

William T. Grant Foundation, Inc.

Financial Statements

December 31, 2009



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

**The Board of Trustees
William T. Grant Foundation, Inc.**

We have audited the accompanying statements of financial position of the William T. Grant Foundation, Inc. (the Foundation) as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the William T. Grant Foundation, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the 2009 and 2008 basic financial statements taken as a whole. The supplementary information included on pages 12, 13 and 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the 2009 and 2008 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

O'Connor Davies Munns & Dobbins, LLP

New York, New York
May 26, 2010

William T. Grant Foundation, Inc.

Statements of Financial Position

December 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 4,196,287	\$ 4,893,845
Accrued investment income	249,904	39,095
Prepaid Federal excise tax	220,000	240,000
Investments	263,756,548	215,548,099
Prepaid expenses and other assets	<u>267,925</u>	<u>95,341</u>
	<u>\$ 268,690,664</u>	<u>\$ 220,816,380</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 242,564	\$ 89,172
Grants payable	11,826,802	11,772,779
Postretirement benefit obligation	2,600,416	2,184,825
Deferred Federal excise tax	931,000	-
Deferred rent	<u>373,455</u>	<u>288,012</u>
Total Liabilities	<u>15,974,237</u>	<u>14,334,788</u>
Net Assets	<u>252,716,427</u>	<u>206,481,592</u>
	<u>\$ 268,690,664</u>	<u>\$ 220,816,380</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Activities

Years Ended December 31,

	2009	2008
SUPPORT AND REVENUE		
Investment Income		
Interest and dividends	\$ 4,796,988	\$ 7,124,311
Less:		
Federal and state taxes	61,056	65,387
Investment expenses	674,512	730,146
Net investment income	4,061,420	6,328,778
Contributions	262,500	250,000
Rental income	75,581	166,407
Total Support and Revenue	4,399,501	6,745,185
 EXPENSES		
Program services		
Grants authorized, net of refunded and rescinded amount of \$67,104 and \$74,021	10,771,118	11,932,050
Program support, planning, and development	3,918,140	3,643,168
Total Program Services	14,689,258	15,575,218
Supporting Services - operations and governance	1,222,860	1,083,348
Total Expenses	15,912,118	16,658,566
Net realized and unrealized gains (losses) on investments, net of provision (benefit) for deferred Federal excise tax of \$931,000 and (\$1,570,000)	58,055,229	(95,170,591)
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	46,542,612	(105,083,972)
Postretirement benefit obligation adjustment	(307,777)	(224,485)
Change in Net Assets	46,234,835	(105,308,457)
 NET ASSETS		
Beginning of year	206,481,592	311,790,049
End of year	\$ 252,716,427	\$ 206,481,592

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Cash Flows

Years Ended December 31,

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 46,234,835	\$ (105,308,457)
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized (gain) loss on investments	(58,986,229)	96,740,591
Deferred Federal excise tax (benefit)	931,000	(1,570,000)
Postretirement benefit obligation adjustment	307,777	224,485
Net changes in operating assets and liabilities		
Accrued investment income	(210,809)	13,899
Prepaid Federal excise tax	20,000	(240,000)
Prepaid expenses and other assets	(172,584)	(32,969)
Accounts payable and accrued expenses	153,392	(42,435)
Grants payable	54,023	(662,129)
Postretirement benefit obligation	107,814	136,094
Federal excise tax payable - current	-	(105,000)
Deferred rent	85,443	256,317
	<u>(11,475,338)</u>	<u>(10,589,604)</u>
Net Cash from Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	46,081,098	105,838,974
Purchase of investments	(35,303,318)	(93,331,674)
	<u>10,777,780</u>	<u>12,507,300</u>
Net Cash from Investing Activities		
Net Change in Cash and Cash Equivalents	(697,558)	1,917,696
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>4,893,845</u>	<u>2,976,149</u>
End of year	<u>\$ 4,196,287</u>	<u>\$ 4,893,845</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for Federal and state taxes on investment income	\$ 168,722	\$ 408,185

See notes to financial statements

William T. Grant Foundation, Inc.

Notes to Financial Statements

1. Organization

William T. Grant Foundation, Inc. (the Foundation) was established by William T. Grant in 1936. The goal of the Foundation is to support research that improves the lives of young people. The primary source of revenue for the Foundation is its investment activities.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. The Foundation's net assets are neither permanently nor temporarily restricted by donor imposed restrictions and are classified as unrestricted.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with original maturities of three months or less, except for those short-term investments managed by the Foundation's investment managers as part of their long-term investment strategies.

