

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

**DORIS DUKE CHARITABLE FOUNDATION
AND RELATED ENTITIES**

For the years ended December 31, 2018 and 2017

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of the **Doris Duke Charitable Foundation:**

We have audited the accompanying consolidated financial statements of the Doris Duke Charitable Foundation 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, 2018 and 2017, 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 Foundation’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’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 and Related Entities as of December 31, 2018 and 2017, 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, 2018 and 2017 on pages 30 and 31, respectively, and the consolidating schedules of activities information for the years ended December 31, 2018 and 2017 on pages 32 and 33, 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 17, 2019

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidated Balance Sheets
As of December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 87,347,916	\$ 32,104,722
Prepaid expenses, deferred charges and other receivables	1,529,677	2,716,417
Other assets	3,350,045	878,226
Investments (Note 3)	1,683,771,441	1,830,344,459
Beneficial interest in trusts held by others (Note 2)	3,223,361	3,374,204
Property and equipment, net (Note 4)	<u>111,923,890</u>	<u>112,444,599</u>
Total assets	<u>\$ 1,891,146,330</u>	<u>\$ 1,981,862,627</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 7,928,353	\$ 5,597,952
Grants payable, net (Note 6)	62,204,336	55,378,727
Deferred federal and state excise taxes payable (Note 7)	11,341,087	12,690,744
Post-retirement health benefit obligation (Note 5)	8,515,646	10,288,929
Interest rate swap agreement (Note 12)	4,539,120	6,200,491
Bonds payable, net (Note 12)	<u>55,090,000</u>	<u>55,090,000</u>
Total liabilities	<u>149,618,542</u>	<u>145,246,843</u>
COMMITMENTS (Notes 3, 6 and 10)		
NET ASSETS - without donor restrictions	<u>1,741,527,788</u>	<u>1,836,615,784</u>
Total liabilities and net assets	<u>\$ 1,891,146,330</u>	<u>\$ 1,981,862,627</u>

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

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidated Statements of Activities
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUES		
Investment income:		
Dividends	\$ 4,409,960	\$ 3,295,887
Interest	9,462,365	8,168,143
Net realized gains	82,364,170	100,308,299
Net unrealized (losses) gains	<u>(66,133,189)</u>	<u>121,441,641</u>
	30,103,306	233,213,970
Less:		
Investment expenses	(6,393,950)	(6,186,821)
Provision for federal and state excise taxes (Note 7)	<u>(1,921,522)</u>	<u>(339,905)</u>
Net investment income	21,787,834	226,687,244
Change in value of beneficial interest in trusts held by others (Note 2)	(150,843)	578,270
Loss on bond extinguishment	-	(2,514,005)
Other revenues (Note 13)	4,952,377	588,336
Change in value of interest rate swap agreement (Note 12)	<u>1,661,371</u>	<u>(38,211)</u>
Total revenues	<u>28,250,739</u>	<u>225,301,634</u>
EXPENSES		
Grants, net (Note 6)	93,432,810	45,910,639
Program	25,299,203	26,572,146
Administration	<u>4,606,722</u>	<u>4,735,295</u>
Total expenses	<u>123,338,735</u>	<u>77,218,080</u>
Change in net assets	(95,087,996)	148,083,554
Net assets - without donor restrictions, beginning of year	<u>1,836,615,784</u>	<u>1,688,532,230</u>
Net assets - without donor restrictions, end of year	<u>\$ 1,741,527,788</u>	<u>\$ 1,836,615,784</u>

