

Consolidated Financial Statements and
Supplementary Information Together
with Report of Independent Certified
Public Accountants

**Doris Duke Charitable Foundation, Inc. and
Related Entities**

For the years ended December 31, 2019 and 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of the
Doris Duke Charitable Foundation, Inc.:

We have audited the accompanying consolidated financial statements of the Doris Duke Charitable Foundation, Inc. and Related Entities, including Duke Farms Foundation, Doris Duke Foundation for Islamic Art, Doris Duke Management Foundation, and Doris Duke Foundation (collectively, the "Foundation"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of activities and cash flows, for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Doris Duke Charitable Foundation, Inc. and Related Entities as of December 31, 2019 and 2018, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet information as of December 31, 2019 and 2018 on pages 31 and 32, respectively, and the consolidating schedules of activities information for the years ended December 31, 2019 and 2018 on pages 33 and 34, respectively, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.



New York, New York
June 12, 2020

Doris Duke Charitable Foundation, Inc. and Related Entities

CONSOLIDATED BALANCE SHEETS

As of December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 27,431,308	\$ 87,347,916
Prepaid expenses, deferred charges and other receivables	1,886,677	1,529,677
Other assets	2,095,987	1,827,309
Investments (Note 3)	1,881,062,106	1,683,771,441
Program-related investments	20,639,936	1,522,736
Beneficial interest in trusts held by others (Note 2)	3,958,250	3,223,361
Property and equipment, net (Note 4)	109,042,859	111,923,890
	\$ 2,046,117,123	\$ 1,891,146,330
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 9,149,851	\$ 7,928,353
Grants payable, net (Note 6)	51,519,601	62,204,336
Deferred federal and state excise taxes payable (Note 7)	10,084,487	11,341,087
Post-retirement health benefit obligation (Note 5)	7,863,476	8,515,646
Interest rate swap agreement (Note 12)	8,226,819	4,539,120
Bonds payable, net (Note 12)	55,090,000	55,090,000
	141,934,234	149,618,542
COMMITMENTS (Notes 3, 6 and 10)		
NET ASSETS - without donor restrictions	1,904,182,889	1,741,527,788
Total liabilities and net assets	\$ 2,046,117,123	\$ 1,891,146,330

The accompanying notes are an integral part of these consolidated financial statements.

Doris Duke Charitable Foundation, Inc. and Related Entities

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended December 31, 2019 and 2018

	2019	2018
Revenues		
Investment income:		
Dividends	\$ 5,686,509	\$ 4,409,960
Interest	6,635,215	9,462,365
Net realized gains	100,826,893	82,364,170
Net unrealized gains (losses)	159,704,931	(66,133,189)
	272,853,548	30,103,306
Less:		
Investment expenses	(7,155,128)	(6,393,950)
Provision for federal and state excise taxes (Note 7)	(1,923,077)	(1,921,522)
Net investment income	263,775,344	21,787,834
Change in value of beneficial interest in trusts held by others (Note 2)	734,889	(150,843)
Other revenues (Note 13)	1,044,627	4,952,377
Change in value of interest rate swap agreement (Note 12)	(3,687,699)	1,661,371
Total revenues	261,867,161	28,250,739
Expenses (Note 15)		
Grants, net (Note 6)	67,079,257	93,432,810
Program	27,579,602	25,299,203
Administration	4,553,201	4,606,722
Total expenses	99,212,060	123,338,735
Change in net assets	162,655,101	(95,087,996)
Net assets - without donor restrictions, beginning of year	1,741,527,788	1,836,615,784
Net assets - without donor restrictions, end of year	\$1,904,182,889	\$1,741,527,788

The accompanying notes are an integral part of these consolidated financial statements.

Doris Duke Charitable Foundation, Inc. and Related Entities

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 162,655,101	\$ (95,087,996)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in value of interest rate swap agreement	3,687,699	(1,661,371)
Depreciation and amortization	4,777,639	4,667,248
Amortization of deferred bond issuance costs	19,594	19,594
Change in present value discount on grants payable	897,788	1,004,437
Discount allowance on grants payable	(489,651)	(1,425,504)
(Gain) loss from disposition of property and equipment	(3,850)	161,300
Net realized and unrealized gains on investments	(259,275,225)	(14,881,324)
Change in value of beneficial interest in trusts held by others	(734,889)	150,843
Changes in assets and liabilities:		
Decrease (increase) in interest, dividends and other receivables	157,716	(44,358)
Decrease (increase) in due from brokers	44,678,072	(56,113,985)
(Increase) decrease in prepaid expenses, deferred charges and other receivables	(376,594)	1,167,146
Increase in other assets	(268,678)	(1,458,298)
(Decrease) increase in due to brokers	(35,743,651)	36,199,208
Increase in accounts payable and accrued expenses	1,221,498	2,330,401
Decrease in post-retirement health benefit obligation	(652,170)	(1,773,283)
(Decrease) increase in grants payable	(11,092,872)	7,246,676
Decrease in deferred federal and state excise taxes payable	(1,256,600)	(1,349,657)
	<u>(91,530,395)</u>	<u>(120,848,923)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(369,846,173)	(734,672,377)
Purchase of program related investments (PRI's)	(19,117,200)	(1,013,521)
Proceeds from sale of investments	422,738,596	916,085,854
Purchase of property and equipment	(1,896,608)	(4,307,839)
Proceeds from sale of property and equipment	3,850	-
	<u>31,613,787</u>	<u>176,092,117</u>
Net cash provided by investing activities		
	<u>(59,916,608)</u>	<u>55,243,194</u>
Net (decrease) increase in cash and cash equivalents		
Cash and cash equivalents, beginning of year	<u>87,347,916</u>	<u>32,104,722</u>
Cash and cash equivalents, end of year	<u>\$ 27,431,308</u>	<u>\$ 87,347,916</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for federal and state excise taxes, net of refunds	<u>\$ 846,894</u>	<u>\$ 1,908,512</u>
Cash paid for interest	<u>\$ 2,097,180</u>	<u>\$ 1,915,302</u>

The accompanying notes are an integral part of these consolidated financial statements.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 1 - DESCRIPTION OF ORGANIZATION AND RELATED ENTITIES

Doris Duke Charitable Foundation, Inc. (“DDCF”) was incorporated under the laws of the State of New York as a not-for-profit corporation in December 2017 to be the successor entity to the Doris Duke Charitable Foundation, the New York charitable trust with a similar name described below. DDCF is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the “Code”) as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code.

Doris Duke Charitable Foundation (“DDCF Trust”) was a private foundation established by the Last Will and Testament of Doris Duke in 1996. DDCF Trust was formed as a trust under the laws of the State of New York and was exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). On February 11, 2019, DDCF Trust completed the transfer of all its assets to DDCF and by letter dated February 15, 2019, DDCF Trust notified the Internal Revenue Service (“IRS”) of its intent to terminate its private foundation status. DDCF Trust filed its final IRS Form 990-PF for the short tax year beginning January 1, 2019 and ending February 11, 2019. The mission of DDCF, which is identical to that of the original DDCF Trust, is to improve the quality of people's lives through grants supporting the performing arts, environmental conservation, medical research and child well-being, and through the preservation of the cultural and environmental legacy of Doris Duke's properties. The mission and strategy of DDCF are guided by Doris Duke's Last Will and Testament, which reflects the interests she pursued during her life. Doris Duke bequeathed DDCF Trust significant resources to support those interests in addition to a legacy of properties and collections. Further, DDCF supports three operating foundations that own Doris Duke's former properties in New Jersey, Hawaii, and Rhode Island, and a fourth that provides services to the other foundations.

