Consolidated Financial Statements and
Supplementary Information Together with
Report of Independent Certified Public Accountants

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES

For the years ended December 31, 2014 and 2013

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES

TABLE OF CONTENTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of the
Doris Duke Charitable Foundation:

We have audited the accompanying consolidated financial statements of the Doris Duke Charitable Foundation and Related Entities, including Duke Farms Foundation, Doris Duke Foundation for Islamic Art, Doris Duke Management Foundation, and Doris Duke Foundation (collectively, the "Foundation"), which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of activities and cash flows, for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Doris Duke Charitable Foundation and Related Entities as of December 31, 2014 and 2013, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet information as of December 31, 2014 and 2013 on pages 26 and 27 and the consolidating schedules of activities information for the years ended December 31, 2014 and 2013 on pages 28 and 29 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

New York, New York
June 19, 2015

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidated Balance Sheets
As of December 31, 2014 and 2013

ASSETS	2014	2013
Cash and cash equivalents	$ 48,987,203	$ 50,305,216
Prepaid expenses, deferred charges and other receivables	2,203,772	1,813,897
Other assets	395,032	669,295
Deposits held with bond trustee (Note 11)	3,130,428	3,130,115
Investments (Note 3)	1,736,631,819	1,733,101,679
Beneficial interest in trusts held by others (Note 2)	2,669,967	2,495,716
Property and equipment, net (Note 4)	116,513,816	119,307,192
Total assets	$ 1,910,532,037	$ 1,910,823,110
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 4,156,112	$ 4,595,478
Accrued interest payable	625,641	625,543
Grants payable, net (Note 6)	56,381,113	68,269,310
Deferred federal and state excise taxes payable (Note 7)	10,811,640	9,509,492
Post-retirement health benefit obligation (Note 5)	9,871,733	7,632,605
Interest rate swap agreement (Note 11)	5,710,582	196,093
Bonds payable, net (Note 11)	55,512,105	55,544,384
Total liabilities	143,068,926	146,372,905
COMMITMENTS (Notes 3, 6 and 9)		
NET ASSETS - unrestricted	1,767,463,111	1,764,450,205
Total liabilities and net assets	$ 1,910,532,037	$ 1,910,823,110

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

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidated Statements of Activities
For the years ended December 31, 2014 and 2013

	2014	2013
REVENUES (LOSSES)		
Investment income:		
Dividends	$ 4,462,606	$ 4,537,158
Interest	4,264,482	8,029,122
	8,727,088	12,566,280
Less:		
Investment expenses	(6,135,373)	(8,303,929)
Provision for federal and state excise taxes (Note 7)	(1,281,353)	(3,409,746)
Net investment income	1,310,362	852,605
Change in value of beneficial interest in trusts held by others (Note 2)	174,251	440,981
Other revenues	80,924	429,760
Change in value of interest rate swap agreement (Note 11)	(5,514,489)	5,369,181
Total (losses) revenues	(3,948,952)	7,092,527
EXPENSES		
Grants, net (Note 6)	56,333,792	82,018,156
Program	26,732,001	24,713,743
Administration	4,772,015	4,405,337
Total expenses	87,837,808	111,137,236
Decrease in net assets before net investment gains	(91,786,760)	(104,044,709)
INVESTMENT ACTIVITY		
Net realized gains	60,534,713	75,764,305
Net unrealized gains	34,264,953	172,327,911
Net investment gains	94,799,666	248,092,216
Change in net assets	3,012,906	144,047,507
Net assets - unrestricted, beginning of year	1,764,450,205	1,620,402,698
Net assets - unrestricted, end of year	$ 1,767,463,111	$ 1,764,450,205

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

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,012,906	$ 144,047,507
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in value of interest rate swap agreement	5,514,489	(5,369,181)
Depreciation and amortization	5,227,668	5,197,928
Amortization of deferred bond issuance costs	21,446	21,445
Amortization of bond premium	(32,279)	(34,460)
Changes in present value discount on grants payable	295,026	(324,674)
Discount allowance on grants payable	(464,282)	578,545
Non-cash contributions	(4,850)	-
Loss from disposition of property and equipment	283,415	782
Net realized and unrealized gains on investments	(96,101,813)	(251,200,740)
Change in value of beneficial interest in trusts held by others	(174,251)	(440,981)
Changes in assets and liabilities:		
Decrease (increase) in interest, dividends and other receivables	848,433	(277,752)
Decrease in due from brokers	72,885,653	44,367,129
(Increase) decrease in prepaid expenses, deferred charges and other receivables	(411,321)	312,723
Decrease (increase) in other assets	274,263	(274,263)
Decrease in due to brokers	(64,761,388)	(31,168,543)
Decrease in accounts payable and accrued expenses	(439,366)	(222,449)
Increase (decrease) in accrued interest payable	98	(1,982)
Increase (decrease) in post-retirement health benefit obligation	2,239,128	(505,515)
(Decrease) increase in grants payable	(11,718,941)	15,517,521
Increase in deferred federal and state excise taxes payable	1,302,148	3,108,521
Net cash used in operating activities	(82,203,818)	(76,668,439)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(750,884,941)	(2,684,346,177)
Proceeds from sale of investments	834,483,916	2,784,293,879
Purchase of property and equipment	(2,746,090)	(1,120,475)
Proceeds from sale of property and equipment	33,233	4,400
Net cash provided by investing activities	80,886,118	98,831,627
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in deposits held with bond trustee	(313)	2,870,967
Net cash (used in) provided by financing activities	(313)	2,870,967
Net (decrease) increase in cash and cash equivalents	(1,318,013)	25,034,155
Cash and cash equivalents, beginning of year	50,305,216	25,271,061
Cash and cash equivalents, end of year	$ 48,987,203	$ 50,305,216
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for federal and state excise taxes, net of refunds	$ 1,697,897	$ 3,756,746
Cash paid for interest	$ 2,012,697	$ 2,015,846

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

1. DESCRIPTION OF ORGANIZATION AND RELATED ENTITIES

Doris Duke Charitable Foundation ("DDCF") is a private foundation established by the Last Will and Testament of Doris Duke in 1996. DDCF was formed as a trust under the laws of the State of New York and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the "Code") as an organization described in Section 501(c)(3). DDCF is a private foundation within the meaning of Section 509(a) of the Code.

The mission of DDCF's grants program is to improve the quality of people's lives by nurturing the arts, protecting and restoring the environment, seeking cures for diseases, and promoting child well-being. The mission and the strategy of DDCF are guided by Doris Duke's Last Will and Testament, which reflects the interests she pursued during her life. Doris Duke bequeathed DDCF significant resources to support those interests in addition to a legacy of properties and collections. Further, DDCF supports three operating foundations that own Doris Duke's former properties in New Jersey, Hawaii, and Rhode Island, and a fourth that provides services to the other foundations.