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

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (95,087,996)	\$ 148,083,554
Adjustments to reconcile change in net assets to net cash used in operating activities		
Change in value of interest rate swap agreement	(1,661,371)	38,211
Depreciation and amortization	4,667,248	4,867,939
Amortization of deferred bond issuance costs	19,594	18,778
Loss on bond extinguishment	-	2,514,005
Change in present value discount on grants payable	1,004,437	926,612
Discount allowance on grants payable	(1,425,504)	(701,595)
Loss from disposition of property and equipment	161,300	1,201
Net realized and unrealized gains on investments	(14,881,324)	(224,342,219)
Change in value of beneficial interest in trusts held by others	150,843	(578,270)
Changes in assets and liabilities		
(Increase) decrease in interest, dividends and other receivables	(44,358)	196,313
(Increase) decrease in due from brokers	(56,113,985)	1,133,718
Decrease (increase) in prepaid expenses, deferred charges and other receivables	1,167,146	(3,991,679)
Decrease in other assets	(1,458,298)	-
Increase in due to brokers	36,199,208	4,390,707
Increase (decrease) in accounts payable and accrued expenses	2,330,401	(531,222)
(Decrease) increase in post-retirement health benefit obligation	(1,773,283)	258,572
Increase (decrease) in grants payable	7,246,676	(25,835,895)
(Decrease) increase in deferred federal and state excise taxes payable	(1,349,657)	2,592,279
Net cash used in operating activities	<u>(120,848,923)</u>	<u>(90,958,991)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(734,672,377)	(1,188,132,388)
Purchase of program related investments (PRI's)	(1,013,521)	(108,048)
Proceeds from sale of investments	916,085,854	1,275,643,700
Purchase of property and equipment	(4,307,839)	(3,650,566)
Net cash provided by investing activities	<u>176,092,117</u>	<u>83,752,698</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Extinguishment of bonds	-	(55,451,044)
Proceeds from issuance of bonds	-	55,090,000
Change in deposits held with bond trustee	-	3,141,549
Net cash used in financing activities	<u>-</u>	<u>2,780,505</u>
Net increase (decrease) in cash and cash equivalents	55,243,194	(4,425,788)
Cash and cash equivalents, beginning of year	<u>32,104,722</u>	<u>36,530,510</u>
Cash and cash equivalents, end of year	<u>\$ 87,347,916</u>	<u>\$ 32,104,722</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 AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

1. DESCRIPTION OF ORGANIZATION AND RELATED ENTITIES

Doris Duke Charitable Foundation (“DDCF”) is a private foundation established by the Last Will and Testament of Doris Duke in 1996. DDCF was formed as a trust under the laws of the State of New York and 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). DDCF is a private foundation within the meaning of Section 509(a) of the Code.

The mission of DDCF 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 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 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 Doris Duke Charitable Foundation, 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.

Doris Duke Charitable Foundation, Inc.

Doris Duke Charitable Foundation, Inc. (DDCF, Inc.) 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 DDCF, the New York charitable Trust with a similar named described above. DDCF, Inc. 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.

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 AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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, HI 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 their behalf.

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.

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, 2018 and 2017, 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 AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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 ("FASB") 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.
- 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

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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.

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, 2018 and 2017, the Foundation did not hold any financial instruments that were included in Level 3.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES

Notes to Consolidated Financial Statements

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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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 3,374,204	\$ 2,795,934
Change in fair value of beneficial interest	<u>(150,843)</u>	<u>578,270</u>
Balance, end of year	<u>\$ 3,223,361</u>	<u>\$ 3,374,204</u>

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

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.

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, 2018 and 2017, the Foundation had \$81,846,663 and \$29,669,844, 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, 2018 consolidated financial statements for subsequent events through June 17, 2019, 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.

On February 15, 2019, DDCF, having completed the transfer of its assets to the Doris Duke Charitable Foundation, Inc., on February 11, 2019, provided notice to the Internal Revenue Service of its intent to terminate the private foundation status of DDCF. DDCF will file its final IRS Form 990-PF for the short tax year beginning January 1, 2019 and ending February 11, 2019.

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 of \$20,000,000. This credit agreement qualifies as a program-related investment, as defined in Section 4944(c) of the Code. On March 21, 2019, the Foundation funded the remaining line of credit amount of \$19,366,000 to The Nature Conservancy. Refer to Note 14 "Line of Credit - Program-Related" for additional information.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Adoption of Accounting Pronouncement

In 2016, the FASB issued Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance simplifies and improves how not-for-profit entities classify net assets as well as the information presented in the financial statements and notes about liquidity, financial performance, and cash flows. The implementation of this guidance has resulted in a change in describing the nature of the Foundation's net assets and additional disclosures surrounding the Foundation's functional expense classification and liquidity.

