

**COMMUNITY FOUNDATION  
FOR GREATER BUFFALO, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2013**

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Community Foundation for Greater Buffalo, Inc.

We have audited the accompanying balance sheets of Community Foundation for Greater Buffalo, Inc. (the Foundation) 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.

### 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 Foundation as of December 31, 2013 and 2012, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



April 4, 2014

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

**Balance Sheets**

December 31,	2013	2012
<b>Assets:</b>		
Cash	\$ 4,029,219	\$ 5,622,432
Investments (Note 2)	270,707,944	229,121,202
Receivables (Note 3)	1,139,648	1,072,664
Beneficial interest in perpetual trust (Note 4)	23,670,805	22,108,760
Property and equipment, net	640,186	652,583
Other assets	51,101	128,213
	<b>\$ 300,238,903</b>	<b>\$ 258,705,854</b>
<b>Liabilities and Net Assets:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 63,806	\$ 93,344
Grants payable (Note 5)	1,732,245	1,901,860
Amounts held in custody for others (Note 6)	39,510,086	31,884,869
Deferred revenue	257,420	1,751,349
	<b>41,563,557</b>	<b>35,631,422</b>
<b>Net assets:</b>		
Unrestricted (Note 7):		
Changing needs and field of interest	61,682,726	52,022,890
Designated	64,600,143	55,965,900
Scholarships	52,118,872	43,653,131
Donor advised	55,592,717	48,473,178
	<b>233,994,458</b>	<b>200,115,099</b>
Temporarily restricted (Note 8)	24,680,888	22,959,333
	<b>258,675,346</b>	<b>223,074,432</b>
	<b>\$ 300,238,903</b>	<b>\$ 258,705,854</b>

All the accompanying notes are an integral part of these financial statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

**Statements of Activities**

For the years ended December 31,	2013	2012
<b>Changes in unrestricted net assets:</b>		
Revenues and gains:		
Contributions	\$ 9,018,885	\$ 9,489,373
Bequests	4,923,572	10,092,913
Investment earnings, net (Note 2)	32,170,380	20,673,696
Leadership initiatives	2,028,855	688,606
Other	311,428	539,214
Net assets released from restrictions	18,575	15,443
Total revenues and gains	<u>48,471,695</u>	<u>41,499,245</u>
Expenses:		
Program activity:		
Grants approved	9,740,007	10,529,571
Grant making services	400,483	370,766
	<u>10,140,490</u>	<u>10,900,337</u>
External leadership grants	2,329,353	1,073,481
Foundation community leadership initiatives	441,548	340,899
Total program activity	<u>12,911,391</u>	<u>12,314,717</u>
Supporting services:		
Client/donor relations and fund stewardship	714,177	606,724
Management and general	966,768	756,344
Total supporting services	<u>1,680,945</u>	<u>1,363,068</u>
Total expenses	<u>14,592,336</u>	<u>13,677,785</u>
<b>Changes in unrestricted net assets</b>	<u><b>33,879,359</b></u>	<u>27,821,460</u>
<b>Changes in temporarily restricted net assets:</b>		
Contributions	1,000	17,550
Change in value of restricted assets	177,085	55,182
Change in value of beneficial interest in perpetual trust	1,562,045	1,750,710
Net assets released from restrictions	(18,575)	(15,443)
<b>Changes in temporarily restricted net assets</b>	<u><b>1,721,555</b></u>	<u>1,807,999</u>
<b>Change in net assets</b>	<b>35,600,914</b>	29,629,459
Net assets - beginning	<u>223,074,432</u>	<u>193,444,973</u>
Net assets - ending	<u><b>\$ 258,675,346</b></u>	<u>\$ 223,074,432</u>

All the accompanying notes are an integral part of these financial statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

**Statements of Cash Flows**

For the years ended December 31,	2013	2012
<b>Operating activities:</b>		
Change in net assets	\$ 35,600,914	\$ 29,629,459
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized and unrealized gains	(31,002,234)	(19,549,121)
Beneficial interest in perpetual trust	(1,562,045)	(1,750,710)
Depreciation	88,442	45,287
Changes in other operating assets and liabilities:		
Receivables	(66,984)	(191,354)
Other assets	77,112	(108,653)
Accounts payable and accrued expenses	(29,538)	36,440
Grants payable	(169,615)	140,267
Deferred revenue	(1,493,929)	(273,555)
<b>Net operating activities</b>	<b>1,442,123</b>	<b>7,978,060</b>
<b>Investing activities:</b>		
Purchase of property and equipment	(76,045)	(681,359)
Purchases of investments	(28,389,744)	(41,641,385)
Proceeds from sales of investments	25,430,453	36,186,739
<b>Net investing activities</b>	<b>(3,035,336)</b>	<b>(6,136,005)</b>
Net change in cash	(1,593,213)	1,842,055
Cash - beginning	5,622,432	3,780,377
Cash - ending	\$ 4,029,219	\$ 5,622,432

