William T. Grant Foundation, Inc.

Financial Statements

December 31, 2012 and 2011

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, 2012 and 2011, 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.

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, 2012 and 2011 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 2012 and 2011 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, 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 2012 and 2011 financial statements 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.

O'Connor Davies, LLP

New York, New York
June 4, 2013

William T. Grant Foundation, Inc.

Statements of Financial Position

	December 31, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	$ 13,281,306	$ 3,134,728
Accrued investment income	96,283	76,034
Prepaid Federal excise tax	91,000	210,000
Investments	278,496,649	274,185,649
Prepaid expenses and other assets	2,416	59,517
	$ 291,967,654	$ 277,665,928
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 274,394	$ 135,480
Grants payable	9,509,223	8,618,195
Postretirement benefit obligation	2,764,803	2,337,513
Deferred Federal excise tax	1,232,000	995,000
Deferred rent	530,499	497,246
Total Liabilities	14,310,919	12,583,434
Net Assets	277,656,735	265,082,494
	$ 291,967,654	$ 277,665,928

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Activities

	Year Ended December 31, 2012	2011
REVENUE		
Investment Income		
Interest and dividends	$ 4,992,686	$ 6,628,570
Less:		
Federal and state tax expense (benefits)	100,673	(20,795)
Investment expenses	845,772	742,947
Net investment income	4,046,241	5,906,418
Rental income	64,109	153,862
Total Revenue	4,110,350	6,060,280
EXPENSES		
Program services		
Grants authorized, net of refunded and rescinded amount of $145,291 and $145,904	10,811,452	9,108,335
Program support, planning, and development	3,931,060	3,703,825
Total Program Services	14,742,512	12,812,160
Supporting Services - operations and governance	1,223,266	1,146,404
Total Expenses	15,965,778	13,958,564
Net realized and unrealized gains (losses) on investments, net of provision (benefit) for deferred federal excise tax of $237,000 and ($435,000)	24,826,859	(10,403,510)
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	12,971,431	(18,301,794)
Postretirement benefit obligation adjustment	(397,190)	454,976
Change in Net Assets	12,574,241	(17,846,818)
NET ASSETS		
Beginning of year	265,082,494	282,929,312
End of year	$277,656,735	$265,082,494

See notes to financial statements

William T. Grant Foundation, Inc.

Statements of Cash Flows

	Year Ended December 31, 2012	Year Ended December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 12,574,241	$ (17,846,818)
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized (gains) losses on investments	(25,063,859)	10,838,510
Deferred Federal excise tax	237,000	(435,000)
Postretirement benefit obligation adjustment	397,190	(454,976)
Amortization of deferred rent	33,253	53,198
Net changes in operating assets and liabilities		
Accrued investment income	(20,249)	(20,011)
Prepaid Federal excise tax	119,000	(161,000)
Prepaid expenses and other assets	57,101	(4,914)
Accounts payable and accrued expenses	138,914	(68,077)
Grants payable	891,028	(2,631,538)
Postretirement benefit obligation	30,100	35,495
Net Cash from Operating Activities	(10,606,281)	(10,695,131)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	73,533,397	48,851,141
Purchase of investments	(52,780,538)	(38,186,716)
Net Cash from Investing Activities	20,752,859	10,664,425
Net Change in Cash and Cash Equivalents	10,146,578	(30,706)
CASH AND CASH EQUIVALENTS		
Beginning of year	3,134,728	3,165,434
End of year	$ 13,281,306	$ 3,134,728
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for Federal and state taxes on investment income	$ 180,176	$ 261,423

See 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

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.

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, 2009.

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 June 4, 2013.

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:

	2012			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash held for investments	$ 2,524,357	$ -	$ -	$ 2,524,357
Equity Securities				
US Regulated Investment Company-Non US	9,698,776	-	-	9,698,776
Diversified emerging markets	13,997,762	-	-	13,997,762
Global equity portfolio	10,603,123	-	-	10,603,123
Financial services	8,763,243	-	-	8,763,243
Technology	7,310,533	-	-	7,310,533
Services	5,419,221			5,419,221
Consumer staples	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
Emergings 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	$ 110,683,615	$ 76,666,494	$ 91,146,540	$ 278,496,649

