

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

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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, 2014 and 2013, 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, 2014 and 2013, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



April 29, 2015

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

Balance Sheets

December 31,	2014	2013
Assets:		
Cash	\$ 4,238,449	\$ 4,029,219
Investments (Note 2)	286,231,679	270,707,944
Receivables (Note 3)	5,262,723	1,139,648
Beneficial interest in perpetual trust (Note 4)	24,194,516	23,670,805
Property and equipment, net	580,620	640,186
Other assets	14,897	51,101
	\$ 320,522,884	\$ 300,238,903
Liabilities and Net Assets:		
Liabilities:		
Accounts payable and accrued expenses	\$ 92,612	\$ 63,806
Grants payable (Note 5)	1,690,382	1,732,245
Amounts held in custody for others (Note 6)	44,407,434	39,510,086
Deferred revenue	506,623	257,420
	46,697,051	41,563,557
Net assets:		
Unrestricted (Note 7):		
Changing needs and field of interest	62,536,536	61,682,726
Designated	68,448,782	64,600,143
Scholarships	53,455,269	52,118,872
Donor advised	63,217,034	55,592,717
	247,657,621	233,994,458
Temporarily restricted (Note 8)	26,168,212	24,680,888
	273,825,833	258,675,346
	\$ 320,522,884	\$ 300,238,903

The accompanying notes are an integral part of these financial statements, including Note 1 - Summary of Significant Accounting Policies.

Statements of Activities

For the years ended December 31,	2014	2013
Changes in unrestricted net assets:		
Revenues and gains:		
Contributions	\$ 13,367,933	\$ 9,018,885
Bequests	5,386,399	4,923,572
Investment earnings, net of investment expenses (Note 2)	10,779,882	32,170,380
Leadership initiatives	647,720	2,028,855
Other	475,678	311,428
Net assets released from restrictions	182,493	18,575
Total revenues and gains	<u>30,840,105</u>	<u>48,471,695</u>
Expenses:		
Program activity:		
Grants approved	13,580,329	9,740,007
Grant making and fund stewardship services	688,287	733,590
	<u>14,268,616</u>	<u>10,473,597</u>
External leadership grants	668,952	2,329,353
Foundation community leadership initiatives	613,440	441,548
Total program activity	<u>15,551,008</u>	<u>13,244,498</u>
Supporting services:		
Development	395,251	314,661
Management and general	1,230,683	1,033,177
Total supporting services	<u>1,625,934</u>	<u>1,347,838</u>
Total expenses	<u>17,176,942</u>	<u>14,592,336</u>
Changes in unrestricted net assets	<u>13,663,163</u>	<u>33,879,359</u>
Changes in temporarily restricted net assets:		
Contributions	780	1,000
Change in value of other receivables	1,145,326	177,085
Change in value of beneficial interest in perpetual trust	523,711	1,562,045
Net assets released from restrictions	(182,493)	(18,575)
Changes in temporarily restricted net assets	<u>1,487,324</u>	<u>1,721,555</u>
Change in net assets	<u>15,150,487</u>	<u>35,600,914</u>
Net assets - beginning	<u>258,675,346</u>	<u>223,074,432</u>
Net assets - ending	<u>\$ 273,825,833</u>	<u>\$ 258,675,346</u>

The accompanying notes are an integral part of these financial statements, including Note 1 - Summary of Significant Accounting Policies.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

Statements of Cash Flows

For the years ended December 31,	2014	2013
Operating activities:		
Change in net assets	\$ 15,150,487	\$ 35,600,914
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized and unrealized gains	(8,815,952)	(31,002,234)
Beneficial interest in perpetual trust	(523,711)	(1,562,045)
Depreciation	93,682	88,442
Changes in other operating assets and liabilities:		
Receivables	(4,123,075)	(66,984)
Other assets	36,204	77,112
Accounts payable and accrued expenses	28,806	(29,538)
Grants payable	(41,863)	(169,615)
Deferred revenue	249,203	(1,493,929)
	<hr/>	<hr/>
Net operating activities	2,053,781	1,442,123
Investing activities:		
Purchase of property and equipment	(34,116)	(76,045)
Purchases of investments	(13,906,731)	(28,389,744)
Proceeds from sales of investments	12,096,296	25,430,453
	<hr/>	<hr/>
Net investing activities	(1,844,551)	(3,035,336)
Net change in cash	209,230	(1,593,213)
Cash - beginning	4,029,219	5,622,432
	<hr/>	<hr/>
Cash - ending	\$ 4,238,449	\$ 4,029,219

*The accompanying notes are an integral part of these financial statements,
including Note 1 - Summary of Significant Accounting Policies.*

Notes to Financial Statements

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 client/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 8. 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 29, 2015, 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 estimated fair value. The fair value of marketable securities is determined by quoted prices in active markets. The Foundation uses net asset value (NAV) per share (or its equivalent) as a practical expedient to determine the fair value of investments that (i) do not have a readily determinable fair value predicated upon quoted prices in active markets, and (ii) have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company (Note 11).