*All the accompanying notes are an integral part of these financial statements.*

## Notes to Financial Statements

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### 1. Summary of Significant Accounting Policies:

#### Organization and Purpose:

Founded in 1919, Community Foundation for Greater Buffalo, Inc. (the Foundation) is a nonprofit organization dedicated to connecting people, ideas and resources to improve lives in Western New York State. The Foundation provides philanthropic support to donors, and administers charitable gifts. The Foundation is also devoted to providing leadership to help address community issues. The administration of the Foundation and the approval of its grants are the responsibility of the Board of Directors.

#### Basis of Presentation:

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Foundation does not currently have any permanently restricted net assets.

Contributions, including those with donor-imposed restrictions, are subject to the variance power established by the Foundation's governing documents. The variance power allows the Board of Directors to modify donor instructions that are incapable of fulfillment. As a result of the variance power, contributions are classified as unrestricted net assets for financial statement purposes. Although the Foundation has variance power, the Board of Directors consistently follows the practice of respecting the donor's intent regarding grantmaking preferences, as stated in their wills or fund agreements. Unrestricted net assets include the following:

**Changing needs and field of interest** funds allow the Foundation's Board of Directors to use its discretion to award grants that respond to either critical community needs or needs within a particular area of charitable interest.

**Designated** funds allow donors to support specific organizations they identify in their fund agreement.

**Scholarship** funds provide financial assistance to support students' educational needs.

**Donor advised** funds allow the donor advisors to make recommendations to the Board of Directors regarding grants to charities.

Temporarily restricted net assets are restricted based on the passage of time and consist of the items identified in Note 7. When the restrictions expire, temporarily restricted net assets are generally reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### Subsequent Events:

The Foundation has evaluated events and transactions for potential recognition or disclosure through April 4, 2014, the date the financial statements were available to be issued. All significant items have been reflected in the accompanying financial statements.

#### Cash:

Cash in financial institutions may exceed insured limits at various times during the year and subject the Foundation to concentrations of credit risk.

#### Investments:

Investments are stated at fair value.

Investment managers follow investment guidelines described in the Foundation's "Statement of Investment Objectives and Policies," which also specifies a policy for the strategic allocation of Foundation investments.

The investment managers are permitted to invest in bonds and notes issued by the United States government or its agencies, mortgage-backed securities, corporate bonds issued in the United States, international bonds, asset-backed securities, equity investments of domestic and international corporations, hedge funds, real estate, private equity, commodities, and derivatives. While the investment managers have discretionary investment authority, portfolios are reviewed in detail on a regular basis to determine compliance with the Foundation's investment policies.

### **Property and Equipment:**

Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is provided over estimated useful lives using the straight-line method.

### **Grants Payable:**

Grants are recorded as expenses when authorized by the Board of Directors.

### **Deferred Revenue:**

Deferred revenue arises from grants and conditional gifts received for specific purposes for which related expenditures have not been made.

### **Contributions:**

The Foundation receives contributions from donors with advice regarding the distribution of the related assets and earnings. The Foundation attempts to meet the donor's intent expressed at the time of contribution.

Such instruments as charitable remainder trusts, gift annuities and life insurance policies that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on estimated future cash flow amounts are computed using an appropriate interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contributions revenue.

### **Endowment Funds Management Policy:**

The Foundation holds charitable gifts in funds that may be created by the client/donor as endowed or non-endowed. An endowment fund generally stipulates that the gift be invested in perpetuity while the investment earnings may be distributed to support the client/donor's charitable purposes. A non-endowed fund may also be invested with a long-term horizon, but not restricting distributions of fund principal.

The Foundation does not hold any endowment funds that are considered permanently restricted due to the governing documents' provision for variance power, as noted above under "Basis of Presentation".

### Interpretation of Relevant Law

The Foundation manages the endowment funds in accordance with the New York Prudent Management of Institutional Funds Act (NYPMIFA or the Act), New York's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation's Board of Directors has interpreted the applicable provisions of NYPMIFA to mean that the classification of appreciation on endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income.

