

William T. Grant Foundation, Inc.

Financial Statements

December 31, 2015 and 2014



Independent Auditors' Report

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

We have audited the accompanying financial statements of the William T. Grant Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of December 31, 2015 and 2014, 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.

Auditors' 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.

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, 2015 and 2014 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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 13-15 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 underlying accounting and other records used to prepare the financial statements or the financial statement themselves, and other additional procedures 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.

PKF O'Connor Davies, LLP

November 8, 2016

William T. Grant Foundation, Inc.

Statements of Financial Position

	December 31	
	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 2,330,713	\$ 4,019,484
Accrued investment income and other receivables	229,818	63,687
Prepaid Federal excise tax	78,000	78,000
Investments	307,184,786	328,375,552
Prepaid expenses and other assets	<u>70,463</u>	<u>48,567</u>
	<u>\$ 309,893,780</u>	<u>\$ 332,585,290</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 382,924	\$ 330,194
Grants payable	11,980,194	10,232,798
Postretirement benefit obligation	2,100,565	2,465,788
Deferred Federal excise tax	1,265,000	1,655,000
Deferred rent	<u>365,231</u>	<u>459,764</u>
Total Liabilities	16,093,914	15,143,544
Net assets	<u>293,799,866</u>	<u>317,441,746</u>
	<u>\$ 309,893,780</u>	<u>\$ 332,585,290</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Activities

	Year Ended December 31	
	2015	2014
REVENUE		
Investment Income		
Interest and dividends	\$ 5,415,917	\$ 6,217,241
Less:		
Federal and state tax expense	522,236	295,216
Investment expenses	1,128,695	1,086,105
Net investment income	3,764,986	4,835,920
Rental income	163,314	161,283
Total Revenue	3,928,300	4,997,203
EXPENSES		
Program Services		
Grants authorized, net of refunded and rescinded amounts of \$213,035 and \$109,045	11,844,653	10,963,903
Program support, planning, and development	3,984,818	3,993,865
Total Program Services	15,829,471	14,957,768
Supporting Services - operations and governance	1,241,469	1,237,269
Total Expenses	17,070,940	16,195,037
Net realized and unrealized (losses) gains on investments, net of benefit for deferred Federal excise tax of \$390,000 and \$15,000	(10,884,729)	19,746,071
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	(24,027,369)	8,548,237
Postretirement benefit obligation adjustment	385,489	600,640
Change in Net Assets	(23,641,880)	9,148,877
NET ASSETS		
Beginning of year	317,441,746	308,292,869
End of year	\$ 293,799,866	\$ 317,441,746

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Cash Flows

	Year Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (23,641,880)	\$ 9,148,877
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized gains on sale of investments	(11,657,780)	(17,093,782)
Unrealized loss (gain) on investments	22,932,509	(2,637,289)
Deferred Federal excise tax	(390,000)	(15,000)
Postretirement benefit obligation adjustment	(385,489)	(600,640)
Deferred rent	(94,533)	(72,860)
Net changes in operating assets and liabilities		
Accrued investment income and other receivables	(166,131)	6,862
Due from investment managers	-	1,725,302
Prepaid Federal excise tax	-	(78,000)
Prepaid expenses and other assets	(21,896)	128
Accounts payable and accrued expenses	52,730	(22,268)
Grants payable	1,747,396	(202,173)
Federal excise tax payable	-	(128,000)
Postretirement benefit obligation	20,266	109,497
Net Cash from Operating Activities	(11,604,808)	(9,859,346)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	68,772,358	55,265,259
Purchase of investments	(58,856,321)	(50,791,732)
Net Cash from Investing Activities	9,916,037	4,473,527
Net Change in Cash and Cash Equivalents	(1,688,771)	(5,385,819)
CASH AND CASH EQUIVALENTS		
Beginning of year	4,019,484	9,405,303
End of year	\$ 2,330,713	\$ 4,019,484
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for Federal and state taxes on investment income	\$ 520,724	\$ 369,230

See notes to financial statements

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

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 revenue 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 maturities of three months or less at time of purchase 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 U.S. GAAP 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.

During 2015, the Foundation adopted new U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient. Adoption of this guidance was applied retrospectively and had no effect on the carrying value of such investments.

Investments Valuation and Income Recognition

Investments are stated at fair value. 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, 2015 and 2014

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 U.S. GAAP 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 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.

Functional Allocation of Expenses

The costs of providing various programs and related supporting services have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the appropriate programs and supporting services benefited.

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, 2012.