The Doris Duke Foundation which was established in Delaware in 1934 by Doris Duke during her lifetime, the DDCF Trust, DDCF, and three operating foundations which were established through a Plan of Reorganization, effectuated in January 1999, are collectively referred to as the “Foundation.” The following summarizes the entities which, in addition to DDCF, comprise the Foundation.

Duke Farms Foundation

Duke Farms Foundation (“DFF”) was incorporated under the laws of the State of New York for the purpose of receiving title to real property located in Somerville, Hillsborough, Raritan, and Readington, New Jersey (the Readington property, which was not contiguous, was recorded as public open space in 2018). The property comprises approximately 2,700 acres of landscapes, trails, lakes, farms, buildings and supporting infrastructure. It is used for public recreation and learning, environmental research, agriculture and horticultural. The DFF Board of Trustees approved a resolution to develop a master plan to fulfill DFF's mission of environmental stewardship in 2006. The plan led to the restoration of the property - completed in 2012 - consistent with sound environmental practices, to serve as a resource for public education and enjoyment.

DFF is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Doris Duke Foundation for Islamic Art

Doris Duke Foundation for Islamic Art (“DDFIA”) was incorporated under the laws of the State of New York for the purpose of receiving title to real and personal property located in Honolulu, Hawaii known as Shangri La, a former residence of Doris Duke which houses her collection of Islamic art. In May 2017, DDFIA received an absolute charter as a museum from the Board of Regents of the State of New York. It is a museum for learning about the global cultures of Islamic art and design through exhibitions, digital and educational initiatives, public tours and programs, and community partnerships. DDFIA also awards grants to advance relationships and increase understanding between Muslim and non-Muslim communities for mutual well-being.

DDFIA is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

Doris Duke Management Foundation

Doris Duke Management Foundation (“DDMF”) was incorporated under the laws of the State of New York for the purpose of creating a centralized source of personnel to provide various services, including management, clerical, financial, and operational services, to the Foundation. DDMF also serves as a centralized source of certain facilities and equipment, both shared and separate.

DDMF is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and it qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

All appropriate expenses are assigned to each foundation pursuant to an Operating Agreement created at the inception of DDMF for the services performed by DDMF on behalf of each foundation.

Doris Duke Foundation

Doris Duke Foundation (“DDF”) is a private grant-making entity, organized under the laws of the State of Delaware in 1934, exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). All material inter-organizational balances and transactions have been eliminated in preparing the accompanying consolidated financial statements.

The Foundation’s net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed stipulations. At December 31, 2019 and 2018, the net assets of the Foundation represent resources that are not subject to donor-imposed stipulations, and are, therefore, available for the general operations of the Foundation.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

In the event the Foundation receives contributions or other assets which are restricted in nature due to specific time or use restrictions, such resources would be classified as net assets with donor restrictions.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions relate to the valuation of non-exchange traded alternative investments; the determination of the Foundation's post-retirement health benefit obligation; the fair value assigned to its interest rate swap agreement; and, its remainderman interest under split-interest agreements. Actual results could differ from those estimates.

Fair Value Measurements

The Financial Accounting Standards Board issued Accounting Standards Codification Topic 820 which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Assets and liabilities, subject to the standard, measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Quoted prices available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market;
- Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed; and
- Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by an entity. The Foundation considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

Valuation of Investments

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, certain U.S. government and sovereign obligations, and certain money market securities. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include certain U.S. government and sovereign obligations, not included in Level 1, most government agency securities, investment-grade corporate bonds, certain mortgage products, certain bank loans and bridge loans, commingled funds, less liquid listed equities, state, municipal and provincial obligations, most physical commodities and certain loan commitments. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or nontransferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 instruments include private equity and real estate investments, certain bank loans and bridge loans, less liquid corporate debt securities (including distressed debt instruments), collateralized debt obligations, and less liquid mortgage securities (backed by either commercial or residential real estate). When observable prices are not available for these securities, the Foundation uses one or more valuation techniques (e.g., the market approach, the income approach or the cost approach) for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted, as appropriate, for liquidity, credit, market and/or other risk factors.

The inputs used by the Foundation in estimating the value of Level 3 investments include the original transaction price, recent transactions for the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Foundation in the absence of market information. The fair value measurement of Level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the Foundation, due to the lack of observable inputs, may significantly impact the resulting fair value for certain assets categorized as Level 3 and therefore the Foundation's changes in net assets for the respective reporting period. As of December 31, 2019 and 2018, the Foundation did not hold any financial instruments that were included in Level 3.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents, equity and fixed-income securities and alternative investments. The Foundation maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. The Foundation's cash accounts were placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts. The Foundation has a significant investment in equities, bonds, and alternative investments, both marketable and non-marketable, and is therefore subject to concentrations of credit risk. Investment decisions are made by the DDCF Investment Committee of the Board of Trustees in conformity with the investment strategy approved by and under the direction of the Board of Trustees, in consultation with management and independent investment managers engaged by the Foundation.

Property and Equipment

Property and equipment are stated at cost, or at appraised values if received from the Estate of Doris Duke. Property and equipment, with the exception of collections, are depreciated on the straight-line basis over the estimated useful lives of the respective assets, which range from 3 to 30 years. Leasehold improvements are amortized on the straight-line basis over the life of the lease to which they pertain or their estimated useful life, whichever is shorter. The Foundation capitalizes computers and related equipment with a unit price of \$5,000 or greater and property and other equipment costing more than \$2,500 with useful lives greater than 3 years.

Beneficial Interest in Trusts Held by Others

In accordance with Doris Duke's Last Will and Testament, DDCF is the remainderman beneficiary of several split-interest agreements - specifically, irrevocable charitable remainder annuity trusts held by others. The Foundation initially valued these deferred gifts at the fair value of the underlying investments which are then discounted to reflect the Foundation's remainderman interest upon death of the respective life beneficiaries. Published IRS discount rates are employed to determine the net present value of both contributions and liabilities pertaining to these split-interest agreements. Annually, DDCF revalues its remainderman interest in these split-interest agreements and reflects this change in value in its consolidated statement of activities.

The following table summarizes the changes in the Foundation's beneficial interest in trusts held by others for the years December 31, 2019 and 2018:

	2019	2018
Balance, beginning of year	\$ 3,223,361	\$ 3,374,204
Change in fair value of beneficial interest	734,889	(150,843)
Balance, end of year	\$ 3,958,250	\$ 3,223,361

Grants

Grant awards by the Foundation to recipients are recorded as an expense and a liability when approved by the appropriate Committee of the Board and the grantee has been selected and notified. Such grant commitments are often made to a recipient over multiple fiscal years and are therefore recognized and measured at the present value of the expected amounts to be paid. The present value discount is determined when the grant is initially recognized using an appropriate discount rate which is not subsequently revised. The Foundation amortizes grant discounts, which are recorded as additional grant expense, over the payment period of the respective grant using the effective interest method. Rescinded and refunded grants are recorded as a reduction to grant expense.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Functional Allocation of Expenses

The costs of operating the Foundation have been allocated among program-related and administrative expenses. Program-related expenses pertain principally to the general grant-making activities of the Foundation, such as reviewing proposals and awarding, monitoring, and evaluating grants. Administration expenses include all other non-program related expenses of the Foundation.

