

ANNUAL **14** REPORT

THE
BAGGIE
MOMENT





We met Betsy Pitchford a year ago
and it was a bumpy start.

Betsy, who does proposal writing for the
Limestone County School Corporation, sent us a grant
request (kind of a big one).

We declined it.

Later, we set up a time to meet Betsy in person.
We hoped that a better understanding of each others'
work could lead somewhere positive in the future.

Toting a laptop and a slew of Dekko Foundation
materials, we visited Betsy in her office and showed
her a video called, "Hear the Hum of Learning."
It was after watching the video that Betsy said it.

"I get it," she said. "I understand what the
Dekko Foundation is talking about!
You want all kids to have a Baggie Moment!"

YEEEEEEEESSSS!!!!



She nailed it.



BETSY PITCHFORD
Grant Writer, Limestone County School Corporation

BAGGIE MOMENT DEFINED

The moment of self-esteem
and accomplishment is made
possible by an adult who stepped
back to consider what a child
needs to grow and develop.



*Carlie attends the
Judith A. Morrill
Center (JAM Center)
in Garrett, Indiana.*



You see, there's a scene in the video where a preschool-aged girl needs to open a plastic sandwich bag. The little girl's never done it, and doesn't know how. Her teacher, more interested in helping her learn than in getting the bag open, gently shows the girl how to pull the bag apart.

After a couple of tries, the little girl opens the bag by herself. The look on her face is one of pure joy.

That moment of self-esteem and accomplishment was made possible by an adult who stepped back to consider what a little girl needed to grow and develop.

We want to support the development of more and more adults who think in that way. It's in our tagline: **Great things happen when adults step back and consider what children need to grow and develop!**

Flip through our annual report to see examples of Baggie Moments for children of all ages.

AND, THANKS BETSY. WE COULD
NOT HAVE SAID IT BETTER!



BETSY PITCHFORD
Grant Writer, Limestone County School Corporation



ARMSTRONG EARLY LEARNING CENTER

WHITLEY COUNTY YMCA
COLUMBIA CITY, INDIANA

Joining a host of community donors, we invested \$1 million in the Whitley County YMCA's Armstrong Early Learning Center. Why such a large investment? Because the Y's leaders have stepped back to understand, and apply, the principles of what young children need to thrive. Their approach gives us confidence that students will gain a foundation for lifelong skills, knowledge and character.



TARA KUMICHEL
Director, Armstrong Early Learning Center



BAGGIE MOMENT DEFINED

EARLY CHILDHOOD
Birth through age 5

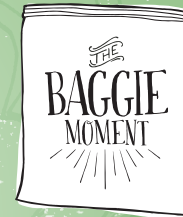
My teacher calls them practical life experiences.

I call them:

- Zippering my own coat.
- Making my own snack.
- Cleaning up my own spills.
- Shoveling snow.
- Helping to take care of my classroom.

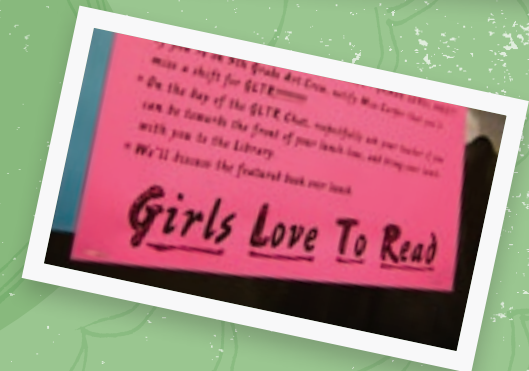
I see adults doing these things. When I can do them I feel powerful!





DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT

AUBURN, INDIANA



JENNIFER FORD
Librarian, McKenney-Harrison Elementary School

Elementary-aged girls grow and mature differently than boys, and their interests are vastly different too! That's why McKenney-Harrison Elementary School started its all-girl GLTR (pronounced Glitter) Book Club. We invested \$1,200 in the club to encourage girls as they become enthusiastic readers and learn to voice their opinions with confidence.

**BAGGIE
MOMENT
DEFINED**

MIDDLE CHILDHOOD
Age 6 through age 12

I learn the best when:

- I get to choose where I'll do my work.
- I work with friends.
- I pick my own topic!
- I get to teach kids younger than me.
- My results (rather than my teacher) show whether I'm right or wrong.