The Doris Duke Foundation which was established in Delaware in 1934 by Doris Duke during her lifetime, the Doris Duke Charitable Foundation, and three operating foundations which were established through a Plan of Reorganization, effectuated in January 1999, are collectively referred to as the "Foundation." The following summarizes the entities which, in addition to DDCF, comprise the Foundation.

Duke Farms Foundation

Duke Farms Foundation ("DFF") was incorporated under the laws of the State of New York for the purpose of receiving title to real property located in Somerville, Hillsborough, Raritan, and Readington, New Jersey. The property comprises 2,700 acres, and includes designed landscapes, working farms, and supporting infrastructure. It is used for environmental, agricultural, and horticultural purposes. During 2006, the DFF Board of Directors approved a resolution to develop a master plan to fulfill DFF's mission of environmental stewardship. The plan led to the restoration of the property, consistent with sound environmental practices, as a resource for public education and enjoyment. The design process for the property and buildings was completed in 2009 and renovation of existing structures, for both public education and administrative use was completed in the spring of 2012.

DFF is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

Doris Duke Foundation for Islamic Art

Doris Duke Foundation for Islamic Art ("DDFIA") was incorporated under the laws of the State of New York for the purpose of receiving title to real property located in Honolulu, HI known as Shangri La, a former residence of Doris Duke which houses her collection of Islamic art. It is used to promote the study and understanding of Islamic arts and cultures. DDFIA also awards grants to promote the use of arts and media to improve Americans' understanding of Muslim societies.

DDFIA is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

Additionally, DDFIA was specifically prohibited in its charter from operating a museum. Carrying out the educational and historic house/museum activities mandated for DDFIA at Shangri La required the formation of a new entity under the jurisdiction of the Board of Regents of the State of New York. Accordingly, in 2002, a new entity named the Doris Duke Foundation for Islamic Art was chartered by the Board of Regents of the State of New York as a museum. The Board of Regents then approved the consolidation of the not-for-profit corporation known as Doris Duke Foundation for Islamic Art with the new organization by the same name, as chartered by the Board of Regents.

Doris Duke Management Foundation

Doris Duke Management Foundation ("DDMF") was incorporated under the laws of the State of New York for the purpose of creating a centralized source of personnel to provide various services, including management, clerical, financial, and operational services, to the Foundation. DDMF also serves as a centralized source of certain facilities and equipment, both shared and separate.

DDMF is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code and it qualifies as a private operating foundation described in Section 4942(j)(3) of the Code.

All appropriate expenses are assigned to each foundation pursuant to an Operating Agreement created at the inception of DDMF for the services performed by DDMF on their behalf.

Doris Duke Foundation

Doris Duke Foundation ("DDF") is a private grant-making entity, organized under the laws of the State of Delaware in 1934, exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). It is a private foundation within the meaning of Section 509(a) of the Code.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). All material inter-organizational balances and transactions have been eliminated in preparing the accompanying consolidated financial statements.

The Foundation's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed stipulations. At December 31, 2014 and 2013, the net assets of the Foundation were unrestricted in nature and represent resources that are not subject to donor-imposed stipulations, and are, therefore, available for the general operations of the Foundation.

In the event the Foundation receives contributions or other assets which are restricted in nature due to specific time or use restrictions, such resources would be classified as temporarily restricted or permanently restricted net assets accordingly, based on the nature of such restrictions. Temporarily restricted net assets represent net assets which are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. Permanently restricted net assets represent net assets that are subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or removed by actions of the Foundation.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions relate to the valuation of non-exchange traded alternative investments; the determination of the Foundation's post-retirement health benefit obligation; the fair value assigned to its interest rate swap agreement; and, its remainderman interest under split-interest agreements. Actual results could differ from those estimates.

Fair Value Measurements

The FASB issued ASC Topic 820 which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Assets and liabilities, subject to the standard, measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value ("NAV") per share, or its equivalent, that may be redeemed at that NAV at the date of the balance sheet or in the near term, which the Foundation has generally considered to be within 90 days.

Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad 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. However, the determination of what constitutes "observable" requires significant judgment by an entity. The Foundation considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument.

Valuation of Investments

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, certain U.S. government and sovereign obligations, and certain money market securities. The Foundation does not adjust the quoted price for such instruments, even in situations where the Foundation holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include certain U.S. government and sovereign obligations, not included in Level 1, most government agency securities, investment-grade corporate bonds, certain mortgage products, certain bank loans and bridge loans, commingled funds, less liquid listed equities, state, municipal and provincial obligations, most physical commodities and certain loan commitments. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or nontransferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 instruments include private equity and real estate investments, certain bank loans and bridge loans, less liquid corporate debt securities (including distressed debt instruments), collateralized debt obligations, and less liquid mortgage securities (backed by either commercial or residential real estate). When observable prices are not available for these securities, the Foundation uses one or more valuation techniques (e.g., the market approach, the income approach or the cost approach) for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted, as appropriate, for liquidity, credit, market and/or other risk factors.

The inputs used by the Foundation in estimating the value of Level 3 investments, which are not reported at NAV as of the measurement date, include the original transaction price, recent transactions for the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Foundation in the absence of market information. The fair value measurement of Level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the Foundation, due to the lack of observable inputs, may significantly impact the resulting fair value for certain assets categorized as Level 3 and therefore the Foundation's changes in net assets for the respective period.

Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents, equity and fixed-income securities and alternative investments. The Foundation maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. The Foundation's cash accounts were placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts. The Foundation has a significant investment in equities, bonds, and alternative investments, both marketable and non-marketable, and is therefore subject to concentrations of credit risk. Investment decisions are made by the DDCF Investment Committee of the Board of Trustees in conformity with the investment strategy approved by and under the direction of the Board of Trustees, in consultation with management and independent investment managers engaged by the Foundation.

Property and Equipment

Property and equipment are stated at cost, or at appraised values if received from the Estate of Doris Duke. Property and equipment are depreciated on the straight-line basis over the estimated useful lives of the respective assets, which range from 3 to 30 years. Leasehold improvements are amortized on the straight-line basis over the life of the lease or their estimated useful life, whichever is shorter. The Foundation capitalizes computers and related equipment with a unit price of $5,000 or greater and property and other equipment costing more than $2,500.

Beneficial Interest in Trusts Held by Others

In accordance with Doris Duke's Last Will and Testament, DDCF is the remainderman beneficiary of several split-interest agreements - specifically, irrevocable charitable remainder annuity trusts held by others. The Foundation initially valued these deferred gifts at the fair value of the underlying investments which are then discounted to reflect the Foundation's remainderman interest upon death of the respective life beneficiaries. Published IRS discount rates are employed to determine the net present value of both contributions and liabilities pertaining to these split-interest agreements. Annually, DDCF revalues its remainderman interest in these split-interest agreements and reflects this change in value in its consolidated statement of activities.

