

William T. Grant Foundation, Inc.

Financial Statements

December 31, 2013 and 2012

Independent Auditors' Report

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

We have audited the accompanying financial statements of William T. Grant Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

O'CONNOR DAVIES, LLP
665 Fifth Avenue, New York, NY 10022 | Tel: 212.286.2600 | Fax: 212.286.4080 | www.odpkf.com

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, 2013 and 2012 and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 14, 15 and 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the financial statement themselves and other addition procedure in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

O'Connor Davies, LLP

New York, New York
September 30, 2014

William T. Grant Foundation, Inc.

Statements of Financial Position

	December 31	
	2013	2012
ASSETS		
Cash and cash equivalents	\$ 9,405,303	\$ 13,281,306
Accrued investment income	70,549	74,533
Due from investment managers	1,725,302	21,750
Prepaid Federal excise tax	-	91,000
Investments	313,118,008	278,496,649
Prepaid expenses and other assets	48,695	22,452
	<u>\$ 324,367,857</u>	<u>\$ 291,987,690</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 352,462	\$ 294,430
Grants payable	10,434,971	9,509,223
Federal excise tax payable	128,000	-
Postretirement benefit obligation	2,956,931	2,764,803
Deferred Federal excise tax	1,670,000	1,232,000
Deferred rent	532,624	530,499
Total Liabilities	<u>16,074,988</u>	<u>14,330,955</u>
Net Assets	<u>308,292,869</u>	<u>277,656,735</u>
	<u>\$ 324,367,857</u>	<u>\$ 291,987,690</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Activities

	Year Ended December 31	
	2013	2012
REVENUE		
Investment Income		
Interest and dividends	\$ 5,927,662	\$ 4,992,686
Less:		
Federal and state tax expense	590,046	100,673
Investment expenses	1,018,445	845,772
Net investment income	4,319,171	4,046,241
Rental income	157,348	64,109
Total Revenue	4,476,519	4,110,350
EXPENSES		
Program services		
Grants authorized, net of refunded and rescinded amount of \$245,823 and \$145,291	10,680,794	10,811,452
Program support, planning, and development	3,948,450	3,931,060
Total Program Services	14,629,244	14,742,512
Supporting Services - operations and governance	1,243,387	1,223,266
Total Expenses	15,872,631	15,965,778
Net realized and unrealized gains on investments, net of provision for deferred federal excise tax of \$438,000 and \$237,000	42,202,011	24,826,859
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	30,805,899	12,971,431
Postretirement benefit obligation adjustment	(169,765)	(397,190)
Change in Net Assets	30,636,134	12,574,241
NET ASSETS		
Beginning of year	277,656,735	265,082,494
End of year	\$ 308,292,869	\$277,656,735

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Cash Flows

	Year Ended	
	December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 30,636,134	\$ 12,574,241
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized gains on sale of investments	(20,840,200)	(12,862,072)
Unrealized gains on investments	(21,799,811)	(12,201,787)
Deferred Federal excise tax	438,000	237,000
Postretirement benefit obligation adjustment	169,765	397,190
Amortization of deferred rent	2,125	33,253
Net changes in operating assets and liabilities		
Accrued investment income	3,984	(47,062)
Due from managers	(1,703,552)	26,813
Prepaid Federal excise tax	91,000	119,000
Prepaid expenses and other assets	(26,243)	37,065
Accounts payable and accrued expenses	58,032	158,950
Grants payable	925,748	891,028
Federal excise tax payable	128,000	-
Postretirement benefit obligation	22,363	30,100
Net Cash from Operating Activities	(11,894,655)	(10,606,281)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	67,589,787	73,533,397
Purchase of investments	(59,571,135)	(52,780,538)
Net Cash from Investing Activities	8,018,652	20,752,859
Net Change in Cash and Cash Equivalents	(3,876,003)	10,146,578
CASH AND CASH EQUIVALENTS		
Beginning of year	13,281,306	3,134,728
End of year	\$ 9,405,303	\$ 13,281,306
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for Federal and state taxes on investment income	\$ 369,230	\$ 180,176

See notes to financial statements

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2013 and 2012

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

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly actual results could differ for those estimates.

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.

Investments Valuation

Other than cash and cash equivalents, investments are stated 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.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2013 and 2012

2. Summary of Significant Accounting Policies (*continued*)

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 recognized within net periodic cost in the future.

Net Asset 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.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of tax positions only if they are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement disclosure and/or recognition. The Foundation is no longer subject to examinations by the applicable jurisdictions for periods prior to December 31, 2010.

