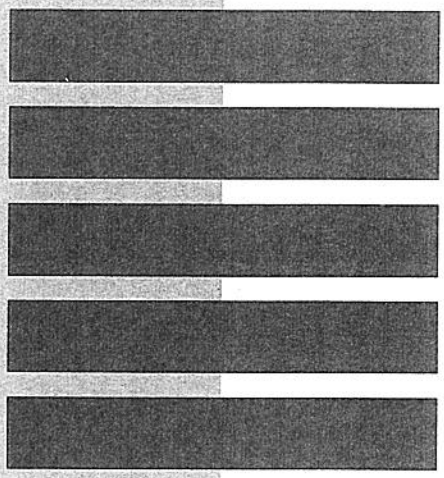

Financial Statements

Theodore R. and Vivian M. Johnson Scholarship Foundation

Years ended April 30, 1995 and 1994
with Report of Independent Auditors

Ernst & Young LLP

Theodore R. and Vivian M. Johnson
Scholarship Foundation

Financial Statements

Years ended April 30, 1995 and 1994

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Report of Independent Auditors

Board of Directors
Theodore R. and Vivian M. Johnson
Scholarship Foundation

We have audited the accompanying statements of assets and liabilities arising from cash transactions of the Theodore R. and Vivian M. Johnson Scholarship Foundation (the Foundation) as of April 30, 1995 and 1994, and the related statements of revenue collected, expenses paid and changes in fund balance 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 generally accepted auditing standards. 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, these financial statements have been prepared on a basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

As explained in Note 2, the financial statements include securities carried at $13,761,032 at April 30, 1995 and 1994, respectively, with an estimated fair value of $20,826,037 and $18,614,728 at April 30, 1995 and 1994, respectively, whose values have been estimated by the Board of Directors in the absence of readily ascertainable market values. We have reviewed the procedures used by the Board of Directors in arriving at its estimate of value of such securities and have inspected underlying documentation and, in the circumstances, we believe the procedures are reasonable and the documentation appropriate. However, because of the uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a market for the securities existed, and the differences could be material.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Theodore R. and Vivian M. Johnson Scholarship Foundation at April 30, 1995 and 1994, and the revenue collected and expenses paid during the years then ended.

Ernst & Young LLP

June 2, 1995

Theodore R. and Vivian M. Johnson
Scholarship Foundation

Statements of Assets and Liabilities
Arising from Cash Transactions

	April 30	
	1995	**1994**
Assets:		
Cash and cash equivalents	**$ 5,929,273**	$ 2,353,395
Investments	**26,540,781**	25,884,632
	$32,470,054	$28,238,027
Fund balance	**$32,470,054**	$28,238,027

See accompanying notes.

Theodore R. and Vivian M. Johnson
Scholarship Foundation

Statements of Revenue Collected, Expenses
Paid and Changes in Fund Balance

	Year ended April 30	
	1995	**1994**
Revenue:		
Contribution of cash and investments	**$ 4,030,748**	$ 2,125,000
Interest and dividends	**1,674,108**	1,472,927
Net gain (loss) on sale of investments	**(71,465)**	556,169
	5,633,391	4,154,096
Expenses:		
Grants	**1,133,000**	1,054,195
Investment advisory fees	**129,018**	114,864
Scholarship administrative expense	**5,480**	15,800
Wages	**46,672**	42,504
Rent	**7,200**	6,600
Trustee's fees and other expenses	**28,234**	17,876
Professional services	**13,428**	10,885
Federal excise tax and other taxes	**38,332**	1,772
	1,401,364	1,264,496
Excess of revenue over expenses	**4,232,027**	2,889,600
Fund balance, beginning of year	**28,238,027**	25,348,427
Fund balance, end of year	**$32,470,054**	$28,238,027

See accompanying notes.

Theodore R. and Vivian M. Johnson
Scholarship Foundation

Notes to Financial Statements

April 30, 1995 and 1994

1. Nature of Business and Summary of Accounting Policies

Organization and Operations

The Theodore R. and Vivian M. Johnson Scholarship Foundation (the Foundation) was formed on May 28, 1991 to provide educational scholarships and grants to deserving persons who might not otherwise have the financial means to enable them to attend an institution of higher learning.

Basis of Accounting

The Foundation maintains its accounting records and prepares its statements on the cash basis. Revenue is recognized when collected and expenses are recorded when paid, rather than when the commitment or obligation is incurred.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The cash and cash equivalents are held by the U.S. Trust Company of Florida.

Investments

Investments are recorded at cost when purchased or, if received as a contribution, at their market value on the date of the contribution. Because these securities are held for investment purposes and the quoted market values fluctuate during the investment period, gains or losses are recognized (based on the specific identification method) upon realization, or when their values are deemed to have been permanently impaired. Dividends and interest are recognized as income when received.

Income Taxes

The Foundation is incorporated as a private foundation and is currently exempt from federal income tax under the provision of Section 509(a) of the Internal Revenue Code; however, it is subject to an excise tax on its net investment income. The Foundation is also exempt from Florida state corporate income tax.

2. Investments

The aggregate cost or market value on date contributed (carrying value) and market value of the investments at April 30, 1995 consist of the following:

	Carrying Value	Market Value	Unrealized Gain (Loss)
Corporate bonds	$ 7,281,778	$ 7,148,071	$ (133,707)
Corporate preferred stocks	1,537,477	1,558,375	20,898
Corporate convertible securities	499,030	501,250	2,220
Corporate common stocks	17,222,496	24,526,753	7,304,257
	$26,540,781	$33,734,449	$7,193,668

The corporate common stocks consist mainly of shares of United Parcel Service (UPS) and Overseas Partners Ltd., a subsidiary of UPS, carried at $13,761,032 and valued at $20,826,037. The carrying value of these holdings are determined by the Foundation's management based on information supplied by UPS.