The following table summarizes the changes in the Foundation's beneficial interest in trusts held by others for the years December 31, 2014 and 2013:

	2014	2013
Balance, beginning of year	$ 2,495,716	$ 2,054,735
Change in fair value	174,251	440,981
Balance, end of year	$ 2,669,967	$ 2,495,716

Grants

Grant awards by the Foundation to recipients are recorded as an expense and a liability when approved by the appropriate boards and the grantee has been selected and notified. Such grant commitments are often made to a recipient over multiple fiscal years and are therefore recognized and measured at the present value of the amounts to be paid. The present value discount is determined when the grant is initially recognized using an appropriate discount rate which is not subsequently revised. The Foundation amortizes grant discounts, which are recorded as additional grant expense, over the payment period of the respective grant using the effective interest method. Rescinded and refunded grants are recorded as a reduction to grant expense.

Functional Allocation of Expenses

The costs of operating the Foundation have been allocated among program-related and administrative expenses. Program-related expenses pertain principally to the general grant-making activities of the Foundation, such as reviewing proposals and awarding, monitoring, and evaluating grants. Administrative expenses include all other non-program related expenses of the Foundation.

Consolidated Statements of Cash Flows

For purposes of preparing the accompanying consolidated statements of cash flows, the Foundation considers investments with original maturities of three months or less at the time of purchase and all investments in money market funds, with immediate liquidity, to be cash equivalents. Short-term investments held by investment managers as part of the Foundation's long-term investment strategy are, however, classified as investments. At December 31, 2014 and 2013, the Foundation had $45,364,888 and $49,159,744, respectively, in money market funds which have been classified as cash equivalents.

Financial Instruments

The carrying amount of the Foundation's financial instruments approximate fair value.

Subsequent Events

The Foundation evaluated its December 31, 2014 consolidated financial statements for subsequent events through June 19, 2015, the date the consolidated financial statements were issued. Except as noted below, the Foundation is not aware of any subsequent events, which would require recognition or disclosure in the accompanying consolidated financial statements.

On May 5, 2015, the Foundation signed a credit agreement extending a line of credit to The Nature Conservancy of up to a maximum principal amount of $20,000,000. This credit agreement qualifies as a program-related investment, as defined in Section 4944(C) of the Internal Revenue Code. The maturity date for this agreement is five years from its effective date (on or before May 5, 2020). As of June 19, 2015, no loan advances have been funded to The Nature Conservancy.

3. INVESTMENTS

Investments at December 31, 2014 and 2013 consist of the following:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Equity investments	$ 73,846,503	$ 100,075,120	$ 70,005,696	$ 100,033,839
Commingled investments	267,930,014	290,741,765	248,140,368	271,103,594
Marketable alternative investments	461,755,325	838,014,705	445,871,330	787,953,672
Non-exchange traded alternative investments	311,112,420	425,976,520	293,732,276	401,903,376
Fixed-income investments	55,929,089	55,623,843	125,615,828	129,126,238
Subtotal	1,170,573,351	1,710,431,953	1,183,365,498	1,690,120,719
Interest, dividends and other receivables, net	566,493	566,493	1,414,926	1,414,926
Due to brokers	(11,181,593)	(11,181,593)	(75,942,981)	(75,942,981)
Due from brokers	9,623,362	9,623,362	71,509,455	71,509,455
Pending investment purchases*	-	-	35,000,000	35,000,000
Investment redemption receivable**	25,000,000	27,191,604	15,000,000	10,999,560
Total	$ 1,194,581,613	$ 1,736,631,819	$ 1,230,346,898	$ 1,733,101,679

* Amounts included above as pending investment purchases as of December 31, 2013 reflect cash disbursed to two investment funds that had not yet been credited to the Foundation's capital account as of December 31, 2013.

** Amounts included above as investment redemption receivable reflect one redemption request each year submitted by the Foundation relative to its investment funds, which remains outstanding as of December 31, 2014 and 2013, respectively. These amounts were collected in full subsequent to the respective year-ends.

Marketable and non-exchange traded alternative investments at December 31, 2014 and 2013 consist of the following:

	2014			2013		
	Number of Funds	Cost	Fair Value	Number of Funds	Cost	Fair Value
ALTERNATIVE INVESTMENT STRATEGY:						
Marketable alternative investments:						
Multi-Strategy	11	$ 176,532,501	$ 399,004,945	13	$ 200,936,701	$ 416,728,362
Equity Long/Short	15	187,624,604	306,330,675	11	166,800,740	261,261,566
Distressed/High Yield	6	97,598,220	132,679,085	6	78,133,889	109,963,744
Total marketable alternative investments	32	461,755,325	838,014,705	30	445,871,330	787,953,672
Non-exchange traded alternative investments:						
Fund of Funds	9	73,732,209	83,967,574	9	80,381,131	89,095,746
Buy-outs/Growth	18	78,899,152	124,852,228	16	72,046,214	114,827,933
Venture Capital	34	81,090,516	114,233,271	27	64,662,401	103,999,916
Distressed	4	3,986,557	8,444,425	4	7,044,053	10,991,083
Real Assets	15	73,403,986	94,479,022	14	69,598,477	82,988,698
Total non-exchange traded alternative investments	80	311,112,420	425,976,520	70	293,732,276	401,903,376
Total alternative investments	112	$ 772,867,745	$ 1,263,991,225	100	$ 739,603,606	$ 1,189,857,048

Equity investments include U.S. large and small-capitalization companies, real estate investment trusts, non-U.S. developed and emerging markets, and global equities (U.S. and non-U.S. developed market securities).

Commingled investments are funds whose underlying holdings include U.S. and non-U.S. publicly traded equities and publicly traded fixed income securities such as government bonds, corporate bonds, treasury bonds, and mortgage-backed securities. The liquidity of these funds range from daily to monthly.

Fixed-income investments represent the broad U.S. bond market, including government, corporate, treasury, and mortgage-backed securities.

Cash and cash equivalents include short-term investments. Cash and cash equivalents held by investment managers, as part of the long-term investment strategy of the Foundation, have been classified into the investment categories in which they are intended to ultimately be invested and amounted to $22,320,033 and $23,032,713 at 2014 and 2013, respectively.

Because of the uncertainty associated with the valuations of certain alternative investments, which are not readily marketable or do not have quoted market prices, the carrying values of such investments could differ had a ready market for such investments existed. Such difference could be material. The realization of the Foundation’s investment in limited partnership interests is dependent upon the general partners’ distributions and operating performance during the life of each partnership.

