The Ford Foundation

Financial Statements
As of December 31, 2014 and 2013

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Independent Auditor's Report

To The Board of Trustees
of The Ford Foundation

We have audited the accompanying financial statements of The Ford Foundation ("the Foundation"), which comprise the statements of financial position as of December 31, 2014 and December 31, 2013, and the related statements of activities and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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 our 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, we consider internal control relevant to the Foundation'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 Foundation'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 at December 31, 2014 and December 31, 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

June 12, 2015

The Ford Foundation
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December 31, 2014 and 2013

The Ford Foundation
Statements of Financial Position
As of December 31, 2014 and 2013

(in thousands)	December 31, 2014	December 31, 2013
Assets		
Investments, at fair value	$ 11,913,161	$ 11,804,446
Subscription paid in advance to limited marketability funds	92,000	68,000
Redemption proceeds receivable	124,041	16,784
Accrued interest and dividends receivable	2,283	2,634
Pending securities, net	17,761	(1,296)
	12,149,246	11,890,568
Cash	22,317	8,030
Federal excise tax receivable	1,400	-
Other receivables and assets	7,251	25,801
Program-related investments, net of allowances for possible losses of $27,630 and $28,418 at December 31, 2014 and 2013, respectively	191,910	192,535
Fixed assets, net of accumulated depreciation of $124,358 and $118,336 at December 31, 2014 and 2013, respectively	28,336	31,483
Total assets	$ 12,400,460	$ 12,148,417
Liabilities and Unrestricted Net Assets		
Unpaid grants	$ 193,582	$ 204,079
Payables and other liabilities	76,617	74,126
Federal excise taxes		
Current	-	1,300
Deferred	35,166	29,655
Total liabilities	305,365	309,160
Contingencies, commitments and guarantees (Note 6)		
Unrestricted net assets		
Appropriated	26,575	23,735
Unappropriated	12,068,520	11,815,522
Total unrestricted net assets	12,095,095	11,839,257
Total liabilities and unrestricted net assets	$ 12,400,460	$ 12,148,417

The accompanying notes are an integral part of these financial statements.

The Ford Foundation
Statements of Activities
For The Year Ended December 31, 2014 and 2013

(in thousands)	December 31, 2014	December 31, 2013
Operating activities		
Income		
Dividends	$ 85,170	$ 71,466
Interest	20,705	51,811
Realized appreciation on investments, net	552,268	566,720
Unrealized appreciation on investments, net	275,526	1,029,156
Expenses incurred in the production of income	(31,006)	(32,935)
Total income	902,663	1,686,218
Expenditures		
Program activities		
Grants approved	507,883	524,074
Provision for possible losses on program-related investments	482	(62)
Direct conduct of charitable activities	8,805	10,361
Program management	47,710	45,402
Total program activities	564,880	579,775
General management	43,220	40,784
Provision for federal excise tax		
Current	7,800	9,905
Deferred	5,511	20,586
Depreciation	6,790	7,100
Total expenditures	628,201	658,150
Change in unrestricted net assets from operating activities	274,462	1,028,068
Non-operating activities		
Pension-related and post-retirement changes other than net periodic pension costs	(18,624)	14,140
Change in unrestricted net assets	255,838	1,042,208
Unrestricted net assets		
Beginning of period	11,839,257	10,797,049
End of period	$ 12,095,095	$ 11,839,257

The accompanying notes are an integral part of these financial statements.

The Ford Foundation
Statements of Cash Flows
For The Year Ended December 31, 2014 and 2013

(in thousands)	December 31, 2014	December 31, 2013
Cash flows from operating activities		
Change in unrestricted net assets	$ 255,838	$ 1,042,208
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities		
Realized appreciation on investments, net	(552,268)	(566,720)
Unrealized appreciation on investments, net	(275,526)	(1,029,156)
Depreciation	6,790	7,100
Pension-related and post-retirement changes other than net periodic pension costs	18,624	(14,140)
Provision for possible losses on program-related investments	482	(62)
Decrease in current federal excise tax liability	(1,300)	(7,300)
Increase in deferred federal excise tax liability	5,511	20,586
(Increase) decrease in federal excise tax receivable	(1,400)	650
Decrease (increase) in other receivables and assets	17,750	(2,295)
Grant approvals	507,883	524,074
Grant payments	(518,380)	(549,366)
(Decrease) increase in payables and other liabilities	(15,333)	807
Net cash used in operating activities	(551,329)	(573,614)
Cash flows from investing activities		
Proceeds from sale of investments	3,704,709	4,563,028
Purchase of investments	(3,004,336)	(4,134,347)
Change in subscription paid in advance to limited marketability funds	(24,000)	57,000
Change in redemption proceeds receivable	(107,257)	75,100
Loans disbursed for program-related investments	(14,996)	(21,168)
Repayments of program-related investments	15,139	22,619
Purchase of fixed assets	(3,643)	(4,279)
Net cash provided by investing activities	565,616	557,953
Net increase (decrease) in cash	14,287	(15,661)
Cash		
Beginning of period	8,030	23,691
End of period	$ 22,317	$ 8,030

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

The financial statements of The Ford Foundation ("The Foundation") are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

The significant accounting policies followed are set forth below:

Investments, at Fair Value
The Foundation makes investments by either directly purchasing various financial positions, or purchasing a portion of an investment fund's partnership capital or shares representing a net assets value ("NAV") investment. Directly owned positions are classified for financial reporting purposes as short-term, equities or fixed income investments. NAV investments in funds are classified for financial reporting as either commingled or limited marketability funds.

Equity investments are directly held securities, primarily publicly traded. Equities are generally valued based upon the final sale price as quoted on the primary exchange or at the bid price if the final sale price is not quoted. Private equities are valued using market transactions when available. If such transactions do not exist, private securities are valued as determined by The Foundation. Fixed income investments are generally valued based upon quoted market or bid prices from brokers and dealers, which represent fair value. Short-term investments generally include cash and cash equivalents as well as credit or debt securities with maturities of less than one year. These credit or debt securities may include US government and agency obligations, repurchase agreements, commercial paper, and similar short-term securities. Short-term investments for which market prices are not available are valued at amortized cost, which approximates fair value.