	2011			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash held for investments	$ 1,385,159	$ -	$ -	$ 1,385,159
Equity Securities				
US Regulated Investment Company-Non US	8,547,275	-	-	8,547,275
US Regulated Investment Company	8,310,614	-	-	8,310,614
Diversified emerging markets	11,727,054	-	-	11,727,054
Global equity portfolio	9,070,832	-	-	9,070,832
Financial services	4,986,525	-	-	4,986,525
Consumer staples	3,098,604	-	-	3,098,604
Technology	3,242,379	-	-	3,242,379
Other	31,020,615	-	-	31,020,615
Fixed Income				
Mutual Funds	12,356,941	-	-	12,356,941
US Regulated Investment Company	16,728,635	-	-	16,728,635
Emerging Markets Bond	-	20,380,160	-	20,380,160
Alternative investments				
Hedge Funds(a)	-	64,810,544	10,689,214	75,499,758
Private Equity(a)	-	-	67,831,098	67,831,098
Total investments at fair value	$ 110,474,633	$ 85,190,704	$ 78,520,312	$ 274,185,649

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, 2011 and 2010.

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

	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	$ 11,858,740	$ 79,287,800	$ 91,146,540

	2011		
	Hedge Funds	Private Equity	Total
Beginning balance	$ 11,504,649	$ 63,388,261	$ 74,892,910
Total realized gains included in changes in net assets	-	5,552,616	5,552,616
Unrealized (losses) gains related to instruments still held at reporting date included in earning	(815,435)	1,437,187	621,752
Purchases, issuances and (settlements), net	-	(2,546,966)	(2,546,966)
Ending balance	$ 10,689,214	$ 67,831,098	$ 78,520,312

Information regarding Level 2 and 3 investments valued using NAV as practical expedient at December 31, 2011 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge Funds (see "a" below)	$ 70,204,304	$ -	Monthly - Annually	20-90 days
Private Equity (see "b" below)	79,287,800	27,101,422	Locked	N/A
	$ 149,492,104	$ 27,101,422		

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:

	2012	2011
Balance at beginning of year	$ 8,618,195	$ 11,249,733
Addition:		
Grants authorized	10,956,743	9,191,140
Deductions:		
Payments made	9,990,715	11,739,873
Rescinded and refunded amounts	75,000	82,805
	$ 9,509,223	$ 8,618,195

4. Grants Payable *(continued)*

Grants payable are scheduled to be disbursed as follows:

2013	$ 5,503,660
2014	2,668,234
2015	849,868
2016	487,461
	$ 9,509,223

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:

2013	$ 1,064,474
2014	1,135,208
2015	1,155,074
2016	1,175,288
2017	1,195,855
Thereafter	908,612
	$ 6,634,511

In June 2009 the Foundation entered into an 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 expensed when made. Foundation expenses in 2012 and 2011 were $220,176 and $230,631.

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.

7. Postretirement Healthcare Benefits *(continued)*

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

	2012	2011
Benefit Obligation (Funded Status) at End of Year	$ 2,764,803	$ 2,337,513
Net postretirement benefit costs	141,388	142,358
Unrecognized actuarial (gain) loss	397,190	(454,976)
Benefits paid	111,288	106,863
Discount rate used	3.79%	4.25%

Components of Net Periodic Expense for the Year	2012	2011
Service cost	$ 26,876	$ 22,064
Interest cost	114,512	120,294
	$ 141,388	$ 142,358

	Increase (Decrease) 2012	2011
Effect of a one-percent point increase in HCCTR* on		
Year end benefit obligation	$ 470,545	$ 252,531
Total of service and interest cost component	10,004	(9,453)
Effect of a one-percent point decrease in HCCTR* on		
Year end benefit obligation	(281,426)	(277,021)
Total of service and interest cost component	(30,505)	(41,809)

* Health Care Cost Trend Rate

Measurements used to determine the postretirement benefit obligation for the years ended 2012 and 2011 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 2012, decreasing to 5.0% in 2020 and thereafter.

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:

2013	$ 125,728
2014	132,100
2015	143,486
2016	146,401
2017	150,148
2018-2022	782,996
	$ 1,480,859

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

* * * * *

William T. Grant Foundation, Inc.