***I'm not a baby
anymore and I don't
like to do baby stuff!***



BAGGIE MOMENT DEFINED

ADOLESCENCE
Ages 13-18

Since I'm almost an adult, I crave adult experiences like:

Learning about careers through job shadowing.

Gaining work experience through internships and summer jobs.

Applying what I've learned to solve community problems.

I've studied in classrooms for a long time.

Now, I want to use what I've learned!



JOSEPH JONES
Volunteer, Business Horizons

IOWA ASSOCIATION OF BUSINESS AND INDUSTRY
DES MOINES, IOWA



Starting a company and launching a new product are not typical class projects. And that's exactly why teens love Business Horizons! This weeklong summer camp immerses teens in entrepreneurship and essential career skills. We invested \$3,000 in Business Horizons because we agree that teens need the chance to use their own ideas and apply what they've learned in the classroom.





Our foundation is the legacy of Mr. Chester E. (Chet) Dekko.

Mr. Dekko was born in 1925 in the town of Ada, Minnesota. His development was shaped by the love of a close-knit family and the realities of the Great Depression. Mr. Dekko's experiences forged in him a dedication to family and a certainty that education, hard work and self-reliance were the keys to a life of independence and choice.

In 1952 Mr. Dekko and a partner (Mr. Lyall Morrill) took on the significant personal and financial risk of starting a manufacturing business. Employing their similar convictions and work ethic, the partners' risk paid off as their business grew to one of the largest privately-held operations in northeastern Indiana.

In 1981, Mr. Dekko used his proceeds from that business venture to start the Dekko Foundation. As he considered how he might leave a legacy, Mr. Dekko consulted friends and family and studied the wisdom of our country's founding fathers and contemporary thought leaders, such as Milton and Rose Friedman.

Again his convictions played a part in his decision making, as Mr. Dekko chose for his foundation the mission of fostering economic freedom through education. Mr. Dekko passed away in 1992, but his vision continues through the Dekko Foundation. Each investment we make is designed to help young people build the skills, knowledge and character that will prepare them for the kind of life to which Mr. Dekko aspired:

A life that offers the maximum opportunity for personal independence and choice.

We consider grant proposals that benefit people in communities where our founder, Mr. Chet Dekko, had an interest during his lifetime. Those communities are:

Alabama: Limestone County

Florida: Collier County
Applications by invitation only

Indiana: DeKalb, LaGrange, Kosciusko, Noble, Steuben, and Whitley Counties.

Iowa: Clarke, Decatur, Lucas, Ringgold, and Union Counties.

Minnesota: Norman County

MISSION

Fostering economic freedom through education.

BOARD OF DIRECTORS

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GRANTS AWARDED IN 2014

In Support of Early Childhood Development Ages birth to 5

Agape Day Care Ministry	Stroh, IN	Put child development principles into practice.	\$1,400
Agape Day Care Ministry	Stroh, IN	Increase organizations' ability to support child development.	\$10,520
Butler Early Education Center	Butler, IN	Increase organizations' ability to support child development.	\$2,500
Churubusco Community Child Care Center	Churubusco, IN	Increase organizations' ability to support child development.	\$30,000
Churubusco United Methodist Nursery School	Churubusco, IN	Increase organizations' ability to support child development.	\$2,500
Early Childhood Alliance	Fort Wayne, IN	Support parents in their role as their child's best teacher.	\$7,100
Kosciusko Literacy Services	Warsaw, IN	Support parents in their role as their child's best teacher.	\$25,000
Lamoni Community Daycare	Lamoni, IA	Increase organizations' ability to support child development.	\$40,000
Lamoni Community Daycare	Lamoni, IA	Increase organizations' ability to support child development.	\$9,000
Life and Family Services	Kendallville, IN	Increase organizations' ability to support child development.	\$150,000
Limestone County Partnership for Children	Athens, AL	Increase community involvement in child development.	\$10,000
North Webster Day Care	North Webster, IN	Increase organizations' ability to support child development.	\$1,100
Whitley County YMCA	Columbia City, IN	Put child development principles into practice.	\$1,000,000