3. INVESTMENTS

Investments at December 31, 2018 and 2017 consist of the following:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 50,093,581	\$ 43,626,546	\$ 46,912,216	\$ 56,950,203
Commingled funds	291,844,332	326,327,347	317,199,780	400,953,014
Fixed-income	42,014,153	41,385,559	63,594,646	65,914,797
Marketable alternative investments	318,979,323	717,548,082	416,256,261	846,072,793
Non-exchange traded alternative investments	404,015,643	545,113,849	362,033,437	470,642,729
Subtotal	1,106,947,032	1,674,001,383	1,205,996,340	1,840,533,536
Interest, dividends and other receivables, net	710,212	710,212	665,854	665,854
Due to brokers	(42,661,318)	(42,661,318)	(13,462,110)	(13,462,110)
Due from brokers	51,721,164	51,721,164	2,607,179	2,607,179
Total	\$ 1,116,717,090	\$ 1,683,771,441	\$ 1,195,807,263	\$ 1,830,344,459

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

Marketable and non-exchange traded alternative investments at December 31, 2018 and 2017 consist of the following:

	2018			2017		
	Number of Funds	Cost	Fair Value	Number of Funds	Cost	Fair Value
ALTERNATIVE INVESTMENT STRATEGY:						
Marketable alternative investments:						
Multi-Strategy	6	\$ 108,862,518	\$ 274,771,527	8	\$ 122,735,474	\$ 284,252,126
Equity Long/Short	12	136,223,578	331,784,472	13	210,274,816	436,961,623
Distressed/High Yield	7	73,893,227	110,992,083	7	83,245,971	124,859,044
Total marketable alternative investments	25	318,979,323	717,548,082	28	416,256,261	846,072,793
Non-exchange traded alternative investments:						
Fund of Funds	9	51,143,166	47,715,184	10	58,789,349	54,073,748
Buy-outs/Growth	21	91,766,183	115,599,672	16	80,338,180	120,130,790
Venture Capital	74	164,170,653	277,798,782	59	130,623,808	192,262,845
Distressed	4	1,502,445	1,978,934	3	627,006	1,294,147
Special Situations	1	6,449,805	6,510,705	1	6,099,618	6,083,681
Real Assets	21	88,983,391	95,510,572	19	85,555,476	96,797,518
Total non-exchange traded alternative investments	130	404,015,643	545,113,849	108	362,033,437	470,642,729
Total alternative investments	155	\$ 722,994,966	\$ 1,262,661,931	136	\$ 778,289,698	\$ 1,316,715,522

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 \$22,341,420 and \$12,174,077 at 2018 and 2017, 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 AND RELATED ENTITIES
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The following table summarizes investments within the fair value hierarchy as of December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
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 following table summarizes investments within the fair value hierarchy as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Equities	\$ 56,928,119	\$ 22,084	\$ -	\$ -	\$ 56,950,203
Commingled funds	-	-	-	400,953,014	400,953,014
Marketable alternative investments	-	-	-	846,072,793	846,072,793
Non-exchange traded alternative investments	-	-	-	470,642,729	470,642,729
Fixed-income	-	65,914,797	-	-	65,914,797
	<u>\$ 56,928,119</u>	<u>\$ 65,936,881</u>	<u>\$ -</u>	<u>\$ 1,717,668,536</u>	<u>\$ 1,840,533,536</u>

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

	<u>Number of Funds</u>	<u>NAV in Funds</u>	<u>Remaining Life</u>	<u>\$ Amount of Unfunded Commitments</u>	<u>Timing to Draw Down Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
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 per quarter
Fund of Funds	9	47,715,184	Varying through 2027	16,556,000	Over the life of the fund	Illiquid at the discretion of the General Partner	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 fund	Illiquid at the discretion of the General Partner	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 fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Distressed	4	1,978,934	Varying through 2019	9,150,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Special Situations	1	6,510,705	Through 2025	3,629,000	Over the life of the fund	Illiquid at the discretion of the General Partner	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 fund	Illiquid at the discretion of the General Partner	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 AND RELATED ENTITIES
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The following table lists such investments reported at fair value using NAV by major category at December 31, 2017:

