

THE ROSE HILLS FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED
DECEMBER 31, 2015 AND 2014

THE ROSE HILLS FOUNDATION

FINANCIAL STATEMENTS

**YEARS ENDED
DECEMBER 31, 2015 AND 2014**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Rose Hills Foundation

We have audited the accompanying financial statements of The Rose Hills Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2015 and 2014, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Green Hasson & Janks LLP

July 20, 2016
Los Angeles, California

THE ROSE HILLS FOUNDATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 6,311,156	\$ 13,391,520
Investments	436,696,690	470,416,677
Investment Sales Receivable	5,131,156	2,023,752
Other Assets	164,906	194,196
	\$ 448,303,908	\$ 486,026,145
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable	\$ 74,144	\$ 78,226
Investment and Custody Fees Payable	364,601	138,285
Grants Payable	2,360	-
Deferred Compensation Payable	201,298	189,096
Other Liabilities	23,597	14,796
	666,000	420,403
NET ASSETS:		
Unrestricted	447,637,908	485,605,742
	\$ 448,303,908	\$ 486,026,145

The Accompanying Notes are an Integral Part of These Financial Statements

THE ROSE HILLS FOUNDATION

STATEMENTS OF ACTIVITIES

	Years Ended December 31	
	2015	2014
REVENUES AND GAINS (LOSSES):		
Interest and Dividends	\$ 3,414,308	\$ 3,818,911
Net Realized and Unrealized Gains (Losses) on Investments	(9,381,563)	27,900,376
Other Investment Income	10	228
	(5,967,245)	31,719,515
EXPENSES:		
Grants	23,128,460	24,355,025
Investment Management Fees	6,764,183	8,092,797
General and Administrative Expenses	1,741,780	1,704,292
Custody Fees and Income Taxes on Investments	184,079	170,094
Directors' Fees	182,087	185,000
	32,000,589	34,507,208
CHANGE IN UNRESTRICTED NET ASSETS	(37,967,834)	(2,787,693)
Unrestricted Net Assets - Beginning of Year	485,605,742	488,393,435
UNRESTRICTED NET ASSETS - END OF YEAR	\$ 447,637,908	\$ 485,605,742

The Accompanying Notes are an Integral Part of These Financial Statements

THE ROSE HILLS FOUNDATION

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Unrestricted Net Assets	\$ (37,967,834)	\$ (2,787,693)
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Used in Operating Activities:		
Net Realized and Unrealized Gains (Losses) on Investments	9,381,563	(27,900,376)
Reinvested Net Investment Income	(2,330,226)	(1,034,977)
Decrease in Other Assets	29,290	13,429
Increase (Decrease) in:		
Accounts Payable	(4,082)	18,026
Investment and Custody Fees Payable	226,316	24,365
Grants Payable	2,360	(4,500)
Deferred Compensation Payable	12,202	26,333
Other Liabilities	8,801	(7,240)
	(30,641,610)	(31,652,633)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Investments	102,695,187	163,481,635
Purchases of Investments	(79,133,941)	(126,813,224)
	23,561,246	36,668,411
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,080,364)	5,015,778
Cash and Cash Equivalents - Beginning of Year	13,391,520	8,375,742
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,311,156	\$ 13,391,520

The Accompanying Notes are an Integral Part of These Financial Statements

THE ROSE HILLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 1 - ORGANIZATION

The Rose Hills Foundation (the Foundation) is a 501(c)(4) social welfare benefit organization established in November 1996 upon the sale of The Rose Hills Memorial Park cemetery property in Whittier, California. The Foundation is a tax-exempt, nonprofit corporation pursuant to the Corporation Code of the State of California.

The Foundation does not conduct or administer its own charitable programs, but makes grants to qualified tax-exempt charitable organizations for the benefit of the people in Southern California. This includes but is not limited to art and culture, civic and community services, education, health care, science, youth activities, and the advancement of knowledge which the Foundation believes will likely benefit mankind.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) ACCOUNTING

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Foundation are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. All net assets of the Foundation are unrestricted.

(c) 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 reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Actual results could differ from those estimates.

(d) CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Foundation considers cash on hand, deposits in banks, money market accounts and certificates of deposit with an original maturity of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents at December 31, 2015 and 2014 approximates its fair value.