In Support of Middle Childhood Development Ages 6-12

Anthony Wayne Area Council of Boy Scouts of America	Fort Wayne, IN	Add to the number of Developmental Assets that children possess.	\$50,000
Athens City Schools	Athens, AL	Add to the number of Developmental Assets that children possess.	\$6,000
Camp Lutherhaven	Albion, IN	Add to the number of Developmental Assets that children possess.	\$25,000
Central Decatur Community Schools	Leon, IA	Add to the number of Developmental Assets that children possess.	\$845
Central Noble Community Schools	Albion, IN	Add to the number of Developmental Assets that children possess.	\$1,500
Central Noble Community Schools	Albion, IN	Add to the number of Developmental Assets that children possess.	\$2,500
College Mentors for Kids	Indianapolis, IN	Add to the number of Developmental Assets that youth possess.	\$22,500
David's Temple Missionary Baptist Church	Tanner, AL	Add to the number of Developmental Assets that children possess.	\$39,000
DeKalb County Central United Schools	Waterloo, IN	Shift learning environments toward a focus on children's needs.	\$497,000
DeKalb Co. Eastern Community Schools	Butler, IN	Add to the number of Developmental Assets that children possess.	\$4,200
DeKalb Co. Eastern Community Schools	Butler, IN	Shift learning environments toward a focus on children's needs.	\$39,000
Clarke Community Schools	Osceola, IA	Add to the number of Developmental Assets that children possess.	\$1,000
East Noble School Corporation	Kendallville, IN	Shift learning environments toward a focus on children's needs.	\$50,000
East Noble School Corporation	Kendallville, IN	Add to the number of Developmental Assets that children possess.	\$1,000
East Noble School Corporation	Kendallville, IN	Add to the number of Developmental Assets that children possess.	\$1,500
East Noble School Corporation	Kendallville, IN	Add to the number of Developmental Assets that children possess.	\$1,420
Fort Wayne Zoological Society	Fort Wayne, IN	Shift learning environments toward a focus on children's needs.	\$60,000
Graceland University	Lamoni, IA	Increase community involvement in child development.	\$309,000
Hamilton Community Schools	Hamilton, IN	Shift learning environments toward a focus on children's needs.	\$30,000
Hamilton Community Schools	Hamilton, IN	Add to the number of Developmental Assets that children possess.	\$6,941
Harold W. McMillan Center for Health Education	Fort Wayne, IN	Add to the number of Developmental Assets that children possess.	\$25,000
Indiana Newspapers in Education	Indianapolis, IN	Increase organizations' ability to support youth development.	\$45,000
Invent Now	North Canton, OH	Add to the number of Developmental Assets that children possess.	\$4,000
Lakewood Park Christian School	Auburn, IN	Add to the number of Developmental Assets that children possess.	\$10,000
Lamoni Community Schools	Lamoni, IA	Add to the number of Developmental Assets that children possess.	\$4,000
Lakewood Park Early Learning Ministry	Auburn, IN	Add to the number of Developmental Assets that children possess.	\$6,000
LEAP of Noble County	Albion, IN	Add to the number of Developmental Assets that youth possess.	\$100,000
Learn to Read Council of Athens and Limestone County	Athens, AL	Add to the number of Developmental Assets that children possess.	\$6,000
Learn to Read Council of Athens and Limestone County	Athens, AL	Add to the number of Developmental Assets that children possess.	\$4,000
Limestone County Schools	Athens, AL	Add to the number of Developmental Assets that children possess.	\$3,500
Limestone County Schools	Athens, AL	Add to the number of Developmental Assets that children possess.	\$1,500
M.S.D. Steuben County	Angola, IN	Add to the number of Developmental Assets that children possess.	\$535
M.S.D. Steuben County	Angola, IN	Add to the number of Developmental Assets that children possess.	\$6,100
Mayflower Heritage Christian School	Creston, IA	Add to the number of Developmental Assets that children possess.	\$5,000
Montessori Model United Nations	Ft. Lauderdale, FL	Add to the number of Developmental Assets that children possess.	\$46,000
Norman County East Schools	Twin Valley, MN	Add to the number of Developmental Assets that children possess.	\$27,102
Oak Farm School	Avilla, IN	Shift learning environments toward a focus on children's needs.	\$2,000,000
Oak Farm School	Avilla, IN	Add to the number of Developmental Assets that children possess.	\$8,500
Oak Farm School	Avilla, IN	Add to the number of Developmental Assets that children possess.	\$1,500
Otis R. Bowen Center for Human Services	Warsaw, IN	Shift learning environments toward a focus on children's needs.	\$5,500
St. John Lutheran Church and School	Kendallville, IN	Add to the number of Developmental Assets that children possess.	\$2,700
St. Mary Catholic School	Avilla, IN	Add to the number of Developmental Assets that children possess.	\$15,000
Science Central	Fort Wayne, IN	Increase organizations' ability to support youth development.	\$20,000
Smith-Green Community Schools	Churubusco, IN	Add to the number of Developmental Assets that children possess.	\$500
Syracuse-Wawasee Historical Museum	Syracuse, IN	Add to the number of Developmental Assets that children possess.	\$1,500
Warsaw Christian School	Warsaw, IN	Increase organization's ability to support child development.	\$8,000
Warsaw Christian School	Warsaw, IN	Add to the number of Developmental Assets that children possess.	\$5,000
Warsaw Community Schools	Warsaw, IN	Add to the number of Developmental Assets that children possess.	\$28,000
Wawasee Community School Corporation	Syracuse, IN	Add to the number of Developmental Assets that children possess.	\$3,000
Wawasee Community School Corporation	Syracuse, IN	Shift learning environments toward a focus on children's needs.	\$42,500
Wawasee Community School Corporation	Syracuse, IN	Add to the number of Developmental Assets that children possess.	\$3,000
Wawasee Community School Corporation	Syracuse, IN	Add to the number of Developmental Assets that children possess.	\$8,300
Wawasee Community School Corporation	Syracuse, IN	Add to the number of Developmental Assets that children possess.	\$1,500
West Noble School Corporation	Lagrange, IN	Add to the number of Developmental Assets that children possess.	\$3,000