Commingled funds are NAV investments in partnerships or investment companies where The Foundation has significant transparency into the underlying positions in the commingled funds and that have no significant restrictions on redemption rights. For commingled funds the NAV is determined by either an exchange or the respective general partners or investment managers. The underlying positions, owned by the commingled funds, include such investments as exchange traded and over the counter securities. The Foundation generally has the ability to redeem capital from commingled funds monthly or more frequently.

Limited marketability funds are NAV investments in private equity, venture capital, hedge funds, and other private investment entities. The Foundation has significant transparency into the underlying positions of the private equity and venture capital funds. The Foundation cannot independently assess the value of these underlying positions through a public exchange or over the counter market. The Foundation generally has restricted redemption rights for limited marketability funds other than private equity, venture capital, and similar funds where distribution of proceeds is at the sole discretion of the general partner or investment manager.

The Foundation follows the concept of the "practical expedient" under GAAP. The practical expedient is an acceptable method under GAAP to determine the fair value of certain NAV investments that (a) do not have a readily determinable fair value predicated upon a public market and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company under GAAP. As such, NAV investments are presented in the accompanying financial statements at fair value, as determined by The Foundation. Such fair value generally represents The Foundation's proportionate share of the net assets of the NAV investment as reported by the underlying investment managers or general partners. Accordingly, the fair value NAV investments is generally increased by additional contributions and the Foundation's share of net earnings from the NAV investments and decreased by distributions and The Foundation's share of net losses from the NAV investments.

The Foundation believes that the carrying amount of its NAV investments is a reasonable estimate of fair value as of December 31, 2014 and December 31, 2013. Because these investments are not readily marketable, the estimated value is subject to uncertainty, therefore, results may differ from the value that would have been used had a ready market for these investments existed and such differences could be material.

Investment Transactions and Income and Expenses

For directly owned positions, transactions are recorded on a trade date basis. Realized and unrealized appreciation (depreciation) on investments is determined by comparison of specific costs of acquisition (identified lot basis) to proceeds at the time of disposal, or market values at the last day of the period, respectively, and includes the effects of currency translation with respect to transactions and holdings of foreign securities. Dividend income is recorded on ex-dividend date and interest income is recorded on an accrual basis.

Purchases and sales of securities include "in-kind" distributions from underlying private equity funds of $29.2 million. Realized gains on disposition of distributed securities totaling $130.7 million is reflected in the Statements of Activities. Unrealized gains totaling $68.3 million relating to distributed securities is reflected in the Statements of Financial Position.

For shares or partnership interests in securities or NAV Investments, transactions are recorded on a trade date basis. For unsettled sales or purchases as of the reporting period date, the sales proceeds or purchase price are recorded as receivables or payables, respectively and are included on the Statements of Financial Position as pending securities, net. Pending securities, net include sales and redemptions from NAV investments. For NAV investments in which The Foundation owns shares of an investment fund, realized and unrealized appreciation (depreciation) on investments is determined by comparison of specific costs of acquisition (identified lot basis) to proceeds at the time of disposal, or fair value at the last day of the period, respectively, and includes the effects of currency translation with respect to transactions and holdings of foreign currency denominated holdings. Dividends and interest are recognized as allocated by the investment manager. The amount of realized and unrealized appreciation (depreciation) associated with these investments is reflected in the accompanying Statements of Activities.

For NAV investments in which The Foundation owns a portion of an investment fund's partnership capital, unrealized appreciation (depreciation) is determined by comparison of cost of acquisition of the partnership interests to fair value at the last day of the period, and includes the effects of currency translation with respect to transactions and holdings of foreign currency denominated investments. Realized appreciation (depreciation) on redemption of partnership interests is determined as allocated by the general partners of the respective partnership, or by comparison of specific costs of acquisition to proceeds at the time of disposal or an allocation is not indicated by the general partners of the respective partnership. Dividends and interest are recognized as allocated by the general partners. The amount of realized and unrealized appreciation (depreciation) associated with these investments is reflected in the accompanying Statements of Activities.

Fair Value Measurements

In accordance with GAAP, The Foundation discloses its assets and liabilities, recorded at fair value into the "fair value hierarchy". GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP also established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that The Foundation has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices which are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and refer to the assumptions that market participant use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Foundation considers observable data to be market data which is readily available and reliable and provided by independent sources. The categorization of a financial instrument within the fair value hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to The Foundation's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets are classified as Level 1 and generally include cash equivalents and exchange traded investment instruments. The Foundation does not adjust the quoted price for such instruments, even in situations where The Foundation holds a large position and a sale of all its holdings could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active under the accounting definition, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs are classified as Level 2. Such inputs may include model based valuation techniques. These investments include certain US government and sovereign obligations, government agency obligations, asset backed securities, derivatives and certain limited marketability investments priced using net asset value or equivalent as a determinant of fair value. With respect to NAV investments, The Foundation considers near-term liquidity as well as any restrictions or limitations on redemptions to determine the level classification of these investments. Investments fair valued using NAV as a practical expedient are classified as Level 2 if the investment is redeemable at NAV (as adjusted for subsequent gains or losses through the effective date of redemption) in the near-term (generally within a 3-month period) without significant restrictions on redemption.

Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment. Investments classified as Level 3 include securities for which no active market or dealer quote exists and NAV investments in limited marketability funds that are not redeemable in the near term or have significant restrictions.

Derivative Instruments
The Foundation records all derivative instruments and hedging activities at fair value. The fair value adjustment is recorded directly to the invested asset and recognized as unrealized appreciation (depreciation) in the accompanying Statements of Activities.

The Foundation utilizes a variety of derivative instruments and contracts including futures, forwards, swaps, and options for trading and hedging purposes with each instrument's primary risk exposure being interest rate, credit, foreign exchange, commodity, or equity risk, as well a combination of secondary risk factors. Such contracts involve, to varying degrees, risks of loss from the possible inability of counterparties to meet the terms of their contracts.

The Foundation enters into forward currency contracts whereby it agrees to exchange one currency for another on an agreed-upon date at an agreed-upon exchange rate to minimize the exposure of certain of its investments to adverse fluctuations in currency markets.