	<u>Number of Funds</u>	<u>NAV in Funds</u>	<u>Remaining Life</u>	<u>\$ Amount of Unfunded Commitments</u>	<u>Timing to Draw Down Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Commingled funds	14	\$ 400,953,014	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	284,252,126	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	436,961,623	N/A	618,000	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	124,859,044	N/A	2,001,000	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	10	54,073,748	Varying through 2025	18,949,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Buy-outs/Growth	18	120,130,790	Varying through 2041	31,818,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Venture Capital	59	192,262,845	Varying through 2028	62,771,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Distressed	3	1,294,147	Varying through 2018	250,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Special Situations	1	6,083,681	Through 2025	3,875,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Real Assets	21	96,797,518	Varying through 2026	50,781,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
	<u>152</u>	<u>\$ 1,717,668,536</u>		<u>\$ 171,063,000</u>			

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31, 2018 and 2017, consists of the following:

	<u>2018</u>	<u>2017</u>
Land improvements	\$ 34,860,764	\$ 31,013,714
Buildings and improvements	62,945,048	61,936,421
Furniture and equipment	14,942,230	14,999,494
Leasehold improvements	<u>5,310,134</u>	<u>5,310,134</u>
	118,058,176	113,259,763
Less: accumulated depreciation and amortization	<u>(58,171,376)</u>	<u>(54,293,988)</u>
	59,886,800	58,965,775
Land	49,010,680	49,010,680
Construction in progress	<u>3,026,410</u>	<u>4,468,144</u>
	<u>\$ 111,923,890</u>	<u>\$ 112,444,599</u>

Depreciation and amortization expense for the years ended 2018 and 2017 totaled \$4,667,248 and \$4,867,939, respectively.

Construction in progress for the years ended 2018 and 2017 consists of costs associated with land improvements at the Foundation's properties.

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 AND RELATED ENTITIES
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The actuarial present value of the benefit obligation and the amounts recognized in the accompanying consolidated balance sheets as of December 31, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 10,288,929	\$ 10,030,357
Service cost	356,724	436,790
Interest cost	312,279	393,380
Plan participants' contributions	34,216	48,895
Actuarial gain	(2,220,399)	(278,721)
Benefits paid	<u>(256,103)</u>	<u>(341,772)</u>
Benefit obligation, end of year	<u>\$ 8,515,646</u>	<u>\$ 10,288,929</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ -	\$ -
Employer contributions	221,887	292,877
Plan participants' contributions	34,216	48,895
Benefits paid	<u>(256,103)</u>	<u>(341,772)</u>
Fair value of plan assets, end of year	<u>\$ -</u>	<u>\$ -</u>
Components of accrued benefit cost:		
Funded status	\$ (8,515,646)	\$ (10,288,929)
Unamortized prior service credit	(218,374)	(253,866)
Unamortized net gain	<u>(3,754,465)</u>	<u>(1,942,887)</u>
Accrued benefit cost	<u>\$ (12,488,485)</u>	<u>\$ (12,485,682)</u>
Components of net periodic benefit cost:		
Service cost	\$ 356,724	\$ 436,790
Interest cost	312,279	393,380
Amortization of prior service credit	(35,492)	(35,492)
Amortization of net gain	<u>(408,821)</u>	<u>(152,852)</u>
Net periodic post-retirement benefit cost	<u>\$ 224,690</u>	<u>\$ 641,826</u>
Discount rate for benefit obligation, end of year	4.08 %	3.45 %
Discount rate for net periodic benefit cost, end of year	3.45 %	3.98 %

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
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The mortality rates used for the December 31, 2018 disclosures are based on the RPH-2014 Mortality Table for annuitants and non-annuitants with projected mortality improvements using scale MP-2018 on a generational basis.

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

Year Ending December 31:

2019	\$ 300,591
2020	350,555
2021	438,510
2022	496,598
2023	534,417
2024-2028	<u>3,128,965</u>
	<u>\$ 5,249,636</u>

Expected employer contributions to the post-retirement health benefit plan, net of employee contributions, for calendar year 2019 will total \$300,591.

