

ANNUAL 2010 REPORT



Results CONCENTRATE



Mission

To foster economic freedom through education.

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Geographic Areas of Interest

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

Alabama: Limestone County

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

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

Minnesota: The Community of Ada

How To Apply

Visit our website www.dekkofoundation.org; click on the words "How to Apply" on our home page.

Proposal Deadlines

We do not have grant proposal deadlines. Instead we ask that you give our board about 90 days to consider and research your proposal.

Contact Us

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FOSTER ECONOMIC FREEDOM THROUGH EDUCATION

People who knew Chet Dekko, our founder, know that he based his life on a few basic truths.

Mr. Dekko never wasted anything—not effort, not time, not words. That practice, applied thousands of times over his life, contributed to the development of a successful business and, in the end, a foundation to benefit the people and communities he held dear.

Another principle that Mr. Dekko embraced was,
“Concentration of effort is the key to human accomplishment.”



We lost Mr. Dekko in 1992 at the age of 66. But we haven't lost touch with the beliefs that were most important to him.

If you've talked to us or visited our website lately you've noticed that we're concentrating our efforts and asking grantseekers to do the same. We're working with grantees to plan clearly, on the front side, for the results they want to achieve. What kind of results? Here are some standouts:

- Students with challenges to academic success are receiving, and repaying, loans for equipment that they'll need for on-the-job experiences.
- Teen parents are not just graduating high school; they're graduating from college with paychecks large enough to support a bright future for their child.

Following Mr. Dekko's lead, we're concentrating our efforts (and that of our grantees) to accomplish the result of economic freedom for the people and communities we serve.

Dee Slater
Grants Manager



Teens 'N Tots Childcare

Results Concentrate

When a teenager becomes a parent, history tells us one thing loud and clear: That young person has a 75% chance of not finishing high school. With a family to support and few marketable skills, most teen parents begin their adult life with two strikes against them. Their lifetime earnings expectation equals that of a high school dropout: \$15,100 per year.

When a teen parent has the support of a program like Teens 'N Tots (TNT), having a baby so young doesn't have to mean the end of a bright future. Parenthood means that the teen will need to work very hard to care for their baby and finish high school... but with TNT's support, they will finish high school. TNT participants have a 98% high school graduation rate. Instead of settling for minimum wage, these teen parents' earnings expectations rise to that of the average high school grad: \$32,000 per year.

But TNT doesn't stop there. TNT's leaders know that to head a successful family today, and have the resources to nurture and educate children, education beyond high school is key. That's why TNT supports teen parents as they pursue a two- or four-year degree beyond high school. Eighty percent of TNT's teen parents succeed and line up for the earnings expectations of a person with a college degree: about \$61,000.

Teens 'N Tots is sponsored by the Heartline Pregnancy Center in Warsaw, Indiana. Teen parents drop their children off at the TNT site for quality childcare and preschool. Teen parents attend school, learn life skills and participate in mentoring

**Annual earnings
increase
from \$15,100
to \$32,000.
Hmmm... that's a
pretty good result.**



**Annual earnings
increase from
\$15,080 to \$60,000
and beyond. Wow!**



and support groups. TNT also matches each teen with a sponsor who sends weekly encouragement like letters, cards and occasional gifts or treats.

TNT has developed this recipe of support over the years to meet the needs of teen parents. Many teen parents are from broken families and a cycle of poverty. TNT knows this cycle and is prepared to heal teens, help them build their self-esteem and teach them what they, and their child, need to thrive.

Emily, Ella and
Nathan Behny and
Aidan Davila

Emily started TNT when she was a junior in high school, two weeks after giving birth to Aidan. She struggled, but continued on to graduate. Emily grew through TNT's education and support groups and her own hard work. She has now finished college, and met and married her husband Nathan. The couple has bought their own home and welcomed baby Ella. Angela Wood, executive director of the Heartline Pregnancy Center says, "Emily is a walking success story! We hired her two weeks ago to be part of our TNT staff. Her story still gives me goose bumps!"



Early Childhood Development

We believe... that quality early childhood education is the basis for a life of economic freedom. That early childhood (birth to five) is the most critical stage for children's social, emotional, intellectual, physical and spiritual development. **In the area of Early Childhood Development we want to invest in the following results:**

- » Increasing the number of parents who are prepared to fulfill their role as their child's first and best teacher.
- » Increasing the number of homes, childcare centers and preschools that are prepared to put child development principles into practice.
- » Increasing early childhood programs' ability to support child development.
- » Increasing community involvement in the development of children ages birth to five.

