The Skillman Foundation

Financial Report
December 31, 2016

Contents

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Independent Auditor's Report

To the Board of Trustees
The Skillman Foundation

We have audited the accompanying financial statements of The Skillman Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2016 and 2015, and the related statements of income, expenses, and changes in unrestricted net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditor's 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.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

To the Board of Trustees
The Skillman Foundation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Skillman Foundation as of December 31, 2016 and 2015, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Notes 1 and 2, the 2016 and 2015 financial statements include investments whose fair values of $405,910,002 and $400,476,449, or 94 and 92 percent of net assets, respectively, have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund manager or the general partners. Our opinion is not modified for this matter.

Plante & Moran, PLLC

May 9, 2017

Statement of Financial Position

	December 31, 2016	December 31, 2015
Assets		
Cash and cash equivalents	$ 14,927,092	$ 23,298,236
Investments (Note 2)	420,752,943	415,597,117
Unsettled trade receivable	-	2,215,865
Program-related investments (Note 10)	774,154	821,292
Dividend and interest receivable	93,540	105,968
Federal excise tax refundable	801,412	294,306
Other receivables	380,532	35,204
Fixed assets - Net of accumulated depreciation of $15,021 (Note 11)	418,598	-
Total assets	**$ 438,148,271**	**$ 442,367,988**
Liabilities and Net Assets		
Liabilities		
Accrued liabilities	$ 931,752	$ 926,012
Grants payable (Note 7)	4,105,900	4,599,000
Unsettled trade payable	983,117	-
Deferred excise taxes payable	637,323	648,606
Deferred rent liability (Note 6)	143,454	-
Total liabilities	6,801,546	6,173,618
Net Assets - Unrestricted	431,346,725	436,194,370
Total liabilities and net assets	**$ 438,148,271**	**$ 442,367,988**

See Notes to Financial Statements.

The Skillman Foundation

Statement of Income, Expenses, and Changes in Unrestricted Net Assets

	Year Ended December 31, 2016	Year Ended December 31, 2015
Income (Loss)		
Interest income	$ 326,148	$ 277,607
Dividend income	55,305	260,041
Investment management fees	(2,249,347)	(2,819,795)
Net loss	(1,867,894)	(2,282,147)
Grants and Expenses		
Grants and contributions	16,825,004	19,980,498
Administrative expenses	5,260,263	5,454,344
Federal excise and other tax recovery	(192,986)	(599,480)
Total grants and expenses	21,892,281	24,835,362
Excess of Grants and Expenses Over Income	(23,760,175)	(27,117,509)
Net Realized and Unrealized Gains (Losses) on Investments	18,912,530	(6,168,095)
Decrease in Net Assets	(4,847,645)	(33,285,604)
Net Assets - Beginning of year	436,194,370	469,479,974
Net Assets - End of year	**$ 431,346,725**	**$ 436,194,370**

The Skillman Foundation

Statement of Cash Flows

	Year Ended December 31, 2016	Year Ended December 31, 2015
Cash Flows from Operating Activities		
Change in net assets	$ (4,847,645)	$ (33,285,604)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	15,021	-
Net realized and unrealized (gains) losses on investments	(18,912,530)	6,168,095
Change in deferred excise tax payable	(11,283)	(757,680)
Changes in operating assets and liabilities that provided (used) cash:		
Dividend and interest receivable	12,428	(10,441)
Federal and state tax	(507,106)	(896,714)
Other receivables	(345,328)	(9,020)
Accrued liabilities	5,740	(158,388)
Deferred rent liability	143,454	-
Grants payable	(493,100)	2,130,000
Net cash used in operating activities	(24,940,349)	(26,819,752)
Cash Flows from Investing Activities		
Purchase of fixed assets	(433,619)	-
Purchases of investments	(67,276,547)	(114,751,860)
Change in net unsettled trades	3,198,982	15,560,128
Collections of principal of program-related investments	47,138	3,708
Proceeds from sale of investments	81,033,251	125,260,548
Net cash provided by investing activities	16,569,205	26,072,524
Net Decrease in Cash and Cash Equivalents	(8,371,144)	(747,228)
Cash and Cash Equivalents - Beginning of year	23,298,236	24,045,464
Cash and Cash Equivalents - End of year	**$ 14,927,092**	**$ 23,298,236**

Note 1 - Nature of Business and Significant Accounting Policies

Organization Purpose - The Skillman Foundation (the "Foundation") was established in 1960 as a private, nonoperating foundation. The Foundation is committed to providing resources to improve the lives of children in metropolitan Detroit by improving their homes, schools, and neighborhoods. It distributes funds primarily to not-for-profits in counties that are deemed appropriate in the opinion of the board of trustees.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting, which includes recognition of dividends, interest, and expenses as earned and incurred. Investment transactions are reported on a trade-date basis.