	<u>2018</u>	<u>2017</u>
Assumed pre-65 medical trend rates at December 31:		
Health care cost trend rate assumed for next year	7.0 %	7.3 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.8 %	3.9 %
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	5.0 %	5.0 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.8 %	3.9 %
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	9.5 %	10.5 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.8 %	3.9 %
Year rate reaches the ultimate trend rate	2075	2075

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
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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 (\$1,773,283) and \$258,572 for 2018 and 2017, respectively.

	<u>2018</u>	<u>2017</u>
Amounts recognized in the consolidated balance sheets consist of:		
Accrued benefit liability	\$ 8,515,646	\$ 10,288,929
Net assets, without donor restrictions	<u>\$ 3,972,839</u>	<u>\$ 2,196,753</u>
Amounts recognized in net assets without donor restrictions consist of:		
Unamortized prior service credit	\$ 218,374	\$ 253,866
Unamortized actuarial net gain	<u>3,754,465</u>	<u>1,942,887</u>
	<u>\$ 3,972,839</u>	<u>\$ 2,196,753</u>
Amounts expected to be amortized from net assets without donor restrictions next calendar year include:		
Prior service credit	\$ 35,492	\$ 35,492
Net actuarial gain	<u>408,821</u>	<u>152,852</u>
	<u>\$ 444,313</u>	<u>\$ 188,344</u>
Change in unamortized items:		
Prior service credit	\$ -	\$ -
Actuarial gain	<u>(2,220,399)</u>	<u>(278,721)</u>
	<u>\$ (2,220,399)</u>	<u>\$ (278,721)</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:

	<u>One-Percentage Point Increase</u>	<u>One-Percentage Point Decrease</u>
Effect on total of service and interest cost components	\$ 133,571	\$ (97,270)
Effect on post-retirement benefit obligation	\$ 1,434,675	\$ (1,072,182)
Expected effect in the unrestricted net assets for calendar year 2019:		
Transition obligation	\$ -	
Prior service credit	\$ (59,828)	
Net actuarial gain	\$ (551,505)	

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
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6. GRANTS PAYABLE, NET

The following summarizes the changes in grants payable during 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year:		
DDCF	\$ 50,886,733	\$ 71,105,338
DDF	6,236,748	11,564,438
DDFIA	772,850	1,062,450
Present value discount	<u>(2,517,604)</u>	<u>(2,742,621)</u>
	<u>55,378,727</u>	<u>80,989,605</u>
Grants authorized:		
DDCF	89,225,462	43,999,654
DDF	1,925,000	-
DDFIA	2,823,314	1,960,400
Present value discount	<u>(1,425,504)</u>	<u>(701,595)</u>
	<u>92,548,272</u>	<u>45,258,459</u>
Deductions:		
Payments made:		
DDCF	(79,890,901)	(64,218,259)
DDF	(3,985,924)	(5,188,652)
DDFIA	(2,800,000)	(2,250,000)
Amortization of present value discount	<u>1,004,437</u>	<u>926,612</u>
	<u>(85,672,388)</u>	<u>(70,730,299)</u>
Net rescinded grants:		
DDCF	-	-
DDF	<u>(50,275)</u>	<u>(139,038)</u>
	<u>(50,275)</u>	<u>(139,038)</u>
Balance, end 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>

The Foundation's grant commitments at December 31, 2018 and 2017 have been discounted to present value by applying interest rate factors of 3.23% and 2.4575%, respectively.

In 2018 and 2017, grants in the amount of \$62,624 and \$135,394, respectively, were refunded and netted with grants expense in the consolidated statements of activities. During 2018 and 2017, there were \$50,275 and \$139,038 of grants rescinded, respectively.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
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As of December 31, 2018, the Foundation's Board of Trustees approved certain grants totaling \$29,577,949 for which grantees had not yet been selected and notified. Accordingly, such grants have not been accrued in the accompanying 2018 consolidated financial statements.