Early Childhood Development Investments Made In 2010 Grants of \$5,000 and above

Organization Name	Location	Project Title	Grant Amount
Agape' Day Care Ministry	Stroh, IN	Long term revenue development	\$33,750
Childcare Education Resources	Athens, AL	Improving early education	\$259,455
Children First Center	Auburn, IN	Clinical social worker salary	\$59,520
Church of the Good Shepherd Preschool	Winona Lake, IN	Book Buddies	\$7,800
Creative Play School	Auburn, IN	Building expansion	\$135,000
Early Childhood Alliance	Fort Wayne, IN	Parents as Teachers	\$402,304
East Union Community Schools	Afton, IA	Early childhood development center	\$850,000
Iowa State University	Creston, IA	Little Farmer's Barnyard	\$10,000
Kendallville Public Library	Kendallville, IN	Book Buddies	\$12,200
Lifeline Youth and Family Services	Fort Wayne, IN	Home-based services training	\$8,900
New Beginnings Preschool and Child Care	Milford, IN	Toddler program	\$10,000
Ringgold County Public Health	Mount Ayr, IA	Parents as Teachers	\$29,530
Sonshine Childcare	South Whitley, IN	Operating support	\$7,000
Southwestern Community College	Creston, IA	Improving early education	\$239,985





Many organizations

measure the impact of the work they do by tracking the number of people or organizations that sign up for their services. The Indiana Youth Institute (IYI) does that, but then goes further. IYI checks back with its clients six months after their interaction to see if the training and support they're offering is helping organizations truly make change for the better. If nothing's changing, IYI knows it's time to tweak its programming to offer maximum benefit.

IYI is an Indianapolis-based provider of information, inspiration and consulting for youth-serving nonprofits across the state of Indiana.



One of Junior Achievement

of Northeast Indiana's major focuses is on teaching high school students how to budget, save, invest and use credit wisely. Although they weren't always able to prove it, JA's leaders believed they were giving young people life-changing information. Last year JA began surveying participants several years after their learning experience. No surprise! JA learned that 76% of its participants remembered that credit cards make a person more likely to make an impulse purchase. And 81% said they'd be likely to make out a personal budget thanks to information learned through their JA studies.



Middle Childhood Development

We believe... that middle childhood development (six to twelve) builds on a child's early childhood experiences. We also believe that each child develops in their own way, and on a timetable that reflects their unique needs. **In the area of middle childhood development we want to invest in the following results:**

- » Increasing the number of parents who are actively involved in choosing the quality of their child's education.
- » Transitioning learning environments from a focus on adult needs to a focus on children's needs.
- » Increasing the number of learning environments that are closely aligned with children's developmental needs. (These environments will include: engaging age-appropriate materials and learning processes designed to address the developmental needs of each child.)
- » Increasing the total number of Developmental Assets that children possess.
- » Increasing the number of youth-serving organizations that are prepared to address the developmental needs of six to twelve year-olds.

MIDDLE CHILDHOOD DEVELOPMENT INVESTMENTS MADE IN 2010 GRANTS OF \$5,000 AND ABOVE

Organization Name	Location	Project Title	Grant Amount
Athens City Schools	Athens, AL	Developing Leaders program	\$10,000
Butler Youth Evangelistic Association	Butler, IN	Filling Station building upgrade	\$10,000
Central Noble Community School Corporation	Albion, IN	4-Star school libraries	\$10,000
Central Noble Community School Corporation	Albion, IN	Quality schools initiative	\$40,000
Clarke Community Schools	Osceola, IA	Balanced Literacy bookroom	\$10,000
College Mentors for Kids	Winona Lake, IN	Operating support	\$18,000
Diagonal Community Schools	Diagonal, IA	Sites for Learning	\$250,000
Faith Christian Academy	Athens, AL	Development officer salary	\$36,167
GAP Limited	LaGrange, IN	Operating support	\$7,800
Grace College and Seminary	Winona Lake, IN	Kosciusko Lakes and Streams	\$25,000
Historic Forks of the Wabash	Huntington, IN	Building expansion	\$20,000
Indiana Newspaper in Education Foundation	Indianapolis, IN	Newspaper in Education program	\$45,000
Junior Achievement of Northern Indiana	Fort Wayne, IN	Finance Park Endowment Campaign	\$500,000
LEAP of Noble County	Albion, IN	Operating support	\$120,000
Limestone County Schools	Athens, AL	Elementary playground	\$20,000
Mount Ayr Community Schools	Mount Ayr, IA	Science lab	\$23,640
Murray Community School Corporation	Murray, IA	Elementary library update	\$20,000
Noble County Superior Court	Albion, IN	Summer camp for children	\$12,000
Oak Farm School	Avilla, IN	Operating support	\$2,000,000
Passages	Columbia City, IN	Capacity building	\$7,500
Science Central	Fort Wayne, IN	Science education outreach	\$66,521
St. Malachy School	Creston, IA	Instructional decision making project	\$18,600
Steuben County 4-H Fair Board	Angola, IN	Goat barn project	\$5,000

Adolescent Development

We believe... that adolescent development (13 to 18) builds on a child's experiences in middle childhood. That each adolescent develops in their own way, and on a timetable that reflects their unique needs.