Consolidated Statements of Cash Flows

For purposes of preparing the accompanying consolidated statements of cash flows, the Foundation considers investments with original maturities of three months or less at the time of purchase and all investments in money market funds, with immediate liquidity, to be cash equivalents. Short-term investments held by investment managers as part of the Foundation's long-term investment strategy are, however, classified as investments. At December 31, 2019 and 2018, the Foundation had \$23,948,460 and \$81,846,663, respectively, in money market funds which have been classified as cash equivalents.

Financial Instruments

The carrying amount of the Foundation's financial instruments approximate fair value.

Subsequent Events

The Foundation evaluated its December 31, 2019 consolidated financial statements for subsequent events through June 12, 2020, the date the consolidated financial statements were issued. Except as noted below, the Foundation is not aware of any subsequent events, which would require recognition or disclosure in the accompanying consolidated financial statements.

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Foundation's grantees, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effect of this pandemic.

As of June 12, 2020, the date of issuance of the consolidated financial statements, the Foundation's investment portfolio declined in value by approximately 6.7% as compared to the value reported as of December 31, 2019 on the accompanying consolidated balance sheet.

Adoption of Accounting Pronouncement

As of January 1, 2019, the Foundation adopted Accounting Standards Update ("ASU") 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU have assisted in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. The Foundation has determined that the adoption of this standard did not have a material impact on the Foundation's consolidated financial statements.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE 3 - INVESTMENTS

Investments at December 31, 2019 and 2018 consist of the following:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 45,944,075	\$ 54,254,622	\$ 50,093,581	\$ 43,626,546
Commingled funds	289,293,784	368,524,989	291,844,332	326,327,347
Fixed-income	94,760,212	94,630,105	42,014,153	41,385,559
Marketable alternative investments	296,786,295	773,234,719	318,979,323	717,548,082
Non-exchange traded alternative investments	428,097,137	589,739,749	404,015,643	545,113,849
Subtotal	<u>1,154,881,503</u>	<u>1,880,384,184</u>	<u>1,106,947,032</u>	<u>1,674,001,383</u>
Interest, dividends and other receivables, net	552,496	552,496	710,212	710,212
Due to brokers	(6,917,666)	(6,917,666)	(42,661,318)	(42,661,318)
Due from brokers	7,043,092	7,043,092	51,721,164	51,721,164
Total	<u>\$ 1,155,559,425</u>	<u>\$ 1,881,062,106</u>	<u>\$ 1,116,717,090</u>	<u>\$ 1,683,771,441</u>

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Marketable and non-exchange traded alternative investments at December 31, 2019 and 2018 consist of the following:

	2019			2018		
	Number of Funds	Cost	Fair Value	Number of Funds	Cost	Fair Value
ALTERNATIVE INVESTMENT STRATEGY:						
Marketable alternative investments:						
Multi-Strategy	7	\$ 110,120,918	\$ 262,275,971	6	\$ 108,862,518	\$ 274,771,527
Equity Long/Short	10	120,062,191	402,885,522	12	136,223,578	331,784,472
Distressed/High Yield	7	66,603,186	108,073,226	7	73,893,227	110,992,083
Total marketable alternative investments	24	296,786,295	773,234,719	25	318,979,323	717,548,082
Non-exchange traded alternative investments:						
Fund of Funds	9	49,583,318	37,148,462	9	51,143,166	47,715,184
Buy-outs/Growth	22	89,863,461	97,462,118	21	91,766,183	115,599,672
Venture Capital	86	188,459,119	358,790,710	74	164,170,653	277,798,782
Distressed	4	4,343,932	5,257,025	4	1,502,445	1,978,934
Special Situations	3	10,924,676	10,628,329	1	6,449,805	6,510,705
Real Assets	21	84,922,631	80,453,105	21	88,983,391	95,510,572
Total non-exchange traded alternative investments	145	428,097,137	589,739,749	130	404,015,643	545,113,849
Total alternative investments	169	\$ 724,883,432	\$1,362,974,468	155	\$ 722,994,966	\$1,262,661,931

Equity investments include U.S. large and small-capitalization companies, real estate investment trusts, non-U.S. developed and emerging markets, and global equities (U.S. and non-U.S. developed market securities).

Commingled funds are funds whose underlying holdings include U.S. and non-U.S. publicly traded equities and publicly traded fixed income securities such as government bonds, corporate bonds, treasury bonds, and mortgage-backed securities. The liquidity of these funds range from daily to monthly.

Fixed-income investments represent the broad U.S. bond market, including government, corporate, treasury, and mortgage-backed securities.

Cash and cash equivalents include short-term investments. Cash and cash equivalents held by investment managers, as part of the long-term investment strategy of the Foundation, have been classified into the investment categories in which they are intended to ultimately be invested and amounted to \$14,711,204 and \$22,341,420 at December 31, 2019 and 2018, respectively.

Because of the uncertainty associated with the valuations of certain alternative investments, which are not readily marketable or do not have quoted market prices, the carrying values of such investments could differ had a ready market for such investments existed. Such difference could be material.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The following table summarizes investments within the fair value hierarchy as of December 31, 2019:

	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ 54,239,771	\$ 14,851	\$ -	\$ -	\$ 54,254,622
Commingled funds	-	-	-	368,524,989	368,524,989
Marketable alternative investments	-	-	-	773,234,719	773,234,719
Non-exchange traded alternative investments	-	-	-	589,739,749	589,739,749
Fixed income	-	94,630,105	-	-	94,630,105
	<u>\$ 54,239,771</u>	<u>\$ 94,644,956</u>	<u>\$ -</u>	<u>\$ 1,731,499,457</u>	<u>\$ 1,880,384,184</u>

The following table summarizes investments within the fair value hierarchy as of December 31, 2018:

	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ 43,610,303	\$ 16,243	\$ -	\$ -	\$ 43,626,546
Commingled funds	-	-	-	326,327,347	326,327,347
Marketable alternative investments	-	-	-	717,548,082	717,548,082
Non-exchange traded alternative investments	-	-	-	545,113,849	545,113,849
Fixed income	-	41,385,559	-	-	41,385,559
	<u>\$ 43,610,303</u>	<u>\$ 41,401,802</u>	<u>\$ -</u>	<u>\$ 1,588,989,278</u>	<u>\$ 1,674,001,383</u>

The Foundation uses net asset value (“NAV”), or its equivalent, to determine the fair value of all the underlying investments which: (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.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The following table lists such investments reported at fair value using NAV by major category at December 31, 2019:

	Number of Funds	NAV in Funds	Remaining Life	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	12	\$ 368,524,989	N/A	\$ -	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than 1 fund with a rolling 1 year lockup
Multi-Strategy	7	262,275,971	N/A	-	N/A	Monthly to annually with 14 to 180 days notice	No restrictions other than 1 fund with a rolling 2 year lockup and 10% gate, 1 fund with a 33% gate and 1 fund with illiquid side pocket investments
Equity Long/Short	10	402,885,522	N/A	-	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than 1 fund with a 1 year lockup, 1 fund with a 50% gate and 1 fund with a 25% gate
Distressed/High Yield	7	108,073,226	N/A	1,896,000	N/A	Monthly to semi-annually with 60 to 90 days notice	No restrictions other than 1 fund with rolling 2 year lockup, 1 fund with a 50% gate, 1 fund with a 25% gate and 1 fund with a 25% gate per quarter
Fund of Funds	9	37,148,462	Varying through 2027	9,171,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Buy-outs/Growth	22	97,462,118	Varying through 2041	45,490,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Venture Capital	86	358,790,710	Varying through 2029	107,868,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Distressed	4	5,257,025	Varying through 2019	3,550,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Special Situations	3	10,628,329	Through 2025	11,033,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Real Assets	21	80,453,105	Varying through 2026	31,550,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
	<u>181</u>	<u>\$ 1,731,499,458</u>		<u>\$ 210,558,000</u>			

