Roy J. Carver Charitable Trust

Financial Report
April 30, 2014

McGladrey

Assurance ▪ Tax ▪ Consulting

Contents

McGladrey

Independent Auditor's Report

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, 2014 and 2013, 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 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, 2014 and 2013, 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, except for the effect on the accompanying information of the qualified opinion on the financial statements described in the Basis for Qualified Opinion paragraph above, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Davenport, Iowa
July 8, 2014

Roy J. Carver Charitable Trust

Statements of Financial Position
April 30, 2014 and 2013

Assets	**2014**	2013
Cash	**$ 964,769**	$ 726,128
Money market funds	**2,604,416**	2,760,456
Total cash and cash equivalents	**3,569,185**	3,486,584
Investments	**303,571,366**	280,955,105
Accrued investment income	**423,079**	377,304
Property and equipment:		
Land and land improvements	**567,038**	567,038
Building and building improvements	**2,126,812**	2,126,812
Furniture, fixtures and equipment	**230,275**	227,070
	2,924,125	2,920,920
Less accumulated depreciation	**1,242,867**	1,172,444
	1,681,258	1,748,476
Total assets	**$ 309,244,888**	$ 286,567,469
Liabilities and Net Assets		
Liabilities:		
Grant obligations payable	**$ 10,298,515**	$ 18,550,549
Other accrued expenses	**75,929**	70,323
Excise taxes payable	**41,000**	24,000
Deferred excise taxes	**1,477,800**	1,007,300
Total liabilities	**11,893,244**	19,652,172
Commitments (Note 2)		
Net assets, unrestricted	**297,351,644**	266,915,297
Total liabilities and net assets	**$ 309,244,888**	$ 286,567,469

See Notes to Financial Statements.

Roy J. Carver Charitable Trust

Statements of Activities
Years Ended April 30, 2014 and 2013

	2014	2013
Unrestricted revenue:		
Interest	**$ 1,863,870**	$ 1,798,900
Dividends	**3,423,178**	3,601,725
Net realized and unrealized gains on investments, net of investment fees 2014 $939,737; 2013 $800,552	**33,415,752**	31,134,913
Total unrestricted revenue	**38,702,800**	36,535,538
Unrestricted expenses:		
Grants approved	**6,489,136**	11,188,778
Trustee fees	**139,200**	140,800
Salaries and payroll taxes	**768,334**	755,727
Professional fees	**92,999**	97,663
Provision for federal excise taxes	**589,353**	585,092
Depreciation	**70,423**	71,114
Building repair and maintenance	**63,511**	57,593
Travel	**3,049**	1,304
Office	**22,097**	22,964
Insurance	**11,669**	11,162
Telephone	**6,005**	5,899
Miscellaneous	**10,677**	7,368
Total unrestricted expenses	**8,266,453**	12,945,464
Increase in unrestricted net assets	**30,436,347**	23,590,074
Unrestricted net assets:		
Beginning	**266,915,297**	243,325,223
Ending	**$ 297,351,644**	$ 266,915,297

See Notes to Financial Statements.

Roy J. Carver Charitable Trust

Statements of Cash Flows
Years Ended April 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities:		
Increase in unrestricted net assets	**$ 30,436,347**	$ 23,590,074
Adjustments to reconcile change in unrestricted net assets to net cash (used in) operating activities:		
Depreciation	**70,423**	71,114
Accretion	**(9,534)**	(33,753)
Deferred excise taxes	**470,500**	445,300
Realized and unrealized (gains) on investments	**(34,355,489)**	(31,935,465)
Changes in assets and liabilities:		
(Increase) decrease in accrued investment income	**(45,775)**	12,691
Increase (decrease) in other accrued expenses	**5,606**	(5,940)
(Decrease) in grant obligations payable	**(8,252,034)**	(2,011,344)
Increase in excise taxes payable	**17,000**	23,000
Net cash (used in) operating activities	**(11,662,956)**	(9,844,323)
Cash Flows from Investing Activities:		
Purchase of property and equipment	**(3,205)**	(62,686)
Purchases of investments	**(54,191,941)**	(51,629,730)
Proceeds from sales, maturities and calls of investments	**65,940,703**	59,784,472
Net cash provided by investing activities	**11,745,557**	8,092,056
Increase (decrease) in cash and cash equivalents	**82,601**	(1,752,267)
Cash and cash equivalents:		
Beginning	**3,486,584**	5,238,851
Ending	**$ 3,569,185**	$ 3,486,584
Supplemental Disclosure of Cash Flow Information, cash payments made for excise taxes	**$ 172,175**	$ 116,792

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, 2014.

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.