Cash Equivalents - The Foundation considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Investments - Investments in marketable securities, including fixed income, publicly traded securities, and hedge funds, are carried at quoted fair value whenever available. Private equity limited partnerships, are valued at fair value based on net asset value of available information including underlying financial statements and partner reporting as the limited partnerships do not have readily determinable market values as of December 31. The partnership valuations necessarily involve assumptions and methods that are reviewed by the Foundation. Because of the inherent uncertainty of valuations in the absence of a highly liquid market, private equity, real estate, and natural resources, limited partnerships' estimated values may differ materially from the values that would have been used if a ready market for the securities existed.

At December 31, 2016 and 2015, two investment funds accounted for approximately 52 and 50 percent, respectively, of total investments held by the Foundation. These investment funds held a variety of underlying investment assets as managed by other managers. See Note 9 for additional information.

At December 31, 2016 and 2015, the Foundation had commitments to contribute approximately $97,000,000 and $57,000,000, respectively, in additional capital under the terms of various agreements covering private equity and limited partnership agreements.

Concentration of Credit Risk Arising from Deposit Accounts - The Foundation maintains cash balances at various banks. Accounts at each institution are not fully insured.

Program-related Investments (PRI) - The Foundation invests in other organizations through direct loans and equity positions to achieve charitable purposes in alignment with the Foundation's strategies.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

PRIs are defined in Section 4944 of the Internal Revenue Code as an investment in which its primary purpose is to accomplish a charitable, educational, or other similar purpose, and in which the production of income or capital appreciation is not a significant purpose of the investment. Like grants, these investments count toward the Foundation's payout requirement in the year of distribution. Return of PRI principal affects the annual payout requirement in a similar manner as a grant refund.

Debt PRIs consist of loans outstanding generally bearing below-market interest rates. Loans are measured at fair value at inception to determine if a contribution element exists. Available pricing inputs are unobservable for these investments and the determination of fair value requires management judgment be estimated. These investments are anticipated to have a less than fair market value return. Loans are recorded on a net basis to reflect any reasonable loss reserve. The loss reserve estimate is reviewed on an annual basis and adjusted if collectibility risk has significantly changed based on the Foundation's understanding of the borrower's financial health and/or payment history. It is determined that no loss reserve was necessary at December 31, 2016 or 2015 for the specific loans outstanding.

Fixed Assets - Fixed assets are recorded at cost when purchased and at estimated fair market value when donated. Depreciation on fixed assets is provided on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the year ended December 31, 2016 amounted to $15,021.

Grants - Grants are recognized as an expense at the time of formal approval by the board of trustees. Conditional grants, if any, are expensed when such conditions are substantially met.

The Foundation's total net grants include grantmaking expenses of $700,508 and $434,542 for 2016 and 2015, respectively, that support the Foundation's major initiatives and grantmaking goals. These expenses include grant and program evaluations as well as communications, community meetings, and roundtables.

The Foundation matches gifts of cash and securities made by current employees and trustees of up to $15,000 annually per person on a two-to-one basis up to a maximum match of $30,000. Matching grants are made only to exempt organizations or public-supported charities as listed in IRS Publication 78.

Risks and Uncertainties - The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements - In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which will supersede Topic 840, *Leases*. The ASU's purpose is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key lease information. The ASU requires both finance leases and operating leases to be recorded on the lessee's statement of financial position. While both types of leases will be recorded on the statement of financial position, the expense recognition in the statement of income, expenses, and changes in unrestricted net assets will be largely consistent with current guidance. The new guidance will be effective for the Foundation's year ending December 31, 2020. Early implementation of the new guidance is permitted. The standard will impact the lease referred to in Note 6.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU requires significant changes to the financial reporting model of organizations that follow FASB not-for-profit rules, including changing from three classes of net assets to two classes: net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Foundation, including required disclosures about the liquidity and availability of resources. The new standard is effective for the Foundation's year ending December 31, 2018 and thereafter and must be applied on a retrospective basis. The Foundation is currently evaluating the impact this standard will have on the financial statements.