In the area of Adolescent Development we want to invest in the following results:

- » Increasing the number of parents who are actively involved in choosing the quality of their adolescent's education.
- » Transitioning learning environments from a focus on adult needs to a focus on adolescents' needs.
- » Increasing the number of learning environments that are closely aligned with adolescents' developmental needs.
- » Increasing the total number of Developmental Assets that adolescents possess.
- » Increasing the number of youth-serving organizations that are prepared to address the developmental needs of 13 to 18 year-olds.
- » Increasing community involvement in the development of 13 to 18 year-olds.
- » Increasing the number of opportunities for young people to participate in leadership experiences that offer strong community connections.
- » Increasing opportunities for young people to take on responsibility and make meaningful steps toward economic freedom.

ADOLESCENT DEVELOPMENT INVESTMENTS MADE IN 2010 GRANTS OF \$5,000 AND ABOVE

Organization Name	Location	Project Title	Grant Amount
Baker Youth Club	Warsaw, IN	Dropout prevention	\$27,289
Cahoots Coffee Café	Angola, IN	Operating support	\$6,000
DeKalb County Central United School District	Auburn, IN	Capacity building	\$7,200
DeKalb County Community Foundation	Auburn, IN	Youth philanthropy—VOICE	\$21,500
DeKalb County Community Foundation	Auburn, IN	DeKalb County Project Hope	\$45,000
Elkmont High School Foundation	Elkmont, AL	Endowment for educational projects	\$67,000
Fargo-Moorhead Area Foundation	Fargo, ND	Youth philanthropy—Pod Squad	\$12,000
Fellowship of Christian Athletes	Fort Wayne, IN	Operating support	\$20,000
Garrett-Keyser-Butler Community School District	Garrett, IN	Equipment for vocational education	\$50,000
Harold W McMillen Center for Health Education	Fort Wayne, IN	Health education outreach	\$20,000
Heartline Pregnancy Center	Warsaw, IN	Teen parent education expansion	\$5,000
Indiana Youth Institute	Indianapolis, IN	Operating support	\$360,000
Kosciusko County Community Foundation	Warsaw, IN	Youth philanthropy—KEYS	\$12,000
LaGrange County Community Foundation	LaGrange, IN	Youth philanthropy—LIFE	\$27,000
Ligonier Presbyterian Church	Ligonier, IN	Teen parent education	\$7,000
Limestone Area Foundation	Athens, AL	Youth philanthropy—TRAIL	\$9,200
Limestone County Schools	Athens, AL	Creating Leaders initiative	\$20,000
Noble County Community Foundation	Ligonier, IN	Youth philanthropy—PULSE	\$10,000
Passages	Columbia City, IN	Enrichment for students with disabilities	\$6,480
South Central Iowa Community Foundation	Chariton, IA	Youth philanthropy—YACC	\$9,000
South Central Iowa Community Foundation	Chariton, IA	Youth philanthropy—CCOPS	\$25,500
South Central Iowa Community Foundation	Chariton, IA	Youth philanthropy—ROCCS	\$11,250
South Central Iowa Community Foundation	Chariton, IA	Youth philanthropy—HELP	\$11,800
South Central Iowa Community Foundation	Chariton, IA	Youth philanthropy—SPLASH	\$12,000
Steuben County Community Foundation	Angola, IN	Youth philanthropy—FIST	\$23,250
Teen Parents Succeeding	Syracuse, IN	Parent enrichment group	\$6,000
The Center for Whitley County Youth	Columbia City, IN	Operating support	\$85,000
The Quest Educational Foundation	Naples, FL	Building expansion	\$344,394
Warsaw Community Schools	Warsaw, IN	Welding center accreditation	\$23,000
Whitington Homes and Services for Children and Families	Fort Wayne, IN	Clinical coordinator salary	\$23,400
Whitko Community School Corporation	Pierceton, IN	Biomedical course initiation	\$15,000
Whitley County Community Foundation	Columbia City, IN	Youth philanthropy—HANDS	\$10,500

Community Development

We believe... that in order for young people and families to thrive, the communities that they live in must be healthy and vibrant.