Fair Value Measurements

The Foundation follows the Financial Accounting Standards Board (FASB) guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

William T. Grant Foundation, Inc.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Investments Valuation

Investments are carried at fair value. The fair value of alternative investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment fund. FASB guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation's interest therein and their classification within Level 2 or 3 is based on the Foundation's ability to redeem its interest in the near term.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Property and Equipment

The cost of office furniture, leasehold improvements, fixtures, and equipment purchased during the course of normal business activities is charged to operations when purchased, as such purchases are not significant.

Grants

Grants are recorded when authorized by either the Board of Trustees or by officers of the Foundation within limits specified by the Board of Trustees.

Postretirement Benefit Plan

The Foundation follows FASB guidance on Defined Benefit Plans which requires the Foundation to recognize the funded status of the Foundation's postretirement medical and health benefits as an asset or liability in its consolidated statement of financial position with a corresponding adjustment to change in net assets in the statement of activities. The adjustment to change in net assets represents the balance of unrecognized actuarial gains that will be subsequently recognized within net periodic cost in the future.

William T. Grant Foundation, Inc.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Accounting for Uncertainty in Income Taxes

The Foundation's current accounting policy is to provide liabilities for uncertain income tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as a Foundation exempt from income taxes. The Foundation is no longer subject to audits by applicable taxing jurisdictions for periods prior to December 31, 2006.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 26, 2010.

3. Investments

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by fair value hierarchy:

Description	2009			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equities	\$ 92,863,062	\$ -	\$ 7,575,245	\$ 100,438,307
Fixed Income	27,492,149	18,718,468	-	46,210,617
Alternative Investments	-	-	117,107,624	117,107,624
	<u>\$ 120,355,211</u>	<u>\$ 18,718,468</u>	<u>\$ 124,682,869</u>	<u>\$ 263,756,548</u>

Description	2008			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equities	\$ 70,938,048	\$ -	\$ 6,731,370	\$ 77,669,418
Fixed Income	18,947,977	13,160,513	-	32,108,490
Alternative Investments	-	13,358,794	92,411,397	105,770,191
	<u>\$ 89,886,025</u>	<u>\$ 26,519,307</u>	<u>\$ 99,142,767</u>	<u>\$ 215,548,099</u>

William T. Grant Foundation, Inc.

Notes to Financial Statements

3. Investments (continued)

The following is a reconciliation of the beginning and ending balances for investments measured at fair value using significant unobservable inputs (Level 3) during the year ended December 31, 2009:

Beginning balance	\$ 99,142,767
Total realized gains included in changes in net assets	492,553
Unrealized gains relating to instruments still held at the reporting date included in earnings	23,633,256
Purchases, issuances and settlements	<u>1,414,293</u>
Ending balance	<u>\$ 124,682,869</u>

Information regarding Level 3 investments at December 31, 2009 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds (see "a" below)	\$ 74,604,726	\$ -	Monthly - Quarterly	20-90 days
Private Equity - Alternative Investments (see "b" below)	<u>50,078,143</u>	<u>30,895,696</u>	Locked	N/A
	<u>\$ 124,682,869</u>	<u>\$ 30,895,696</u>		

a. This category includes investments in "hedge funds" that invest predominantly in limited partnerships and similar pooled investment vehicles. These funds were primarily formed with the purpose of achieving long-term growth of capital with reduced volatility by allocating its capital among various money managers. The fair values of investments in this category have been estimated using the net asset value per share of the investments. Investments in this category may be redeemed monthly to quarterly, in whole or in part, subject to written notice before the prior quarter's close.

b. This category includes several private equity funds that invest primarily in private equity investment partnerships. The fair values of the investments in this category have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through liquidation of the underlying assets of the fund. Management has estimated that the underlying assets of these funds will be liquidated over 1 to 8 years.

William T. Grant Foundation, Inc.