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The following table lists such investments reported at fair value using NAV by major category at December 31, 2018:

	Number of Funds	NAV in Funds	Remaining Life	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	13	\$326,327,347	N/A	\$ -	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than 1 fund with a rolling 1 year lockup
Multi-Strategy	6	274,771,527	N/A	-	N/A	Monthly to annually with 14 to 180 days notice	No restrictions other than 1 fund with a rolling 2 year lockup and 10% gate, 1 fund with a 33% gate and 1 fund with illiquid side pocket investments
Equity Long/Short	12	331,784,472	N/A	-	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than 1 fund with a 1 year lockup, 1 fund with a 50% gate and 1 fund with a 25% gate
Distressed/High Yield	7	110,992,083	N/A	1,896,000	N/A	Monthly to semi- annually with 60 to 90 days notice	No restrictions other than 1 fund with rolling 2 year lockup, 1 fund with a 50% gate, 1 fund with a 25% gate and 1 fund with a 25% gate per quarter
Fund of Funds	9	47,715,184	Varying through 2027	16,556,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partner
Buy-outs/Growth	21	115,599,672	Varying through 2041	47,087,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partner
Venture Capital	74	277,798,782	Varying through 2029	75,946,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partner
Distressed	4	1,978,934	Varying through 2019	9,150,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partner
Special Situations	1	6,510,705	Through 2025	3,629,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partner
Real Assets	21	95,510,572	Varying through 2026	37,865,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partner
	<u>168</u>	<u>\$1,588,989,278</u>		<u>\$192,129,000</u>			

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE 4 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31, 2019 and 2018, consists of the following:

	2019	2018
Land improvements	\$ 37,278,490	\$ 34,860,764
Buildings and improvements	63,253,753	62,945,048
Furniture and equipment	14,476,436	14,942,230
Leasehold improvements	5,310,134	5,310,134
	120,318,812	118,058,176
Less: accumulated depreciation and amortization	(61,825,064)	(58,171,376)
	58,493,748	59,886,800
Land	49,010,680	49,010,680
Construction in progress	1,538,431	3,026,410
	\$ 109,042,859	\$ 111,923,890

Depreciation and amortization expense for the years ended 2019 and 2018 totaled \$4,777,639 and \$4,667,248, respectively.

Construction in progress as of December 31, 2019 and 2018 consists of costs associated with land improvements at the Foundation's properties.

NOTE 5 - POST-RETIREMENT HEALTH BENEFIT OBLIGATION

The Foundation provides health benefits to all its full-time employees. Upon retirement, employees may be eligible for continuation of some of these benefits. Amounts are accrued for such benefits during the years in which employees provide services to the Foundation.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The actuarial present value of the benefit obligation and the amounts recognized in the accompanying consolidated balance sheets as of December 31, 2019 and 2018, are as follows:

	2019	2018
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 8,515,646	\$ 10,288,929
Service cost	317,995	356,724
Interest cost	341,306	312,279
Plan participants' contributions	50,013	34,216
Amendments/Curtailments/Special Termination	(207,237)	-
Actuarial gain	(803,643)	(2,220,399)
Benefits paid	(350,604)	(256,103)
Benefit obligation, end of year	\$ 7,863,476	\$ 8,515,646
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ -	\$ -
Employer contributions	300,591	221,887
Plan participants' contributions	50,013	34,216
Benefits paid	(350,604)	(256,103)
Fair value of plan assets, end of year	\$ -	\$ -
Components of accrued benefit cost:		
Funded status	\$ (7,863,476)	\$ (8,515,646)
Unamortized prior service credit	(365,783)	(218,374)
Unamortized net gain	(4,006,603)	(3,754,465)
Accrued benefit cost	\$ (12,235,862)	\$ (12,488,485)
Components of net periodic benefit cost:		
Service cost	\$ 317,995	\$ 356,724
Interest cost	341,306	312,279
Amortization of prior service credit	(59,828)	(35,492)
Amortization of net gain	(551,505)	(408,821)
Net periodic post-retirement benefit cost	\$ 47,968	\$ 224,690
Discount rate for benefit obligation, end of year	4.02%	4.08%
Discount rate for net periodic benefit cost, end of year	4.08%	3.45%

The mortality rates used for the December 31, 2019 and 2018 disclosures are based on the Pri.H-2012 Mortality Table for annuitants and non-annuitants with projected mortality improvements using scale MP-2019 on a generational basis.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Future benefit payments to participants, net of employee contributions, are expected to be paid as follows:

Year Ending December 31:	
2020	\$ 337,106
2021	420,593
2022	454,087
2023	485,224
2024	543,548
2025-2029	<u>2,757,833</u>
	<u>\$ 4,998,391</u>

Expected employer contributions to the post-retirement health benefit plan, net of employee contributions, for calendar year 2020 will total \$337,106.

	<u>2019</u>	<u>2018</u>
Assumed pre-65 medical trend rates at December 31:		
Health care cost trend rate assumed for next year	6.75%	7.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78%	3.80%
Year rate reaches the ultimate trend rate	2075	2075
Assumed post-65 medical trend rates at December 31:		
Health care cost trend rate assumed for next year	4.50%	5.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78%	3.80%
Year rate reaches the ultimate trend rate	2075	2075
Assumed prescription drug trend rates at December 31:		
Health care cost trend rate assumed for next year	7.00%	9.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78%	3.80%
Year rate reaches the ultimate trend rate	2075	2075

The Foundation does not anticipate applying for the Medicare Part D prescription drug federal subsidy; therefore, the above disclosures do not reflect the impact of Medicare Part D. The Foundation's (benefit) expense associated with this plan totaled (\$652,170) and (\$1,773,283) for 2019 and 2018, respectively.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

	2019	2018
Amounts recognized in the consolidated balance sheets consist of:		
Accrued benefit liability	<u>\$ 7,863,476</u>	<u>\$ 8,515,646</u>
Amount recognized in net assets without donor restrictions	<u>\$ 4,372,386</u>	<u>\$ 3,972,839</u>
Amounts recognized in net assets without donor restrictions consist of:		
Unamortized prior service credit	\$ 365,783	\$ 218,374
Unamortized actuarial net gain	4,006,603	3,754,465
	<u>\$ 4,372,386</u>	<u>\$ 3,972,839</u>
Amounts expected to be amortized from net assets without donor restrictions next calendar year include:		
Prior service credit	\$ 59,828	\$ 35,492
Net actuarial gain	551,505	408,821
	<u>\$ 611,333</u>	<u>\$ 444,313</u>
Change in unamortized items:		
Prior service credit	\$ (207,237)	\$ -
Actuarial gain	(803,643)	(2,220,399)
	<u>\$ (1,010,880)</u>	<u>\$ (2,220,399)</u>

The assumed health care trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in the health care cost trend rates would have the following effects:

	One-Percentage Point Increase	One-Percentage Point Decrease
Effect on total of service and interest cost components	\$ 131,986	\$ (96,272)
Effect on post-retirement benefit obligation	\$ 1,077,854	\$ (890,030)
Expected effect in the unrestricted net assets for calendar year 2020:		
Transition obligation	\$ -	
Prior service credit	\$ (116,806)	
Net actuarial gain	\$ (610,174)	

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE 6 - GRANTS PAYABLE, NET

The following summarizes the changes in grants payable during 2019 and 2018:

	2019	2018
Balance, beginning of year:		
DDCF	\$ 60,221,294	\$ 50,886,733
DDF	4,125,549	6,236,748
DDFIA	796,164	772,850
Present value discount	<u>(2,938,671)</u>	<u>(2,517,604)</u>
	<u>62,204,336</u>	<u>55,378,727</u>
Grants authorized:		
DDCF	62,453,568	89,225,462
DDF	1,570,000	1,925,000
DDFIA	2,945,500	2,823,314
Present value discount	<u>(606,851)</u>	<u>(1,425,504)</u>
	<u>66,362,217</u>	<u>92,548,272</u>
Deductions:		
Payments made:		
DDCF	(72,523,878)	(79,890,901)
DDF	(2,817,170)	(3,985,924)
DDFIA	(2,500,680)	(2,800,000)
Amortization of present value discount	<u>897,788</u>	<u>1,004,437</u>
	<u>(76,943,940)</u>	<u>(85,672,388)</u>
Net rescinded grants:		
DDCF	(65,000)	-
DDF	<u>(38,012)</u>	<u>(50,275)</u>
	<u>(103,012)</u>	<u>(50,275)</u>
Balance, end of year:		
DDCF	50,085,984	60,221,294
DDF	2,840,367	4,125,549
DDFIA	1,240,984	796,164
Present value discount	<u>(2,647,734)</u>	<u>(2,938,671)</u>
	<u>\$ 51,519,601</u>	<u>\$ 62,204,336</u>

The Foundation's grant commitments at December 31, 2019 and 2018 have been discounted to present value by applying interest rate factors of 2.38% and 3.23%, respectively.

In 2019 and 2018, grants in the amount of \$77,736 and \$62,624, respectively, were refunded and netted with grants expense in the accompanying consolidated statements of activities. During 2019 and 2018, there were \$103,012 and \$50,275 of grants rescinded, respectively.

As of December 31, 2019, the Foundation's Board of Trustees approved certain grants totaling \$24,839,037 for which grantees had not yet been selected and notified. Accordingly, such grants have not been accrued in the accompanying 2019 consolidated financial statements.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Grants authorized but unpaid at December 31, 2019 are expected to be paid as follows:

	Amount
Year Ending December 31,	
2020	\$ 36,504,166
2021	15,219,339
2022	2,318,830
2023	125,000
	54,167,335
Less: present value discount	(2,647,734)
	\$ 51,519,601

NOTE 7 - EXCISE AND INCOME TAXES

Excise and income (benefit) taxes consist of the following:

	2019	2018
Current excise taxes	\$ 2,303,557	\$ 934,702
Deferred excise tax *	(1,256,600)	(1,349,657)
Federal and State income taxes	(43,751)	19,694
	\$ 1,003,206	\$ (395,261)

*DDCF's deferred excise tax of (\$1,256,600) and (\$1,349,657), as of December 31, 2019 and 2018, respectively, is netted against unrealized gains/losses on the consolidated statements of activities.

Current excise taxes are computed at a 2% excise tax rate on DDCF's net investment income. Current federal and state income taxes are based on unrelated business income derived by the Foundation's pass-through investments. For federal income tax purposes, the Foundation's federal and state unrelated business income tax provision is (\$43,751). The Foundation generates unrelated business income on a multi-state basis and has calculated a tax provision that represents its income tax liability net of withholding tax refunds received.

A deferred tax liability of \$10,084,487 and \$11,341,087, respectively, is reflected in the Foundation's December 31, 2019 and 2018 consolidated balance sheets due to the unrealized appreciation of certain investments.

NOTE 8 - ACCOUNTING FOR UNCERTAIN TAX POSITIONS

The Foundation follows guidance that clarifies the accounting for uncertainty in income tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The foundations are organizations exempt from federal income taxation under §501(c)(3) of the Code and are private foundations as described in §509(a); although, the foundations are subject to tax on income unrelated to their exempt purpose, unless that income is otherwise excluded by the Code. The foundations have processes presently in place to ensure the maintenance of their tax-exempt status; to identify and report unrelated income; to determine their filing and tax obligations in jurisdictions for which they have nexus; and to identify and evaluate other matters that may be considered tax positions. The foundations have determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements as of and for the years ended December 31, 2019 and 2018.

NOTE 9 - RELATED PARTIES

Newport Restoration Foundation (“NRF”) was established as a not-for-profit foundation in 1968 in order to preserve and restore historic architecture of the eighteenth and early nineteenth centuries in Newport, RI. In accordance with the Last Will and Testament of Doris Duke, in 1999, NRF received certain real and personal property located in Newport, Rhode Island, known as Rough Point, and certain real property located in Middletown, Rhode Island, valued at Doris Duke’s date of death at approximately \$22 million. In 2016, the tax-exempt status of NRF was changed from a private foundation to a public charity. Annually, DDCF’s Board of Trustees approves a grant to fund the operations of Rough Point. During 2019 and 2018, NRF was awarded \$2,631,120 from DDCF each year. The Foundation shares no common board members with NRF and exerts no control over NRF’s operations.

NOTE 10 - LEASE COMMITMENTS

DDMF leases its office space located on the 18th and 19th floors of 650 Fifth Avenue, New York, New York. A new lease agreement dated December 31, 2014 was executed and commenced on January 1, 2015 for the same space. The term of the lease is 10 years and eight months and expires on August 31, 2025. The lease includes a rent abatement and a landlord contribution for qualified renovation expenses.

The Foundation’s operating lease contains annual escalations. In accordance with US GAAP, rent expense is recognized on a straight-line basis, including future rent escalations and the landlord contribution for qualified renovation expenses, over the life of the lease rather than in accordance with the actual lease payments. Deferred rent expense represents the adjustment to future rentals as a result of applying the straight-line method.

Future minimum rental commitments under operating leases are as follows:

Year Ending December 31:	
2020	\$ 1,088,424
2021	1,148,892
2022	1,148,892
2023	1,148,892
2024	1,148,892
2025	765,928
	<u>\$ 6,449,920</u>

Rent expense for each of the years ended December 31, 2019 and 2018 approximated \$998,000.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE 11 - PENSION PLANS

DDMF sponsors a 401(a) profit sharing plan with a 401(k) feature. Employees may elect to have pretax employee contributions made to their accounts not to exceed federal allowable limits. The Foundation is required to make a contribution equal to at least 3% of compensation of all eligible, non-highly compensated employees, and highly compensated employees if desired, regardless of whether an employee makes employee contributions. The Foundation also makes discretionary contributions to the 401(k) plan, which is a non-elective contribution safe harbor 401(k) plan design. Total pension expense under this 401(k) plan for 2019 and 2018 totaled \$1,615,636 and \$1,530,222, respectively. Participants are immediately vested in their employee contributed account balance and in the employer's contribution portion and all earnings thereon.