### Return Objectives and Risk Parameters

In accordance with the concept of the prudent investor, the Foundation's Board of Directors has adopted investment policies that apply a flexible, balanced and diversified long-term asset allocation approach to yield an appropriate return while controlling the risk that is inherent in any investment program. The primary investment objective of the Foundation is to attain an average total return (net of investment management fees) of at least 5.25% adjusted for inflation by the Consumer Price Index over the long term.

### Spending Policy

Subject to the intent of donors expressed in gift instruments, the Foundation will appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established.

When making a determination to appropriate or accumulate endowment funds, the Foundation considers the following, if relevant: the duration and preservation of the endowment fund; the purpose of the Foundation's endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Foundation; and the investment policy of the Foundation. For specific endowment funds, the Foundation will also consider, where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Foundation and the specific endowment fund.

The Foundation's Board of Directors annually adopts a spending policy. For the years ended December 31, 2013 and 2012, in order to achieve its overall financial objective, the policy allowed annual spending of 5.25% of the trailing twenty quarter average market value of the portfolio calculated as of September 30th. Investment income above this spending policy is returned to the endowment fund for inflation protection and long-term preservation of purchasing power.

### **Functional Expenses:**

The costs of providing the Foundation's various program activities and other services have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the program activities and supporting services benefited. The following describe the functional categories of expenses:

- **Grants Approved:** The Foundation approves and awards grants to honor donor intent that address: the changing needs of the community over time; certain fields of interest identified by the donor; specific charitable organizations as defined and recommended by the donor; and scholarships to students.
- **Grant Making Services:** Activities incurred to oversee and direct the granting process including evaluating applicants, processing all grants and scholarships awarded, evaluating the impact of grants made and assessing the ongoing needs of the community all while honoring donor intent.
- **External Leadership Grants:** Grants received from external funders that are directed towards facilitating and supporting community change, addressing needs and delivering significant leveraged impact. External funders of leadership grants include local and national foundations and governmental entities (local, state and federal).
- **Foundation Community Leadership Initiatives:** Program activities in leading collaborative initiatives for the benefit of the community, including soliciting and administering "External Leadership Grants" as defined above. The Foundation works to convene partners and develop collaborative solutions to address critical regional issues such as improving educational achievement for low-income students, promoting safe and healthy housing, increasing racial and ethnic equity, supporting environmental preservation and strengthening the arts and cultural sector.

- **Client/Donor Relations and Fund Stewardship:** Development and cultivation activities undertaken with current and prospective clients/donors to understand their philanthropic needs and provide them with giving strategies that will maximize their charitable assets. The Foundation offers a variety of services, including but not limited to: educational opportunities to learn more about the needs of the community; assistance in planned giving; and the opportunity to participate in hands-on philanthropic activities.

- **Management and General:** Expenses incurred that are not identifiable with any of the above categories but are indispensable to conducting the above activities and to the Foundation's overall existence.

### **Tax Status:**

The Foundation is a 501(c)(3) corporation exempt from income taxes under Section 501(a) of the Internal Revenue Code. The Foundation believes it is no longer subject to examination by Federal and State taxing authorities for years prior to 2010.

### **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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **Reclassifications:**

The financial statements for the year ended December 31, 2012 have been reclassified to conform with the presentation adopted for 2013. These reclassifications were minor in nature and had no effect on the change in net assets.

## 2. Investments:

	2013	2012
U.S. equities and related funds	\$ 86,095,570	\$ 62,853,349
International equities and related funds	55,317,449	47,948,338
Bonds and fixed income funds	46,750,044	45,485,191
Multi-strategy funds	16,529,123	24,150,407
Long/short equity funds	32,400,548	24,590,828
Private equity funds	14,336,499	8,368,786
Public and private real asset funds	8,845,240	9,333,297
Cash and money market funds	10,433,471	6,391,006
	<b>\$ 270,707,944</b>	<b>\$ 229,121,202</b>

Investment assets are recorded at fair value, and categorized, for disclosure purposes, based upon whether the inputs used to determine their fair values are observable or unobservable. More specifically, accounting guidance establishes a three-level fair value hierarchy that prioritizes the inputs used to measure assets at fair value.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset and are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own perceptions about the assumptions market participants would use in pricing the asset and are based on the best information available. The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices in active markets for identical assets that the Foundation has the ability to access on the reporting date.

Level 2 – Observable prices that are based on inputs not quoted in active markets, but which are corroborated by market data.

Level 3 – Inputs that are unobservable for the asset. Valuations incorporate significant professional judgment to determine the fair value assigned to such assets, including assumptions that a market participant would use in pricing the asset.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Foundation uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. As described below, the Foundation uses net asset values reported by fund managers as a practical expedient to estimate the fair values of its investments held through limited partnerships and other similar funds. Classification of these investments within the fair value hierarchy is based on the Foundation's ability to timely redeem its interest rather than on inputs used.