In the area of **Community Development** we want to invest in the following results:

- » Increasing communities' baseline understanding of their strengths and weaknesses.
- » Increasing opportunities for families to enjoy leisure-time activities that expose young people to new experiences and areas of interest.
- » Increasing the number of communities that consider and engage young people as they:
 - Offer business opportunities
 - Provide leadership skill development
 - Promote charitable activities.
- » Increasing the number of opportunities for young people and families to experience local events and build strong community bonds.

COMMUNITY DEVELOPMENT INVESTMENTS MADE IN 2010 GRANTS OF \$5,000 AND ABOVE

Organization Name	Location	Project Title	Grant Amount
Auburn Arts Commission	Auburn, IN	Sculptures on the Square	\$10,000
City of Afton	Afton, IA	Sports complex upgrade	\$7,200
City of Kendallville	Kendallville, IN	Main Street Village project	\$9,000
City of Kendallville	Kendallville, IN	Kid City	\$15,000
Cole Center Family YMCA	Kendallville, IN	Operating support	\$50,000
DeKalb County Fair Association	Auburn, IN	Restrooms—outdoor theater	\$20,000
Fort Wayne Children's Zoo	Fort Wayne, IN	Zoo entrance renovation	\$250,000
Fort Wayne Philharmonic	Fort Wayne, IN	Community engagement	\$473,495
Friends of the Lincoln Museum	Fort Wayne, IN	Lincoln collection	\$300,000
Future Ligonier Alliance	Ligonier, IN	Operation Foundation 2010	\$8,000
High Performance Government Network	Fort Wayne, IN	Improve local government	\$15,000
LaGrange County Parks and Recreation Department	LaGrange, IN	David Rogers Days	\$11,160
North Webster Youth League	North Webster, IN	Field expansion	\$15,000
Northeast Indiana fund	Fort Wayne, IN	2020 Vision Project	\$5,000
Science Central	Fort Wayne, IN	Operating support	\$20,000
St. Joseph River Parks	St. Joe, IN	Riverdale playground	\$32,140
YMCA of DeKalb County	Auburn, IN	Operating support	\$25,000





This time last year, when high school welding students left the Four County Vocational Cooperative in northeast Indiana they had the skills to land full time jobs as Qualified Welders and, at \$12 per hour, that was a pretty good place to start. But Four County's leaders knew that they could offer students more. So, in 2010, they took their welding laboratory through a national certification process. Certification meant a mountain of paperwork, and a \$6,000 investment. But now those same graduates are Certified Welders, prepared to work on complex construction projects and earn \$18+ per hour. That's a \$12,000 pay raise for these new workers.



Board of Directors

Dekko Foundation, Inc.

Kendallville, Indiana

Independent Accountants' Report

We have audited the accompanying modified cash basis statements of financial position of Dekko Foundation, Inc. (Foundation) as of August 31, 2010 and 2009, and the related statements of activities for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Foundation's policy is to prepare its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2010 and 2009, and the changes in its net assets for the years then ended on the basis of accounting described in Note 1.

December 13, 2010

BKD, LLP

Statements of Financial Position

August 31, 2010 and 2009

(Modified Cash Basis)

	2010	2009
Assets		
Cash and cash equivalents	\$ 6,347,363	\$ 8,828,042
Investments	188,203,586	195,397,594
Property and equipment, net	<u>78,962</u>	<u>85,535</u>
Total assets	<u><u>\$ 194,629,911</u></u>	<u><u>\$ 204,311,171</u></u>
Liabilities		
Payroll tax withholdings	\$ 4,378	3,892
Net Assets, unrestricted	<u>194,625,533</u>	<u>204,307,279</u>
Total liabilities and net assets	<u><u>\$ 194,629,911</u></u>	<u><u>\$ 204,311,171</u></u>

Statements of Activities

Years ended August 31, 2010 and 2009

(Modified Cash Basis)