The Foundation enters into futures contracts whereby it is obligated to deliver or receive (although the contracts are generally settled in cash) various US government debt instruments at a specified future date. The Foundation engages in futures to increase or decrease its exposure to interest rate movements and spreads.

The Foundation enters into interest rate contracts whereby it is obligated to either pay or receive a fixed interest rate on a specified notional amount and receive or pay a floating interest rate on the same notional amount. The floating rate is generally calculated as a spread amount added to or subtracted from a specified London Inter-Bank Offering Rate (LIBOR) indexed interest rate. The Foundation enters into such contracts to manage its interest rate exposure and to profit from potential movements in interest rate spreads. The market value and unrealized gains or losses on interest rate swaps are affected by actual movements of and market expectations of changes in current market interest rates.

The Foundation enters into credit default swaps to simulate long and short credit positions that are either unavailable or considered to be less attractively priced in the bond market. The Foundation uses these swaps to reduce risk where it has exposure to the issuer, or to take an active long or short position with respect to the likelihood of an event of default. The reference obligation of the swap can be a single issuer, a "basket" of issuers, or an index. The underlying referenced assets can include corporate debt, sovereign debt and asset backed securities.

The buyer of a credit default swap is generally considered to be "receiving protection" in the event of an adverse credit event affecting the underlying reference obligation, and the seller of a credit default swap is generally considered to be "providing protection" in the event of such credit event. The buyer is generally obligated to pay the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event for corporate or sovereign reference obligations means bankruptcy, failure to pay, obligation acceleration, repudiation/moratorium or restructuring. For credit default swaps on asset-backed securities, a credit event may be triggered by events such as failure to pay principal, maturity extension, rating downgrade or write-down. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the par value (full notional value) of the reference obligation, though the actual payment may be mitigated by terms of the International Swaps and Derivative Agreement (ISDA), allowing for netting arrangements and collateral. The contingent payment may be a cash settlement or a physical delivery of the reference obligation in return for payment of the face amount of the obligation. If The Foundation is a buyer and no credit event occurs, The Foundation may lose its investment and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. As a seller, The Foundation receives a fixed rate of income throughout the term of the contract, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation.

Credit default swaps are carried at their estimated fair value, as determined in good faith by The Foundation. In determining fair value, The Foundation considers the value provided by the counterparty as well as the use of a proprietary model. In addition to credit quality, a variety of factors are monitored including cash flow assumptions, market activity, market sentiment and valuation as part of its ongoing process of assessing payment and performance risk. As payment and performance risk increases, the value of a credit default swap increases. Conversely, as payment and performance risk decreases, unrealized appreciation is recognized for short positions and unrealized depreciation is recognized for long positions. Any current or future declines in the fair value of the swap may be partially offset by upfront payments received by The Foundation as a seller of protection if applicable.

Credit default swaps may involve greater risks than if The Foundation had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and counterparty credit risk. The Foundation enters into credit default swaps with counterparties meeting management's defined criteria for financial strength. The list of approved counterparties is reviewed periodically by management and a potential counterparty is removed if it no longer meets The Foundation's criteria.

The Foundation enters into resale agreements in which the Foundation purchases financial instruments from a seller in exchange for cash, and simultaneously enters into an agreement to resell the same or substantially the same financial instruments to the seller at a stated price plus accrued interest at a future date. Even though resale agreements involve the legal transfer of ownership of financial instruments, they are accounted for as collateralized financing transactions as opposed to purchases because they require the financial instruments to be resold at the maturity of the agreement. They are recorded at their contracted resell amounts.

The Foundation receives financial instruments, typically U.S. government securities, purchased under resale agreements and monitors the market value of these financial instruments on a daily basis. The Foundation obtains additional collateral due to changes in the market value of the financial instruments, as appropriate.

Cash
Cash consists of cash on hand and held in bank accounts. At times, such deposits may be in excess of federally insured amounts.

Program-Related Investments
The Foundation invests in projects that advance philanthropic purposes. These program-related investments are generally loans outstanding for up to 10 years bearing interest at 1%. These loans are treated as qualifying distributions for tax reporting purposes. Loans are monitored to determine net realizable value based on an evaluation of recoverability that utilizes experience and may reflect periodic adjustments to terms as deemed appropriate. Program related investments are recorded when disbursed.

Fixed Assets
Land, buildings, furniture, equipment and leasehold improvements owned by The Foundation are recorded at cost. Depreciation is charged using the straight-line method based on estimated useful lives of the particular assets generally estimated as follows: buildings, principally 50 years, furniture and equipment 3 to 15 years, and leasehold improvements over the lesser of the term of the lease or the life of the asset.

Expenditures and Appropriations
Committed grant expenditures are considered incurred at the time of approval provided the grant has no specified conditions to be met in a future period. For conditional grants, the grant expenditure and liability are recognized and recorded in the accounting period when the Foundation determines that the specified conditions are met. Uncommitted appropriations that have been approved by the Board of Trustees are included in appropriated unrestricted net assets.

Taxes
The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRS) and, accordingly, is not subject to federal income taxes. However, The Foundation is subject to federal excise tax and unrelated business income tax because it is a private foundation in accordance with IRS regulations. The Foundation accrues an expense for federal excise taxes payable.

The Foundation accounts for uncertain tax positions when it is more likely than not that such an asset or a liability will be realized. As of December 31, 2014 and December 31, 2013 management believes there were no uncertain tax positions.

Risks and Uncertainties
The Foundation uses estimates in preparing the financial statements which require management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities at the date of the Statements of Financial Position and the reported amounts of income and expenditures during the reporting period. Actual results may differ from these estimates and such differences could be material. The most significant estimates and assumptions relate to the valuation of NAV investments, allowances for possible losses on program-related investments and assumptions used for employee benefit plans.

Measure of Operations
The Foundation includes in its measure of operations (operating income over expenditures) all income that is an integral part of its programs and supporting activities. Non-operating activities include the gains and prior service costs and credits which arose during the period, but are not recognized as components of net periodic pension cost.

Related Party Transactions
For the years ended December 31, 2014 and 2013, The Foundation approved grants totaling $14.4 million and $13.9 million, respectively to other not-for-profit organizations, whereby certain trustees jointly serve on the board of trustees of The Foundation and these other organizations.