Reclassifications

Certain amounts in the 2012 financial statements have been reclassified to conform to the 2013 financial statement presentation. There has been no effect on net assets as a result of these classifications.

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 September 30, 2014.

William T. Grant Foundation, Inc.

Notes to Financial Statements December 31, 2013 and 2012

3. Investments

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

Description	2013			Total
	(Level 1)	(Level 2)	(Level 3)	
Cash held for investments	\$ 2,529,264	\$ -	\$ -	\$ 2,529,264
Equity Securities				
US Regulated Investment Company-Non US	14,166,119	-	-	14,166,119
Diversified emerging markets	13,465,326	-	-	13,465,326
Global equity portfolio	16,169,191	-	-	16,169,191
Financial services	12,683,371	-	-	12,683,371
Technology	13,274,189	-	-	13,274,189
Services	8,460,601	-	-	8,460,601
Consumer staples	6,868,752	-	-	6,868,752
Other	34,832,866	-	-	34,832,866
Fixed Income				
Mutual Funds	17,946,447	-	-	17,946,447
US Regulated Investment Company	5,152,746	-	-	5,152,746
Emergings Markets Bond	-	15,627,572	-	15,627,572
Alternative investments				
Hedge Funds(a)	-	56,328,728	14,199,795	70,528,523
Private Equity(a)	-	-	81,413,041	81,413,041
Total investments at fair value	<u>\$ 145,548,872</u>	<u>\$ 71,956,300</u>	<u>\$ 95,612,836</u>	<u>\$ 313,118,008</u>
Description	2012			Total
	(Level 1)	(Level 2)	(Level 3)	
Cash held for investments	\$ 2,524,357	\$ -	\$ -	\$ 2,524,357
Equity Securities				
US Regulated Investment Company-Non US	9,698,776	-	-	9,698,776
US Regulated Investment Company	13,997,762	-	-	13,997,762
Diversified emerging markets	10,603,123	-	-	10,603,123
Global equity portfolio	8,763,243	-	-	8,763,243
Financial services	7,310,533	-	-	7,310,533
Consumer staples	5,419,221	-	-	5,419,221
Technology	4,965,721	-	-	4,965,721
Other	25,074,409	-	-	25,074,409
Fixed Income				
Mutual Funds	14,619,657	-	-	14,619,657
US Regulated Investment Company	7,706,813	-	-	7,706,813
Emerging Markets Bond	-	18,320,930	-	18,320,930
Alternative investments				
Hedge Funds(a)	-	58,345,564	11,858,740	70,204,304
Private Equity(a)	-	-	79,287,800	79,287,800
Total investments at fair value	<u>\$ 110,683,615</u>	<u>\$ 76,666,494</u>	<u>\$ 91,146,540</u>	<u>\$ 278,496,649</u>

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2013 and 2012

3 Investments (continued)

(a) Based on its analysis of the nature and risk of these investments, the Foundation has determined that presenting them as a single class is appropriate.

Investments account for all assets at fair market value at December 31, 2013 and 2012.

The following is a reconciliation of the Level 3 investments valued using NAV as practical expedient during the years ended December 31:

	2013		
	Hedge Funds	Private Equity	Total
Beginning balance	\$ 11,858,740	\$ 79,287,800	\$ 91,146,540
Total realized gains included in changes in net assets	-	13,789,997	13,789,997
Unrealized gains (losses) related to instruments still held at reporting date included in earning	2,341,055	(501,993)	1,839,062
Purchases, issuances and (settlements), net	-	(11,162,763)	(11,162,763)
Ending balance	<u>\$ 14,199,795</u>	<u>\$ 81,413,041</u>	<u>\$ 95,612,836</u>

	2012		
	Hedge Funds	Private Equity	Total
Beginning balance	\$ 10,689,214	\$ 67,831,098	\$ 78,520,312
Total realized losses included in changes in net assets	-	(1,425,953)	(1,425,953)
Unrealized gains related to instruments still held at reporting date included in earning	1,169,526	11,345,568	12,515,094
Purchases, issuances and (settlements), net	-	1,537,087	1,537,087
Ending balance	<u>\$ 11,858,740</u>	<u>\$ 79,287,800</u>	<u>\$ 91,146,540</u>

Information regarding Level 2 and 3 investments valued using NAV as practical expedient at December 31, 2013 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds (see "a" below)	\$ 70,528,523	\$ -	Monthly - Annually	20-90 days
Private Equity (see "b" below)	<u>81,413,041</u>	<u>23,749,337</u>	Locked	N/A
	<u>\$ 151,941,564</u>	<u>\$ 23,749,337</u>		

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2013 and 2012

3. Investments (continued)

a. This category includes investments in “hedge funds” that invest predominantly in limited partnerships, similar pooled investment vehicles and direct investments in securities and loans. 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 value 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.