DDMF also sponsors a Supplemental Employee Retirement Plan (the "Supplemental Plan") to provide certain employees of the Foundation with retirement benefits that are otherwise unavailable from the 401(k) qualified retirement plan established by DDMF. The Supplemental Plan is an unfunded (nonqualified) retirement plan which permits the employer to defer 15% of compensation, at the employee's direction, in excess of the Code's 401(a)(17) limitation for eligible employees. Pension expense relative to the Supplemental Plan was \$155,101 and \$147,542 in 2019 and 2018, respectively. The annual limitation used in calculating the 2019 and 2018 pension expense was \$280,000 and \$275,000, respectively. As of December 31, 2019 and 2018, DDMF accrued \$1,981,393 and \$1,461,292, respectively, relating to the Supplemental Plan.

In 2006, DDMF adopted a 457(b) deferred compensation plan to provide certain employees of the Foundation with the benefit of additional tax-deferred retirement savings opportunities. The annual 457(b) deferral limitation for 2019 and 2018 was \$19,000 and \$18,500, respectively. This plan is entirely funded by employee salary deferrals. Plan assets and liabilities pertaining to the 457(b) plan have been recognized in other assets and accounts payable and accrued expenses in the accompanying consolidated financial statements.

NOTE 12 - BONDS PAYABLE, NET

New Jersey Economic Development Authority, Economic Development Bonds (Duke Farms Foundation Project) - Series 2016 and 2017.

In 2017, the Foundation completed bond repurchase agreements to refinance its New Jersey Economic Development Authority Economic Development Refunding Bonds (Duke Farms Foundation Project) Series 2009A and 2009B bonds.

On January 19, 2017, the Series 2009B bonds were refinanced through a new issuance of \$24,840,000 of Series 2016 bonds bearing an interest rate of 4.073% with a maturity date of July 1, 2046. The Series 2016 bonds were issued at a discount of \$310,500. The bond discount is being amortized using the effective interest method over the term of the bonds. Amortization of the bond discount totaled \$19,594 for the years ended December 31, 2019 and 2018. Payment on the Series 2016 bonds is due in full on July 1, 2046.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

On February 1, 2017, the Series 2009A bonds were refinanced through a new issuance of \$30,250,000 of Series 2017 bonds. The interest rate on the Series 2017 variable rate bonds ranged between 2.263% and 2.933% during calendar 2019 and 1.766% and 2.792% during calendar 2018. The DFF interest rate swap agreement from the Series 2009A was maintained for the Series 2017 bonds. Under the terms of the agreement, DFF agreed to pay Deutsche Bank a fixed rate of interest equal to 2.665% and to receive from Deutsche Bank a payment equal to 68% of the 3-month LIBOR (1.300% and 1.897% at December 31, 2019 and 2018, respectively). The interest rate received by DFF is reset on a daily basis. The swap agreement expires coincident with the maturity of the bonds on July 1, 2048. Payment on the Series 2017 bonds is due in full on July 1, 2048.

In conjunction with the initial bond financing, DDCF received underlying ratings of “AAA” from Standard & Poor’s and “AAA” from Moody’s.

The Foundation pays interest only on amounts borrowed until July 1, 2048 (Series 2017) and July 1, 2046 (Series 2016), at which time the bonds are payable in full. During fiscal 2019, interest expense relating to the Series 2016 and Series 2017 bonds, including interest rate swap payments, totaled \$2,161,614. During fiscal 2018, interest expense relating to Series 2009 A and B bonds, including interest rate swap payments, totaled \$2,097,180.

As described above, DFF entered into an interest rate swap agreement relating to its variable rate bond issuance, wherein DFF agreed to pay the counterparty (Deutsche Bank) a fixed interest rate and the counterparty agreed to pay DFF a variable interest rate intended to approximate the variable rate on DFF’s bonds. DFF’s swap is considered a Level 2 financial instrument within the fair value hierarchy. The fair value of the swap, as described above, is based-upon the expected future cash flows discounted at a current market rate.

As of and for the years ended December 31, 2019 and 2018, amounts included within the accompanying consolidated financial statements relating to the interest rate swap agreement are as follows:

Fair Value at December 31, 2019	Fair Value at December 31, 2018	Consolidated Balance Sheet Location	Change in Value of Interest Rate Swap Agreement for the Year Ended December 31, 2019	Change in Value of Interest Rate Swap Agreement for the Year Ended December 31, 2018	Consolidated Statements of Activities Location	Level within the Fair Value Hierarchy
\$ 8,226,819	\$ 4,539,120	"Interest rate swap agreement (liabilities)"	\$ (3,687,699)	\$ 1,661,371	Change in value of interest rate swap agreement	Level 2

NOTE 13 - EASEMENT

On December 17, 2018, DFF received approximately \$2,967,000 from the County of Somerset for a perpetual Agricultural Land Easement for grasslands of special significance encompassing approximately 372 acres of land under the auspices of the federal Agricultural Conservation Easement Program. The purpose of the easement is to protect the grazing uses and related conservation values by restoring and conserving the land and limiting non-agricultural uses of the land. Amounts received during 2018 have been recognized as part of other revenues.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE 14 - LINE OF CREDIT - PROGRAM-RELATED

On May 5, 2015, the Foundation signed a credit agreement extending a line of credit to The Nature Conservancy of up to a maximum principal amount of \$20,000,000. This credit agreement qualifies as a program-related investment, as defined in Section 4944(c) of the Code. The original maturity date for this agreement was five years from its effective date (on or before May 5, 2020). In February 2018, a one-year extension of the maturity date (until May 5, 2021) was approved and in November 2018, an additional 32-month extension of the maturity date (until December 31, 2023) was approved. As of December 31, 2019, there was an outstanding balance of \$19,366,000 on the line of credit.

In addition, on September 19, 2016, the Foundation signed a credit agreement with Social Finance CT Family Stability for loans up to \$1,500,000 over 6 years. As of December 31, 2019, \$1,273,936 was funded to Social Finance CT Family Stability.

NOTE 15 - FUNCTIONAL EXPENSES

The Foundation provides for programs to improve the quality of people's lives through grants supporting the performing arts, environmental conservation, medical research and child well-being, and through preservation of the cultural and environmental legacy of Doris Duke's properties. Expenses that can be identified with a specific program are charged directly. Other expenses that are common to programs and supporting activities are allocated by various statistical bases. Expenses related to providing these services consist of the following:

	2019		
	Program Activities	Supporting Activities	Total
Grants-net	\$ 67,079,257	\$ -	\$ 67,079,257
Salaries, Benefits & Payroll Taxes	12,052,223	2,705,000	14,757,223
Legal Fees	118,277	-	118,277
Accounting & Tax Fees	57,716	264,763	322,479
Outsourced Services	3,257,127	685,150	3,942,277
Depreciation	4,592,577	122,959	4,715,536
Occupancy	667,181	284,699	951,880
Travel, Conferences & Meetings	783,247	89,337	872,584
Printing & Publications	36,764	834	37,598
Other	6,014,490	400,459	6,414,949
	\$ 94,658,859	\$ 4,553,201	\$ 99,212,060

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

	2018		
	Program Activities	Supporting Activities	Total
Grants-net	\$ 93,432,810	\$ -	\$ 93,432,810
Salaries, Benefits & Payroll Taxes	10,789,487	2,598,311	13,387,798
Legal Fees	106,326	-	106,326
Accounting & Tax Fees	49,969	230,412	280,381
Outsourced Services	2,669,156	1,120,177	3,789,333
Depreciation	4,492,418	122,356	4,614,774
Occupancy	636,810	290,094	926,904
Travel, Conferences & Meetings	864,713	100,540	965,253
Printing & Publications	44,816	2,149	46,965
Other	5,645,508	142,683	5,788,191
	<u>\$ 118,732,013</u>	<u>\$ 4,606,722</u>	<u>\$ 123,338,735</u>

NOTE 16 - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The Foundation's financial assets available within one year of December 31, 2019 and 2018 to meet general expenditures include:

	2019	2018
Cash and cash equivalents	\$ 27,431,308	\$ 87,347,916
Interest and dividends receivable	552,496	710,212
Public market equities and commingled funds	422,779,611	369,953,893
Fixed income securities	94,630,105	41,385,559
Available financial assets	<u>\$ 545,393,520</u>	<u>\$ 499,397,580</u>

The Foundation endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations become due. In addition to the liquid assets presented above, there are likely to be additional components of the Foundation's investments that may be available and liquid within one year. These components include certain portions of marketable alternatives, as well as return of capital from both private equity and real estate holdings. The Foundation's Investment Committee reviews and evaluates the liquidity of the investment portfolio on a quarterly basis.