Notes to Financial Statements

3. Investments (continued)

Alternative Investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

4. Grants Payable

The following summarizes changes in grants payable as of December 31:

	<u>2009</u>	<u>2008</u>
Balance at beginning of year	\$ 11,772,779	\$ 12,434,908
Addition:		
Grants authorized	10,838,222	12,006,071
Deductions:		
Payments made	10,717,095	12,594,179
Rescinded and refunded amounts	<u>67,104</u>	<u>74,021</u>
	<u>\$ 11,826,802</u>	<u>\$ 11,772,779</u>

Grants payable are scheduled to be disbursed as follows:

2010	\$ 8,018,491
2011	2,549,177
2012	1,025,184
2013	<u>233,950</u>
	<u>\$ 11,826,802</u>

William T. Grant Foundation, Inc.

Notes to Financial Statements

5. Lease Commitment

The Foundation has a lease agreement for office space which expires on September 30, 2018. The lease contains escalation clauses that provide for increased payments resulting from increases in real estate taxes and certain other building expenses in excess of the base period amounts. Future minimum rental payments under this lease are as follows:

2010	\$ 994,001
2011	1,011,396
2012	1,029,095
2013	1,064,474
2014	1,135,208
Thereafter	<u>4,434,830</u>
	<u>\$ 9,669,004</u>

The Foundation entered into an agreement to sublease a portion of its space to a third party which expired September 2008. Commencing June 2009 the Foundation entered into a new agreement to sublease a portion of its space expiring May 2012. This agreement requires monthly payments to the Foundation of approximately \$10,800 for the first eighteen months increasing to approximately \$12,800 for the remaining eighteen months.

6. Retirement Benefits

Retirement benefits under a defined contribution plan are provided through the Teacher's Insurance and Annuity Association to all permanent employees who have completed three months of continuous service. Contributions are charged to expense when made. Contributions 2009 and 2008 were \$228,559 and \$214,205.

7. Postretirement Healthcare Benefits

In addition to the above retirement plan, the Foundation sponsors an unfunded plan to provide certain health care benefits for retirees of the Foundation. The Foundation funds its postretirement benefits costs on a pay as you go basis.

Information as of and for the years ended December 31 for the plan is as follows:

	<u>2009</u>	<u>2008</u>
Benefit Obligation (Funded Status) at End of Year	\$ 2,600,416	\$ 2,184,825
Net postretirement benefit costs	195,050	230,490
Unrecognized actuarial loss	307,777	224,485
Benefits paid	87,236	94,396
Discount rate used	5.89%	5.98%

William T. Grant Foundation, Inc.

Notes to Financial Statements

7. Postretirement Healthcare Benefits (continued)

Measurements used to determine the postretirement benefit obligation for the years ended 2009 and 2008 were computed as of December 31.

For measurement purposes, an 10% annual rate of increase in per capita cost of covered health benefits was assumed for 2009, decreasing to 5.6% in 2010 and thereafter.

Net benefits expected to be paid in each of the next five years and the following five years in the aggregate are as follows:

2010	\$ 107,662
2011	119,709
2012	137,090
2013	145,006
2014	151,239
5 years thereafter	844,585

8. Federal Excise Taxes

The Foundation is nonprofit organization exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the Code), and is a private foundation as defined in Section 509(a) of the Code. The Foundation is subject to a Federal excise tax of 2% on its net investment income, as defined, for tax purposes. However, the excise tax is reduced to 1% if certain conditions are met.

Deferred taxes principally arise from differences between the cost and fair value of investments.

William T. Grant Foundation, Inc.