2. Investments

Investments held consisted of the following as of:

(in thousands)	Year Ended December 31, 2014 Fair Value	Cost	Year Ended December 31, 2013 Fair Value	Cost
Short term	$ 562,112	$ 562,135	$ 1,011,070	$ 1,009,235
Equities	298,892	166,041	630,734	394,205
Fixed income				
US government debt	526,211	526,893	200,041	199,987
Asset backed	147,431	131,717	263,058	248,746
Commingled funds				
Equity related	672,762	642,034	916,543	806,386
Natural Resources related	154,033	160,118	401,231	395,153
Limited marketability funds				
Credit	107,269	103,577	166,947	160,386
Global equity	6,103,814	4,356,978	5,047,285	3,708,238
Natural Resources	640,958	758,804	609,448	616,877
Real assets	236,089	158,359	177,484	135,993
Private equity	949,954	1,044,130	1,056,532	1,116,153
Venture capital	1,513,636	1,544,375	1,324,073	1,532,221
Investments, at fair value	11,913,161	10,155,161	11,804,446	10,323,580
Subscription paid in advance to limited marketability funds	92,000	92,000	68,000	68,000
Redemption proceeds receivable	124,041	124,041	16,784	16,784
Accrued interest and dividends receivable	2,283	2,283	2,634	2,634
Investment related				
Receivables	18,151	18,107	1,706	1,706
Payables	(390)	(639)	(3,002)	(4,906)
Total investments	$ 12,149,246	$ 10,390,953	$ 11,890,568	$ 10,407,798

As of December 31, 2014 Short Term Investments consisted of cash and cash equivalents of $1.1 million, restricted cash of $0.3 million, maturing agency notes of $126.7 million, cash loaned under resale agreements of $134.0 million, and maturing US Treasury notes of $300.0 million.

As of December 31, 2013 Short Term Investments consisted of cash and cash equivalents of $274.8 million, restricted cash of $1.6 million, maturing agency notes of $94.2 million, and maturing US Treasury notes of $640.4 million.

The classification of investments by level within the valuation hierarchy as of December 31, 2014 is as follows:

(in thousands)	Quoted Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Short term	$ 521	$ 561,591	$ -	$ 562,112
Equities	298,761	-	131	298,892
Fixed income				
US government debt	-	526,211	-	526,211
Asset backed	-	145,598	1,833	147,431
Commingled funds				
Equity related	-	672,762	-	672,762
Natural Resources related	-	154,033	-	154,033
Limited marketability funds				
Credit	-	104,613	2,656	107,269
Global equity	-	4,358,828	1,744,986	6,103,814
Natural Resources	-	-	640,958	640,958
Real assets	-	-	236,089	236,089
Private equity	-	-	949,954	949,954
Venture capital	-	-	1,513,636	1,513,636
Investments, at fair value	$ 299,282	$ 6,523,636	$ 5,090,243	$ 11,913,161
Subscription paid in advance to limited marketability funds				92,000
Redemption proceeds receivable				124,041
Accrued income, net payables and receivables				20,044
Total investments				$ 12,149,246

The classification of investments by level within the valuation hierarchy as of December 31, 2013 was as follows:

(in thousands)	Quoted Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Short term	$ 274,834	$ 736,236	$ -	$ 1,011,070
Equities	629,655	-	1,079	630,734
Fixed income				
US government debt	-	200,041	-	200,041
Asset backed	-	263,058	-	263,058
Commingled funds				
Equity related	-	916,543	-	916,543
Natural Resources related	-	401,231	-	401,231
Limited marketability funds				
Credit	-	161,618	5,329	166,947
Global equity	-	3,418,252	1,629,033	5,047,285
Natural Resources	-	-	609,448	609,448
Real assets	-	-	177,484	177,484
Private equity	-	-	1,056,532	1,056,532
Venture capital	-	-	1,324,073	1,324,073
Investments, at fair value	$ 904,489	$ 6,096,979	$ 4,802,978	$ 11,804,446
Subscription paid in advance to limited marketability funds				68,000
Redemption proceeds receivable				16,784
Accrued income, net payables and receivables				1,338
Total investments				$ 11,890,568

The following table summarizes Level 3 activity as of December 31, 2014 and 2013.

Fair Value Measurements Using Level 3 Inputs:

(in thousands)	Balances at December 31, 2013	Purchases and Other Acquisitions	Net Transfers In/(out) of Level 3	Sales and Other Dispositions	Net Realized Appreciation	Net Unrealized Appreciation	Balances at December 31, 2014
Equities	$ 1,079	$ -	$ -	$ (1,086)	$ 1,005	$ (867)	$ 131
Asset Backed	-	1,853		(18)		(2)	1,833
Credit	5,329	-	-	(3,236)	(3,573)	4,136	2,656
Global Equity	1,629,033	645,343	(799,680)	(11,225)	16,038	265,477	1,744,986
Natural Resources	609,448	203,398	-	(77,272)	15,800	(110,416)	640,958
Real Assets	177,484	63,977	-	(51,549)	9,938	36,239	236,089
Private equity	1,056,532	96,057	-	(280,470)	112,390	(34,555)	949,954
Venture capital	1,324,073	133,482	-	(134,313)	12,985	177,409	1,513,636
	$ 4,802,978	$ 1,144,110	$ (799,680)	$ (559,169)	$ 164,583	$ 337,421	$ 5,090,243

(in thousands)	Balances at December 31, 2012	Purchases and Other Acquisitions	Net Transfers in/(out) of Level 3	Sales and Other Dispositions	Net Realized Appreciation	Net Unrealized Appreciation	Balances at December 31, 2013
Equities	$ 127	$ 2,915	$ -	$ (3,748)	$ 2,927	$ (1,142)	$ 1,079
Credit	23,305	3,687	11,307	(29,009)	(3,080)	(881)	5,329
Global Equity	1,412,882	714,841	(197,597)	(484,533)	9,508	173,932	1,629,033
Natural Resources	458,514	225,031	-	(60,965)	9,105	(22,237)	609,448
Real Assets	134,849	41,236	-	(26,983)	4,691	23,691	177,484
Private equity	1,027,881	107,513	-	(234,286)	78,142	77,282	1,056,532
Venture capital	1,057,378	85,494	-	(83,887)	(12,752)	277,840	1,324,073
	$ 4,114,936	$ 1,180,717	$ (186,290)	$ (923,411)	$ 88,541	$ 528,485	$ 4,802,978

All net realized and unrealized appreciation (depreciation) in the table above is reflected in the accompanying financial statements. For the year ended December 31, 2014 and December 31, 2013 the change in unrealized appreciation associated with investments that remain held by The Foundation as of December 31, 2014 and 2013 was $112.7 million and $488.0 million, respectively.