The following table summarizes investments within the fair value hierarchy as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
Equity investments	$ 100,027,651	$ 47,469	$ -	$ 100,075,120
Commingled investments	-	290,741,765	-	290,741,765
Marketable alternative investments	-	311,283,549	526,731,156	838,014,705
Non-exchange traded alternative investments	-	-	425,976,520	425,976,520
Fixed-income investments	-	55,623,843	-	55,623,843
	$ 100,027,651	$ 657,696,626	$ 952,707,676	$ 1,710,431,953

The following table summarizes investments within the fair value hierarchy as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Equity investments	$ 99,982,657	$ 51,182	$ -	$ 100,033,839
Commingled investments	12,052,773	259,050,821	-	271,103,594
Marketable alternative investments	-	255,087,732	532,865,940	787,953,672
Non-exchange traded alternative investments	-	-	401,903,376	401,903,376
Fixed-income investments	-	129,126,238	-	129,126,238
	$ 112,035,430	$ 643,315,973	$ 934,769,316	$ 1,690,120,719

The following table summarizes the changes in fair values associated with Level 3 investments for the years ended December 31, 2014 and 2013:

	2014	2013
Balance, beginning of year	$ 934,769,316	$ 889,721,388
Sales	(176,782,300)	(142,631,947)
Purchases	119,944,061	39,120,843
Realized gains	54,517,607	66,545,563
Unrealized gains	20,258,992	82,013,469
Balance, end of year	$ 952,707,676	$ 934,769,316

During the years ended December 31, 2014 and 2013, there were no transfers among levels. The Foundation's policy is to recognize transfers in and transfers out of levels at the end of the reporting period.

Realized and unrealized gains in the table above are reflected in the accompanying consolidated statements of activities.

The Foundation uses NAV, or its equivalent, to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The following table lists such investments reported at fair value using NAV by major category at December 31, 2014:

	Number of Funds	NAV in Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Multi-Strategy	11	$ 399,004,945	N/A	$ -	N/A	Monthly to annually with 14 to 180 days notice	No restrictions other than 1 fund with a rolling 2 year lockup and 10% gate, 1 fund with a 33% gate and 1 fund with illiquid side pocket investments
Equity Long/Short	15	306,330,675	N/A	3,006,000	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than 1 fund with a 1 year lockup, 1 fund with a 50% gate and 1 fund with a 25% gate
Distressed/High Yield	6	132,679,085	N/A	-	N/A	Monthly to semi-annually with 60 to 90 days notice	No restrictions other than 1 fund with rolling 2 year lockup, 1 fund with a 50% gate, 1 fund with a 25% gate and 1 fund with a 25% gate per quarter
Fund of Funds	9	83,967,574	Varying through 2021	14,821,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Buy-outs/Growth	18	124,852,228	Varying through 2041	58,947,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Venture Capital	34	114,233,271	Varying through 2025	28,601,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Distressed	4	8,444,425	Varying through 2018	633,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
Real Assets	15	94,479,022	Varying through 2024	50,022,000	Over the life of the fund	Illiquid at the discretion of the General Partner	Illiquid at the discretion of the General Partner
	112	$ 1,263,991,225		$ 156,030,000			

The following table lists such investments reported at fair value using NAV by major category at December 31, 2013:

	Number of Funds	NAV in Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Multi-Strategy	13	$ 416,728,362	N/A	$ -	N/A	Monthly to annually with 14 to 90 days notice	1 fund with a rolling two year lockup
Equity Long/Short	11	261,261,566	N/A	14,592,000	N/A	Monthly to quaterly with 30 to 90 days notice	3 funds with a rolling three year lockup
Distressed/High Yield	6	109,963,744	N/A	-	N/A	Monthly to semi-annually with 60 to 90 days notice	1 fund limiting redemptions to 50% of remaining balance
Fund of Funds	9	89,095,746	Varying through 2021	20,605,000	Over the life of the fund	Illiquid, at the discretion of the General Partner	Illiquid, at the discretion of the General Partner
Buy-outs/Growth	16	114,827,933	Varying through 2041	60,750,000	Over the life of the fund	Illiquid, at the discretion of the General Partner	Illiquid, at the discretion of the General Partner
Venture Capital	27	103,999,916	Varying through 2024	26,800,000	Over the life of the fund	Illiquid, at the discretion of the General Partner	Illiquid, at the discretion of the General Partner
Distressed	4	10,991,083	Varying through 2018	630,000	Over the life of the fund	Illiquid, at the discretion of the General Partner	Illiquid, at the discretion of the General Partner
Real Assets	14	82,988,698	Varying through 2017	55,500,000	Over the life of the fund	Illiquid, at the discretion of the General Partner	Illiquid, at the discretion of the General Partner
	100	$ 1,189,857,048		$ 178,877,000			

4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31, 2014 and 2013, consists of the following:

	2014	2013
Land improvements	$ 29,567,657	$ 29,386,365
Buildings and improvements	59,316,060	59,151,659
Furniture and equipment	14,093,612	14,389,735
Leasehold improvements	3,826,856	3,826,856
	106,804,185	106,754,615
Less: accumulated depreciation and amortization	(41,409,600)	(37,121,861)
	65,394,585	69,632,754
Land	49,010,680	49,010,680
Construction in progress	2,108,551	663,758
	$ 116,513,816	$ 119,307,192

Depreciation and amortization expense for the years ended 2014 and 2013 totaled $5,227,668 and $5,197,928, respectively.

5. POST-RETIREMENT HEALTH BENEFIT OBLIGATION

The Foundation provides health benefits to all its full-time employees. Upon retirement, employees may be eligible for continuation of some of these benefits. Amounts are accrued for such benefits during the years in which employees provide services to the Foundation.

The actuarial present value of the benefit obligation and the amounts recognized in the accompanying consolidated balance sheets as of December 31, 2014 and 2013, are as follows:

	2014	2013
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 7,632,605	$ 8,138,120
Service cost	481,644	559,064
Interest cost	367,911	320,502
Plan participants' contributions	30,977	23,888
Actuarial loss (gain)	1,588,134	(1,214,455)
Benefits paid	(229,538)	(194,514)
Benefit obligation, end of year	$ 9,871,733	$ 7,632,605
Change in plan assets:		
Fair value of plan assets, beginning of year	$ -	$ -
Employer contributions	198,561	170,626
Plan participants' contributions	30,977	23,888
Benefits paid	(229,538)	(194,514)
Fair value of plan assets, end of year	$ -	$ -

	2014	2013
Components of accrued benefit cost:		
Funded status	$ (9,871,733)	$ (7,632,605)
Unamortized prior service credit	(360,342)	(395,834)
Unamortized net gain	(890,210)	(2,631,930)
Accrued benefit cost	$ (11,122,285)	$ (10,660,369)
Components of net periodic benefit cost:		
Service cost	$ 481,644	$ 559,064
Interest cost	367,911	320,502
Amortization of prior service credit	(35,492)	(35,492)
Amortization of net gain	(153,586)	(53,225)
Net periodic post-retirement benefit cost	$ 660,477	$ 790,849
Discount rate for benefit obligation, end of year	3.95%	4.86%
Discount rate for net periodic benefit cost, end of year	4.86%	3.98%

The mortality rates used for the December 31, 2014 disclosures are from the base RP-2014 Mortality Table for annuitants and non-annuitants with projected mortality improvements using scale MP-2014 on a generational basis. This is an update from the base RP-2000 Mortality Table with projections using scale AA for annuitants and non-annuitants used for the December 31, 2013 disclosures.