Note 1. Organization and Significant Accounting Policies (Continued)

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.

The Trust files a Form 990-PF (Return of Private Foundation) annually. An excise tax of 2% 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, 2014 and 2013, 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 2010 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.

Subsequent events: The Trust has evaluated subsequent events through July 8, 2014, 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, 2014 and 2013 the Trust's investments consist of the following:

	2014		2013	
	Fair Value	Original Cost	Fair Value	Original Cost
Common stock	$ 81,945,423	$ 47,946,617	$ 70,846,129	$ 48,005,857
Domestic equity mutual funds	98,261,901	69,017,056	44,762,597	33,368,167
International equity mutual funds	18,065,161	12,369,358	44,954,381	36,663,620
U.S. government bonds	5,454,447	5,557,802	6,318,036	5,960,926
U.S. government agency securities	1,942,824	1,876,189	3,524,361	3,330,812
Municipal/provincial bonds	5,979,610	5,949,675	4,846,548	4,517,001
Corporate bonds	17,039,917	16,401,555	15,223,560	13,888,712
U.S. government mortgage backed securities	12,454,321	12,399,635	13,723,948	13,179,292
Commercial mortgage backed securities	3,780,580	3,725,409	2,426,467	2,310,564
Asset backed securities	2,594,051	2,615,260	2,074,474	2,029,001
Nongovernment backed C.M.O.S.	167,074	159,818	151,798	215,205
Index linked government bonds	-	-	1,037,473	824,547
Partnerships invested in:				
Private equity	16,605,034	16,011,165	16,262,445	16,134,651
Real estate	-	-	13,163,921	14,469,479
Venture capital and emerging markets	39,281,023	36,000,000	41,638,967	36,000,000
	$ 303,571,366	$ 230,029,539	$ 280,955,105	$ 230,897,834

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 shown above and a certain common stock fund, included in international equity mutual fund above, with a fair value of $18,065,161 and a cost of $12,369,358. As of April 30, 2014, the Trust had commitments for these investments of approximately $17,489,000 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, 2014 and 2013 consist of:

	2014	2013
Net realized gains, net of investment fees	$ 9,931,197	$ 8,845,901
Net increase in unrealized gains/losses	23,484,555	22,289,012
	$ 33,415,752	$ 31,134,913

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 either 1% or 2% on net investment income, including realized gains on investment transactions, as defined under this provision. The provision for federal excise taxes for the years ended April 30, 2014 and 2013 consists of:

	2014	2013
Current	$ 118,853	$ 115,000
Deferred	470,500	470,092
	$ 589,353	$ 585,092

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% of the average value of the noncharitable assets each year. As of April 30, 2014, the Trust has an excess distribution carryover, which is estimated to be approximately $5,700,000, which is available to offset amounts to be distributed during the year ending April 30, 2015. 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% 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, 2014 and 2013:

	2014	2013
In one year or less	$ 6,051,117	$ 7,851,133
Over one year through five years	4,476,687	11,491,608
	10,527,804	19,342,741
Present value discount	229,289	792,192
	$ 10,298,515	$ 18,550,549

Note 6. Fair Value Measurements

The *Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board 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 $180,207,324 and $145,358,165 as of April 30, 2014 and 2013, respectively. There were no transfers in or out of level 1 during the year ended April 30, 2014.

The following table sets forth the breakdown of the fair value of level 1 securities as of April 30, 2014 and 2013:

	2014	2013
Common stock:		
Consumer discretionary	$ 10,276,325	$ 8,924,768
Consumer staples	3,215,627	3,308,364
Energy	7,146,971	7,687,970
Financials	19,032,470	16,831,507
Health care	11,291,786	7,559,041
Industrials	10,387,973	10,070,168
Information technology	13,342,513	10,473,877
Materials	3,718,871	3,407,095
Telecommunication services	610,470	-
Utilities	2,922,417	2,583,339
Equity mutual funds:		
Real estate investment trust	15,840,661	-
Mid cap funds	32,959,751	29,538,257
Large cap funds	16,795,530	15,224,340
Small cap funds	32,665,959	29,749,439
	$180,207,324	$145,358,165

The remaining investments totaling $123,364,042 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.

Note 6. Fair Value Measurements (Continued)

The following table sets forth additional disclosure of the Trust's investments whose fair value is estimated using net asset value (NAV) per share (or its equivalent) as of April 30, 2014 and 2013:

	April 30, 2014				
Investment	Fair Value	Unfunded Commitment	April 30, 2013 Fair Value	Redemption Frequency	Redemption Notice Period
Investments:					
International equity fund (A)	$ 18,065,161	$ -	$ 15,204,942	Daily	30 days
Real estate limited partnership (B)	-	-	13,163,921	Quarterly	45 days
Private equity limited partnerships (C)	16,605,034	17,489,000	16,262,445	None	N/A – see (C)
Venture capital and emerging market limited partnership (D)	39,281,023	-	41,638,967	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 net asset value per share based on the fair value of the underlying assets. The fair value of this investment has been estimated using the net asset value per share of the investment provided by the fund manager.