Supplemental Information

December 31, 2012

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule
December 31, 2012

	Fair Value	% of Portfolio	Target Allocation (Unaudited)	Target Range (Unaudited)
EQUITY				
U.S.:				
Silvercrest Asset Management Group	$ 13,164,339			
Eagle Capital Equity	22,103,123			
Wasatch (small cap growth)	13,456,642			
Subtotal U.S.	48,724,104	17.5%		
GLOBAL				
First Eagle	9,698,776			
Global Thematic Equity	14,619,657			
Harding & Loevner	10,603,123			
Subtotal Global	34,921,556	12.5%		
Dimensional Fund Advisors	13,997,762			
TVC Conduit	5,333,380			
Subtotal Emerging Markets	19,331,142	6.9%		
Subtotal Long Equity	102,976,802	37.0%		
HEDGED				
Davidson Kempner LP	8,342,886			
New Generation Turnaround Fund	18,225,507			
New Mountain Vantage	11,858,740			
Steelhead Partners	17,570,280			
Blenheim Commodities Fund	8,440,268			
High Vista II	5,766,623			
Subtotal Hedged	70,204,304	25.2%		
Total Equity (including limited partnerships)	173,181,106	62.2%	58.0%	40.0-70.0%
ALTERNATIVE INVESTMENTS				
American Securities Partners III	1,741,784			
American Securities Partners IV	2,893,774			
American Securities Partners V	5,759,070			
Altira Technology Fund II	587,169			
Altira Technology Fund III	4,509,259			
Altira Technology Fund IV	1,944,177			
Capital Dynamics Champion Ventures IV	1,695,966			
Easterly Prt US Govt Inc & Gr	4,586,729			
Paul Capital Royalty Fund	979,717			
Paul Capital Royalty Fund II	383,213			
Royalty Pharma	8,275,407			
TIFF Partners II	147,952			
TIFF Partners V Domestic	2,887,436			
TIFF Partners V International	2,650,952			
TIFF Private Equity Partners 2006	3,545,277			
TIFF Private Equity Partners 2007	6,967,636			
TIFF Private Equity Partners 2008	7,013,150			
TIFF Secondary Partners II	5,423,387			
TIFF Special Opportunities	722,269			
Crystal Ridge Partners	2,709,072			
Cross Creek Capital	2,779,580			
CSL Energy	2,418,087			
BioPharma Sec. Debt	4,253,882			
Brightwood Capital	3,892,326			
Venture Investment	520,529			
Total Alternatives Investments in Limited Partnerships	79,287,800	28.5%	12.0%	10.0-20.0%
FIXED INCOME				
GMO Emerging Country Debt Fund	18,320,930			
Western Asset Management	7,706,813			
Total Fixed Income	26,027,743	9.3%	30.0%	20.0-50.0%
Total portfolio	$ 278,496,649	100.0%	100.0%	100.0%

See independent auditors' report

William T. Grant Foundation, Inc.

Fair Value Measurements of Portfolio Assets

December 31, 2012

	Total Fair Value	Level 1	Level 2	Level 3
EQUITY				
U.S.:				
Silvercrest Asset Management Group	$ 13,164,339	$ 13,164,339	$ -	$ -
Eagle Capital Equity	22,103,123	22,103,123	-	-
Wasatch (small cap growth)	13,456,642	13,456,642	-	-
Subtotal U.S.	48,724,104	48,724,104	-	-
GLOBAL				
First Eagle	9,698,776	9,698,776	-	-
Global Thematic Equity	14,619,657	14,619,657		
Harding & Loevner	10,603,123	10,603,123	-	-
Subtotal Global	34,921,556	34,921,556	-	-
Dimensional Fund Advisors	13,997,762	13,997,762		
TVC Conduit	5,333,380	5,333,380	-	-
Subtotal Emerging Markets	19,331,142	19,331,142	-	-
Subtotal Long Equity	102,976,802	102,976,802	-	-
HEDGED				
Davidson Kempner LP	8,342,886	-	8,342,886	-
New Generation Turnaround Fund	18,225,507	-	18,225,507	-
New Mountain Vantage	11,858,740	-	-	11,858,740
Steelhead Partners	17,570,280	-	17,570,280	-
Blenheim Commodities Fund	8,440,268		8,440,268	-
High Vista II	5,766,623	-	5,766,623	-
Subtotal Hedged	70,204,304	-	58,345,564	11,858,740
Total Equity (including limited partnerships)	173,181,106	102,976,802	58,345,564	11,858,740
ALTERNATIVE INVESTMENTS				
American Securities Partners III	1,741,784	-	-	1,741,784
American Securities Partners IV	2,893,774	-	-	2,893,774
American Securities Partners V	5,759,070	-	-	5,759,070
Altira Technology Fund II	587,169	-	-	587,169
Altira Technology Fund III	4,509,259	-	-	4,509,259
Altira Technology Fund IV	1,944,177	-	-	1,944,177
Capital Dynamics Champion Ventures IV	1,695,966	-	-	1,695,966
Easterly Prt US Govt Inc & Gr	4,586,729	-	-	4,586,729
Paul Capital Royalty Fund	979,717	-	-	979,717
Paul Capital Royalty Fund II	383,213	-	-	383,213
Royalty Pharma	8,275,407	-	-	8,275,407
TIFF Partners II	147,952	-	-	147,952
TIFF Partners V Domestic	2,887,436	-	-	2,887,436
TIFF Partners V International	2,650,952	-	-	2,650,952
TIFF Private Equity Partners 2006	3,545,277	-	-	3,545,277
TIFF Private Equity Partners 2007	6,967,636	-	-	6,967,636
TIFF Private Equity Partners 2008	7,013,150	-	-	7,013,150
TIFF Secondary Partners II	5,423,387	-	-	5,423,387
TIFF Special Opportunities	722,269			722,269
Crystal Ridge Partners	2,709,072	-	-	2,709,072
Cross Creek Capital	2,779,580	-	-	2,779,580
CSL Energy	2,418,087	-	-	2,418,087
BioPharma Sec. Debt	4,253,882	-	-	4,253,882
Brightwood Capital	3,892,326	-	-	3,892,326
Venture Investment	520,529	-	-	520,529
Total Alternatives Investments in Limited Partnerships	79,287,800	-	-	79,287,800
FIXED INCOME				
GMO Emerging Country Debt Fund	18,320,930	-	18,320,930	-
Western Asset Management	7,706,813	7,706,813	-	-
Total Fixed Income	26,027,743	7,706,813	18,320,930	-
Total portfolio	$ 278,496,649	$ 110,683,615	$ 76,666,494	$ 91,146,540