GRANTS AWARDED IN 2014

In Support of Adolescent Development Ages 13-18

Cahoots Coffee Café	Angola, IN	Increase organizations' ability to support youth development.	\$5,000
Cahoots Coffee Café	Angola, IN	Increase community involvement in the development of young people.	\$3,000
Cahoots Coffee Café	Angola, IN	Add to the number of Developmental Assets that youth possess.	\$37,000
Chariton Community School District	Chariton, IA	Increase organizations' ability to support youth development.	\$45,000
East Noble School Corporation	Kendallville, IN	Add to the number of Developmental Assets that youth possess.	\$25,000
Fargo-Moorhead Area Foundation	Fargo, ND	Provide leadership opportunities and community connections.	\$34,500
Fort Wayne Ballet	Fort Wayne, IN	Add to the number of Developmental Assets that youth possess.	\$30,000
Graceland University	Lamoni, IA	Provide leadership opportunities and community connections.	\$24,500
Indiana Newspaper in Education Foundation	Indianapolis, IN	Add to the number of Developmental Assets that youth possess.	\$45,000
Indiana Troopers Youth Services	Angola, IN	Add to the number of Developmental Assets that youth possess.	\$5,000
Iowa Association of Business and Industry Foundation	Des Moines, IA	Provide leadership opportunities and community connections.	\$3,600
Kosciusko Co. Educational Development	Warsaw, IN	Change traditional learning environments to address youth needs.	\$25,000
Lifeline Youth and Family Services	Fort Wayne, IN	Provide leadership opportunities and community connections.	\$2,000
Limestone County Schools	Athens, AL	Change traditional learning environments to address youth needs.	\$1,380
Limestone County Schools	Athens, AL	Provide leadership opportunities and community connections.	\$40,000
Limestone County Schools	Athens, AL	Change traditional learning environments to address youth needs.	\$28,000
Lutheran Outdoor Ministries	Angola, IN	Increase organizations' ability to support youth development.	\$20,000
Oak Farm School	Avilla, IN	Change traditional learning environments to address youth needs.	\$325,000
Otis R. Bowen Center for Human Services	Warsaw, IN	Provide leadership opportunities and community connections.	\$20,000
Science Central	Fort Wayne, IN	Add to the number of Developmental Assets that youth possess.	\$20,000
South Whitley, Town of	South Whitley, IN	Add to the number of Developmental Assets that youth possess.	\$10,000
Teen Parents Succeeding	Syracuse, IN	Provide leadership opportunities and community connections.	\$9,000
Tippecanoe Valley School Corporation	Akron, IN	Provide leadership opportunities and community connections.	\$5,000
Wawasee Community School Corporation	Syracuse, IN	Create opportunities for young people to gain economic freedom.	\$10,000
Warsaw Community Schools	Warsaw, IN	Add to the number of Developmental Assets that youth possess.	\$1,000
Westview School Corporation	LaGrange, IN	Change traditional learning environments to address youth needs.	\$1,700
Westview School Corporation	LaGrange, IN	Add to the number of Developmental Assets that youth possess.	\$2,400
Westview School Corporation	LaGrange, IN	Add to the number of Developmental Assets that youth possess.	\$1,400