	2010	Percent of Total	2009	Percent of Total
Receipts				
Contributions	\$ 1,500,000	94.73%	\$ 50,000	.88%
Interest and dividend income	4,513,285	285.01	5,491,266	97.13
Net realized losses on investments	(4,445,995)	(280.77)	(11,301,968)	(199.90)
Other	<u>16,236</u>	<u>1.03</u>	<u>106,960</u>	<u>1.89</u>
Total receipts	<u><u>1,583,526</u></u>	<u><u>100.00%</u></u>	<u><u>(5,653,742)</u></u>	<u><u>100.00</u></u>
Disbursements				
Grants	8,998,333	79.89%	8,175,462	80.14%
Administrative	700,923	6.22	680,809	6.67
Library	1,489	.01	892	.01
Depreciation	15,665	.14	15,341	.15
Utilities	17,457	.15	18,885	.19
Office supplies	7,557	.07	9,122	.09
Equipment	8,289	.07	4,532	.04
Repair and maintenance	84,541	.75	43,764	.43
Dues and membership	12,960	.12	21,222	.21
Training	10,416	.09	15,091	.15
Travel	28,125	.25	22,526	.22
Postage	4,813	.04	4,554	.04
Insurance	24,135	.21	23,010	.23
Professional fees	80,795	.72	109,968	1.08
Investment management fee	1,171,527	10.40	984,844	9.66
Federal excise tax and unrelated business income tax (recoveries)	30,158	.27	(3,581)	(.04)
Other	<u>68,089</u>	<u>.60</u>	<u>74,705</u>	<u>.73</u>
Total disbursements	<u><u>11,265,272</u></u>	<u><u>100.00%</u></u>	<u><u>10,201,146</u></u>	<u><u>100.00%</u></u>
Change in unrestricted net assets	<u><u>(9,681,746)</u></u>		<u><u>(15,854,888)</u></u>	
Unrestricted net assets, beginning of year	<u><u>204,307,279</u></u>		<u><u>220,162,167</u></u>	
Unrestricted net assets, end of year	<u><u>\$ 194,625,533</u></u>		<u><u>\$ 204,307,279</u></u>	

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 grantmaking 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, 2010, cash equivalents consisted primarily of money market accounts with brokers.

One or more of the financial institutions holding the Foundation's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under the program, through December 31, 2012, all noninterest-bearing transaction accounts at these institutions are fully guaranteed by the FDIC for the entire amount in the account.

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to \$250,000, effective July 21, 2010. At August 31, 2010, the Company's cash accounts exceeded federally insured limits by approximately \$3,435,000.

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.

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:

	2010		2009	
	COST	FAIR VALUE	COST	FAIR VALUE
U.S. Government and U.S. Government agency securities	\$ 17,609,777	\$ 18,535,662	\$ 32,164,458	\$ 32,823,832
Equities	107,206,080	109,916,886	101,340,345	97,000,485
Corporate bonds	28,024,211	30,546,640	21,451,044	22,828,384
Nonmarketable securities	<u>35,363,518</u>	<u>39,967,950</u>	<u>40,441,747</u>	<u>41,115,372</u>
Total	<u>\$188,203,586</u>	<u>\$198,967,138</u>	<u>\$195,397,594</u>	<u>\$193,768,073</u>

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:

	2010	2009
Buildings and improvements	\$ 439,931	\$ 439,931
Furnishings and equipment	<u>209,713</u>	<u>209,958</u>
	649,644	649,889
Accumulated depreciation	<u>(570,682)</u>	<u>(564,354)</u>
Total	<u>\$ 78,962</u>	<u>\$ 85,535</u>

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 \$74,540 and \$70,319 for 2010 and 2009, respectively.

Note 5

Related Party Transactions

During 2010 and 2009, 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 \$36,272,205 and \$39,818,431 as of August 31, 2010 and 2009, respectively. The investment advisory fee (which was paid to the brokerage firm, not the related party advisory firm) was \$235,907 and \$217,665 for the years ended August 31, 2010 and 2009, 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 four primary parties default on their portion of the bonds payable. The principal balances of the bonds outstanding at August 31, 2010 and 2009, were \$5,040,000 and \$5,910,000, respectively. The bonds incur interest at a floating rate set each month. At August 31, 2010 and 2009, the Foundation has not been required to execute its guarantee.

Note 7

Subsequent Events

Subsequent events have been evaluated through December 13, 2010, which is the date the financial statements were available to be issued.





Tell us about your Results

We're celebrating the 30th anniversary of the Dekko Foundation this year. That's 30 years of Mr. Dekko's vision... 30 years of focus on economic freedom... and a strong focus on results.

This August, at the end of our 2011 year, we'll celebrate the Foundation's anniversary with \$30,000 grants to the five organizations within our grantmaking areas that can demonstrate the strongest focus on, and impact from, their results. If your organization is focused on making change, and causing positive results to happen, let us know about your work. Your organization could be recognized for its concentration of effort!



dekkofoundation.org

Thomas Leedy
President