The Foundation's policy is to recognize transfers between Levels 1, 2, or 3 as if they occurred as of the beginning of the reporting period.

For the year ended December 31, 2014 there were transfers of Global Equity investments from Level 3 to Level 2 of the fair value hierarchy of approximately $968.4 million, and $168.7 million from Level 2 to Level 3 due to changes in liquidity. There were no other significant transfers between Levels 1, 2 and 3.

For the year ended December 31, 2013 there were transfers of Global Equity and Credit investments from Level 3 to Level 2 of the fair value hierarchy of approximately $307.0 million, and $121.0 million from Level 2 to Level 3 due to changes in liquidity. There were no other significant transfers between Levels 1, 2 and 3.

Based on the information made available to The Foundation, there are no concentrations in any underlying individual security or issuer in amounts greater than 5% of the Foundation's unrestricted net assets as of December 31, 2014 and December 31, 2013.

As of December 31, 2014 and December 31, 2013, The Foundation has investments which have been valued using the NAV as a practical expedient with total market values of $10.4 billion and $9.7 billion, respectively.

The following table lists investments in investment funds (or similar entities) as of December 31, 2014 that have been valued using the NAV as a practical expedient, classified by major investment category:

Category of Investment[1]	Investment Strategy and Structure[1]	Number of Investments[2] Fair Value[3] (In thousands) Unfunded Commitments (In thousands)	Remaining Life[1]	Redemption Terms[1]	Redemption Restrictions and Terms[1]	Redemption Restrictions and Terms In Place at Year End[1]
(Private Equity and Venture Capital) [4]	Investments in the equity and credit of primarily private companies through private partnerships and holding companies	199 $ 2,463,590 $ 749,365	Generally up to 15 years but dependent upon investment circumstances.	Redemption not permitted during the life of the fund. Distributions may be made at the discretion of the general partners.	Not applicable – no redemption ability.	Not applicable – no redemption ability.
(Alternative Investment Funds) [5]	Investments in hedge funds, global equity, credit, real assets, natural resources, and other investments through private partnerships and holding companies	102 $ 7,088,130 $ 872,045	Open Ended	Ranges between monthly redemption with 5 days notice, to rolling 3-years redemption with 180 days notice. Certain funds have no redemption rights until dissolution of the funds.	Initial Lockups: 1 year or less: 42% 1-2 years: 24% Over 2 years: 20% No redemption rights: 14% Redemption Frequency: Monthly: 12% Quarterly: 28% 1 Year or less: 36% Over 1 Year: 10% No redemption rights: 14% Redemption gates: Up to 25% Early Redemption Fees: up to 10%	Current Redemption Ability: 6 months or less: 67% 6 months to 1 year: 5% Over 1 years: 14% No redemption rights: 14% Total side pockets or restricted assets across the funds are less than 5% of the total investment amount.
Commingled Funds [6]	Investment in global equity, real assets, natural, resources, and other investments through commingled fund structures	7 $ 826,795 $ -	Open Ended	Daily to monthly redemption with 1 to 30 days notice period	Subject to the ability to withdraw capital from the underlying funds. This is dependent upon the liquidity of the underlying assets and is subject to the discretion of the Fund Manager.	Subject to the ability to withdraw capital from the underlying funds.

The following table lists investments in investment funds (or similar entities) as of December 31, 2013 that have been valued using the NAV as a practical expedient, classified by major investment category:

Category of Investment[1]	Investment Strategy and Structure[1]	Number of Investments[2] Fair Value[3] (In thousands) Unfunded Commitments (In thousands)	Remaining Life[1]	Redemption Terms[1]	Redemption Restrictions and Terms[1]	Redemption Restrictions and Terms in Place at Year End[1]
(Private Equity and Venture Capital) [4]	Investments in the equity and credit of primarily private companies through private partnerships and holding companies	185 $ 2,380,605 $ 696,205	Generally up to 15 years but dependent upon investment circumstances.	Redemption not permitted during the life of the fund. Distributions may be made at the discretion of the general partners.	Not applicable – no redemption ability.	Not applicable – no redemption ability.
(Alternative Investment Funds) [5]	Investments in hedge funds, global equity, credit, real assets, natural resources, and other investments through private partnerships and holding companies	93 $ 6,001,164 $ 1,173,491	Open Ended	Ranges between monthly redemption with 5 days notice, to rolling 3-years redemption with 180 days notice. Certain funds have no redemption rights until dissolution of the funds.	Initial Lockups: 1 year or less: 47% 1-2 years: 22% Over 2 years: 16% No redemption rights: 15% Redemption Frequency: Monthly: 11% Quarterly: 31% 1 Year or less: 34% Over 1 Year: 9% No redemption rights: 15% Redemption gates: Up to 25% Early Redemption Fees: up to 5%	Current Redemption Ability: 6 months or less: 66% 6 months to 1 year: 6% Over 1 years: 13% No redemption rights: 15% Total side pockets or restricted assets across the funds are less than 5% of the total investment amount.
Commingled Funds [6]	Investment in global equity, real assets, natural, resources, and other investments through commingled fund structures	19 $ 1,317,774 $ 0	Open Ended	Daily to monthly redemption with 1 to 30 days notice period	Subject to the ability to withdraw capital from the underlying funds. This is dependent upon the liquidity of the underlying assets and is subject to the discretion of the Fund Manager.	Subject to the ability to withdraw capital from the underlying funds.

(1) Information reflects a range of various terms from multiple investments.

(2) The approximate number of outstanding investments including investments with unfunded commitments but no current balance as of December 31, 2014 and December 31, 2013.

(3) The total fair value of these investments valued using the NAV as a practical expedient.