Future benefit payments to participants are expected to be paid as follows:

Year ending December 31:	**Amount**
2015	$ 228,070
2016	221,358
2017	230,056
2018	240,119
2019	269,102
2020 - 2024	1,946,189
	$ 3,134,894

Expected employer contributions to post-retirement health benefit plan, net of employee contributions, for fiscal year 2015 will total $228,070.

	2014	**2013**
Assumed pre-65 medical trend rates at December 31:		
Health care cost trend rate assumed next year	8.0%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.9%	5.0%
Year rate reaches the ultimate trend rate	2075	2022
Assumed post-65 medical trend rates at December 31:		
Health care cost trend rate assumed next year	6.0%	6.5%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.9%	5.0%
Year rate reaches the ultimate trend rate	2075	2022
Assumed prescription drug trend rates at December 31:		
Health care cost trend rate assumed next year	9.0%	7.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.9%	5.0%
Year rate reaches the ultimate trend rate	2075	2022

The Foundation does not anticipate applying for the Medicare Part D prescription drug federal subsidy; therefore, the above disclosures do not reflect the impact of Medicare Part D. The Foundation's expense (benefit) associated with this plan totaled $2,239,128 and ($505,515) for 2014 and 2013, respectively.

	2014	2013
Amounts recognized in the consolidated balance sheets consist of:		
Accrued benefit liability	$ 9,871,733	$ 7,632,605
Unrestricted net assets	$ 1,250,552	$ 3,027,764
Amounts recognized in unrestricted net assets consist of:		
Unamortized prior service credit	$ 360,342	$ 395,834
Unamortized actuarial net gain	890,210	2,631,930
	$ 1,250,552	$ 3,027,764
Amounts expected to be amortized from unrestricted net assets next fiscal year:		
Prior service credit	$ 35,492	$ 35,492
Net actuarial gain	153,586	53,225
	$ 189,078	$ 88,717
Change in unamortized items:		
Prior service credit	$ -	$ -
Actuarial loss/(gain)	1,588,134	(1,214,455)
	$ 1,588,134	$ (1,214,455)

The assumed health care trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in the health care cost trend rates would have the following effects:

	One-Percentage Point Increase	One-Percentage Point Decrease
Effect on total of service and interest cost components	$ 252,762	$ (183,719)
Effect on post-retirement benefit obligation	$ 2,267,436	$ (1,733,643)
Expected effect in the unrestricted net assets for fiscal year 2015:		
Transition obligation	$ -	
Prior service credit	$ (35,492)	
Net actuarial gain	$ -	

6. GRANTS PAYABLE, NET

The following summarizes the changes in grants payable during 2014 and 2013:

	2014	2013
Balance, beginning of year:		
DDCF	$ 59,229,011	$ 45,149,556
DDF	7,514,824	5,761,500
DDFIA	2,436,955	2,238,675
Present value discount	(911,480)	(651,813)
	68,269,310	52,497,918
Grants authorized:		
DDCF	49,754,550	75,293,371
DDF	6,825,000	5,500,000
DDFIA	178,125	1,723,280
Present value discount	(464,282)	(589,609)
	56,293,393	81,927,042
Deductions:		
Payments made:		
DDCF	(62,147,559)	(61,213,916)
DDF	(4,218,057)	(3,746,676)
DDFIA	(2,000,000)	(1,525,000)
Amortization of present value discount	295,026	329,942
	(68,070,590)	(66,155,650)
Net Rescinded grants:		
DDCF	(111,000)	-
	(111,000)	-
Balance, end of year:		
DDCF	46,725,002	59,229,011
DDF	10,121,767	7,514,824
DDFIA	615,080	2,436,955
Present value discount	(1,080,736)	(911,480)
	$ 56,381,113	$ 68,269,310

The Foundation’s grant commitments at December 31, 2014 and 2013 were discounted to present value by applying interest rate factors of 1.4175% and 0.76%, respectively.

In 2014 and 2013, grants in the amount of $143,627 and $238,828, respectively, were refunded and netted with grants expense in the consolidated statements of activities. During 2014 and 2013, there were $110,000 and $0 of grants rescinded.

As of December 31, 2014, the Foundation’s Board of Trustees approved grants of $40,284,605 for which grantees had not yet been selected and notified. Accordingly, such grants have not been accrued in the accompanying consolidated balance sheet as of December 31, 2014.

Grants authorized but unpaid at December 31, 2014 are expected to be payable as follows:

2015	$ 30,949,770
2016	20,486,545
2017	4,311,853
2018	1,498,181
2019	215,500
	57,461,849
Less: present value discount	(1,080,736)
	$ 56,381,113

7. INCOME TAXES

DDCF, DFF, DDMF, DDFIA and DDF are organizations exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and are private foundations as described in Section509(a). The Foundation, however, is generally subject to a federal excise tax of 2% on their net investment income under Section 4940(a) and to federal and state income tax on their unrelated business income which is taxable at regular corporate rates. Historically, DDMF, DFF and DDFIA have not generated net investment income and have not been subject to any excise taxes.

Section 4940(e) provides for a reduction of the federal excise tax to 1% if the Foundation makes sufficient qualifying distributions. Based on its actual cash spending, DDCF will not qualify for the reduced 1% tax in 2014; but DDF will qualify for the 1% rate in 2014. The Foundation has calculated a current federal excise tax provision, including a 2013 return to provision true-up, of $1,281,353.

The Foundation is required to book a deferred income tax provision based on cumulative unrealized gains on investments. The deferred excise tax provision is calculated assuming a 2% excise tax rate and is based on projected gains that assume complete liquidation of all assets. The deferred federal excise tax liability at December 31, 2014 and 2013 was $10,811,640 and $9,509,492, respectively. The net change in unrealized gains and losses for the current period is $1,302,148; accordingly, the Foundation has recorded a deferred tax provision of $1,302,148, which has been netted against its unrealized gains on the accompanying 2014 statement of activities.

For the years ending December 31, 2014 and 2013, DDCF reported unrelated business income tax, for federal and state purposes, that is immaterial for financial statement purposes as DDCF has federal and state net operating losses that exceed its projected tax liability. The Foundation has received refunds on state withholding taxes that had been improperly withheld at the limited partnership level. As a result, DDCF is reporting an unrelated business income tax refund of $61,974.

DDCF has generated a net operating loss carryforward of approximately $2.8 million. The projected deferred tax asset based on these net operating losses is approximately $989,000 which has been recorded in the accompanying consolidated financial statements. The increase in DDCF's net operating loss represents a deferred tax benefit that is a component of the excise tax provision. DDCF anticipates utilizing these net operating losses within the next few years and therefore no valuation allowance has been recorded.