(e) CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash and cash equivalents in bank deposit and other investment accounts which may, at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

THE ROSE HILLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) INVESTMENTS

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of these investments is determined based on the closing price on the last business day of the fiscal year. Investments in partnerships, for which there is no readily available market, are valued by the Foundation using methods that management believes provide a reasonable estimate of fair value. These methods include initial due diligence and ongoing monitoring of investment funds by management and outside consultants.

Sales and purchases of securities are recorded on trade date, which results in receivables and payables on trades that have not yet settled at the financial statement date. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in the statement of activities and represent the difference between the cost and current market quotations of investments held at the end of the fiscal year.

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 long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Investments are made according to the investment policies, guidelines, and objectives adopted by the Foundation's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. Market values of such investments are routinely reviewed by the Board of Directors.

(g) GRANTS PAYABLE

Unconditional grants are charged against operations when authorized by the Foundation's Board of Directors. The actual payment of the grant may not necessarily occur in the year of authorization. Cancellations of grants occur when the grantees do not meet the terms under which the grants were awarded.

(h) TAXES

The Foundation qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code and Section 23701(f) of the California Revenue and Taxation Code. Accordingly, the Foundation is exempt from federal and state income taxes. However, the Foundation holds certain investment assets that are, from time to time, subject to unrelated business income tax and foreign taxes, which were insignificant for the years ended December 31, 2015 and 2014.

THE ROSE HILLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2015, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through July 20, 2016, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

NOTE 3 - INVESTMENTS

The Foundation has implemented the fair value accounting standard for those assets that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs utilize unobservable data points for the asset and include situations where there is little, if any, market activity for the asset. However, the majority of the Level 3 assets are held in partnerships that are audited annually by third party independent auditors.

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at December 31, 2015 and 2014, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended December 31, 2015	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 195,067,499	\$ 37,785,040	\$ 142,875,742	\$ 14,406,717
Fixed Income	44,101,232	26,375,470	-	17,725,762
Absolute Return	36,982,202	-	10,441,535	26,540,667
Long/Short	40,662,485	-	18,968,693	21,693,792
Private Equity	31,618,647	-	-	31,618,647
Venture Capital	26,230,801	-	-	26,230,801
Real Assets	62,033,824	32,044,152	-	29,989,672
TOTAL	\$ 436,696,690	\$ 96,204,662	\$ 172,285,970	\$ 168,206,058

THE ROSE HILLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 3 - INVESTMENTS (continued)

	Year Ended December 31, 2014	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 191,808,824	\$ 35,560,194	\$ 128,155,130	\$ 28,093,500
Fixed Income	48,872,986	30,989,442	4,155,486	13,728,058
Absolute Return	50,282,540	-	15,252,676	35,029,864
Long/Short	48,215,706	-	21,254,248	26,961,458
Private Equity	36,030,630	-	-	36,030,630
Venture Capital	25,395,963	-	-	25,395,963
Real Assets	69,810,028	36,809,733	-	33,000,295
TOTAL	\$ 470,416,677	\$ 103,359,369	\$ 168,817,540	\$ 198,239,768

The following is a rollforward of the investments within Level 3 for the years ended December 31, 2015 and 2014:

	2015	2014
Beginning Balance	\$ 198,239,768	\$ 199,197,475
Net Unrealized Gains	3,560,656	12,550,730
Purchases	27,417,142	37,005,227
Sales	(61,011,508)	(50,513,664)
ENDING BALANCE	\$ 168,206,058	\$ 198,239,768

During the years ended December 31, 2015 and 2014, the net change in unrealized gains for Level 3 investments held at year end amounted to \$3,560,656 and \$12,550,730, respectively, which is reflected as part of net realized and unrealized gains on investments in the statements of activities.

The Foundation recognizes transfers at the beginning of each reporting period. Transfers between level 1 and 2 generally relate to whether a market becomes active or inactive. There were no transfers between level 1 and 2 investments during the years ended December 31, 2015 and 2014. Transfers between level 2 and 3 investments relate to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between level 2 and 3 investments during the years ended December 31, 2015 and 2014.

The fair value of the marketable securities within Level 1 was obtained based on quoted market prices at the closing of the last business day of the fiscal year.