Supplemental Information

December 31, 2009

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule

December 31, 2009

	Fair Value	% of Portfolio	Unaudited	
			Target Allocation	Target Range
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 12,137,166			
Eagle Capital Equity	12,942,488			
T.Rowe Price New Era Fund	10,458,773			
Wasatch (small cap growth)	9,565,747			
Longleaf Partners Fund	<u>2,444,126</u>			
Subtotal U.S.	<u>47,548,300</u>	18.0%		
GLOBAL				
Deutsche Asset Mgmt. (Scudder) Global Equity Fund	13,241,987			
Harding & Loevner	8,633,453			
SSGA MSCI EAFE Index Fund	<u>9,540,402</u>			
Subtotal Global	<u>31,415,842</u>	11.9%		
Dimensional Fund Advisors	<u>13,898,920</u>			
Subtotal Emerging Markets	<u>13,898,920</u>	5.3%		
Subtotal Long Equity	<u>92,863,062</u>	35.2%		
HEDGED				
Davidson Kempner LP	6,909,981			
Commonfund Hedge Funds	7,575,245			
New Generation Turnaround Fund	19,301,553			
New Mountain Vantage	9,711,354			
Steelhead Partners	13,331,868			
Blenheim Commodities Fund	<u>17,774,725</u>			
Subtotal Hedged	<u>74,604,726</u>	28.3%		
Total Equity (including limited partnerships)	<u>167,467,788</u>	63.5%	58.0%	40.0-70.0%
ALTERNATIVE INVESTMENTS				
American Securities Partners III	2,778,656			
American Securities Partners IV	3,711,656			
American Securities Partners V	1,207,254			
Altira Technology Fund II	544,344			
Altira Technology Fund III	3,524,523			
Altira Technology Fund IV	3,087,082			
HRJ Capital VC IV	1,453,696			
Paul Capital Royalty Fund	2,047,642			
Paul Capital Royalty Fund II	1,444,804			
Royalty Pharma	8,457,556			
TIFF Partners II	372,831			
TIFF Partners V Domestic	3,483,140			
TIFF Partners V International	2,137,885			
TIFF Private Equity Partners 2006	2,362,436			
TIFF Private Equity Partners 2007	3,053,799			
TIFF Private Equity Partners 2008	2,050,098			
TIFF Secondary Partners II	2,773,220			
Crystal Ridge Partners	3,892,129			
Cross Creek Capital	<u>1,695,392</u>			
Total Alternatives Investments in Limited Partnerships	<u>50,078,143</u>	19.0%	12.0%	10.0-20.0%
FIXED INCOME				
Vanguard Inter. Term	3,645,368			
GMO Emerging Country Debt Fund	18,718,468			
Western Asset Management	<u>23,846,781</u>			
Total Fixed Income	<u>46,210,617</u>	17.5%	30.0%	20.0-50.0%
Total portfolio	<u>\$ 263,756,548</u>	100.0%	100.0%	100.0%

See independent auditors' report

William T. Grant Foundation, Inc.
Fair Value Measurements of Portfolio Assets
December 31, 2009

	Fair Value	Level 1	Level 2	Level 3
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 12,137,166	12,137,166	-	-
Eagle Capital Equity	12,942,488	12,942,488	-	-
T.Rowe Price New Era Fund	10,458,773	10,458,773	-	-
Wasatch (small cap growth)	9,565,747	9,565,747	-	-
Longleaf Partners Fund	<u>2,444,126</u>	<u>2,444,126</u>	-	-
Subtotal U.S.	<u>47,548,300</u>	<u>47,548,300</u>	-	-
GLOBAL				
Deutsche Asset Mgmt. (Scudder) Global Equity Fund	13,241,987	13,241,987	-	-
Harding & Loevner	8,633,453	8,633,453	-	-
SSGA MSCI EAFE Index Fund	<u>9,540,402</u>	<u>9,540,402</u>	-	-
Subtotal Global	<u>31,415,842</u>	<u>31,415,842</u>	-	-
Dimensional Fund Advisors	<u>13,898,920</u>	<u>13,898,920</u>	-	-
Subtotal Emerging Markets	<u>13,898,920</u>	<u>13,898,920</u>	-	-
Subtotal Long Equity	<u>92,863,062</u>	<u>92,863,062</u>	-	-
HEDGED				
Davidson Kempner LP	6,909,981	-	-	6,909,981
Commonfund Hedge Funds	7,575,245	-	-	7,575,245
New Generation Turnaround Fund	19,301,553	-	-	19,301,553
New Mountain Vantage	9,711,354	-	-	9,711,354
Steelhead Partners	13,331,868	-	-	13,331,868
Blenheim Commodities Fund	<u>17,774,725</u>	-	-	<u>17,774,725</u>
Subtotal Hedged	<u>74,604,726</u>	-	-	<u>74,604,726</u>
Total Equity (including limited partnerships)	<u>167,467,788</u>	<u>92,863,062</u>	-	<u>74,604,726</u>
ALTERNATIVE INVESTMENTS				
American Securities Partners III	2,778,656	-	-	2,778,656
American Securities Partners IV	3,711,656	-	-	3,711,656
American Securities Partners V	1,207,254	-	-	1,207,254
Altira Technology Fund II	544,344	-	-	544,344
Altira Technology Fund III	3,524,523	-	-	3,524,523
Altira Technology Fund IV	3,087,082	-	-	3,087,082
HRJ Capital VC IV	1,453,696	-	-	1,453,696
Paul Capital Royalty Fund	2,047,642	-	-	2,047,642
Paul Capital Royalty Fund II	1,444,804	-	-	1,444,804
Royalty Pharma	8,457,556	-	-	8,457,556
TIFF Partners II	372,831	-	-	372,831
TIFF Partners V Domestic	3,483,140	-	-	3,483,140
TIFF Partners V International	2,137,885	-	-	2,137,885
TIFF Private Equity Partners 2006	2,362,436	-	-	2,362,436
TIFF Private Equity Partners 2007	3,053,799	-	-	3,053,799
TIFF Private Equity Partners 2008	2,050,098	-	-	2,050,098
TIFF Secondary Partners II	2,773,220	-	-	2,773,220
Crystal Ridge Partners	3,892,129	-	-	3,892,129
Cross Creek Capital	<u>1,695,392</u>	-	-	<u>1,695,392</u>
Total Alternatives Investments in Limited Partnerships	<u>50,078,143</u>	-	-	<u>50,078,143</u>
FIXED INCOME				
Vanguard Inter. Term	3,645,368	3,645,368	-	-
GMO Emerging Country Debt Fund	18,718,468	-	18,718,468	-
Western Asset Management	<u>23,846,781</u>	<u>23,846,781</u>	-	-
Total Fixed Income	<u>46,210,617</u>	<u>27,492,149</u>	<u>18,718,468</u>	-
Total portfolio	<u>\$ 263,756,548</u>	<u>\$ 120,355,211</u>	<u>\$ 18,718,468</u>	<u>\$ 124,682,869</u>