In Support of Community Development

Ada, City of	Ada, MN	Increase organizations' ability to support youth development.	\$6,000
Association of American Educators	Mission Viejo, CA	Shift learning environments toward a focus on youth needs.	\$35,000
Cole Center Family YMCA	Kendallville, IN	Increase organizations' ability to support youth development	\$1,000,000
Community Foundation DeKalb County	Auburn, IN	Promote charitable activities.	\$335,000
Eckhart Public Library	Auburn, IN	Expose young people to new areas of interest and experience.	\$13,500
Embassy Theatre Foundation	Fort Wayne, IN	Expose young people to new areas of interest and experience.	\$250,000
Fellowship of Christian Athletes	Fort Wayne, IN	Increase organizations' ability to support youth development.	\$30,000
Fort Wayne Zoological Society	Fort Wayne, IN	Expose young people to new areas of interest and experience	\$725,000
Garrett Community Center (JAM)	Garrett, IN	Increase organizations' ability to support youth development.	\$65,000
Garrett Community Center (JAM)	Garrett, IN	Increase organizations' ability to support youth development.	\$9,730
Gary Cares	Gary, MN	Increase organizations' ability to support youth development.	\$10,000
Gene Stratton-Porter Memorial Society	Rome City, IN	Expose young people to new areas of interest and experience	\$5,000
Habitat for Humanity of Kosciusko County	Warsaw, IN	Help communities address weaknesses and needs.	\$4,500
Hamilton, Town of	Hamilton, IN	Increase organizations' ability to support youth development.	\$50,000
High Lakes Outdoor Alliance	Afton, IA	Expose young people to new areas of interest and experience.	\$50,000
Leon, City of	Leon, IA	Increase organizations' ability to support youth development.	\$10,000
Kendallville, City of	Kendallville, IN	Expose young people to new areas of interest and experience.	\$7,500
Kendallville, City of	Kendallville, IN	Increase organizations' ability to support youth development.	\$66,500
Noble Trails	Kendallville, IN	Increase organizations' ability to support youth development.	\$2,500
North Webster Community Center	North Webster, IN	Increase organizations' ability to support youth development.	\$37,860
Northeastern Indiana CASA	Albion, IN	Strengthen community involvement in the development of children	\$2,000
Murray Public Library	Murray, IA	Increase organizations' ability to support youth development.	\$5,000
Passages	Columbia City, IN	Increase organizations' ability to support youth development.	\$5,000
Professional Animal Retirement Center	Albion, IN	Expose young people to new areas of interest and experience.	\$12,000
St. Malachy School	Creston, IA	Increase organizations' ability to support child development.	\$100,000
Southern Iowa Resource Conservation and Development Area	Creston, IA	Increase organizations' ability to support child development.	\$20,000
Southern Prairie YMCA	Creston, IA	Add to the number of Developmental Assets that youth possess.	\$20,000
Steuben County Community Foundation	Angola, IN	Expose young people to new areas of interest and experience.	\$3,500
Stone's Trace Historical Society	Ligonier, IN	Expose young people to new areas of interest and experience.	\$1,300
Whitley County Literacy Council	Columbia City, IN	Help communities address weaknesses and needs.	\$5,000
Youth for Christ of Northern Indiana	Fort Wayne, IN	Increase organizations' ability to support child development.	\$100,000