Reclassification - Reclassifications were made to certain expense accounts within the 2015 financial statements to conform to the functional allocation used in 2016. There was no impact on the statement of income, expenses, and changes in unrestricted net assets.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including May 9, 2017, which is the date the financial statements were available to be issued.

Note 2 - Investments

Investments consisted of the following at December 31:

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Global equities and futures contracts	$ 135,070,218	$ 136,591,375	$ 149,647,157	$ 143,376,720
Alternative investments:				
Hedge funds	115,000,622	122,220,609	113,908,888	118,300,248
Private equity limited partnerships	107,123,530	136,663,893	94,194,148	127,305,031
Total alternative investments	222,124,152	258,884,502	208,103,036	245,605,279
Fixed-income investments	26,219,049	25,277,066	26,565,150	26,615,118
Total	$ 383,413,419	$ 420,752,943	$ 384,315,343	$ 415,597,117

Realized and unrealized gains and losses in investments represent the difference between the original cost of the investments and sales proceeds (realized) or the fair market value at the end of the year (unrealized). Cost is determined on a first-in, first-out basis.

	2016	2015
Realized gain on investments	$ 13,618,663	$ 29,693,574
Change in unrealized market appreciation	5,293,867	(35,861,669)
Net realized and unrealized gains (losses) on investments	$ 18,912,530	$ (6,168,095)

A summary of changes in cash and investments during the years ended December 31, 2016 and 2015 is shown below:

	Cash and Cash Equivalents	Global Equities and Futures Contracts	Alternative Investments	Fixed-income Investments
January 1, 2015 - Fair value	$ 24,045,464	$ 155,192,958	$ 246,935,270	$ 30,145,672
Add (deduct) changes during the year ended December 31, 2015:				
Purchases	192,013,318	14,657,112	79,864,099	20,230,649
Sales and maturities - At cost	(192,760,546)	(18,336,719)	(53,609,551)	(23,620,704)
Net depreciation in fair value	-	(8,136,631)	(27,584,539)	(140,499)
December 31, 2015 - Fair value	23,298,236	143,376,720	245,605,279	26,615,118
Add (deduct) changes during the year ended December 31, 2016:				
Purchases	104,649,320	6,050,921	43,817,969	17,407,657
Sales and maturities - At cost	(113,020,464)	(20,627,861)	(29,032,969)	(17,753,758)
Net appreciation (depreciation) in fair value	-	7,791,595	(1,505,777)	(991,951)
December 31, 2016 - Fair value	$ 14,927,092	$ 136,591,375	$ 258,884,502	$ 25,277,066

Note 3 - Excise and Other Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As a private foundation, the Foundation is subject to an excise tax on net investment income, including realized gains as defined in the Tax Reform Act of 1969.

The Foundation's excise tax expense as of December 31, 2016 and 2015 is comprised of the following approximates:

	2016	2015
Current excise and other taxes	$ (182,000)	$ 158,000
Deferred excise tax recovery	(11,000)	(758,000)
Total excise tax recovery	$ (193,000)	$ (600,000)

The deferred excise tax represents the tax on unrealized gains on investment securities.

At December 31, 2016 and 2015, amounts receivable related to tax prepayments were $801,412 and $294,306, respectively. Subsequent to December 31, 2016 through the date of this report, the Foundation has received $566,392.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that as of December 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements, except for the estimated liability recorded for pass-through UBI from investments in partnerships.

Note 4 - Postretirement Benefits

The Foundation provides healthcare benefits for retired employees. The Foundation's employees may become eligible for these postretirement employee benefits. Net periodic postretirement healthcare cost was approximately $36,000 and $51,000 for the years ended December 31, 2016 and 2015, respectively, and increases the postretirement liability for use for future premiums of current employees. In addition, current postretirement healthcare expenses for current retirees are taken against this liability as it has already been expensed. The Foundation had accrued postretirement benefits of approximately $686,000 and $675,000 as of December 31, 2016 and 2015, respectively.