The provision for current federal excise tax consists of the following:

		2014		2013
Current federal excise tax	$	1,343,327	$	3,293,973
Unrelated business income tax		(61,974)		2,773
	$	1,281,353	$	3,296,746

The Foundation adopted the provisions of FASB Interpretation No. 48 ("FIN 48") Accounting for Uncertainties in Income Taxes – an interpretation of FASB Statement No. 109, now incorporated in Accounting Standards Codification ("ASC") 740. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement.

This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The tax years ended December 31, 2012, 2013 and 2014 are still open to audit for both federal and state purposes. The adoption of ASC 740-10 did not have a material impact on the Foundation's consolidated financial statements, as management determined that there are no material uncertain tax positions within its consolidated financial statements.

8. RELATED PARTIES

Newport Restoration Foundation ("NRF") was established as a not-for-profit foundation in 1968 in order to preserve and restore historic architecture of the eighteenth and early nineteenth centuries in Newport, RI. In accordance with the Last Will and Testament of Doris Duke, in 1999, NRF received certain real and personal property located in Newport, RI, known as Rough Point, and certain real property located in Middletown, Rhode Island, valued at Doris Duke's date of death at approximately $22 million. Annually, DDCF's Board of Trustees approves a grant to fund the operations of Rough Point. During 2014 and 2013, NRF was awarded $2,450,000 and $2,420,000, respectively, from DDCF. The Foundation shares no common board members with NRF and exerts no control over NRF's operations.

9. LEASE COMMITMENTS

DDMF leases its office space located on the 18th and 19th floors of 650 Fifth Avenue, New York, New York. A new lease agreement dated December 31, 2014 was executed and commenced on January 1, 2015 for the same space. The term of the lease is ten years and eight months and expires on August 31, 2025. The lease includes a rent abatement and a landlord contribution for qualified renovation expenses.

Certain of the Foundation's operating leases contain annual escalations. In accordance with US GAAP, rent expense is recognized on a straight-line basis, including future rent escalations and the landlord contribution for qualified renovation expenses, over the life of the lease rather than in accordance with the actual lease payments. Deferred rent expense represents the adjustment to future rentals as a result of applying the straight-line method.

Future minimum rental commitments under operating leases are as follows:

Year ending December 31:	**Amount**
2015	$ 497,074
2016	1,041,286
2017	1,131,988
2018	1,128,888
2019	1,128,888
2020 and Thereafter	6,679,216
	$ 11,607,340

Rent expense for 2014 and 2013 approximated $656,000 and $746,000, respectively.

10. PENSION PLANS

DDMF sponsors a 401(a) profit sharing plan with a 401(k) feature. Employees may elect to have pretax employee contributions made to their accounts not to exceed federal allowable limits. The Foundation is required to make a contribution equal to at least 3% of compensation of all eligible non-highly compensated employees, and highly compensated employees if desired, regardless of whether an employee makes employee contributions. The Foundation also makes discretionary contributions to the 401(k) plan, which is a non-elective contribution safe harbor 401(k) plan design. Total pension expense under this 401(k) plan for 2014 and 2013 totaled $1,264,279 and $1,211,925, respectively. Participants are immediately vested in their employee contributed account balance and in the employer's contribution portion and all earnings thereon.

DDMF also sponsors a Supplemental Employee Retirement Plan (the "Supplemental Plan") to provide certain employees of the Foundation with retirement benefits that are otherwise unavailable from the 401(k) qualified retirement plan established by DDMF. The Supplemental Plan is an unfunded (nonqualified) retirement plan which permits the employer to defer 15% of compensation, at the employees' direction, in excess of the Code's 401(a)(17) limitation for eligible employees. Pension expense relative to the Supplemental Plan was approximately $113,470 and $108,141 in 2014 and 2013, respectively. The annual limitation used in calculating the 2014 and 2013 pension expense was $260,000 and $255,000, respectively. As of December 31, 2014 and 2013, DDMF accrued approximately $741,878 and $612,800, respectively, relating to the Supplemental Plan.

In 2006, DDMF adopted a 457(b) deferred compensation plan to provide certain employees of the Foundation with the benefit of additional tax-deferred retirement savings opportunities. The annual 457(b) deferral limitation for 2014 and 2013 was $17,500. This plan is entirely funded by employee salary deferrals. Plan assets and liabilities pertaining to the 457(b) plan, which are immaterial to the accompanying consolidated financial statements, have not been recognized.

11. BONDS PAYABLE, NET

New Jersey Economic Development Authority, Economic Development Bonds (Duke Farms Foundation Project) – Series 2009A and 2009B.

On May 28, 2009, DFF borrowed $55,000,000, guaranteed by DDCF, to finance the renovation of numerous existing buildings, the acquisition of machinery and equipment and the construction of landscaping improvements, on approximately 500 acres of land, for a visitor orientation center, offices, greenhouses and related facilities to be used for ecological, agricultural and horticultural education, restoration, preservation and enjoyment, located in the municipality of Hillsborough, County of Somerset in the State of New Jersey.

A portion of the total $55,000,000 borrowings consisted of $30,000,000 Series 2009A bonds which were initially issued at a daily rate of interest with a standby letter of credit from Northern Trust Bank providing a liquidity facility. The interest rate on the Series 2009A variable rate bonds ranged between 0.01% and 0.12% during fiscal 2014 and 0.01% and 0.24% during fiscal 2013. Concurrent with the issuance of the Series 2009A bonds, DFF entered into an interest rate swap agreement for the notional amount of $30,000,000 with Deutsche Bank in order to synthetically fix its variable rate issuance as a hedge against interest rate volatility. Under the terms of the agreement, DFF agreed to pay Deutsche Bank a fixed rate of interest equal to 2.665% on the Series 2009A bonds, and to receive from Deutsche Bank a payment equal to 68% of the 3-month LIBOR (0.167% and 0.166% at December 31, 2014 and 2013, respectively). The interest rate received by DFF is reset on a daily basis. The swap agreement expires coincident with the maturity of the bonds on July 1, 2048. Payment on the Series 2009A bonds is due in full on July 1, 2048.

The balance of the total amount borrowed consisted of $25,000,000 Series 2009B bonds which were issued at a 5.00% coupon rate priced at 102.789% to yield 4.84% on May 14, 2009. The Series 2009B bonds were issued at a premium of $697,250, resulting in net proceeds from the Series 2009A and 2009B bonds to DFF of $55,697,250. The bond premium is being amortized using the effective interest method over the term of the bonds. Amortization of the bond premium totaled $32,279 and $34,460 for the years ended December 31, 2014 and 2013, respectively. Payment on the Series 2009B bonds is due in full on July 1, 2048.

In conjunction with the bond financing, DDCF received underlying ratings of “AAA” from Standard & Poor’s and “Aaa” from Moody’s.