THE ROSE HILLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 3 - INVESTMENTS (continued)

The fair value of investments within Level 2 and 3 was based on the net asset value per share (NAV) of units held by the Foundation. These investments (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments in Level 2 are comprised of various hedge funds invested in a number of strategies including, but not limited to, equity long/short, arbitrage and event driven, directional trading, commodity and currency trading. Investments are valued using the NAV provided by the fund managers. All hard lock-up periods on the funds have expired and redemptions can be made semi-annually, quarterly or monthly in some instances, upon ninety days' notice.

Investments in Level 3 are comprised of various partnerships and limited liability companies that invest in U.S. and international companies in real estate, energy, healthcare and various other industries. The fair value of the investments is based on the net asset value of the Foundation's ownership interest in the partners' capital. The funds provide distributions only upon liquidation of the underlying assets. The fund managers estimate the underlying assets of the funds will be liquidated over one to ten years. It is probable that the investments will be sold at an amount different from their fair value at December 31, 2015.

Unfunded commitments at December 31, 2015 amount to approximately \$52,479,000.

NOTE 4 - GRANTS PAYABLE

Unconditional grants authorized but unpaid at December 31 are reported as liabilities. All grants payable at December 31, 2014 were paid during the year ended December 31, 2015.

Grant activity during the years ended December 31 is summarized as follows:

	2015	2014
Grants Approved in Prior Years		
Pending Payment	\$ -	\$ 4,500
Grants Approved in Current Year	23,128,460	24,355,025
TOTAL UNCONDITIONAL GRANTS APPROVED	23,128,460	24,359,525
Less: Grants to be Paid in Subsequent Years	(2,360)	-
GRANTS PAID IN CURRENT YEAR	\$ 23,126,100	\$ 24,359,525

As of December 31, 2015 and 2014, the Foundation had approved conditional grants totaling approximately \$22,953,000 and \$30,161,000, respectively. These grants will be recorded as an expense in the period when they become unconditional.

THE ROSE HILLS FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 5 - DEFERRED COMPENSATION PAYABLE

The Foundation has two deferred compensation agreements with the President. The agreements established unfunded deferred compensation plans under Internal Revenue Code (IRC) Section 457(b) and Section 457(f).

The Section 457(b) deferred compensation plan provides for the reduction of the President's compensation by the deferral of an amount subject to annual limits under the IRC.

The Section 457(f) deferred compensation plan provides for the deferral of all or part of the President's compensation (after the reduction for the Section 457(b) deferral). The value of the account shall be subject to a risk of forfeiture until July 6, 2016. The President will then acquire a vested interest in the account provided the President continues to be employed by the Foundation on such date.

Both plans provide that the accounts' funds shall be deemed to be invested in investment funds in which the Foundation has invested its general assets. The income, gains, losses and investment results of such deemed investment shall be credited to, or debited from, the accounts as of the end of each calendar year.

At December 31, deferred compensation payable consisted of:

	2015	2014
IRC Section 457(b)	\$ 174,275	\$ 161,295
IRC Section 457(f)	27,023	27,801
TOTAL	\$ 201,298	\$ 189,096

NOTE 6 - LINE OF CREDIT

The Foundation has a revolving line of credit with a bank providing for maximum borrowings of up to \$10,000,000. The line is unsecured, bears interest at the prime rate, with a floor of 3%, and matures in March 2017. There was no outstanding balance on the line of credit at December 31, 2015 and 2014. The prime rate at December 31, 2015 was 3.5%.

THE ROSE HILLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 7 - OPERATING LEASE

The Foundation leases office space under a non-cancelable operating lease that expires in August 2018. Minimum future rental expense on this non-cancelable lease at December 31, 2015 is as follows:

Years Ending December 31	
2016	\$ 118,837
2017	120,364
2018	<u>70,212</u>
TOTAL	<u>\$ 309,413</u>

Rent expense for the years ended December 31, 2015 and 2014 was \$125,807 and \$123,104, respectively.

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. For the Foundation, the ASU will be effective for the year ended December 31, 2020.

NOTE 8 - RETIREMENT PLAN

The Foundation sponsors a 401(k) defined contribution plan covering substantially all employees. Employees can contribute up to 19 percent of their compensation subject to annual limits under the IRC. The Foundation is obligated to make a base contribution in the amount of 19 percent of the employees' compensation. The Foundation contributed \$128,123 and \$138,048 for the years ended December 31, 2015 and 2014, respectively.