Note 5 - Defined Contribution Plan

The Foundation sponsors a defined contribution 401(k) plan for all eligible full-time employees. The employees may make elective contributions to the 401(k) plan in accordance with IRS regulations. The Foundation makes contributions to the 401(k) plan based upon eligible compensation.

Contributions to the plan for the years ended December 31, 2016 and 2015 totaled $272,359 and $318,759, respectively.

Note 6 - Lease Commitments

The Foundation renewed its lease for office space under an agreement that expires in December 2025. The lease agreement requires monthly payments based on rates per square foot each year.

The future minimum lease payments are as follows:

Years Ending December 31		Amount
2017		$ 281,082
2018		285,277
2019		289,472
2020		293,667
2021		297,863
2022 and thereafter		1,233,163
	Total	$ 2,680,524

Rent expense for 2016 and 2015 was $281,897 and $367,170, respectively.

In conjunction with the new lease agreement, the Foundation received discounted rent from the landlord, which is being amortized over the life of the lease. The unamortized portion at December 31, 2016 is $143,454.

Note 7 - Grants for Charitable, Educational, and Other Authorized Purposes

Grants are recognized as an expense at the time of formal approval by the board of trustees.

Note 7 - Grants for Charitable, Educational, and Other Authorized Purposes (Continued)

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

	2016	2015
Grants payable - Beginning of year	$ 4,599,000	$ 2,469,000
Grants approved	15,000,000	18,397,500
Payments made	(15,493,100)	(16,267,500)
Grants payable - End of year	$ 4,105,900	$ 4,599,000

Grant commitments outstanding at December 31, 2016 are scheduled for payment as follows: $2,805,900 for 2017; $700,000 for 2018; $500,000 for 2019; and $100,000 for 2020.

Grant commitments outstanding at December 31, 2015 were scheduled for payment as follows: $2,522,000 for 2016; $977,000 for 2017; $500,000 for 2018 and 2019; and $100,000 for 2020.

On June 3, 2014, the board of trustees approved a $3.5 million grant, payable over 20 years, to the Foundation for Detroit's Future (FDF), a supporting organization of the Community Foundation of Southeast Michigan, for the purpose of funding, in part, the City of Detroit's pension obligations. The payment of the grant installments is conditional upon the City of Detroit's pension funds and others being in compliance with the grant conditions of both an initial and ongoing nature, which have been memorialized in agreements between the parties. The Foundation did not make any payments to FDF in 2016 or 2015, but did accrue $175,000 in 2016 to be paid in early 2017 as conditions to receive the payment were met prior to December 31, 2016. The remaining $2,975,000 will be payable upon fulfillment of the conditions as monitored by FDF. This amount is not included in grants payable consistent with the Foundation's policy for conditional grants.

Note 8 - Related Party Transactions

The Foundation has been advising and supporting the start-up activities of another not-for-profit organization, Detroit Children's Fund (DCF). The Foundation is performing certain management functions for DCF based on a formal management services agreement. Related party transactions and balances as of and for the years ended December 31, 2016 and 2015 are shown below:

	2016	2015
Contributed services related to management functions	$ 112,973	$ 95,878
Expenses paid on behalf of DCF	7,957	1,693
Granted funds to DCF	6,000	621,000
Grant payable	370,000	450,000
Receivable from DCF	2,288	-

Note 9 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at December 31, 2016 and 2015, and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. Significant Level 3 inputs include most recently audited financial statements and performance reports from independent sources.

Note 9 - Fair Value Measurements (Continued)

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

As of December 31, 2016, the Foundation implemented new guidance that changes the required disclosures for investments valued at net asset value (NAV) per share (or its equivalent) as a practical expedient. Previously, investments measured at fair value using the NAV practical expedient were classified in the fair value hierarchy based on the redemption features associated with the investment. Under the new guidance, investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient are no longer classified in the fair value hierarchy above and the information for 2016 and 2015 has been adjusted to conform to the new disclosure requirements.