See independent auditors' report

William T. Grant Foundation, Inc.

Schedules of Functional Expenses

Years Ended December 31,

	2009				2008			
	Program Services	Operations and Governance	Investment	Total	Services	Operations and Governance	Investment	Total
Grants Authorized, net	\$ 10,771,118	\$ -	\$ -	\$ 10,771,118	\$ 11,932,050	\$ -	\$ -	\$ 11,932,050
ALLOCATED EXPENSES								
Salaries and wages	1,368,384	495,792	118,990	1,983,166	1,343,594	486,809	116,834	1,947,237
Payroll taxes and employee benefits	593,177	214,919	51,581	859,677	568,486	205,974	49,434	823,894
Occupancy	745,119	269,971	64,793	1,079,883	587,505	212,864	51,087	851,456
Furniture and maintenance	74,568	27,018	6,484	108,070	14,632	5,301	1,272	21,205
Office expenses	38,061	13,791	3,310	55,162	39,501	14,312	3,435	57,248
General expenses	96,361	34,913	8,379	139,653	61,431	22,258	5,342	89,031
Staff travel and expense	61,037	22,115	5,308	88,460	79,991	28,983	6,956	115,930
Telecommunications	72,371	26,222	6,293	104,886	25,894	9,382	2,252	37,528
Computer purchases and maintenance	170,610	61,815	14,836	247,261	116,086	42,061	10,095	168,242
Professional fees	61,288	22,206	5,329	88,823	53,122	19,247	4,619	76,988
Insurance	24,828	8,996	2,159	35,983	33,885	12,278	2,947	49,110
Trustee and committee expenses	69,281	25,102	6,024	100,407	65,905	23,879	5,731	95,515
Total Allocated expenses	3,375,085	1,222,860	293,486	4,891,431	2,990,032	1,083,348	260,004	4,333,384
DIRECT PROGRAM EXPENSES								
Publications	38,792	-	-	38,792	44,895	-	-	44,895
Advisory expenses	504,263	-	-	504,263	608,241	-	-	608,241
Total Direct Program Expenses	543,055	-	-	543,055	653,136	-	-	653,136
DIRECT INVESTMENT EXPENSE								
Manager fees	-	-	301,281	301,281	-	-	360,818	360,818
Custody fees	-	-	75,131	75,131	-	-	102,628	102,628
Consulting expenses	-	-	4,614	4,614	-	-	6,696	6,696
Total Direct Investment Expenses	-	-	381,026	381,026	-	-	470,142	470,142
Total	\$ 14,689,258	\$ 1,222,860	\$ 674,512	\$ 16,586,630	\$ 15,575,218	\$ 1,083,348	\$ 730,146	\$ 17,388,712
% of total expenses	89%	7%	4%		90%	6%	4%	

See independent auditors' report