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying modified cash basis financial statements of Dekko Foundation, Inc., which comprise the statements of financial position as of August 31, 2014 and 2013, and the related statements of activities 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dekko Foundation, Inc. as of August 31, 2014 and 2013, and the changes in its net assets for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

BKD, LLP

BKD, LLP CPAs & Advisors
Fort Wayne, Indiana
November 21, 2014

Statements of Financial Position August 31, 2014 and 2013 (Modified Cash Basis)

	2014	2013
Assets		
Cash and cash equivalents	\$ 9,947,013	\$ 11,519,096
Investments	183,008,278	181,831,344
Property and equipment, net	101,210	111,342
Total assets	<u>\$ 193,056,501</u>	<u>\$ 193,461,782</u>
Liabilities		
Payroll tax withholdings	\$ 4,773	\$ 5,165
Unrestricted Net Assets	193,051,728	193,456,617
Total liabilities and net assets	<u>\$ 193,056,501</u>	<u>\$ 193,461,782</u>

Statements of Activities August 31, 2014 and 2013 (Modified Cash Basis)

	2014		2013	
	Total	Percent of Total	Total	Percent of Total
Receipts				
Contributions	\$ 320,165	2.44%	\$ 1,396,730	10.66%
Interest and dividend income	4,748,071	36.22	4,584,866	35.00
Net realized gains on investments	8,038,658	61.31	7,074,856	54.00
Other	4,209	.03	44,982	.34
Total receipts	<u>13,111,103</u>	<u>100.00%</u>	<u>13,101,434</u>	<u>100.00%</u>
Disbursements and Expenses				
Grants	10,607,296	78.48%	9,737,926	79.26%
Administrative	755,278	5.59	755,661	6.15
Library	882	.01	1,613	.01
Depreciation	10,132	.08	10,424	.08
Utilities	15,421	.11	17,448	.14
Office supplies	7,696	.06	8,612	.07
Equipment	9,179	.07	7,585	.06
Repair and maintenance	62,752	.46	60,551	.49
Dues and membership	18,507	.14	14,977	.12
Training	37,109	.27	21,621	.18
Travel	155,675	1.15	145,450	1.18
Postage	6,317	.05	5,719	.05
Insurance	25,713	.19	24,379	.20
Professional fees	281,011	2.08	214,610	1.75
Investment management fee	1,286,603	9.52	1,027,858	8.37
Federal excise tax and unrelated business income tax	134,436	.99	99,113	.81
Other	101,985	.75	132,977	1.08
Total disbursements and expenses	<u>13,515,992</u>	<u>100.00%</u>	<u>12,286,524</u>	<u>100.00%</u>
Change in unrestricted net assets	(404,889)		814,910	
Unrestricted net assets, beginning of year	<u>193,456,617</u>		<u>192,641,707</u>	
Unrestricted net assets, end of year	<u>\$ 193,051,728</u>		<u>\$ 193,456,617</u>	

See Notes to Financial Statements

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Dekko Foundation, Inc. (Foundation) was incorporated as a not-for-profit foundation in 1981, under the laws of the state of Indiana. The mission of the Foundation is to foster economic freedom through education in the areas where its founder, Mr. Chester E. Dekko, had an interest. For that reason, the Foundation focuses its grant making in portions of Alabama, Florida, Indiana, Iowa and Minnesota. Primary sources of revenue for the Foundation are estate contributions and investment income. Mr. Dekko's intent for his foundation was to give young people the opportunity for high-quality experiences that would lay the groundwork for the development of financial independence. To carry out that mission, the Dekko Foundation makes grants to not-for-profit organizations that promote developmentally appropriate experiences. The Foundation also invests in the capacity of youth and community development organizations to sustain and elevate their work.

Use of Estimates

The preparation of financial statements in conformity with the Foundation's modified cash basis of accounting 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 receipts and disbursements and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements have been prepared on a modified cash basis of accounting which differs from accounting principles generally accepted in the United States of America (GAAP) as follows:

- Cash paid to charitable organizations and vendors is expensed when paid, not when the grant is approved or when the obligation is incurred as required by GAAP.
- Investments are recorded at cost, not fair value, and investment income is recorded when received, not when earned, as required by GAAP. In addition, certain disclosures are not provided regarding the nature of certain investments, as required by GAAP.