The Foundation pays interest only on amounts borrowed until July 1, 2048, at which time the bonds are payable in full. During fiscal 2014, interest expense relating to Series 2009 A and B bonds, including interest rate swap payments, totaled $2,012,697. During fiscal 2013, interest expense relating to the Series 2009 A and B bonds, including interest rate swap payments, totaled $2,015,846.

As described above, DFF entered into an interest rate swap agreement relating to its variable rate bond issuance, wherein DFF agreed to pay the counterparty (Deutsche Bank) a fixed interest rate and the counterparty agreed to pay DFF a variable interest rate intended to approximate the variable rate on DFF’s bonds. DFF’s swap is considered a Level 2 financial instrument within the fair value hierarchy. The fair value of the swap, as described above, is based upon the expected future cash flows discounted at a current market rate.

As of and for the years ended December 31, 2014 and 2013, amounts included within the consolidated financial statements relating to the interest rate swap agreement are as follows:

Fair Value at December 31, 2014	Fair Value at December 31, 2013	Consolidated Statements of Financial Postion Location	Change in Value of Interest Rate Swap Agreement for the Year Ended December 31, 2014	Change in Value of Interest Rate Swap Agreement for the Year Ended December 31, 2013	Consolidated Statements of Activities Location	Level within the Fair Value Hierarchy
$ 5,710,582	$ 196,093	Interest rate swap agreement (liabilities)	$ (5,514,489)	$ 5,369,181	Change in value of interest rate swap agreement	Level 2

Deposits held with bond trustee are invested in money market funds, are recorded at fair value, and are classified as Level 1 within the fair value hierarchy at December 31, 2014 and 2013. The Foundation had no lifetime to date excess investment return, based on IRS arbitrage bond yield limitations, as of April 30, 2014.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES

Consolidating Balance Sheet Information

As of December 31, 2014

ASSETS	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
Cash and cash equivalents	$ 49,218,774	$ 86,482	$ (73,175)	$ (42,300)	$ (202,578)	$ 48,987,203	$ -	$ 48,987,203
Prepaid expenses, deferred charges and other receivables	1,085,384	17,221,768	923,821	191,017	679,591	20,101,581	(17,897,809)	2,203,772
Other assets	380,970	13,062	1,000	-	-	395,032	-	395,032
Deposits held with bond trustee	-	-	3,130,428	-	-	3,130,428	-	3,130,428
Investments	1,732,284,058	4,347,728	33	-	-	1,736,631,819	-	1,736,631,819
Beneficial interest in trusts held by others	2,669,967	-	-	-	-	2,669,967	-	2,669,967
Due from related entities	26,266	-	259,972	7,612,078	-	7,898,316	(7,898,316)	-
Property and equipment, net	-	-	83,010,075	980,016	32,523,725	116,513,816	-	116,513,816
Total assets	$ 1,785,665,419	$ 21,669,040	$ 87,252,154	$ 8,740,811	$ 33,000,738	$ 1,936,328,162	$ (25,796,125)	$ 1,910,532,037

LIABILITIES AND NET ASSETS

LIABILITIES:	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
Accounts payable and accrued expenses	$ 1,055,819	$ 40,300	$ 626,593	$ 1,792,426	$ 640,974	$ 4,156,112	$ -	$ 4,156,112
Accrued interest payable	-	-	625,641	-	-	625,641	-	625,641
Grants payable, net	63,619,964	10,054,534	-	-	604,424	74,278,922	(17,897,809)	56,381,113
Due to related entities	6,304,302	198,156	1,158,050	-	237,808	7,898,316	(7,898,316)	-
Deferred federal and state excise taxes payable	10,811,640	-	-	-	-	10,811,640	-	10,811,640
Post-retirement health benefit obligation	-	-	4,654,509	3,268,671	1,948,553	9,871,733	-	9,871,733
Interest rate swap agreement	-	-	5,710,582	-	-	5,710,582	-	5,710,582
Bonds payable, net	-	-	55,512,105	-	-	55,512,105	-	55,512,105
Total liabilities	81,791,725	10,292,990	68,287,480	5,061,097	3,431,759	168,865,051	(25,796,125)	143,068,926
NET ASSETS - unrestricted	1,703,873,694	11,376,050	18,964,674	3,679,714	29,568,979	1,767,463,111	-	1,767,463,111
Total liabilities and net assets	$ 1,785,665,419	$ 21,669,040	$ 87,252,154	$ 8,740,811	$ 33,000,738	$ 1,936,328,162	$ (25,796,125)	$ 1,910,532,037

The accompanying report of independent certified public accountants, consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

SCHEDULE 2

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidating Balance Sheet Information
As of December 31, 2013

ASSETS	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
Cash and cash equivalents	$ 50,308,178	$ 71,528	$ (49,419)	$ (18,853)	$ (6,218)	$ 50,305,216	$ -	$ 50,305,216
Prepaid expenses, deferred charges and other receivables	797,364	14,614,825	924,221	126,875	2,484,847	18,948,132	(17,134,235)	1,813,897
Other assets	380,970	13,062	275,263	-	-	669,295	-	669,295
Deposits held with bond trustee	-	-	3,130,115	-	-	3,130,115	-	3,130,115
Investments	1,728,902,082	4,199,570	27	-	-	1,733,101,679	-	1,733,101,679
Beneficial interest in trusts held by others	2,495,716	-	-	-	-	2,495,716	-	2,495,716
Due from related entities	26,266	(447)	259,972	6,336,678	-	6,622,469	(6,622,469)	-
Property and equipment, net	-	-	85,909,877	1,337,025	32,060,290	119,307,192	-	119,307,192
Total assets	$ 1,782,910,576	$ 18,898,538	$ 90,450,056	$ 7,781,725	$ 34,538,919	$ 1,934,579,814	$ (23,756,704)	$ 1,910,823,110
LIABILITIES AND NET ASSETS								
LIABILITIES:								
Accounts payable and accrued expenses	$ 1,490,953	$ 32,000	$ 813,785	$ 1,828,170	$ 430,570	$ 4,595,478	$ -	$ 4,595,478
Accrued interest payable	-	-	625,543	-	-	625,543	-	625,543
Grants payable, net	75,388,430	7,597,280	-	-	2,417,835	85,403,545	(17,134,235)	68,269,310
Due to related entities	5,028,531	198,527	1,158,050	(447)	237,808	6,622,469	(6,622,469)	-
Deferred federal and state excise taxes payable	9,509,492	-	-	-	-	9,509,492	-	9,509,492
Post-retirement health benefit obligation	-	-	3,912,242	2,274,289	1,446,074	7,632,605	-	7,632,605
Interest rate swap agreement	-	-	196,093	-	-	196,093	-	196,093
Bonds payable, net	-	-	55,544,384	-	-	55,544,384	-	55,544,384
Total liabilities	91,417,406	7,827,807	62,250,097	4,102,012	4,532,287	170,129,609	(23,756,704)	146,372,905
NET ASSETS - unrestricted	1,691,493,170	11,070,731	28,199,959	3,679,713	30,006,632	1,764,450,205	-	1,764,450,205
Total liabilities and net assets	$ 1,782,910,576	$ 18,898,538	$ 90,450,056	$ 7,781,725	$ 34,538,919	$ 1,934,579,814	$ (23,756,704)	$ 1,910,823,110