The fair value level inputs of investment assets are as follows as of December 31, 2013 and 2012:

	Level 1	Level 2	Level 3
<b>2013</b>			
U.S. equities and related funds	\$ 60,728,699	\$ 25,366,871	\$ -
International equities and related funds	12,592,614	42,724,835	-
Bonds and fixed income funds	27,535,493	19,214,551	-
Multi-strategy funds	-	16,529,123	-
Long/short equity funds	-	32,400,548	-
Private equity funds	-	-	14,336,499
Public and private real asset funds	-	8,204,384	640,856
Cash and money market funds	10,433,471	-	-
	<b>\$ 111,290,277</b>	<b>\$ 144,440,312</b>	<b>\$ 14,977,355</b>
<b>2012</b>			
U.S. equities and related funds	\$ 44,565,521	\$ 18,287,828	\$ -
International equities and related funds	13,289,136	34,659,202	-
Bonds and fixed income funds	26,701,736	18,783,455	-
Multi-strategy funds	-	24,150,407	-
Long/short equity funds	-	24,590,828	-
Private equity funds	-	-	8,368,786
Public and private real asset funds	-	8,589,047	744,250
Cash and money market funds	6,391,006	-	-
	<b>\$ 90,947,399</b>	<b>\$ 129,060,767</b>	<b>\$ 9,113,036</b>

Investment earnings:

	2013	2012
Dividends and interest	\$ 1,969,556	\$ 1,748,606
Net realized and unrealized gains	31,002,234	19,549,121
Investment expenses	(801,410)	(624,031)
Total investment earnings, net	<b>\$ 32,170,380</b>	<b>\$ 20,673,696</b>

Investment assets considered Level 2 and 3 represent investments such as fully transparent commingled funds that include publicly traded securities, hedge funds, private equity funds, real estate funds, venture capital funds, offshore fund vehicles, and funds of funds. These assets are valued based on the Foundation's proportionate share of net assets at the valuation date (net asset value). The ownership interests in these items are valued in good faith based on the fair values of the funds' interests of the underlying assets and may consider other factors such as ownership percentage, ownership rights, and distribution provisions. The underlying holdings within these funds include different types of sophisticated investment strategies with various liquidity restrictions.

As described earlier, investment liquidity is used as a practical expedient to identify Level 2 and Level 3 investments as follows as of December 31:

	<u>2013</u>	2012
<u>Level 2</u>		
Redeemable with 4 to 45 days notice	<b>\$ 110,371,308</b>	\$ 89,416,311
Redeemable with 45 to 100 days notice after lock-up periods of 1 to 3 years	<b>34,069,004</b>	39,644,456
	<b><u>\$ 144,440,312</u></b>	<u>\$ 129,060,767</u>
<u>Level 3</u>		
Illiquid with return of capital beginning 3 to 4 years from purchase date	<b>\$ 14,977,355</b>	\$ 9,113,036

The following is a reconciliation of activity for 2013 and 2012 for Level 3 investments:

	<u>2013</u>	2012
Balance, beginning of year	<b>\$ 9,113,036</b>	\$ 2,190,426
Change in fund value	<b>4,131,374</b>	251,248
Cash added for capital calls	<b>2,212,893</b>	6,779,928
Cash distributions	<b>(479,948)</b>	(108,566)
Balance, end of year	<b><u>\$ 14,977,355</u></b>	<u>\$ 9,113,036</u>

### 3. Receivables:

	<u>2013</u>	2012
Charitable remainder trusts	<b>\$ 622,362</b>	\$ 537,918
Gift annuities	<b>238,519</b>	168,385
Life insurance assets	<b>121,367</b>	105,460
Pledges	<b>27,835</b>	38,810
Other	<b>129,565</b>	222,091
	<b><u>\$ 1,139,648</u></b>	<u>\$ 1,072,664</u>

Amounts are expected to be received over the periods shown below:

Less than one year	<b>\$ 156,522</b>
One through five years	<b>97,625</b>
Greater than five years	<b>885,501</b>
	<b><u>\$ 1,139,648</u></b>

### 4. Beneficial Interest in Perpetual Trust:

The Foundation is a beneficiary of a perpetual trust created in 1928. The trust makes annual distributions pursuant to a 1978 Massachusetts Superior Judicial Court judgment. The Foundation and two other entities are the recipients of these annual distributions. Additionally, the Foundation alone will receive 50% of the value of the trust corpus in 2029. The remaining corpus will continue to accumulate for another 50 years, at which time 50% of the trust corpus will be distributed to the Foundation alone. This process will continue every 50 years in perpetuity.