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>2013</u>	<u>2012</u>
Balance at beginning of year	\$ 9,509,223	\$ 8,618,195
Addition:		
Grants authorized	10,740,569	10,956,743
Deductions:		
Payments made	(9,814,771)	(9,990,715)
Rescinded amounts	<u>(50)</u>	<u>(75,000)</u>
	<u>\$ 10,434,971</u>	<u>\$ 9,509,223</u>

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2013 and 2012

4. Grants Payable (continued)

Grants payable are scheduled to be disbursed as follows:

2014	\$ 6,437,416
2015	2,420,397
2016	1,082,983
2017	409,510
2018	84,665
	<u>\$ 10,434,971</u>

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:

2014	\$ 1,135,208
2015	1,155,074
2016	1,175,288
2017	1,195,855
2018	908,612
	<u>\$ 5,570,037</u>

In August 2012 the Foundation entered into an agreement to sublease a portion of its space expiring September 2018. This agreement requires monthly payments to the Foundation of approximately \$13,000 for the first twelve months increasing to approximately \$15,000 for the last twelve 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 expensed when made. Foundation expenses in 2013 and 2012 were \$262,798 and \$220,176.

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.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2013 and 2012

7. Postretirement Healthcare Benefits (continued)

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

	<u>2013</u>	<u>2012</u>
Benefit Obligation (Funded Status) at End of Year	\$ 2,956,931	\$ 2,764,803
Net postretirement benefit costs	148,144	141,385
Unrecognized actuarial loss	169,765	397,190
Benefits paid	125,781	111,288
Discount rate used	4.65%	3.79%
Components of Net Periodic Expense for the Year	<u>2013</u>	<u>2012</u>
Service cost	\$ 48,125	\$ 26,876
Interest cost	<u>100,019</u>	<u>114,509</u>
	<u>\$ 148,144</u>	<u>\$ 141,385</u>
	<u>Increase (Decrease)</u>	
	<u>2013</u>	<u>2012</u>
Effect of a one-percent point increase in HCCTR* on Year end benefit obligation	\$ 377,063	\$ 470,545
Total of service and interest cost component	120,664	10,007
Effect of a one-percent point decrease in HCCTR* on Year end benefit obligation	(314,985)	(281,426)
Total of service and interest cost component	52,122	(30,502)

* Health Care Cost Trend Rate

Measurements used to determine the postretirement benefit obligation for the years ended 2013 and 2012 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 2013, decreasing to 5.0% in 2020 and thereafter.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2013 and 2012

7. Postretirement Healthcare Benefits (continued)

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

2014	\$ 154,254
2015	160,092
2016	164,639
2017	172,010
2018	178,561
2019-2023	<u>960,727</u>
	<u>\$ 1,790,283</u>

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 can be reduced to 1% if certain conditions are met. Deferred taxes arise from differences between the cost and fair value of investments.

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William T. Grant Foundation, Inc.