The accompanying report of independent certified public accountants, consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

SCHEDULE 3

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES

Consolidating Schedule of Activities Information

For the year ended December 31, 2014

	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
REVENUES								
Investment income:								
Dividends	$ 4,462,606	$ -	$ -	$ -	$ -	$ 4,462,606	$ -	$ 4,462,606
Interest	4,264,162	-	320	-	-	4,264,482		4,264,482
DDCF-DDF investment income allocation	(21,200)	21,200	-	-	-	-	-	-
	8,705,568	21,200	320	-	-	8,727,088	-	8,727,088
Less:								
Investment expenses	(6,105,972)	(29,401)	-	-	-	(6,135,373)	-	(6,135,373)
Provision for federal and state excise taxes	(1,281,353)	-	-	-	-	(1,281,353)	-	(1,281,353)
Net investment income	1,318,243	(8,201)	320	-	-	1,310,362	-	1,310,362
Change in value of beneficial interest in trusts held by others	174,251	-	-	-	-	174,251	-	174,251
Contributions from related entities	-	6,825,000	12,655,279	-	5,755,045	25,235,324	(25,235,324)	-
Management fees	-	-	-	11,310,767	-	11,310,767	(11,310,767)	-
Other revenues	563	-	260,463	-	(180,102)	80,924	-	80,924
Change in value of interest rate swap agreement	-	-	(5,514,489)	-	-	(5,514,489)	-	(5,514,489)
Total revenues	1,493,057	6,816,799	7,401,573	11,310,767	5,574,943	32,597,139	(36,546,091)	(3,948,952)
EXPENSES								
Grants, net	74,685,723	6,696,804	-	-	186,589	81,569,116	(25,235,324)	56,333,792
Program	697,233	60,072	14,465,271	6,538,751	4,970,674	26,732,001	-	26,732,001
Administration	-	-	-	4,772,015	-	4,772,015	-	4,772,015
Management fees	8,222,885	60,962	2,171,587	-	855,333	11,310,767	(11,310,767)	-
Total expenses	83,605,841	6,817,838	16,636,858	11,310,766	6,012,596	124,383,899	(36,546,091)	87,837,808
Decrease in net assets before net investment gains	(82,112,784)	(1,039)	(9,235,285)	1	(437,653)	(91,786,760)	-	(91,786,760)
Investment gains:								
Net realized gains	60,387,371	147,342	-	-	-	60,534,713	-	60,534,713
Net unrealized gains	34,105,937	159,016	-	-	-	34,264,953	-	34,264,953
Net investment gains	94,493,308	306,358	-	-	-	94,799,666	-	94,799,666
Change in net assets	12,380,524	305,319	(9,235,285)	1	(437,653)	3,012,906	-	3,012,906
Net assets - unrestricted, beginning of year	1,691,493,170	11,070,731	28,199,959	3,679,713	30,006,632	1,764,450,205	-	1,764,450,205
Net assets - unrestricted, end of year	$ 1,703,873,694	$ 11,376,050	$ 18,964,674	$ 3,679,714	$ 29,568,979	$ 1,767,463,111	$ -	$ 1,767,463,111

The accompanying report of independent certified public accountants, consolidated financial statements and notes thereto are an integral part of this consolidating schedule.

SCHEDULE 4

DORIS DUKE CHARITABLE FOUNDATION AND RELATED ENTITIES
Consolidating Schedule of Activities Information
For the year ended December 31, 2013

	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
REVENUES								
Investment income:								
Dividends	$ 4,537,158	$ -	$ -	$ -	$ -	$ 4,537,158	$ -	$ 4,537,158
Interest	8,027,764	-	1,358	-	-	8,029,122	-	8,029,122
DDCF-DDF investment income allocation	(32,019)	32,019	-	-	-	-	-	-
	12,532,903	32,019	1,358	-	-	12,566,280	-	12,566,280
Less:								
Investment expenses	(8,247,592)	(56,337)	-	-	-	(8,303,929)	-	(8,303,929)
Provision for federal and state excise taxes	(3,389,746)	(20,000)	-	-	-	(3,409,746)	-	(3,409,746)
Net investment income	895,565	(44,318)	1,358	-	-	852,605	-	852,605
Change in value of beneficial interest in trusts held by others	440,981	-	-	-	-	440,981	-	440,981
Contributions from related entities	-	12,600,000	9,438,380		6,275,981	28,314,361	(28,314,361)	-
Management fees	-	-	-	10,897,574	-	10,897,574	(10,897,574)	-
Other revenues	352	-	385,615	-	43,793	429,760	-	429,760
Change in value of interest rate swap agreement	-	-	5,369,181	-	-	5,369,181	-	5,369,181
Total revenues	1,336,898	12,555,682	15,194,534	10,897,574	6,319,774	46,304,462	(39,211,935)	7,092,527
EXPENSES								
Grants, net	103,140,033	5,500,000			1,692,484	110,332,517	(28,314,361)	82,018,156
Program	695,901	60,353	13,610,884	6,492,237	3,854,368	24,713,743	-	24,713,743
Administration	-	-	-	4,405,337	-	4,405,337	-	4,405,337
Management fees	7,853,254	61,800	2,005,517	-	977,003	10,897,574	(10,897,574)	-
Total expenses	111,689,188	5,622,153	15,616,401	10,897,574	6,523,855	150,349,171	(39,211,935)	111,137,236
Decrease in net assets before net investment gains	(110,352,290)	6,933,529	(421,867)	-	(204,081)	(104,044,709)	-	(104,044,709)
Investment gains:								
Net realized gains	75,565,988	198,317	-	-	-	75,764,305	-	75,764,305
Net unrealized gains	171,939,941	387,970	-	-	-	172,327,911	-	172,327,911
Net investment gains	247,505,929	586,287	-	-	-	248,092,216	-	248,092,216
Change in net assets	137,153,639	7,519,816	(421,867)	-	(204,081)	144,047,507	-	144,047,507
Net assets - unrestricted, beginning of year	1,554,339,531	3,550,915	28,621,826	3,679,713	30,210,713	1,620,402,698	-	1,620,402,698
Net assets - unrestricted, end of year	$ 1,691,493,170	$ 11,070,731	$ 28,199,959	$ 3,679,713	$ 30,006,632	$ 1,764,450,205	$ -	$ 1,764,450,205

The accompanying report of independent certified public accountants, consolidated financial statements and notes thereto are an integral part of this consolidating schedule.