Grants authorized but unpaid at December 31, 2018 are expected to be paid as follows:

	<u>Amount</u>
Year Ending December 31,	
2019	\$ 35,382,322
2020	24,165,379
2021	5,520,306
2022	<u>75,000</u>
	65,143,007
Less: present value discount	<u>(2,938,671)</u>
	<u>\$ 62,204,336</u>

7. EXCISE AND INCOME TAXES

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

	<u>2018</u>	<u>2017</u>
Current excise taxes	\$ 934,702	\$ 1,442,206
Deferred excise tax *	(1,349,657)	2,592,279
Federal and State income taxes	<u>19,694</u>	<u>40,362</u>
	<u>\$ (395,261)</u>	<u>\$ 4,074,847</u>

* DDCF's deferred excise tax liability of \$1,349,657 and \$2,592,279, as of December 31, 2018 and 2017, respectively, is netted against its unrealized gains on the 2018 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 \$19,694. Even though DDCF has net operating losses from its unrelated business income activities, DDCF is recording a liability from the imposition of the federal transportation fringe benefit tax enacted under Section 512(a)(7) as part of The Tax Cuts and Jobs Act of 2017.

A deferred tax liability of \$11,341,087 and \$12,690,744, respectively, is reflected in the Foundation's December 31, 2018 and December 31, 2017 consolidated balance sheets due to the unrealized appreciation of certain investments.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Notes to Consolidated Financial Statements
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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.

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 for the years ended December 31, 2018 and 2017.

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 2018 and 2017, NRF was awarded \$2,631,120 and \$2,577,000, respectively, from DDCF. The Foundation shares no common board members with NRF and exerts no control over NRF’s operations.

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 ten 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.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
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Future minimum rental commitments under operating leases are as follows:

	<u>Amount</u>
Year Ending December 31:	
2019	\$ 1,088,424
2020	1,088,424
2021	1,148,892
2022	1,148,892
2023-2025	<u>3,063,712</u>
	<u>\$ 7,538,344</u>

Rent expense for each of the years ended December 31, 2018 and 2017 approximated \$998,000.

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 2018 and 2017 totaled \$1,530,222 and \$1,446,053, 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 \$147,542 and \$141,106 in 2018 and 2017, respectively. The annual limitation used in calculating the 2018 and 2017 pension expense was \$275,000 and \$270,000, respectively. As of December 31, 2018 and 2017, DDMF accrued \$1,461,292 and \$1,424,890, 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 2018 and 2017 was \$18,500 and \$18,000, 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 consolidated financial statements.

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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 year ended December 31, 2018. Payment on the Series 2016 bonds is due in full on July 1, 2046.

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 1.766% and 2.792% during calendar 2018 and 1.231% and 1.625% during fiscal 2017. 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 (1.897% and 1.905% at December 31, 2018 and 2017, 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 2018, interest expense relating to Series 2016 and Series 2017 bonds, including interest rate swap payments, totaled \$2,097,180. During fiscal 2017, interest expense relating to Series 2009 A and B bonds, including interest rate swap payments, totaled \$1,915,302.

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.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

As of and for the years ended December 31, 2018 and 2017, amounts included within the accompanying consolidated financial statements relating to the interest rate swap agreement are as follows:

Fair Value at December 31, 2018	Fair Value at December 31, 2017	Consolidated Balance Sheet Location	Change in Value of Interest Rate Swap Agreement for the Year Ended December 31, 2018	Change in Value of Interest Rate Swap Agreement for the Year Ended December 31, 2017	Consolidated Statements of Activities Location	Level within the Fair Value Hierarchy
\$ 4,539,120	\$ 6,200,491	Interest rate swap agreement (liabilities)	\$ 1,661,371	\$ (38,211)	Change in value of interest rate swap agreement	Level 2

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 nonagricultural uses of the land. Amounts received during 2018 have been recognized as part of other revenues.