Supplemental Information

December 31, 2013

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule
December 31, 2013

	Fair Value	% of Portfolio	Target Allocation	Target Range
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 22,120,870			
Eagle Capital Equity	28,718,424			
Wasatch (small cap growth)	<u>22,231,704</u>			
Subtotal U.S.	<u>73,070,998</u>	23.3%		
GLOBAL				
First Eagle	14,166,119			
Global Thematic Equity	17,946,447			
Harding & Loevner	<u>16,169,191</u>			
Subtotal Global	<u>48,281,757</u>	15.4%		
Dimensional Fund Advisors	13,465,326			
TVC Conduit	<u>5,578,045</u>			
Subtotal Emerging Markets	<u>19,043,371</u>	6.1%		
Subtotal Long Equity	<u>140,396,126</u>	44.8%		
HEDGED				
New Generation Turnaround Fund	22,811,781			
New Mountain Vantage	14,199,795			
Steelhead Partners	19,248,321			
Blenheim Commodities Fund	8,413,922			
High Vista II	<u>5,854,704</u>			
Subtotal Hedged	<u>70,528,523</u>	22.5%		
Total Equity (including limited partnerships)	<u>210,924,649</u>	67.4%	58.0%	40.0-70.0%
ALTERNATIVE INVESTMENTS				
American Securities Partners III	1,914,006			
American Securities Partners IV	2,787,470			
American Securities Partners V	6,435,116			
Altira Technology Fund II	707,834			
Altira Technology Fund III	520,323			
Altira Technology Fund IV	495,966			
Capital Dynamics Champion Ventures IV	1,559,559			
Easterly Prt US Govt Inc & Growth I	5,150,109			
Easterly Prt US Govt Inc & Growth II	1,983,096			
Paul Capital Royalty Fund	697,972			
Paul Capital Royalty Fund II	168,827			
Royalty Pharma	10,286,261			
TIFF Partners II	98,545			
TIFF Partners V Domestic	2,706,948			
TIFF Partners V International	2,214,029			
TIFF Private Equity Partners 2006	3,566,357			
TIFF Private Equity Partners 2007	7,293,904			
TIFF Private Equity Partners 2008	8,208,944			
TIFF Secondary Partners II	4,496,719			
TIFF Special Opportunities	1,466,596			
Crystal Ridge Partners	1,969,211			
Cross Creek Capital	3,525,095			
CSL Energy	2,674,476			
BioPharma Sec. Debt	4,228,032			
Brightwood Capital	5,035,541			
Venture Investment	<u>1,222,105</u>			
Total Alternatives Investments in Limited Partnerships	<u>81,413,041</u>	26.0%	12.0%	10.0-20.0%
FIXED INCOME				
GMO Emerging Country Debt Fund	15,627,572			
Western Asset Management	<u>5,152,746</u>			
Total Fixed Income	<u>20,780,318</u>	6.6%	30.0%	20.0-50.0%
Total portfolio	<u>\$ 313,118,008</u>	100.0%	100.0%	

William T. Grant Foundation, Inc.

Fair Value Measurements of Portfolio Assets
December 31, 2013

	Total Fair Value	Level 1	Level 2	Level 3
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 22,120,870	\$ 22,120,870	\$ -	\$ -
Eagle Capital Equity	28,718,424	28,718,424	-	-
Wasatch (small cap growth)	22,231,704	22,231,704	-	-
Subtotal U.S.	<u>73,070,998</u>	<u>73,070,998</u>	<u>-</u>	<u>-</u>
GLOBAL				
First Eagle	14,166,119	14,166,119	-	-
Global Thematic Equity	17,946,447	17,946,447	-	-
Harding & Loevner	16,169,191	16,169,191	-	-
Subtotal Global	<u>48,281,757</u>	<u>48,281,757</u>	<u>-</u>	<u>-</u>
Dimensional Fund Advisors	13,465,326	13,465,326	-	-
TVC Conduit	5,578,045	5,578,045	-	-
Subtotal Emerging Markets	<u>19,043,371</u>	<u>19,043,371</u>	<u>-</u>	<u>-</u>
Subtotal Long Equity	<u>140,396,126</u>	<u>140,396,126</u>	<u>-</u>	<u>-</u>
HEDGED				
New Generation Turnaround Fund	22,811,781	-	22,811,781	-
New Mountain Vantage	14,199,795	-	-	14,199,795
Steelhead Partners	19,248,321	-	19,248,321	-
Blenheim Commodities Fund	8,413,922	-	8,413,922	-
High Vista II	5,854,704	-	5,854,704	-
Subtotal Hedged	<u>70,528,523</u>	<u>-</u>	<u>56,328,728</u>	<u>14,199,795</u>
Total Equity (including limited partnerships)	<u>210,924,649</u>	<u>140,396,126</u>	<u>56,328,728</u>	<u>14,199,795</u>
ALTERNATIVE INVESTMENTS				
American Securities Partners III	1,914,006	-	-	1,914,006
American Securities Partners IV	2,787,470	-	-	2,787,470
American Securities Partners V	6,435,116	-	-	6,435,116
Altira Technology Fund II	707,834	-	-	707,834
Altira Technology Fund III	520,323	-	-	520,323
Altira Technology Fund IV	495,966	-	-	495,966
Capital Dynamics Champion Ventures IV	1,559,559	-	-	1,559,559
Easterly Prt US Govt Inc & Growth I	5,150,109	-	-	5,150,109
Easterly Prt US Govt Inc & Growth II	1,983,096	-	-	1,983,096
Paul Capital Royalty Fund	697,972	-	-	697,972
Paul Capital Royalty Fund II	168,827	-	-	168,827
Royalty Pharma	10,286,261	-	-	10,286,261
TIFF Partners II	98,545	-	-	98,545
TIFF Partners V Domestic	2,706,948	-	-	2,706,948
TIFF Partners V International	2,214,029	-	-	2,214,029
TIFF Private Equity Partners 2006	3,566,357	-	-	3,566,357
TIFF Private Equity Partners 2007	7,293,904	-	-	7,293,904
TIFF Private Equity Partners 2008	8,208,944	-	-	8,208,944
TIFF Secondary Partners II	4,496,719	-	-	4,496,719
TIFF Special Opportunities	1,466,596	-	-	1,466,596
Crystal Ridge Partners	1,969,211	-	-	1,969,211
Cross Creek Capital	3,525,095	-	-	3,525,095
CSL Energy	2,674,476	-	-	2,674,476
BioPharma Sec. Debt	4,228,032	-	-	4,228,032
Brightwood Capital	5,035,541	-	-	5,035,541
Venture Investment	1,222,105	-	-	1,222,105
Total Alternatives Investments in Limited Partnerships	<u>81,413,041</u>	<u>-</u>	<u>-</u>	<u>81,413,041</u>
FIXED INCOME				
GMO Emerging Country Debt Fund	15,627,572	-	15,627,572	-
Western Asset Management	5,152,746	5,152,746	-	-
Total Fixed Income	<u>20,780,318</u>	<u>5,152,746</u>	<u>15,627,572</u>	<u>-</u>
Total portfolio	<u>\$ 313,118,008</u>	<u>\$ 145,548,872</u>	<u>\$ 71,956,300</u>	<u>\$ 95,612,836</u>