Assets Measured at Fair Value on a Recurring Basis at December 31, 2016

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at December 31, 2016
Cash equivalents	$ 10,543,526	$ 4,383,566	$ -	$ -	$ 14,927,092
Global equities and futures contracts	3,165,495	-	-	133,425,880	136,591,375
Fixed-income investments	11,677,446	-	-	13,599,620	25,277,066
Hedge funds	-	-	-	122,220,609	122,220,609
Private equity limited partnerships	-	-	484,788	136,179,105	136,663,893
Total	$ 25,386,467	$ 4,383,566	$ 484,788	$ 405,425,214	$ 435,680,035

Assets Measured at Fair Value on a Recurring Basis at December 31, 2015

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at December 31, 2015
Cash equivalents	$ 13,298,236	$ 10,000,000	$ -	$ -	$ 23,298,236
Global equities and futures contracts	2,473,903	-	-	140,902,817	143,376,720
Fixed-income investments	12,646,765	-	-	13,968,353	26,615,118
Hedge funds	-	-	-	118,300,248	118,300,248
Private equity limited partnerships	-	-	445,658	126,859,373	127,305,031
Total	$ 28,418,904	$ 10,000,000	$ 445,658	$ 400,030,791	$ 438,895,353

Note 9 - Fair Value Measurements (Continued)

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended December 31, 2016 and 2015 (dollars in thousands) are as follows:

	Private Equity Limited Partnership
Balance at January 1, 2016	$ 445,658
Net realized and unrealized losses on investments	(122,543)
Purchases	161,673
Balance at December 31, 2016	$ 484,788

	Private Equity Limited Partnership
Balance at January 1, 2015	$ 530,909
Net realized and unrealized losses on investments	(223,900)
Purchases	138,649
Balance at December 31, 2015	$ 445,658

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs

One of the Foundation's limited partnerships is categorized as a Level 3 investment. The Foundation estimates its fair value based on income information provided by the general partner and fund manager, as well as third-party reports, including audit reports, interim financial statements, listing of underlying investments, and performance reports.

The Foundation's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the end of the reporting period. There were no transfers between levels during the years ended December 31, 2016 and 2015.

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies at year end whereby the fair value of the investments held is estimated based on the net asset value per share (or its equivalent) of the investment companies as a practical expedient.

Note 9 - Fair Value Measurements (Continued)

Investments Held at December 31, 2016

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Event-driven (a)	$ 113,792	$ -	Annually	60-95 days
Directional equity (b)	4,506,925	-	Monthly, quarterly, biannually	45-90 days
Fixed income (c)	13,599,620	-	Quarterly	90 days
Multistrategy (d)	251,008,189	-	Quarterly and annually	45-90 days
Fund of hedge funds (e)	17,585	-	N/A	N/A
Real estate private equity (f)	5,916,068	3,023,724	N/A	N/A
Natural resources private equity (g)	24,399,655	4,442,553	N/A	N/A
Nonmarketable limited partnerships (h)	29,091,203	69,176,059	N/A	N/A
Private equity - Domestic (i)	38,337,725	6,013,542	N/A	N/A
Private equity - International (i)	38,434,452	14,515,359	N/A	N/A
Total	$ 405,425,214	$ 97,171,237		

Investments Held at December 31, 2015

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Event-driven (a)	$ 163,577	$ -	Annually	60-95 days
Directional equity (b)	11,933,309	-	Monthly, quarterly, biannually	45-90 days
Fixed income (c)	13,968,353	-	Quarterly	90 days
Multistrategy (d)	247,043,024	1,323,643	Quarterly and annually	45-90 days
Fund of hedge funds (e)	63,155	-	N/A	N/A
Real estate private equity (f)	10,991,263	1,184,330	N/A	N/A
Natural resources private equity (g)	20,856,806	6,154,029	N/A	N/A
Nonmarketable limited partnerships (h)	9,392,450	22,243,046	N/A	N/A
Private equity - Domestic (i)	42,965,622	7,855,228	N/A	N/A
Private equity - International (i)	42,653,232	17,818,005	N/A	N/A
Total	$ 400,030,791	$ 56,578,281	N/A	N/A

Note 9 - Fair Value Measurements (Continued)

(a) **Event Driven** -This strategy involves taking a long or short position in any security (stock, bond, or loan) of a corporation that is undergoing some corporate "event." Events include merger, acquisition, spin off, bankruptcy, and restructuring. For instance, in a merger or acquisition, event-driven managers usually buy the stock of the company that is being acquired, and sell short the stock of the company that is acquiring, a trade which makes money if and when the two companies consummate their merger. In other types of corporate events such as bankruptcy, event-driven managers usually use the bankruptcy to purchase the bonds or loans of the bankrupt company in order to profit from the company's restructuring, either through price appreciation of the security purchased, or through actively working with the company to restructure.