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 November 8, 2016.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

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.

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2015 is as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge funds (see "a" below)	\$ 67,188,842	\$ -	Monthly - Annually	20-90 days
Private equity (see "b" below)	78,204,574	21,641,207	Locked	N/A
	<u>\$ 145,393,416</u>	<u>\$ 21,641,207</u>		

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. Investments in this category may be redeemed monthly to annually, 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. 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.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

4. Grants Payable

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

	<u>2015</u>	<u>2014</u>
Balance at beginning of year	\$ 10,232,798	\$ 10,434,971
Addition:		
Grants authorized	12,057,688	11,072,948
Deductions:		
Payments made	(10,197,374)	(11,275,121)
Rescinded amounts	(112,918)	-
	<u>\$ 11,980,194</u>	<u>\$ 10,232,798</u>

Grants payable are scheduled to be disbursed as follows:

2016	\$ 7,681,136
2017	3,137,715
2018	881,428
2019	279,915
	<u>\$ 11,980,194</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. The Foundation's policy is to record base rent on a straight-line basis over the terms of the lease. Future minimum rental payments under this lease are as follows:

2016	\$ 1,175,288
2017	1,195,855
2018	908,612
	<u>\$ 3,279,755</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. Rental income is recognized based on the terms of the lease.

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 six months of continuous service. Contributions are expensed when made. Plan expenses in 2015 and 2014 were \$306,209 and \$272,981.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

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>2015</u>	<u>2014</u>
Benefit Obligation		
at End of Year	\$ 2,100,565	\$ 2,465,788
Net postretirement benefit costs	122,640	235,038
Unrecognized actuarial gain	(385,489)	(600,640)
Benefits paid	102,374	125,781
Discount rate used	4.12%	3.74%

Components of Net Periodic Expense
for the Year

	<u>2015</u>	<u>2014</u>
Service cost	\$ 32,334	\$ 103,378
Interest cost	<u>90,306</u>	<u>131,660</u>
	<u>\$ 122,640</u>	<u>\$ 235,038</u>

	Increase (Decrease)	
	<u>2015</u>	<u>2014</u>
Effect of a one-percent point increase in HCCTR* on		
Year end benefit obligation	\$ 278,817	\$ 321,466
Total of service and interest cost component	135,706	140,138
Effect of a one-percent point decrease in HCCTR* on		
Year end benefit obligation	(230,680)	(267,257)
Total of service and interest cost component	(100,344)	(103,834)

* Health Care Cost Trend Rate

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2015 and 2014

7. Postretirement Healthcare Benefits (continued)

Measurements used to determine the postretirement benefit obligation for the years ended December 31, 2015 and 2014 were computed as of December 31.

For measurement purposes, a 8% annual rate of increase in per capita cost of covered health benefits was assumed for 2015, decreasing to 5.5% in 2020 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:

2016	\$ 112,864
2017	114,799
2018	116,197
2019	115,564
2020	115,091
2021-2025	<u>586,893</u>
	<u>\$ 1,161,408</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.