(B) The fund invests in multi-family, industrial, retail and office properties in targeted metropolitan areas with the continental USA. This fund can be redeemed quarterly at the most recent net asset value per share based on the fair value of the underlying assets, however redemptions are subject to approval by the fund's Board of Directors and when the fund is unable to satisfy all redemption requests, partial redemptions may be made on a pro-rata basis. The fair value of this investment was estimated using the net asset value per share of the investment provided by the fund manager. This investment was sold during the year ended April 30, 2014.

(C) 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 net asset value 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 net asset value 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%. The Trust does not have plans for sale of these investments at this time.

(D) 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 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 net asset value 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% - 28% in domestic fixed income, 24% - 56% in domestic equity, 18% - 42% in international equity and 6% - 14% 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, 2014 and 2013:

	Total Unrestricted
Net assets, April 30, 2012	$ 243,325,223
Investment return:	
Investment income	5,400,625
Net appreciation (realized and unrealized)	31,134,913
Total investment return	36,535,538
Appropriation of assets for expenditures	(12,945,464)
Net assets, April 30, 2013	266,915,297
Investment return:	
Investment income	5,287,048
Net appreciation (realized and unrealized)	33,415,752
Total investment return	38,702,800
Appropriation of assets for expenditures	(8,266,453)
Net assets, April 30, 2014	$ 297,351,644

Roy J. Carver Charitable Trust

Book to GAAP Basis Conversion
April 30, 2014

Statement of Financial Position	April 30, 2014 Book Balance	Item	Adjustments	April 30, 2014 Balance Accrual Basis
Assets				
Investments, including cash and money market funds	$ 233,598,880	(1, 4)	$ 73,541,671	$ 307,140,551
Accrued investment income	3,505	(1, 3)	419,574	423,079
Property and equipment, net of accumulated depreciation	1,751,681	(5)	(70,423)	1,681,258
Total assets	$ 235,354,066		$ 73,890,822	$ 309,244,888
Liabilities and Net Assets				
Liabilities:				
Grant obligations payable	$ -	(1, 7)	$ 10,298,515	$ 10,298,515
Other accrued expenses	-	(1, 2)	75,929	75,929
Excise taxes payable and deferred	-	(1, 6)	1,518,800	1,518,800
Total liabilities	-		11,893,244	11,893,244
Net Assets, unrestricted	235,354,066		61,997,578	297,351,644
Total liabilities and net assets	$ 235,354,066		$ 73,890,822	$ 309,244,888

See page 15 for description of adjustments.

Roy J. Carver Charitable Trust

Book to GAAP Basis Conversion
Year Ended April 30, 2014

Statement of Activities	April 30, 2014 Book Balance	Item	Adjustments	April 30, 2014 Balance Accrual Basis
Unrestricted revenue:				
Interest	$ 1,816,858	(1, 3)	$ 47,012	$ 1,863,870
Dividends	3,416,622	(1, 3)	6,556	3,423,178
Net gains on investments, net of investment fees	9,929,572	(2, 4)	23,486,180	33,415,752
Total unrestricted revenue	15,163,052		23,539,748	38,702,800
Unrestricted expenses:				
Grants approved	14,741,170	(7)	(8,252,034)	6,489,136
Trustee fees	139,200		-	139,200
Salaries and payroll taxes	768,334		-	768,334
Professional fees	92,999		-	92,999
Provision for federal excise taxes	101,853	(6)	487,500	589,353
Depreciation	-	(5)	70,423	70,423
Building repair and maintenance	63,511		-	63,511
Travel	3,049		-	3,049
Office	22,097		-	22,097
Insurance	11,669		-	11,669
Telephone	6,005		-	6,005
Miscellaneous	3,456	(3)	7,221	10,677
Total unrestricted expenses	15,953,343		(7,686,890)	8,266,453
Increase (decrease) in unrestricted net assets	(790,291)		31,226,638	30,436,347
Unrestricted net assets:				
Beginning	236,144,357		30,770,940	266,915,297
Ending	$ 235,354,066		$ 61,997,578	$ 297,351,644

See page 15 for description of adjustments.

Roy J. Carver Charitable Trust

Book to GAAP Basis Conversion
Year Ended April 30, 2014

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 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.