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, 2018, there was an outstanding balance of \$634,000 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, 2018, \$888,725 was funded to Social Finance CT Family Stability.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

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 programs 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:

	2018		
	Program Activities	Supporting	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
Outsource 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>
	2017		
	Program Activities	Supporting	Total
Grants-net	\$ 45,910,639	\$ -	\$ 45,910,639
Salaries, Benefits & Payroll Taxes	11,603,783	2,516,810	14,120,593
Legal Fees	281,336	-	281,336
Accounting & Tax Fees	53,760	222,295	276,055
Outsource Services	2,833,188	1,029,733	3,862,921
Depreciation	4,671,136	138,040	4,809,176
Occupancy	628,613	269,623	898,236
Travel, Conferences & Meetings	743,848	94,207	838,055
Printing & Publications	51,886	2,432	54,318
Other	5,704,596	462,155	6,166,751
	<u>\$ 72,482,785</u>	<u>\$ 4,735,295</u>	<u>\$ 77,218,080</u>

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

16. AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

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

	<u>2018</u>
Cash and cash equivalents	\$ 87,347,916
Interest and dividends receivable	710,212
Public market equities and commingled funds	369,953,893
Fixed income securities	<u>41,385,559</u>
Available financial assets	<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.

SUPPLEMENTARY INFORMATION

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES**Consolidating Balance Sheet Information****As of December 31, 2018**

ASSETS	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke 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	1,877,686	13,062	1,000	1,458,297	-	3,350,045	-	3,350,045
Investments	1,679,727,007	4,044,434	-	-	-	1,683,771,441	-	1,683,771,441
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	<u>\$ 1,773,168,193</u>	<u>\$ 10,301,412</u>	<u>\$ 74,441,522</u>	<u>\$ 11,803,968</u>	<u>\$ 37,993,579</u>	<u>\$ 1,907,708,674</u>	<u>\$ (16,562,344)</u>	<u>\$ 1,891,146,330</u>
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	<u>84,608,807</u>	<u>4,144,576</u>	<u>65,421,489</u>	<u>8,124,254</u>	<u>3,881,760</u>	<u>166,180,886</u>	<u>(16,562,344)</u>	<u>149,618,542</u>
NET ASSETS - without donor restrictions	<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>
Total liabilities and net assets	<u>\$ 1,773,168,193</u>	<u>\$ 10,301,412</u>	<u>\$ 74,441,522</u>	<u>\$ 11,803,968</u>	<u>\$ 37,993,579</u>	<u>\$ 1,907,708,674</u>	<u>\$ (16,562,344)</u>	<u>\$ 1,891,146,330</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 AND RELATED ENTITIES
Consolidating Balance Sheet Information
As of December 31, 2017

ASSETS	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
Cash and cash equivalents	\$ 32,026,725	\$ 102,407	\$ (23,284)	\$ (24,592)	\$ 23,466	\$ 32,104,722	\$ -	\$ 32,104,722
Prepaid expenses, deferred charges and other receivables	1,502,904	8,310,787	1,028,678	167,738	843,721	11,853,828	(9,137,411)	2,716,417
Other assets	864,164	13,062	1,000	-	-	878,226	-	878,226
Investments	1,825,843,255	4,501,204	-	-	-	1,830,344,459	-	1,830,344,459
Beneficial interest in trusts held by others	3,374,204	-	-	-	-	3,374,204	-	3,374,204
Due from related entities	26,265	-	259,972	8,670,971	-	8,957,208	(8,957,208)	-
Property and equipment, net	-	-	76,429,932	1,710,839	34,303,828	112,444,599	-	112,444,599
Total assets	<u>\$ 1,863,637,517</u>	<u>\$ 12,927,460</u>	<u>\$ 77,696,298</u>	<u>\$ 10,524,956</u>	<u>\$ 35,171,015</u>	<u>\$ 1,999,957,246</u>	<u>\$ (18,094,619)</u>	<u>\$ 1,981,862,627</u>
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable and accrued expenses	\$ 1,290,204	\$ 27,369	\$ 463,424	\$ 3,478,110	\$ 338,845	\$ 5,597,952	\$ -	\$ 5,597,952
Grants payable, net	57,770,466	5,987,619	-	-	758,053	64,516,138	(9,137,411)	55,378,727
Due to related entities	7,363,625	197,725	1,158,050	-	237,808	8,957,208	(8,957,208)	-
Deferred federal and state excise taxes payable	12,690,744	-	-	-	-	12,690,744	-	12,690,744
Post-retirement health benefit obligation	-	-	4,686,006	3,367,132	2,235,791	10,288,929	-	10,288,929
Interest rate swap agreement	-	-	6,200,491	-	-	6,200,491	-	6,200,491
Bonds payable, net	-	-	55,090,000	-	-	55,090,000	-	55,090,000
Total liabilities	79,115,039	6,212,713	67,597,971	6,845,242	3,570,497	163,341,462	(18,094,619)	145,246,843
NET ASSETS - without donor restrictions	<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>
Total liabilities and net assets	<u>\$ 1,863,637,517</u>	<u>\$ 12,927,460</u>	<u>\$ 77,696,298</u>	<u>\$ 10,524,956</u>	<u>\$ 35,171,015</u>	<u>\$ 1,999,957,246</u>	<u>\$ (18,094,619)</u>	<u>\$ 1,981,862,627</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 AND RELATED ENTITIES
Consolidating Schedule of Activities Information
For the year ended December 31, 2018