Generally refers to investments in private partnerships or investment funds focusing on equity or credit investments in private companies. The partnerships or funds generally have no redemption rights; the general partners of the respective funds issue capital calls and distributions. These funds generally provide the NAV or capital balances and changes quarterly or less frequently. Performance fees are generally collected by the general partner or investment manager only upon a distribution of profits to investors.

(4) Generally refers to investments in private partnerships or investment funds focusing on a broad range of investment activities including Credit, Global Equity, Natural Resource, and Real Asset investments. These

funds generally have periodic limited redemption rights, asset and performance based fee structures. They provide the NAV or capital balances and changes monthly or less frequently.

(5) Generally refers to investments in private partnerships or investment funds focusing on a broad range of investment activities including equity and natural resources related investments. These funds generally have short-term redemption and investment ability. They provide the NAV or capital balances and changes monthly or more frequently. Commingled funds generally do not have performance based fee structures.

Derivative Instruments

As of December 31, 2014 and December 31, 2013, The Foundation had foreign currency contracts with notional amounts totaling $2.5 million and $0.1 million, respectively. Such contracts involve, to varying degrees, risks of loss from the possible inability of counterparties to meet the terms of their contracts. Changes in the value of forward currency contracts are recognized as unrealized appreciation (depreciation) until such contracts are closed.

As of December 31, 2014 and December 31, 2013, The Foundation had futures contracts on fixed income securities with notional amounts totaling $4.0 million and $8.3 million, respectively. Changes in the value of futures contracts are recognized as unrealized appreciation (depreciation) until such contracts are closed.

As of December 31, 2014, The Foundation had interest rate swaps in which The Foundation was receiving a fixed interest rate with notional amounts totaling $52.0 million. As of December 31, 2014 the maximum potential payments to be made under these interest rate swaps was $10.4 million. As of December 31, 2014, The Foundation has posted cash collateral to swap counterparties in the amount of $0.3 million.

As of December 31, 2013, The Foundation had interest rate swaps in which The Foundation was paying a fixed interest rate with notional amounts totaling $63.7 million. As of December 31, 2013 the maximum fixed rate payments to be made under these interest rate swaps was $14.8 million.

As of December 31, 2014, The Foundation did not have any credit default swaps outstanding. As of December 31, 2013, The Foundation was the seller (providing protection) of credit default swaps on a total notional amount of $8.3 million. The notional amounts of the swaps are not recorded in the financial statements. However, the notional amount does approximate the maximum potential amount of future payments that The Foundation could be required to make (receive) if The Foundation were the seller (buyer) of protection and a credit event were to occur. As of December 31, 2013, The Foundation had posted cash collateral to swap counterparties in the amount of $1.6 million.

At December 31, 2014, the Foundation's resale agreements relate to contracts with counterparties that expire in less than thirty days. At December 31, 2014, the Foundation obtained U.S. government securities with a fair value of $137.9 million as collateral received under resale agreements. As of December 31, 2014, cash loaned by the Foundation in the amount of $134 million is included within Investments on the Statement of Financial Position. Accrued interest related to resale agreements is included within Accrued interest and dividends receivable on the Statement of Financial Position. Interest income earned on these transactions is included in the Statements of Activities. At December 31, 2013 the Foundation had no resale agreements outstanding.

The following table lists fair value of derivatives by contract type as included within investments in the Statements of Financial Position as of December 31, 2014.

(in thousands)	Notional/ Contractual Amount	Gross Derivative Assets	Gross Derivative Liabilities
Derivative type*			
Interest rate contracts	$ 52,030	$ 282	$ -
Fixed income futures contracts	4,048	-	-
Rights and warrants	106	65	-
Foreign currency contracts	2,535	11	-
Credit default swaps	-	-	-
		358	-
Carrying value of derivatives on the statements of financial position		$ 358	$ -

The following table lists fair value of derivatives by contract type as included within investments in the Statements of Financial Position as of December 31, 2013.

(in thousands)	Notional/ Contractual Amount	Gross Derivative Assets	Gross Derivative Liabilities
Derivative type*			
Interest rate contracts	$ 63,729	$ 739	$ -
Fixed income futures contracts	8,275	-	-
Rights and warrants	89	54	-
Foreign currency contracts	1	-	-
Credit default swaps	7,384	1,168	-
		1,961	-
Carrying value of derivatives on the statements of financial position		$ 1,961	$ -

The notional amounts reflected in the above tables, are indicative of the volume of derivative transactions for the year ended December 31, 2014 and 2013.

The following table indicates the appreciation (depreciation) on derivatives, by contract type, as included in the Statements of Activities for the year ended December 31, 2014

(in thousands)	**Appreciation/(Depreciation) For Year Ended December 31, 2014**
Derivative type	
Interest rate contracts	$ (1,756)
Fixed income futures contracts	480
Equity Options	8,664
Rights and warrants	32
Foreign currency contracts	1,021
Credit default swaps	501
	$ 8,942

The following table indicates the appreciation on derivatives, by contract type, as included in the Statements of Activities as of December 31, 2013

(in thousands)	**Appreciation For Year Ended December 31, 2013**
Derivative type	
Interest rate contracts	$ 1,493
Fixed income futures contracts	407
Rights and warrants	53
Foreign currency contracts	1,926
Credit default swaps	547
	$ 4,426

The above appreciation on derivatives has been recognized as realized or unrealized appreciation on investments on the Statements of Activities.

Credit-Risk Contingent Features

The Foundation's derivative contracts generally contain provisions whereby if The Foundation were to default on its obligations under the contract, or if The Foundation were to terminate the management agreement of the investment manager who entered into the contract on The Foundation's behalf, or if the assets of The Foundation were to fall below certain levels, the counterparty could require full or partial termination, or replacement of the derivative instruments.

Counterparty Credit Risk

By using derivative instruments, The Foundation is exposed to the counterparty's credit risk - the risk that derivative counterparties may not perform in accordance with the contractual provisions offset by the value of any collateral received. The Foundation's exposure to credit risk associated with counterparty nonperformance is limited to the unrealized appreciation inherent in such transactions that are recognized in the Statements of Financial Position as well as the value of The Foundation's collateral assets held by the counterparty. The Foundation minimizes counterparty credit risk through rigorous review of potential counterparties, appropriate credit limits and approvals, credit monitoring procedures, executing master netting arrangements and managing margin and collateral requirements, as appropriate. The Foundation records counterparty credit risk valuation adjustments, if material, on certain derivative assets in order to appropriately reflect the credit quality of the counterparty. These adjustments are also recorded on the market quotes received from counterparties or other market participants since these quotes may not fully reflect the credit risk of the counterparties to the derivative instruments.

