. ASU No. 2016-14 is effective for fiscal years beginning after December 15, 2017 and early application is permitted. ASU No. 2016-14 should be applied on a retrospective basis in the year that it is first applied. Management is currently evaluating the impact of its pending adoption of the new standard on the financial statements.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In August 2016, the FASB issued No. ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU No. 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU No. 2016-15 is effective for annual periods, beginning after December 15, 2017. Early adoption is permitted. The new guidance requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. Management does not believe the adoption of this guidance will have a material impact on the Company's consolidated financial statements.

NOTE 3 - CONCENTRATION OF RISK

Cash

The Foundation maintains its cash balances in one financial institution that from time to time exceeds amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). Deposits held in non-interest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured up to at least \$250,000. As of December 31, 2016 and 2015, the Foundation maintained \$6,693,569 and \$9,546,399, respectively, in deposits in excess of federally insured amounts. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Customers

As of December 31, 2016, four customers represented approximately 67% of contributions receivable. As of December 31, 2015, two customers represented approximately 33% of contributions receivable.

Vendors

As of December 31, 2016, three vendors represented approximately 98% of accounts payable. As of December 31, 2015, one vendor represented approximately 89% of accounts payable.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 4 - COMMITMENTS

Boys and Girls Club of America

In May 1995, the Foundation entered into a contractual agreement with the Boys and Girls Club of America (the "BGCA") to establish the "TeenSupreme" program. This nationwide program is designed to encourage disadvantaged youths to stay off the streets and help to improve scholastic performance through educational, recreational and vocational programming, which was extended through December 31, 2018. The Foundation's total contractual sponsorship to the national BGCA was \$12,000,000, to be paid over five years. On August 8, 2016, the Foundation and Boys and Girls Club of America (the "BGCA") amended the "TeenSupreme" program contractual sponsorship agreement effective June 30, 2016. The Amendment decreased the Foundation's total contractual sponsorship to the national BGCA for the remaining years of the original contract from \$8.2 million to \$2.2 million. Scheduled payments remaining under this sponsorship are as follows:

<u>Year Ending</u>	
2017	\$ 600,000
2018	<u>300,000</u>
Total contractual sponsorship	<u>\$ 900,000</u>

Total sponsorship to the BGCA for the year ended December 31, 2016 amounted to \$5,440,600, which includes \$4,440,600 to local BGCA affiliates. Total sponsorship to the BGCA for the year ended December 31, 2015 was \$8,166,900, which includes \$6,166,900 to local BGCA affiliates.

Get Schooled Foundation

In February 2013, the Foundation entered into a contractual agreement to support the Get Schooled Foundation, which expired on December 31, 2016. This partnership is designed to fund youth programs across the country and challenge teens to make a personal pledge to graduate high school and join the Foundation's digital community of pledges at the *Graduate for Mas* website. The Foundation paid the Get Schooled Foundation for services totaling \$1,000,000 and \$1,100,000, for 2016 and 2015, respectively.

Service Agreement

The Foundation has a contract with a third party vendor for maintenance and coin collection services for the Foundation's fundraising canisters. The contract states that the vendor shall receive a flat fee of \$28 per collection visit as a service charge in addition to a fuel surcharge. As stated in the agreement, the Foundation bears responsibility for repair and replacement costs for canisters. The current contract expired on December 31, 2016, and, at such time, another third party vendor took over providing these services for the Foundation. The new contract states that the vendor shall receive a flat fee of \$28 per collection visit as a service charge in addition to a fuel surcharge. The contract is able to be terminated at any time.

TACO BELL FOUNDATION, INC.
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 5 - RELATED PARTY TRANSACTIONS AND CONTRIBUTIONS

The Foundation's canisters are located at the Corporation and Franchisee locations throughout the United States. The Corporation and Franchisees provide support by way of the use of facilities and certain services at no charge, and facilitate the collection of the contributions for the Foundation. During the normal course of business, the Foundation reimburses the Corporation for the use of administrative personnel. As of December 31, 2016 and 2015, approximately \$80,294 and \$2,444,456, respectively, was due to the Corporation for accrued expenses. The Corporation also occasionally receives canister contributions on behalf of the Foundation. As of December 31, 2016 and 2015, \$62,303 and \$186,150, respectively, was due to the Foundation for such contributions.

For the years ended December 31, 2016 and 2015, the Foundation recorded estimated fair market value of free rent of \$124,221 and \$122,875, respectively, paid on behalf of the Foundation, professional service expenses of \$8,927,965 and \$209,285, respectively, paid on behalf of the Foundation, benefits of \$205,307 and \$158,737, respectively, paid on behalf of the Foundation, and office expenses of \$14,538 and \$137,252, respectively, paid on behalf of the Foundation as contributions in the accompanying statement of activities.

NOTE 6 - LITIGATION

From time to time, the Foundation may be named as a defendant in legal actions arising from its normal operations and is presented with claims for damages arising out of its actions. The Foundation anticipates that any damages or expenses it may incur in connection with these actions, individually and collectively, will not have a material adverse effect on the Foundation.

NOTE 7 - SUBSEQUENT EVENTS

Management evaluated all activity through July 25, 2017 (the issue date of the financial statements) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.