The Foundation recognizes its rights to the assets held in trust on the balance sheets as a single amount at fair value. The Trust's assets consist primarily of marketable equities and fixed income securities valued based on quoted prices in active markets.

During the years ended December 31, 2013 and 2012, the Foundation received distributions from the trust totaling \$346,071 and \$348,790.

## 5. Grants Payable:

Grants payable in more than one year are recognized at present value at the time the grants are made. The discounts on estimated future cash flow amounts are computed using an appropriate interest rate applicable to the year in which the grant is made. Grants payable at December 31, 2013 are payable in the following periods:

2014	\$ 666,325
2015	286,000
2016	267,000
2017	203,000
2018	111,000
Thereafter	301,000
	<u>1,834,325</u>
Less discount on long-term grants	102,080
	<u>\$ 1,732,245</u>

## 6. Amounts Held in Custody for Others:

Investment assets include cash and investments held in custody for other nonprofit organizations. These assets are offset by a corresponding liability. Accordingly, the activity of the organization funds has been excluded from the Statements of Activities and therefore is not a component of net assets. Total organization funds activity consisted of the following for the years ended:

	2013	2012
Investment earnings, net	\$ 5,574,659	\$ 2,218,860
Contributions	3,228,166	18,279,118
Grants	(931,206)	(799,123)
Administrative fees and expenses	(246,402)	(84,166)
Net change in organization funds	<u>7,625,217</u>	19,614,689
Organization funds - beginning of year	<u>31,884,869</u>	12,270,180
Organization funds - end of year	<u>\$ 39,510,086</u>	\$ 31,884,869

## 7. Endowment Net Assets

Endowment Net Assets totaled \$207,200,818 and \$178,527,644 at December 31, 2013 and 2012, respectively, which represent approximately 80% of the Foundation's total net assets which amounted to \$258,675,346 and \$223,074,432 at December 31, 2013 and 2012, respectively. Endowment Net Assets do not include endowment amounts Held in Custody for Others as these are not a component of net assets.

All Endowment Net Assets are classified as unrestricted on the accompanying balance sheets. Endowment Net Assets experienced the following changes for the years ended December 31:

	2013	2012
Endowment net assets, beginning of year	\$ 178,527,644	\$ 157,466,915
Investment return		
Investment income	1,798,469	1,596,665
Realized and unrealized gains	29,168,023	18,450,894
Total investment return	<u>30,966,492</u>	20,047,559
Contributions	7,215,078	10,222,027
Appropriation of endowment assets for expenditure	<u>(9,508,396)</u>	(9,208,857)
Endowment net assets, end of year	<u>\$ 207,200,818</u>	\$ 178,527,644

## 8. Temporarily Restricted Net Assets:

	2013	2012
Beneficial interest in perpetual trust	\$ 23,670,805	\$ 22,108,760
Charitable remainder trusts	622,362	537,918
Gift annuities	238,519	168,385
Life insurance assets	121,367	105,460
Pledges	27,835	38,810
	<u>\$ 24,680,888</u>	\$ 22,959,333

## 9. Retirement Plan:

The Foundation maintains a 401(k) retirement plan for essentially all full-time employees. Contributions are made based on 8% of salaries for employees meeting certain service requirements.

Contributions for the years ended December 31, 2013 and 2012 amounted to \$71,009 and \$82,323.

## 10. Commitments:

### Leases:

The Foundation rents office space under a long-term lease. Future annual minimum lease payments due under the lease are as follows:

2014	\$ 226,800
2015	226,800
2016	226,800
2017	226,800
2018	226,800
Thereafter	<u>907,300</u>
	<u>\$ 2,041,300</u>

Rent expense was \$226,820 and \$46,662 for the years ended December 31, 2013 and 2012.

## Investment Commitments:

Through December 31, 2013, the Foundation committed capital of \$14,500,000 to alternative investments. The unfunded portion of the commitment was \$8,984,783 as of December 31, 2013.

## 11. Fair Value Measurements:

Investments, including those recognized in the Foundation's interest in perpetual trust, are stated at fair value on a recurring basis as described in Notes 2 and 4.

The carrying amounts of receivables approximates fair value based on the discounted values of estimates to be received or the underlying value of the trustee assets. The carrying amounts of grants payable approximates fair value based on the discounted values of amounts to be paid.