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:

Contributions are reported at fair value at the date the contribution is made. The Foundation receives contributions from clients/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 the change in value of other receivables on the accompanying statements of activities.

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, 2014 and 2013, 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. 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 and Fund Stewardship Services:** Activities incurred to oversee and direct the granting process including, but not limited to, the following: working with clients/donors to support granting from funds currently in existence at the Foundation where there is an active client/donor advisor, 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 and offering educational opportunities for clients/donors to learn more about the needs of the community.
- **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.
- **Development:** Development and cultivation activities undertaken with current and prospective clients/donors to understand their philanthropic needs and provide them with current giving strategies and planned giving opportunities that will maximize their charitable assets.
- **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 2011.

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, 2013 have been reclassified to conform with the presentation adopted for December 31, 2014. The reclassifications had no effect on the change in net assets.

2. Investments:

Investments as of December 31, 2014 and 2013 consisted of:

	2014	2013
U.S. equities and related funds	\$ 78,840,398	\$ 86,095,570
International equities and related funds	58,677,029	55,317,449
Bonds and fixed income funds	45,221,574	46,750,044
Multi-strategy funds	15,746,691	16,529,123
Long/short equity funds	36,109,937	32,400,548
Private equity funds	25,194,340	14,336,499
Public and private real asset funds	7,749,295	8,845,240
Cash and money market funds	18,692,415	10,433,471
	<u>\$ 286,231,679</u>	<u>\$ 270,707,944</u>

Investment earnings for the years ending December 31, 2014 and 2013 consisted of:

	2014	2013
Dividends and interest	\$ 3,378,660	\$ 2,294,942
Net realized and unrealized gains	10,514,032	36,383,809
Investment expenses	(1,037,500)	(933,512)
	<u>12,855,192</u>	<u>37,745,239</u>
Less amounts attributable to Organization Funds (Note 6)	(2,075,310)	(5,574,659)
Total investment earnings, net of investment expenses	<u>\$ 10,779,882</u>	<u>\$ 32,170,580</u>

3. Receivables:

	2014	2013
Bequests	\$ 2,945,000	\$ -
Charitable remainder trusts	1,601,129	622,362
Grants	335,244	117,779
Gift annuities	217,162	238,519
Life insurance assets	135,185	121,367
Pledges	20,220	27,835
Other	8,783	11,786
	<u>\$ 5,262,723</u>	<u>\$ 1,139,648</u>

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

Less than one year	\$ 4,392,560
One through five years	101,541
Greater than five years	768,622
	<u>\$ 5,262,723</u>

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, 2014 and 2013, the Foundation received distributions from the trust totaling \$430,361 and \$346,071.

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, 2014 are payable in the following periods:

2015	\$ 757,609
2016	340,750
2017	247,750
2018	118,750
2019	101,000
Thereafter	200,000
	<u>1,765,859</u>
Less discount on long-term grants	75,477
	<u>\$ 1,690,382</u>

6. Amounts Held in Custody for Others:

Investment assets include cash and investments held in custody for other nonprofit organizations that choose to invest long-term assets at the Foundation. 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:

	2014	2013
Investment earnings, net	\$ 2,075,310	\$ 5,574,659
Contributions	4,919,793	3,228,166
Grants	(1,913,083)	(931,206)
Administrative fees and expenses	(184,672)	(246,402)
Net change in organization funds	<u>4,897,348</u>	<u>7,625,217</u>
Organization funds - beginning of year	<u>39,510,086</u>	31,884,869
Organization funds - end of year	<u>\$ 44,407,434</u>	\$ 39,510,086

7. Endowment Assets:

The net assets of the Foundation include endowment assets which totaled \$213,895,034 and \$207,200,818 at December 31, 2014 and 2013, respectively, which represent approximately 78% and 80% of the Foundation's total net assets of \$273,825,833 and \$258,675,346 at December 31, 2014 and 2013, respectively. Endowment assets do not include endowment amounts held in custody for others as these are not a component of net assets.