(b) **Directional Equity** - The strategy is similar to the equity market neutral strategy, except the managers do not balance long and short positions. This results in a portfolio that does have some market exposure, but far less than traditional long-only portfolios of stocks.

(c) **Fixed Income** - This strategy is similar to directional equity except that managers use fixed-income securities.

(d) **Multistrategy** - A hedge fund strategy that involves a combination of any other strategies. Multistrategy managers add value both by their successful management of each of the underlying strategies, but also in the relative allocation to different strategies in their fund.

(e) **Fund of Hedge Funds** - This asset class seeks to generate returns through diversified portfolios of hedge funds and hedge fund strategies. It should be expected that this asset class will have varying levels of exposure to all of the various hedge fund strategies previously identified. The investments in this asset class will be made in securities of offshore corporations and will have an identifiable, although thinly traded, market for liquidity.

(f) **Real Estate Private Equity** - This asset class seeks to generate returns predominately through the identification of undervalued or mispriced real estate assets or real estate-related companies. Investments would be expected to be made through either public or private equity securities, convertible notes or warrants, or other acquired or originated debt securities. The exposure within this asset class would be expected to be predominately long-only exposure, and will generally be maintaining a long exposure to direct real estate assets or real estate-related companies and securities. Additionally, it is not expected that these assets would be held as marketable securities with an active or easily identifiable market; however, the asset class overall would be expected to generate some level of current income. This exposure is obtained primarily through investments in long-dated limited partnership vehicles and is considered illiquid.

Note 9 - Fair Value Measurements (Continued)

(g) **Natural Resources Private Equity** - This asset class seeks to generate returns predominately through the identification of undervalued or mispriced assets or companies engaged in the exploration, production, transportation, or related services in natural resources such as oil, natural gas, timber, land, minerals, or precious metals, etc. Investments would be expected to be made through either public or private equity securities, convertible notes or warrants, or other acquired or originated debt securities. The exposure within this asset class would be expected to be predominately long only exposure and will generally be maintaining a long exposure to companies or assets engaged in the basic materials sector. Additionally, it is not expected that these assets would be held as marketable securities with an active or easily identifiable market; however, the asset class overall would be expected to generate some level of current income. This exposure is obtained primarily through investments in long-dated limited partnership vehicles and is considered illiquid.

(h) **Nonmarketable Limited Partnerships** - Investments in private equity are typically made through limited partnership structures and are illiquid in nature. Investments are typically made in unlisted companies (companies that are not traded on public exchanges) or, in some cases, listed companies are purchased and taken private. Private equity encompasses a broad array of strategies and securities that may include buyout, growth equity, and venture capital strategies. Other strategies may include real estate, natural resources, and credit. Investments may be in any sector of the economy or geography in the world, though funds will typically specialize in specific industries and regions.

(i) **Private Equity Domestic and International** - Investments in private equity are typically made through limited partnership structures and are illiquid in nature. Investments are typically made in unlisted companies (companies that are not traded on public exchanges) or, in some cases, listed companies are purchased and taken private. Private equity encompasses a broad array of strategies and securities. Buyout, growth equity, and venture capital strategies purchase equity in private companies at different stages of the company's life cycle. Other strategies, such as mezzanine or special situations, will invest in debt, preferred equity, or other parts of a company's capital structure. Investments may be in any sector of the economy or geography in the world, though funds will typically specialize in specific industries and regions.

Note 10 - Program-related Investments (PRI)

At December 31, 2016 and 2015, the Foundation's PRI portfolio included four loans and one equity investment. The debt investments are summarized in the table below as follows:

	2016	2015
Debt principal amount	$ 574,154	$ 621,292
Equity investment	200,000	200,000
Program-related investments - Net	$ 774,154	$ 821,292

Quarterly interest payments are due on the outstanding debt amounts at interest rates of 1 to 4 percent.

Note 11 - Fixed Assets

The cost of fixed assets as of December 31, 2016 is summarized as follows:

Furniture and fixtures	$ 179,677
Computer equipment	80,107
Leasehold improvements	173,835
Total cost	433,619
Less accumulated depreciation	(15,021)
Net carrying amount	$ 418,598

Depreciation expense was $15,021 for 2016.