SUPPLEMENTARY INFORMATION

Doris Duke Charitable Foundation, Inc. and Related Entities
SCHEDULE 1 - CONSOLIDATING BALANCE SHEET INFORMATION
As of December 31, 2019

ASSETS	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Foundation for Islamic Art	Subtotal	Elimination Entries	Total
Cash and cash equivalents	\$ 27,240,822	\$ 212,605	\$ (10,130)	\$ (65,517)	\$ 53,527	\$ 27,431,308	\$ -	\$ 27,431,308
Prepaid expenses, deferred charges and other receivables	790,395	4,807,693	940,126	131,621	1,323,344	7,993,178	(6,106,501)	1,886,677
Other assets	354,950	13,062	1,000	1,726,975	-	2,095,987	-	2,095,987
Investments	1,876,674,877	4,387,229	-	-	-	1,881,062,106	-	1,881,062,106
Program-related investments	20,639,936	-	-	-	-	20,639,936	-	20,639,936
Beneficial interest in trusts held by others	3,958,250	-	-	-	-	3,958,250	-	3,958,250
Due from related entities	809,574	-	259,972	8,932,702	-	10,002,248	(10,002,248)	-
Property and equipment, net	-	-	70,437,093	1,267,750	37,338,016	109,042,859	-	109,042,859
Total assets	\$ 1,930,468,804	\$ 9,420,589	\$ 71,628,062	\$ 11,993,531	\$ 38,714,888	\$ 2,062,225,873	\$ (16,108,750)	\$ 2,046,117,123
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable and accrued expenses	\$ 3,187,931	\$ 64,482	\$ 464,662	\$ 5,207,337	\$ 225,440	\$ 9,149,851	\$ -	\$ 9,149,851
Grants payable, net	53,688,307	2,719,370	-	-	1,218,426	57,626,103	(6,106,501)	51,519,601
Due to related entities	7,625,356	197,726	1,158,050	783,309	237,808	10,002,248	(10,002,248)	-
Deferred federal and state excise taxes payable	10,084,487	-	-	-	-	10,084,487	-	10,084,487
Post-retirement health benefit obligation	-	-	3,815,372	2,323,171	1,724,933	7,863,476	-	7,863,476
Interest rate swap agreement	-	-	8,226,819	-	-	8,226,819	-	8,226,819
Bonds payable, net	-	-	55,090,000	-	-	55,090,000	-	55,090,000
Total liabilities	74,586,080	2,981,577	68,754,902	8,313,817	3,406,607	158,042,984	(16,108,750)	141,934,234
NET ASSETS - without donor restrictions	1,855,882,724	6,439,011	2,873,160	3,679,714	35,308,281	1,904,182,890	-	1,904,182,889
Total liabilities and net assets	\$ 1,930,468,804	\$ 9,420,589	\$ 71,628,062	\$ 11,993,531	\$ 38,714,888	\$ 2,062,225,873	\$ (16,108,750)	\$ 2,046,117,123

The accompanying report of independent certified public accountants, consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

Doris Duke Charitable Foundation, Inc. and Related Entities
SCHEDULE 2 - CONSOLIDATING BALANCE SHEET INFORMATION
As of December 31, 2018

ASSETS	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Foundation for Islamic Art	Subtotal	Elimination Entries	Total
Cash and cash equivalents	\$ 87,152,082	\$ 269,053	\$ (59,398)	\$ (19,821)	\$ 6,000	\$ 87,347,916	\$ -	\$ 87,347,916
Prepaid expenses, deferred charges and other receivables	378,483	5,974,863	975,650	148,206	874,302	8,351,504	(6,821,827)	1,529,677
Other assets	354,950	13,062	1,000	1,458,297	-	1,827,309	-	1,827,309
Investments	1,679,727,007	4,044,434	-	-	-	1,683,771,441	-	1,683,771,441
Program-related investments	1,522,736	-	-	-	-	1,522,736	-	1,522,736
Beneficial interest in trusts held by others	3,223,361	-	-	-	-	3,223,361	-	3,223,361
Due from related entities	809,574	-	259,972	8,670,971	-	9,740,517	(9,740,517)	-
Property and equipment, net	-	-	73,264,298	1,546,315	37,113,277	111,923,890	-	111,923,890
Total assets	\$ 1,773,168,193	\$ 10,301,412	\$ 74,441,522	\$ 11,803,968	\$ 37,993,579	\$ 1,907,708,674	\$ (16,562,344)	\$ 1,891,146,330
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable and accrued expenses	\$ 1,575,790	\$ 17,504	\$ 500,280	\$ 4,789,502	\$ 1,045,277	\$ 7,928,353	\$ -	\$ 7,928,353
Grants payable, net	64,328,305	3,929,346	-	-	768,511	69,026,162	(6,821,826)	62,204,336
Due to related entities	7,363,625	197,726	1,158,050	783,309	237,808	9,740,518	(9,740,518)	-
Deferred federal and state excise taxes payable	11,341,087	-	-	-	-	11,341,087	-	11,341,087
Post-retirement health benefit obligation	-	-	4,134,039	2,551,443	1,830,164	8,515,646	-	8,515,646
Interest rate swap agreement	-	-	4,539,120	-	-	4,539,120	-	4,539,120
Bonds payable, net	-	-	55,090,000	-	-	55,090,000	-	55,090,000
Total liabilities	84,608,807	4,144,576	65,421,489	8,124,254	3,881,760	166,180,886	(16,562,344)	149,618,542
NET ASSETS - without donor restrictions	1,688,559,386	6,156,836	9,020,033	3,679,714	34,111,819	1,741,527,788	-	1,741,527,788
Total liabilities and net assets	\$ 1,773,168,193	\$ 10,301,412	\$ 74,441,522	\$ 11,803,968	\$ 37,993,579	\$ 1,907,708,674	\$ (16,562,344)	\$ 1,891,146,330

The accompanying report of independent certified public accountants, consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