NOTE 9 - CONFLICT OF INTEREST

The Foundation's Board of Directors has adopted a conflict of interest policy and re-affirms its belief that its mission is fostered by having on the Board persons active in the community, including those who serve on the boards of organizations who are or may become grant recipients. The conflict of interest policy is intended to assure grantees of the Foundation that decisions of the Foundation are made objectively with full knowledge of the involvement, if any, of the Board and staff and their immediate family members with grant-seeking agencies. Board members with an affiliation with the grantees were not involved in the grant making decision process.



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To the Board of Directors
The Rose Hills Foundation

We have audited the financial statements of The Rose Hills Foundation (the Foundation) for the year ended December 31, 2015, and have issued our report thereon dated July 20, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 16, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2015. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the valuation of investments based on principles governing fair value as defined by generally accepted accounting principles. We evaluated the key factors and assumptions used to develop the fair value of the investments and determined that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements. The attached schedule, **Adjusting Journal Entries**, details reclassification journal entries for financial statement presentation purposes and late client-provided journal entries posted to the trial balance during the audit process.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 20, 2016.

To the Board of Directors
The Rose Hills Foundation
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Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Foundation’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation’s auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Green Hasson & Janks LLP

July 20, 2016
Los Angeles, California

Client: **The Rose Hills Foundation**
 Period Ending: **December 31, 2015**
 Workpaper: **Adjusting Journal Entries**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To adjust the deferred compensation liability accounts at 12/31/15 based on return of investments.			
230038-I-00	Deferred Comp 457(b)	5,020.00	
230039-I-00	Deferred Comp 457(f)	778.00	
620112-I-00	Deferred compensation		5,798.00
Total		<u>5,798.00</u>	<u>5,798.00</u>
Adjusting Journal Entries JE # 2			
To net the receivable and payable related to the pending investment in LL Mortgage for financial statement presentation purposes.			
1030-15-463-5	Sec. Purch. Pyble-LL Mortgage	3,000,000.00	
1030-01-001-4	Inv. Inc. Rec. - NT 1482		3,000,000.00
Total		<u>3,000,000.00</u>	<u>3,000,000.00</u>
Adjusting Journal Entries JE # 3			
Late Client Entry to reclassify Baxter Street Cash to Investment.			
1030-30-065-2	Investment-Baxter Street	5,000,000.00	
1030-30-065-1	Cash - Baxter Street		5,000,000.00
Total		<u>5,000,000.00</u>	<u>5,000,000.00</u>
Adjusting Journal Entries JE # 4			
Late Client Entry to reclassify Kabouter II Cash to Investment.			
1030-30-415-2	Investment- Kabouter II	5,000,000.00	
1030-30-415-1	Cash - Kabouter II		5,000,000.00
Total		<u>5,000,000.00</u>	<u>5,000,000.00</u>
Adjusting Journal Entries JE # 5			
Late Client Entry to reclassify management fees out of unrealized gains/losses for financial statement presentation purposes.			
630235-I-00	Inv. mgr. fees	4,472,080.00	
470000-I-00	Unreal. Gain/Loss		4,472,080.00
Total		<u>4,472,080.00</u>	<u>4,472,080.00</u>

Client: **The Rose Hills Foundation**
 Period Ending: **December 31, 2015**
 Workpaper: **Adjusting Journal Entries**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
Late Client Entry to update Dover VII and VIII market value per fund manager statement.			
1030-50-167-3	Fair Mkt. Adj. -Dover VII	5,149.00	
1030-50-168-3	Fair Mkt. Adj. - Dover VIII	41,401.00	
4700-50-167	Unreal. Gain/Loss-Dover VII		5,149.00
4700-50-168	Unreal. Gain/Loss - Dover VIII		41,401.00
Total		46,550.00	46,550.00

Adjusting Journal Entries JE # 7

To reclassify Mason from Investment to Receivable as it was fully redeemed prior to year end, but the cash was not received until 2016.

1030-30-495-4	Sec. Sold Rec. - Mason	3,857,761.00	
1030-30-495-2	Investments - Mason		3,700,497.00
1030-30-495-3	Fair Mkt. Adj. - Mason		157,264.00
Total		3,857,761.00	3,857,761.00