See independent auditors' report

William T. Grant Foundation, Inc.

Schedule of Functional Expenses
Year Ended December 31,

	2012				2011			
	Program Services	Operations and Governance	Investment	Total	Program Services	Operations and Governance	Investment	Total
Grants Authorized, net	$ 10,811,452	$ -	$ -	$ 10,811,452	$ 9,108,335	$ -	$ -	$ 9,108,335
ALLOCATED EXPENSES								
Salaries and wages	1,376,613	498,773	119,705	1,995,091	1,388,260	502,993	120,718	2,011,971
Payroll taxes and employee benefits	585,261	212,051	50,892	848,204	599,759	217,304	52,153	869,216
Occupancy	739,288	267,858	64,286	1,071,432	751,077	272,130	65,311	1,088,518
Furniture and maintenance	48,988	17,750	4,260	70,998	22,018	7,978	1,915	31,911
Office expenses	44,115	15,984	3,836	63,935	40,190	14,562	3,495	58,247
General expenses	223,100	80,833	19,400	323,333	80,397	29,130	6,991	116,518
Staff travel and expense	69,426	25,155	6,037	100,618	67,771	24,555	5,893	98,219
Telecommunications	31,071	11,258	2,702	45,031	28,887	10,466	2,512	41,865
Computer purchases and maintenance	100,974	36,585	8,780	146,339	51,622	18,704	4,489	74,815
Professional fees	61,680	22,348	5,364	89,392	46,667	16,908	4,058	67,633
Insurance	17,621	6,385	1,532	25,538	17,801	6,450	1,548	25,799
Trustee and committee expenses	78,069	28,286	6,789	113,144	69,618	25,224	6,054	100,896
Total Allocated expenses	3,376,206	1,223,266	293,583	4,893,055	3,164,067	1,146,404	275,137	4,585,608
DIRECT PROGRAM EXPENSES								
Publications	28,719	-	-	28,719	16,673	-	-	16,673
Advisory expenses	526,135	-	-	526,135	523,085	-	-	523,085
Total Direct Program Expenses	554,854	-	-	554,854	539,758	-	-	539,758
DIRECT INVESTMENT EXPENSE								
Manager fees	-	-	453,514	453,514	-	-	388,643	388,643
Custody fees	-	-	98,070	98,070	-	-	76,061	76,061
Consulting expenses	-	-	605	605	-	-	3,106	3,106
Total Direct Investment Expenses	-	-	552,189	552,189	-	-	467,810	467,810
Total	$ 14,742,512	$ 1,223,266	$ 845,772	$ 16,811,550	$ 12,812,160	$ 1,146,404	$ 742,947	$ 14,701,511

See independent auditors' report