Supplementary Information

December 31, 2015

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule
December 31, 2015

	Fair Value	% of Portfolio	Target Allocation	Target Range
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 22,264,061			
Eagle Capital Equity	30,324,906			
Wasatch (small cap growth)	<u>22,945,923</u>			
Subtotal U.S.	<u>75,534,890</u>	24.6%		
GLOBAL				
First Eagle	14,373,310			
Global Thematic Equity	16,826,499			
Harding & Loevner	<u>17,207,325</u>			
Subtotal Global	<u>48,407,134</u>	15.8%		
EMERGING MARKETS				
Dimensional Fund Advisors	10,454,712			
TVC Conduit	<u>5,776,369</u>			
Subtotal Emerging Markets	<u>16,231,081</u>	5.3%		
Subtotal Long Equity	<u>140,173,105</u>	45.7%		
HEDGED				
New Generation Turnaround Fund	17,882,529			
New Mountain Vantage	14,742,318			
Steelhead Partners	19,618,584			
Raging Capital Offshore Fund	4,550,121			
Altimeter Offshore Limited	4,918,465			
Armistice Capital LLC	<u>5,476,825</u>			
Subtotal Hedged	<u>67,188,842</u>	21.9%		
Total Equity (including limited partnerships)	<u>207,361,947</u>	67.6%	58.0%	40.0-70.0%
ALTERNATIVE INVESTMENTS				
Altira Technology Fund IV	25,509			
American Securities Partners III	767,008			
American Securities Partners IV	888,308			
American Securities Partners V	2,521,653			
BioPharma Sec. Debt	2,811,135			
Brightwood Capital	4,471,779			
Capital Dynamics Champion Ventures IV	1,412,189			
Cross Creek Capital	2,821,668			
Crystal Ridge Partners	357,299			
CSL Energy	1,962,311			
Easterly Prt US Govt Inc & Growth I	6,211,305			
Easterly Prt US Govt Inc & Growth II	5,035,462			
North Atlantic Venture	1,105,840			
Paul Capital Acq Fund	923,065			
Paul Royalty Fund II	4,170			
Peakspan	1,156,509			
Royalty Pharma	16,038,319			
TIFF Partners II	26,225			
TIFF Partners V Domestic	1,730,287			
TIFF Partners V International	909,489			
TIFF Private Equity Partners 2006	1,604,745			
TIFF Private Equity Partners 2007	6,073,177			
TIFF Private Equity Partners 2008	10,824,225			
TIFF Secondary Partners II	2,214,136			
TIFF Special Opportunities	2,325,340			
Venture Investment	<u>3,983,421</u>			
Total Alternatives Investments	<u>78,204,574</u>	25.4%	12.0%	10.0-20.0%
FIXED INCOME				
GMO Emerging Country Debt Fund	16,565,682			
JPM Short Duration Bond	2,014,537			
JPM Management Income Fund	<u>3,038,046</u>			
Total Fixed Income	<u>21,618,265</u>	7.0%	30.0%	20.0-50.0%
Total Portfolio	<u>\$ 307,184,786</u>	100.0%	100.0%	

See independent auditors' report

William T. Grant Foundation, Inc.

Fair Value Measurements of Portfolio Assets
December 31, 2015
Total

	Fair Value	Level 1	Level 2	Investments Measures at NAV
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 22,264,061	\$ 22,264,061	\$ -	\$ -
Eagle Capital Equity	30,324,906	30,324,906	-	-
Wasatch (small cap growth)	22,945,923	22,945,923	-	-
Subtotal U.S.	<u>75,534,890</u>	<u>75,534,890</u>	-	-
GLOBAL				
First Eagle	14,373,310	14,373,310	-	-
Global Thematic Equity	16,826,499	16,826,499	-	-
Harding & Loevner	17,207,325	17,207,325	-	-
Subtotal Global	<u>48,407,134</u>	<u>48,407,134</u>	-	-
EMERGING MARKETS				
Dimensional Fund Advisors	10,454,712	10,454,712	-	-
TVC Conduit	5,776,369	5,776,369	-	-
Subtotal Emerging Markets	<u>16,231,081</u>	<u>16,231,081</u>	-	-
Subtotal Long Equity	<u>140,173,105</u>	<u>140,173,105</u>	-	-
HEDGED				
New Generation Turnaround Fund	17,882,529	-	-	17,882,529
New Mountain Vantage	14,742,318	-	-	14,742,318
Steelhead Partners	19,618,584	-	-	19,618,584
Raging Capital Offshore Fund	4,550,121	-	-	4,550,121
Altimeter Offshore Limited	4,918,465	-	-	4,918,465
Armistice Capital LLC	5,476,825	-	-	5,476,825
Subtotal Hedged	<u>67,188,842</u>	-	-	<u>67,188,842</u>
Total Equity (including limited partnerships)	<u>207,361,947</u>	<u>140,173,105</u>	-	<u>67,188,842</u>
ALTERNATIVE INVESTMENTS				
Altira Technology Fund IV	25,509	-	-	25,509
American Securities Partners III	767,008	-	-	767,008
American Securities Partners IV	888,308	-	-	888,308
American Securities Partners V	2,521,653	-	-	2,521,653
BioPharma Sec. Debt	2,811,135	-	-	2,811,135
Brightwood Capital	4,471,779	-	-	4,471,779
Capital Dynamics Champion Ventures IV	1,412,189	-	-	1,412,189
Cross Creek Capital	2,821,668	-	-	2,821,668
Crystal Ridge Partners	357,299	-	-	357,299
CSL Energy	1,962,311	-	-	1,962,311
Easterly Prt US Govt Inc & Growth I	6,211,305	-	-	6,211,305
Easterly Prt US Govt Inc & Growth II	5,035,462	-	-	5,035,462
North Atlantic Venture	1,105,840	-	-	1,105,840
Paul Capital Acq Fund	923,065	-	-	923,065
Paul Royalty Fund II	4,170	-	-	4,170
Peakspan	1,156,509	-	-	1,156,509
Royalty Pharma	16,038,319	-	-	16,038,319
TIFF Partners II	26,225	-	-	26,225
TIFF Partners V Domestic	1,730,287	-	-	1,730,287
TIFF Partners V International	909,489	-	-	909,489
TIFF Private Equity Partners 2006	1,604,745	-	-	1,604,745
TIFF Private Equity Partners 2007	6,073,177	-	-	6,073,177
TIFF Private Equity Partners 2008	10,824,225	-	-	10,824,225
TIFF Secondary Partners II	2,214,136	-	-	2,214,136
TIFF Special Opportunities	2,325,340	-	-	2,325,340
Venture Investment	3,983,421	-	-	3,983,421
Total Alternatives Investments	<u>78,204,574</u>	-	-	<u>78,204,574</u>
FIXED INCOME				
GMO Emerging Country Debt Fund	16,565,682	-	16,565,682	-
JPM Short Duration Bond	2,014,537	2,014,537	-	-
JPM Management Income Fund	3,038,046	3,038,046	-	-
Total Fixed Income	<u>21,618,265</u>	<u>5,052,583</u>	<u>16,565,682</u>	-
Total Portfolio	<u>\$ 307,184,786</u>	<u>\$ 145,225,688</u>	<u>\$ 16,565,682</u>	<u>\$ 145,393,416</u>