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William T. Grant Foundation, Inc.

Schedule of Functional Expenses
Year Ended December 31,

	2013				2012			
	Program Services	Operations and Governance	Investment	Total	Program Services	Operations and Governance	Investment	Total
Grants Authorized, net	\$ 10,680,794	\$ -	\$ -	\$ 10,680,794	\$ 10,811,452	\$ -	\$ -	\$ 10,811,452
ALLOCATED EXPENSES								
Salaries and wages	1,457,709	528,156	126,757	2,112,622	1,376,613	498,773	119,705	1,995,091
Payroll taxes and employee benefits	669,793	242,679	58,243	970,715	585,261	212,051	50,892	848,204
Occupancy	746,748	270,561	64,935	1,082,244	739,288	267,858	64,286	1,071,432
Furniture and maintenance	23,077	8,362	2,007	33,446	48,988	17,750	4,260	70,998
Office expenses	36,500	13,225	3,174	52,899	44,115	15,984	3,836	63,935
General expenses	158,429	57,402	13,776	229,607	223,098	80,833	19,400	323,331
Staff travel and expense	72,326	26,205	6,289	104,820	69,426	25,155	6,037	100,618
Telecommunications	29,572	10,715	2,571	42,858	31,071	11,258	2,702	45,031
Computer purchases and maintenance	50,093	18,150	4,356	72,599	100,974	36,585	8,780	146,339
Professional fees	62,674	22,708	5,450	90,832	61,680	22,348	5,364	89,392
Insurance	33,500	12,138	2,913	48,551	17,622	6,385	1,532	25,539
Trustee and committee expenses	91,317	33,086	7,941	132,344	78,070	28,286	6,789	113,145
Total Allocated expenses	<u>3,431,738</u>	<u>1,243,387</u>	<u>298,412</u>	<u>4,973,537</u>	<u>3,376,206</u>	<u>1,223,266</u>	<u>293,583</u>	<u>4,893,055</u>
DIRECT PROGRAM EXPENSES								
Publications	19,250	-	-	19,250	28,719	-	-	28,719
Advisory expenses	497,462	-	-	497,462	526,135	-	-	526,135
Total Direct Program Expenses	<u>516,712</u>	<u>-</u>	<u>-</u>	<u>516,712</u>	<u>554,854</u>	<u>-</u>	<u>-</u>	<u>554,854</u>
DIRECT INVESTMENT EXPENSE								
Manager fees	-	-	605,106	605,106	-	-	453,514	453,514
Custody fees	-	-	112,249	112,249	-	-	98,070	98,070
Consulting expenses	-	-	2,678	2,678	-	-	605	605
Total Direct Investment Expenses	<u>-</u>	<u>-</u>	<u>720,033</u>	<u>720,033</u>	<u>-</u>	<u>-</u>	<u>552,189</u>	<u>552,189</u>
Total	<u>\$ 14,629,244</u>	<u>\$ 1,243,387</u>	<u>\$ 1,018,445</u>	<u>\$ 16,891,076</u>	<u>\$ 14,742,512</u>	<u>\$ 1,223,266</u>	<u>\$ 845,772</u>	<u>\$ 16,811,550</u>

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