Doris Duke Charitable Foundation, Inc. and Related Entities

SCHEDULE 3 - CONSOLIDATING SCHEDULE OF ACTIVITIES INFORMATION

For the year ended December 31, 2019

	<u>Doris Duke Charitable Foundation</u>	<u>Doris Duke Foundation</u>	<u>Duke Farms Foundation</u>	<u>Doris Duke Management Foundation</u>	<u>Foundation for Islamic Art</u>	<u>Subtotal</u>	<u>Elimination Entries</u>	<u>Total</u>
REVENUES								
Investment income:								
Dividends	\$ 5,686,509	\$ -	\$ -	\$ -	\$ -	\$ 5,686,509	\$ -	\$ 5,686,509
Interest	6,635,215	-	-	-	-	6,635,215	-	6,635,215
Net realized gains	100,595,169	231,725	-	-	-	100,826,893	-	100,826,893
Net unrealized losses	159,344,366	360,566	-	-	-	159,704,931	-	159,704,931
DDCF-DDF investment income allocation	(28,202)	28,202	-	-	-	-	-	-
	<u>272,233,056</u>	<u>620,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,853,548</u>	<u>-</u>	<u>272,853,548</u>
Less:								
Investment expenses	(7,127,431)	(27,697)	-	-	-	(7,155,128)	-	(7,155,128)
Provision for federal and state excise taxes	(1,914,577)	-	-	(8,500)	-	(1,923,077)	-	(1,923,077)
Net investment income (loss)	<u>263,191,048</u>	<u>592,795</u>	<u>-</u>	<u>(8,500)</u>	<u>-</u>	<u>263,775,344</u>	<u>-</u>	<u>263,775,344</u>
Change in value of beneficial interest in trusts held by others	734,889	-	-	-	-	734,889	-	734,889
Contributions from related entities	-	1,650,000	12,480,396	-	10,348,873	24,479,269	(24,479,269)	-
Management fees	-	-	-	12,117,576	-	12,117,576	(12,117,576)	-
Other revenues	460,717	-	576,133	-	7,777	1,044,627	-	1,044,627
Change in value of interest rate swap agreement	-	-	(3,687,699)	-	-	(3,687,699)	-	(3,687,699)
Total revenues	<u>264,386,655</u>	<u>2,242,795</u>	<u>9,368,830</u>	<u>12,109,076</u>	<u>10,356,650</u>	<u>298,464,006</u>	<u>(36,596,845)</u>	<u>261,867,161</u>
EXPENSES								
Grants, net	87,008,442	1,600,168	-	-	2,949,915	91,558,526	(24,479,269)	67,079,257
Program	483,986	302,627	13,913,938	7,555,875	5,323,176	27,579,602	-	27,579,602
Administration	-	-	-	4,553,201	-	4,553,201	-	4,553,201
Management fees	9,570,887	57,825	1,601,766	-	887,098	12,117,576	(12,117,576)	-
Total expenses	<u>97,063,315</u>	<u>1,960,620</u>	<u>15,515,704</u>	<u>12,109,076</u>	<u>9,160,189</u>	<u>135,808,905</u>	<u>(36,596,845)</u>	<u>99,212,060</u>
Change in net assets	167,323,339	282,175	(6,146,874)	-	1,196,461	162,655,101	-	162,655,101
Net assets - without donor restrictions, beginning of year	<u>1,688,559,386</u>	<u>6,156,836</u>	<u>9,020,033</u>	<u>3,679,714</u>	<u>34,111,819</u>	<u>1,741,527,788</u>	<u>-</u>	<u>1,741,527,788</u>
Net assets - without donor restrictions, end of year	<u>\$ 1,855,882,724</u>	<u>\$ 6,439,011</u>	<u>\$ 2,873,160</u>	<u>\$ 3,679,714</u>	<u>\$ 35,308,281</u>	<u>\$ 1,904,182,890</u>	<u>\$ -</u>	<u>\$ 1,904,182,889</u>

The accompanying report of independent certified public accountants, consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

Doris Duke Charitable Foundation, Inc. and Related Entities

SCHEDULE 4 - CONSOLIDATING SCHEDULE OF ACTIVITIES INFORMATION

For the year ended December 31, 2018

	<u>Doris Duke Charitable Foundation</u>	<u>Doris Duke Foundation</u>	<u>Duke Farms Foundation</u>	<u>Doris Duke Management Foundation</u>	<u>Foundation for Islamic Art</u>	<u>Subtotal</u>	<u>Elimination Entries</u>	<u>Total</u>
REVENUES								
Investment income:								
Dividends	\$ 4,409,960	\$ -	\$ -	\$ -	\$ -	\$ 4,409,960	\$ -	\$ 4,409,960
Interest	9,462,365	-	-	-	-	9,462,365	-	9,462,365
Net realized gains	82,175,502	188,668	-	-	-	82,364,170	-	82,364,170
Net unrealized losses	(65,984,310)	(148,879)	-	-	-	(66,133,189)	-	(66,133,189)
DDCF-DDF investment income allocation	(31,869)	31,869	-	-	-	-	-	-
	<u>30,031,648</u>	<u>71,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,103,306</u>	<u>-</u>	<u>30,103,306</u>
Less:								
Investment expenses	(6,365,522)	(28,428)	-	-	-	(6,393,950)	-	(6,393,950)
Provision for federal and state excise taxes	(1,913,022)	-	-	(8,500)	-	(1,921,522)	-	(1,921,522)
Net investment income (loss)	<u>21,753,104</u>	<u>43,230</u>	<u>-</u>	<u>(8,500)</u>	<u>-</u>	<u>21,787,834</u>	<u>-</u>	<u>21,787,834</u>
Change in value of beneficial interest in trusts held by others	(150,843)	-	-	-	-	(150,843)	-	(150,843)
Contributions from related entities	-	1,650,000	7,846,225	-	10,765,563	20,261,788	(20,261,788)	-
Management fees	-	-	-	11,554,173	-	11,554,173	(11,554,173)	-
Other revenues	926,772	-	4,002,034	3,513	20,058	4,952,377	-	4,952,377
Change in value of interest rate swap agreement	-	-	1,661,371	-	-	1,661,371	-	1,661,371
Total revenues	<u>22,529,033</u>	<u>1,693,230</u>	<u>13,509,630</u>	<u>11,549,186</u>	<u>10,785,621</u>	<u>60,066,700</u>	<u>(31,815,961)</u>	<u>28,250,739</u>
EXPENSES								
Grants, net	108,953,512	1,930,627	-	-	2,810,459	113,694,598	(20,261,788)	93,432,810
Program	560,457	269,715	12,946,528	6,942,464	4,580,039	25,299,203	-	25,299,203
Administration	-	-	-	4,606,722	-	4,606,722	-	4,606,722
Management fees	8,978,156	50,799	1,641,396	-	883,822	11,554,173	(11,554,173)	-
Total expenses	<u>118,492,125</u>	<u>2,251,141</u>	<u>14,587,924</u>	<u>11,549,186</u>	<u>8,274,320</u>	<u>155,154,696</u>	<u>(31,815,961)</u>	<u>123,338,735</u>
Change in net assets	(95,963,092)	(557,911)	(1,078,294)	-	2,511,301	(95,087,996)	-	(95,087,996)
Net assets - without donor restrictions, beginning of year	<u>1,784,522,478</u>	<u>6,714,747</u>	<u>10,098,327</u>	<u>3,679,714</u>	<u>31,600,518</u>	<u>1,836,615,784</u>	<u>-</u>	<u>1,836,615,784</u>
Net assets - without donor restrictions, end of year	<u>\$ 1,688,559,386</u>	<u>\$ 6,156,836</u>	<u>\$ 9,020,033</u>	<u>\$ 3,679,714</u>	<u>\$ 34,111,819</u>	<u>\$ 1,741,527,788</u>	<u>\$ -</u>	<u>\$ 1,741,527,788</u>

The accompanying report of independent certified public accountants, consolidated financial statements and notes thereto are an integral part of this consolidating schedule.