Credit Default Swaps

The credit default swaps for which The Foundation is providing protection as of December 31, 2014 and 2013 are summarized as follows:

(in thousands)	Credit Default Index Asset Backed Securities Year Ended December 31, 2014	Credit Default Index Asset Backed Securities Year Ended December 31, 2013
Written credit derivative contracts		
Fair value of written credit derivatives	$ -	$ 1,168
Maximum potential amount of future payments (notional amount)	-	7,384
Recourse provisions with third parties to recover any amounts paid under the credit derivatives (including any purchased credit protection)	-	-
Foundation can obtain upon occurrence of a triggering event	-	-

Periodic payments made or received on the swaps are included in realized appreciation on investments, net in the accompanying Statements of Activities and totaled a $0.5 million gain in each of the years ended December 31, 2014 and 2013.

3. Fixed Assets

As of December 31, 2014 and 2013 fixed assets are comprised of:

(in thousands)	As of December 31, 2014	As of December 31, 2013
Land	$ 4,440	$ 4,440
Buildings, net of accumulated depreciation of $39,290 and $36,975 at December 31, 2014 and 2013, respectively	11,111	12,905
Furniture, equipment and leasehold improvements, net of accumulated depreciation of $85,068 and $81,361 at December 31, 2014 and 2013, respectively	12,785	14,138
	$ 28,336	$ 31,483

4. Provision for Taxes

The Internal Revenue Code imposes an excise tax on private foundations equal to 2 percent of net investment income, which is defined as interest, dividends and net realized gains less expenses incurred in the production of income. The tax is reduced to 1 percent for foundations that meet certain distribution requirements under Section 4940(e) of the Internal Revenue Code.

The current provision for federal excise tax is based on net investment income using a 1 percent rate for the year ended December 31, 2014 and 2013. The deferred provision is based on a 2 percent rate on cumulative net unrealized gains for both the year ended December 31, 2014 and 2013. The current tax provision for federal excise tax on net investment income is $7.8 million and $9.2 million for the year ended December 31, 2014 and 2013, respectively. The Foundation had a cumulative unrealized gain that resulted in a $35.2 million deferred tax liability for the year ended December 31, 2014 based on the change in net unrealized appreciation of investments at 2 percent. Excise taxes of $9.2 million were paid during the year ended December 31, 2014. Certain income defined as unrelated business taxable income by the code may be subject to tax at ordinary corporate rates. The state taxes on unrelated business income are immaterial for the year ended December 31, 2014.

5. Retirement Plans

The Foundation's defined benefit pension plans and the defined contribution plans covered substantially all New York appointed employees. Employees who were locally appointed by overseas offices were covered by other retirement arrangements.

On January 1, 2011, The Foundation implemented a prospective change in the New Cash Balance Retirement Plan benefit crediting formula from the age based percentages of 1 percent to 3 percent to a uniform 3 percent to conform with current IRS guidelines. Also, in May 2011, The Foundation amended the New Cash Balance Retirement Plan to close eligibility for the plan to all employees hired after November 1, 2011. The Cash Balance Retirement Plan was merged with and into the New Cash Balance Retirement Plan as of June 1, 2012. All accrued benefits were fully preserved. In December 2012, The Foundation terminated the New Cash Balance Retirement Plan and froze all further benefit accruals as of December 31, 2012. All benefits accrued as of December 31, 2012 were fully distributed to all participants. All actively employed participants in the New Cash Balance Retirement Plan who continue to be actively employed on January 1, 2013 receive a new contribution credit under the Savings Plan equal to 3% of eligible salary.

The Savings Plan is a defined contribution plan, as defined under Internal Revenue Code (IRC) Section 403(b)7 is established by The Foundation to provide retirement benefits to eligible employees.

In addition, The Foundation provides retirees with at least five years of service and who are at least age 55 with other postretirement benefits which include medical, dental and life insurance. Employees hired on or after June 1, 2009 will be eligible for postretirement medical and dental benefits when they retire with at least 10 years of service and who are at least age 65. No employee hired on or after January 1, 2013 shall be considered a retiree under the Plan. The other postretirement benefits are partially funded in advance through a Voluntary Employees' Beneficiary Association (VEBA). GAAP allows unrecognized amounts (e.g., net actuarial gains or losses and prior service cost or credits) to be recognized as non-operating activities and that those amounts be adjusted as they are subsequently recognized as components of net periodic pension cost.

	Pension Benefits		Other Postretirement Benefits	
(in thousands)	As of December 31, 2014	As of December 31, 2013	As of December 31, 2014	As of December 31, 2013
Benefit obligation	$ -	$ 15,221	$ 104,445	$ 85,296
Fair value of plan assets	-	33,738	52,586	35,874
Funded (unfunded) status and amounts recognized in the statements of financial position	-	18,517	(51,859)	(49,422)
Accumulated benefit obligation	-	15,221		
Accumulated non-operating activities consist of				
Prior service cost				
Net actuarial loss	-	(801)	37,672	19,848
Total amount recognized	-	(801)	37,672	19,848
Employer contribution	-	-	19,228	-
Benefits paid	15,612	3,871	4,106	4,193
Transfer of assets to Employer	19,228			
Net periodic benefit cost recognized	(1,512)	(1,531)	3,842	5,056
Other changes in plan assets and benefit obligations recognized in non-operating activities				
Net actuarial loss (gain)	995	(3,539)	18,958	(8,322)
Amortization of gain	-	-	(1,238)	(2,263)
Administrative Expenses	-	-	104	100
Amortization of prior service cost	-	-		
Recognition of loss due to settlements	(195)	(116)		
Total recognized in non-operating activities	800	(3,655)	17,824	(10,485)
Total recognized in net periodic benefit cost and non-operating activities	(712)	(5,186)	21,666	(5,429)
Amounts in non-operating activities expected to be recognized in net periodic pension cost in next fiscal year				
Actuarial loss	-	-	-	-
Prior service credit	-	-	-	-
	$ -	$ -	$ -	$ -
Weighted average assumptions (used to determine benefit obligations and net periodic costs)				
Discount rate (benefit obligation)	N/A	N/A	4.22 %	5.12 %
Discount rate (net periodic costs)	3.17 %	2.97 %	5.12	4.20
Expected rate of return on plan assets (net periodic costs)	7.00	7.00	7.00	7.00
Rate of compensation increase (benefit obligation)	N/A	3.50	3.50	3.50
Rate of compensation increase (net periodic costs)	N/A	3.50	3.50	3.50
Mortality Basis	N/A	N/A	MP-2014	RP-2000