	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
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.

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidating Schedule of Activities Information
For the year ended December 31, 2017

	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
REVENUES								
Investment income:								
Dividends	\$ 3,295,887	\$ -	\$ -	\$ -	\$ -	\$ 3,295,887	\$ -	\$ 3,295,887
Interest	8,167,425	-	718	-	-	8,168,143	-	8,168,143
Net realized gains	100,069,674	238,625	-	-	-	100,308,299	-	100,308,299
Net unrealized gains	121,131,098	310,543	-	-	-	121,441,641	-	121,441,641
DDCF-DDF investment income allocation	(27,240)	27,240	-	-	-	-	-	-
	<u>232,636,844</u>	<u>576,408</u>	<u>718</u>	<u>-</u>	<u>-</u>	<u>233,213,970</u>	<u>-</u>	<u>233,213,970</u>
Less:								
Investment expenses	(6,158,451)	(28,370)	-	-	-	(6,186,821)	-	(6,186,821)
Provision for federal and state excise taxes	(339,905)	-	-	-	-	(339,905)	-	(339,905)
Net investment income	<u>226,138,488</u>	<u>548,038</u>	<u>718</u>	<u>-</u>	<u>-</u>	<u>226,687,244</u>	<u>-</u>	<u>226,687,244</u>
Change in value of beneficial interest in trusts held by others	578,270	-	-	-	-	578,270	-	578,270
Loss on bond extinguishment	-	-	(2,514,005)	-	-	(2,514,005)	-	(2,514,005)
Contributions from related entities	-	1,650,000	12,825,040	-	9,052,759	23,527,799	(23,527,799)	-
Management fees	-	-	-	12,285,899	-	12,285,899	(12,285,899)	-
Other revenues	725	-	569,649	-	17,962	588,336	-	588,336
Change in value of interest rate swap agreement	-	-	(38,211)	-	-	(38,211)	-	(38,211)
Total revenues	<u>226,717,483</u>	<u>2,198,038</u>	<u>10,843,191</u>	<u>12,285,899</u>	<u>9,070,721</u>	<u>261,115,332</u>	<u>(35,813,698)</u>	<u>225,301,634</u>
EXPENSES								
Grants, net	67,514,296	(48,388)	-	-	1,972,530	69,438,438	(23,527,799)	45,910,639
Program	634,071	149,739	13,887,880	7,550,604	4,349,852	26,572,146	-	26,572,146
Administration	-	-	-	4,735,295	-	4,735,295	-	4,735,295
Management fees	9,536,493	53,774	1,755,753	-	939,879	12,285,899	(12,285,899)	-
Total expenses	<u>77,684,860</u>	<u>155,125</u>	<u>15,643,633</u>	<u>12,285,899</u>	<u>7,262,261</u>	<u>113,031,778</u>	<u>(35,813,698)</u>	<u>77,218,080</u>
Change in net assets	149,032,623	2,042,913	(4,800,442)	-	1,808,460	148,083,554	-	148,083,554
Net assets - without donor restrictions, beginning of year	1,635,489,855	4,671,834	14,898,769	3,679,714	29,792,058	1,688,532,230	-	1,688,532,230
Net assets - without donor restrictions, end 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>

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