See independent auditors' report

William T. Grant Foundation, Inc.

Schedule of Functional Expenses
Year Ended December 31

	2015				2014			
	Program Services	Operations and Governance	Investment	Total	Program Services	Operations and Governance	Investment	Total
Grants authorized, net	<u>\$ 11,844,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,844,653</u>	<u>\$ 10,963,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,963,903</u>
ALLOCATED EXPENSES								
Salaries and wages	1,568,191	568,185	136,364	2,272,740	1,486,289	538,511	129,242	2,154,042
Payroll taxes and employee benefits	624,390	226,229	54,295	904,914	710,631	257,475	61,794	1,029,900
Occupancy	743,940	269,544	64,691	1,078,175	744,217	269,644	64,715	1,078,576
Furniture and maintenance	14,398	5,217	1,252	20,867	36,805	13,336	3,201	53,342
Office expenses	34,551	12,519	3,005	50,075	37,611	13,627	3,271	54,509
General expenses	88,849	32,192	7,726	128,767	83,309	30,185	7,244	120,738
Staff travel and expense	90,142	32,661	7,839	130,642	78,090	28,294	6,790	113,174
Telecommunications	30,695	11,122	2,669	44,486	25,925	9,393	2,254	37,572
Computer purchases and maintenance	70,791	25,649	6,156	102,596	47,185	17,096	4,103	68,384
Professional fees	48,671	17,634	4,232	70,537	48,152	17,447	4,187	69,786
Insurance	35,176	12,745	3,059	50,980	35,068	12,706	3,049	50,823
Trustee and committee expenses	76,652	27,772	6,665	111,089	81,572	29,555	7,093	118,220
Total Allocated Expenses	<u>3,426,446</u>	<u>1,241,469</u>	<u>297,953</u>	<u>4,965,868</u>	<u>3,414,854</u>	<u>1,237,269</u>	<u>296,943</u>	<u>4,949,066</u>
DIRECT PROGRAM EXPENSES								
Publications	13,351	-	-	13,351	27,079	-	-	27,079
Advisory expenses	545,021	-	-	545,021	551,932	-	-	551,932
Total Direct Program Expenses	<u>558,372</u>	<u>-</u>	<u>-</u>	<u>558,372</u>	<u>579,011</u>	<u>-</u>	<u>-</u>	<u>579,011</u>
DIRECT INVESTMENT EXPENSES								
Manager fees	-	-	693,479	693,479	-	-	667,407	667,407
Custody fees	-	-	132,299	132,299	-	-	121,152	121,152
Consulting expenses	-	-	4,964	4,964	-	-	603	603
Total Direct Investment Expenses	<u>-</u>	<u>-</u>	<u>830,742</u>	<u>830,742</u>	<u>-</u>	<u>-</u>	<u>789,162</u>	<u>789,162</u>
Total	<u>\$ 15,829,471</u>	<u>\$ 1,241,469</u>	<u>\$ 1,128,695</u>	<u>\$ 18,199,635</u>	<u>\$ 14,957,768</u>	<u>\$ 1,237,269</u>	<u>\$ 1,086,105</u>	<u>\$ 17,281,142</u>

See independent auditors' report