For measurement purposes, a healthcare cost initial trend rate of 6.0% and 5.2% used to measure the other postretirement benefit obligation for the year ended December 31, 2014 and 2013, respectively. As of December 31, 2014 and 2013, this trend is assumed to decline gradually to 4.0% in the year 2087 and beyond. As of December 31, 2014, the dental obligations reflect an initial trend rate for fiscal year 2015 of 5.0%. A 1% point change in assumed healthcare cost trend rates would have the following effects:

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 868	$ 646
Effect on other postretirement benefit obligation	13,880	10,606

The expense recorded by The Foundation related to contributions to the defined contribution plans aggregated $7.0 million and $6.9 million for the year ended December 31, 2014 and 2013, respectively.

The following table presents investments in the post-retirement plan at fair value by caption and by level within the valuation hierarchy as of December 31, 2014. The table also includes the combined weighted-average asset allocation for The Foundation's post-retirement plan as of December 31, 2014 as follows:

	As of December 31, 2014 Assets at Fair Value				
(in thousands)	Level 1	Level 2	Level 3	Totals	Percent
Post retirement plan					
Equity funds					
Vanguard total stock market index	$ 15,898	$ -	$ -	$ 15,898	30.00 %
Vanguard FTSE all world EX-US index	19,424	-	-	19,424	37.00
Fixed income funds					
Vanguard total bond market index	10,352	-	-	10,352	19.00
Short-term invest grade fund	7,251	-	-	7,251	14.00
Total investments in post-retirement plan	$ 52,925	$ -	$ -	$ 52,925	100.00 %

The following table presents investments in the defined benefit pension plans and post-retirement plan at fair value by caption and by level within the valuation hierarchy as of December 31, 2013. The table also includes the combined weighted-average asset allocation for The Foundation's defined benefit pension plans and post-retirement plan as of December 31, 2013 as follows:

(in thousands)	As of December 31, 2013 Assets at Fair Value Level 1	Level 2	Level 3	Totals	Percent
Defined benefit plans					
Annuities					
Guaranteed insurance contracts	$ -	$ -	$ 14,697	$ 14,697	44.00 %
Stocks	-	19,041	-	19,041	56.00
Total investments in defined benefit plans	$ -	$ 19,041	$ 14,697	$ 33,738	100.00 %
Post retirement plan					
Equity funds					
Vanguard total stock market index	$ 11,016	$ -	$ -	$ 11,016	30.00 %
Vanguard FTSE all world EX-US index	13,604	-	-	13,604	38.00
Fixed income funds					
Vanguard total bond market index	7,238	-	-	7,238	20.00
Short-term invest grade fund	4,359	-	-	4,359	12.00
Total investments in post-retirement plan	$ 36,217	$ -	$ -	$ 36,217	100.00 %

Level 3 Investment Assets

The Level 3 investment assets are comprised of TIAA-CREF Group Annuity Contracts ("GICs"). The classification of an investment within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement.

(in thousands)	Guaranteed Insurance Contracts As of December 31, 2014	 As of December 31, 2013
Balance at beginning of period	$ 14,697	$ 2,387
Additions/Transfers	547	15,869
Interest	376	311
Distributions/redemptions	(15,620)	(3,870)
Balance at End of period	$ -	$ 14,697

The investment strategy is to manage investment risk through prudent asset allocations that will produce a rate of return commensurate with the plans' obligations. The Foundation expects to continue the investment allocations as noted above. The Foundation's overall expected long-term rate of return on plan assets is based upon historical long-term returns of the investment performance adjusted to reflect expectations of future long-term returns by asset class.

Estimated future benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

(in thousands)	Other Postretirement Benefits		
	Before Part D Subsidy	*Part D Subsidy **	*Net Cash Flows*
2015	$ 4,360	$ 253	$ 4,107
2016	4,469	270	4,199
2017	4,596	289	4,307
2018	4,694	306	4,388
2019	4,778	327	4,451
2020-2024	25,080	2,004	23,076

* The Foundation applies for the federal drug subsidy under the Medicare Modernization Act (the "Act") for retirees who are Medicare eligible. The Act includes a provision that allows plan sponsors to receive a federal drug subsidy for a portion of the drug expenses of covered Medicare-eligible retirees, if they do not participate in the new Medicare drug benefit and the benefits provided by the plan are actuarially equivalent.

6. Contingencies, Commitments and Guarantees

In the normal course of business, The Foundation enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Foundation's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against The Foundation that have not yet occurred. However, based on experience, The Foundation expects the risk of loss to be remote.

As part of its program-related investment activities, as of December 31, 2014, the Foundation is committed to provide $29.0 million of loans to not-for-profit organizations once certain conditions are met. As of December 31, 2013, this commitment was $34.7 million. Further, as part of its investment management activity, The Foundation is committed to additional funding of approximately $1.6 billion and $1.9 billion in private equity and other investment commitments as of December 31, 2014 and 2013, respectively.

The Foundation is committed to pay $116.7 million, if the specified terms for a conditional grant are met, over the next 14 years.

7. Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2015-07, Disclosures for Investments in Certain Entities That Calculated Net Asset Value per Share (or Its Equivalent). The ASU removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the practical expedient. The ASU further removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the practical expedient. This ASU is effective for annual periods beginning after December 15, 2016. The Foundation does not expect the adoption of the ASU to have a material effect on its financial statements.

8. Subsequent Events

The Foundation has evaluated subsequent events through June 12, 2015, the date the financial statements were issued, and believes no additional disclosures are required in the financial statements.