Net Asset Classifications

The following class of net assets is maintained:

Unrestricted Net Assets

The unrestricted net asset class includes general assets and liabilities of the Foundation. The unrestricted net assets of the Foundation may be used at the discretion of management to support the Foundation's purposes and operations.

Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At August 31, 2014 and 2013, cash equivalents consisted primarily of money market accounts with brokers.

At August 31, 2014, the Foundation's cash accounts exceeded federally insured limits by approximately \$557,000.

Investments

Marketable securities and other investments are recorded at cost or, if donated, at the fair value at the date of gift. Other investments are comprised of nonmarketable securities, such as private partnerships and limited liability corporations. Investment gains and losses are recognized upon realization using the specific-identification method.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and a similar provision of state law. The Foundation is considered to be a private foundation under Section 509(a) of the Code. The Foundation is subject to excise tax on investment income. In addition, the Internal Revenue Service requires that certain minimum distributions be made in accordance with a specified formula.

The Foundation files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Foundation is no longer subject to U.S. federal examinations by tax authorities for years before 2011.

Property and Equipment

Expenditures for property and equipment and items, which substantially increase the useful lives of existing assets, are capitalized at cost. The Foundation provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

	Years
Furnishings and equipment	5-7
Buildings and improvements	15-31

NOTE 2: INVESTMENTS

The Foundation's investments are as follows:

	2014		2013	
	COST	FAIR VALUE	COST	FAIR VALUE
U.S. Government and U.S. Government agency securities	\$ 14,292,930	\$ 14,176,175	\$ 12,194,427	\$ 12,275,965
Equities	87,536,000	135,571,669	93,357,281	122,578,449
Corporate bonds	44,528,537	46,213,467	42,332,309	42,665,889
Nonmarketable securities	36,650,811	46,503,052	33,947,327	40,068,736
Total	\$ 183,008,278	\$ 242,464,363	\$ 181,831,344	\$ 217,589,039

The fair value is based on quoted prices in active markets, if available. In the absence of readily determinable fair values, the fair value of alternative investments is based on the net asset value of the fund either provided by the investment's fund manager or general partner or estimated by management based on audited financial statements received from the respective investment's fund manager or general partner.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the notes to the financial statements.

NOTE 3: PROPERTY AND EQUIPMENT

The Foundation's property and equipment are as follows:

	2014	2013
Buildings and improvements	\$ 511,256	\$ 511,256
Furnishings and equipment	209,713	209,713
	720,969	720,969
Accumulated depreciation	(619,759)	(609,627)
Total	\$ 101,210	\$ 111,342

NOTE 4: EMPLOYEE BENEFITS

The Foundation maintains a 403(b) defined-contribution plan for the benefit of substantially all of its employees, which allows for both employee and employer contributions. The Foundation's contribution consists of a discretionary contribution of 10% of eligible compensation, and a matching contribution of 100% of employee contributions, up to 5% of eligible employee compensation. The Foundation's contribution to the plan was \$81,068 and \$75,167 for 2014 and 2013, respectively.

NOTE 5: RELATED PARTY TRANSACTIONS

During 2014 and 2013, a portion of the Foundation's investments were managed by an investment advisor who is a related party of the Foundation in the amount (cost basis) of \$30,042,267 and \$28,454,246 as of August 31, 2014 and 2013, respectively. The investment advisory fee (which was paid to the brokerage firm, not the related party advisory firm) was \$229,397 and \$199,302 for the years ended August 31, 2014 and 2013, respectively.

NOTE 6: COMMITMENTS AND CONTINGENCIES

The Foundation is a guarantor for a series of tax-exempt bonds. The Foundation is only liable for these bonds if the two primary parties default on their portion of the bonds payable. The principal balances of the bonds outstanding at August 31, 2014 and 2013, were \$920,000 and \$1,795,000 respectively. The bonds incur interest at a floating rate set each month. At August 31, 2014 and 2013, the Foundation has not been required to execute its guarantee.

NOTE 7: SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.