All non-time restricted endowment assets are classified as unrestricted on the accompanying balance sheets. Endowment assets experienced the following changes for the years ended December 31:

	2014	2013
Endowment assets, beginning of year	\$ 207,200,818	\$ 178,527,644
Investment return		
Investment income	1,774,519	814,678
Realized and unrealized gains	8,209,493	29,167,884
Total investment return	<u>9,984,012</u>	<u>29,982,562</u>
Contributions	8,324,388	7,215,078
Appropriation of endowment assets for expenditure	<u>(11,614,184)</u>	<u>(8,524,466)</u>
Endowment assets, end of year	<u>\$ 213,895,034</u>	<u>\$ 207,200,818</u>

8. Temporarily Restricted Net Assets:

	2014	2013
Beneficial interest in perpetual trust	\$ 24,194,516	\$ 23,670,805
Charitable remainder trusts	1,601,129	622,362
Gift annuities	217,162	238,519
Life insurance assets	135,185	121,367
Pledges	20,220	27,835
	<u>\$ 26,168,212</u>	<u>\$ 24,680,888</u>

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, 2014 and 2013 amounted to \$84,606 and \$71,009.

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:

2015	\$ 226,800
2016	226,800
2017	226,800
2018	226,800
2019	226,800
Thereafter	680,500
	<u>\$ 1,814,500</u>

Rent expense was \$247,847 and \$226,820 for the years ended December 31, 2014 and 2013.

Investment Commitments:

Through December 31, 2014, the Foundation committed capital of \$23,500,000 to alternative investments. The unfunded portion of the commitment was approximately \$15,919,000 as of December 31, 2014.

11. Fair Value Measurements:

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.

Fair Value Measurements of Investments

The Foundation's Level 1 investments are valued based on quoted prices in active markets. As described in Note 1, 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.

Investment assets considered Level 2 and Level 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.

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. Investments with quoted prices in active markets are redeemable daily. Liquidity for Level 2 and Level 3 investment assets are as follows as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
<u>Level 2</u>		
Redeemable with 4 to 45 days notice	\$ 113,942,165	\$ 110,371,308
Redeemable with 45 to 100 days notice after lock-up periods of 1 to 3 years	34,212,786	34,069,004
	<u>\$ 148,154,951</u>	<u>\$ 144,440,312</u>

	<u>2014</u>	<u>2013</u>
<u>Level 3</u>		
Illiquid with return of capital beginning 3 to 4 years from purchase date	\$ 25,789,564	\$ 14,977,355

The Foundation assesses and reports on the liquidity of all investments on a quarterly basis to ensure that it has access to sufficient resources necessary for its current and future operational activities. Overall, at December 31, 2014, the Community Foundation has access to approximately sixty-three percent (63%) of the fair value of the investments on a monthly basis, and more than seventy-nine percent (79%) of the fair value of the investments on a quarterly basis.

The fair value level inputs of investment assets are as follows as of December 31, 2014 and 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2014</u>			
U.S. equities and related funds	\$ 51,684,715	\$ 27,155,683	\$ -
International equities and related funds	14,532,836	44,144,193	-
Bonds and fixed income funds	27,377,198	17,844,376	-
Multi-strategy funds	-	15,746,691	-
Long/short equity funds	-	36,109,937	-
Private equity funds	-	-	25,194,340
Public and private real asset funds	-	7,154,071	595,224
Cash and money market funds	18,692,415	-	-
	<u>\$ 112,287,164</u>	<u>\$ 148,154,951</u>	<u>\$ 25,789,564</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2013</u>			
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	-	-
	<u>\$ 111,290,277</u>	<u>\$ 144,440,312</u>	<u>\$ 14,977,355</u>

The following is a reconciliation of activity for 2014 and 2013 for Level 3 investments:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 14,977,355	\$ 9,113,036
Change in fund value	3,733,099	4,131,374
Cash added for capital calls	8,506,650	2,212,893
Cash distributions	(1,427,540)	(479,948)
Balance, end of year	<u>\$ 25,789,564</u>	<u>\$ 14,977,355</u>

Fair Value Measurements of Other Financial Items

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

12. Subsequent Event:

In March 2015, the Foundation obtained a \$15,000,000 unsecured bank demand line of credit with interest payable at LIBOR plus 1.5%. The line of credit is intended to be used only on a temporary basis to address, among other things, the liquidity needs of larger funds while fulfilling the fiduciary responsibility of preserving the integrity of the investment pool and its strategic asset allocation.