

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

**Doris Duke Charitable Foundation, Inc. and
Related Entities**

December 31, 2020 and 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of the
Doris Duke Charitable Foundation, Inc.

We have audited the accompanying consolidated financial statements of the Doris Duke Charitable Foundation, Inc. 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, 2020 and 2019, 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 entity's preparation and fair presentation of the consolidated 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 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, Inc. and Related Entities as of December 31, 2020 and 2019, 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, 2020 and 2019 on pages 33 and 34, respectively, and the consolidating schedules of activities information for the years ended December 31, 2020 and 2019 on pages 35 and 36, respectively, 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 audits 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 15, 2021

Doris Duke Charitable Foundation, Inc. and Related Entities

CONSOLIDATED BALANCE SHEETS

December 31,

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 45,463,470	\$ 27,431,308
Prepaid expenses and other receivables	1,332,113	1,073,298
Other assets	2,310,029	2,095,987
Investments (Note 3)	2,349,972,329	1,881,062,106
Program-related investments (Note 13)	21,866,000	20,639,936
Beneficial interest in trusts held by others (Note 2)	4,719,860	3,958,250
Right of use assets (Note 10)	4,314,697	-
Property and equipment, net (Note 4)	105,285,235	109,042,859
Total assets	\$ 2,535,263,733	\$ 2,045,303,744
LIABILITIES		
Accounts payable and accrued expenses	\$ 8,716,970	\$ 9,149,851
Grants payable, net (Note 6)	52,447,531	51,519,601
Deferred federal and state excise taxes payable (Note 7)	15,301,672	10,084,487
Post-retirement health benefit obligation (Note 5)	7,712,477	7,863,476
Lease liability	5,015,571	-
Interest rate swap agreement (Note 12)	12,246,565	8,226,819
Bonds payable, net (Note 12)	153,633,236	54,276,621
Total liabilities	255,074,022	141,120,855
COMMITMENTS (Notes 3, 6 and 10)		
NET ASSETS - without donor restrictions	2,280,189,711	1,904,182,889
Total liabilities and net assets	\$ 2,535,263,733	\$ 2,045,303,744

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

Doris Duke Charitable Foundation, Inc. and Related Entities

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended December 31, 2020 and 2019

	2020	2019
Revenues		
Investment income:		
Dividends	\$ 3,661,077	\$ 5,686,510
Interest	4,566,167	6,635,215
Net realized gains	126,184,797	100,826,893
Unrealized gains, net (Note 7)	370,279,256	159,704,931
	504,691,297	272,853,549
Less:		
Investment expenses	(7,660,204)	(7,155,128)
Provision for federal and state excise taxes (Note 7)	(1,276,104)	(1,923,077)
Net investment income	495,754,989	263,775,344
Change in value of beneficial interest in trusts held by others (Note 2)	761,610	734,889
Other revenues	504,000	1,044,627
Change in value of interest rate swap agreement (Note 12)	(4,019,747)	(3,687,699)
Total revenues	493,000,852	261,867,161
Expenses (Note 14)		
Grants, net (Note 6)	83,117,347	67,079,257
Program	28,732,159	27,579,602
Administration	5,144,524	4,553,201
Total expenses	116,994,030	99,212,060
Change in net assets	376,006,822	162,655,101
Net assets - without donor restrictions, beginning of year	1,904,182,889	1,741,527,788
Net assets - without donor restrictions, end of year	\$ 2,280,189,711	\$ 1,904,182,889

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

Doris Duke Charitable Foundation, Inc. and Related Entities

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 376,006,822	\$ 162,655,101
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in value of interest rate swap agreement	4,019,747	3,687,699
Depreciation and amortization	4,803,012	4,777,639
Amortization of original issue discounts and deferred bond issuance costs	41,549	19,594
Change in present value discount on grants payable	1,582,852	897,788
Discount allowance on grants payable	(602,702)	(489,651)
Loss (gain) from disposition of property and equipment	1,414	(3,850)
Net realized and unrealized gains on investments	(501,681,238)	(259,275,225)
Change in value of beneficial interest in trusts held by others	(761,610)	(734,889)
Changes in assets and liabilities:		
(Increase) decrease in interest, dividends and other receivables	(48,363)	157,716
(Increase) decrease in due from brokers	(61,573,753)	44,678,072
Increase in prepaid expenses and other receivables	(258,815)	(376,594)
Increase in other assets	-	(268,678)
Increase in right of use asset	(4,314,697)	-
Increase (decrease) in due to brokers	62,503,206	(35,743,651)
(Decrease) increase in accounts payable and accrued expenses	(432,881)	1,221,498
Decrease in post-retirement health benefit obligation	(150,999)	(652,170)
Decrease in grants payable	(52,220)	(11,092,872)
Increase in lease liability	5,015,571	-
Increase (decrease) in deferred federal and state excise taxes payable	5,217,185	(1,256,600)
	<u>(110,685,920)</u>	<u>(91,799,073)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Purchase of investments	(652,778,865)	(369,846,173)
Program related investments (PRI's)	(1,440,106)	(19,117,200)
Proceeds from sale of investments	684,668,789	422,738,596
Purchase of property and equipment	(1,046,802)	(1,896,608)
Proceeds from sale of property and equipment	-	3,850
	<u>29,403,016</u>	<u>31,882,465</u>
Net cash provided by investing activities		
Cash flows from financing activities		
Proceeds from bond issuance	99,775,000	-
Deferred bond issuance costs paid	(459,934)	-
	<u>99,315,066</u>	<u>-</u>
Net cash provided by financing activities		
Net increase (decrease) in cash and cash equivalents	18,032,162	(59,916,608)
Cash and cash equivalents, beginning of year	27,431,308	87,347,916
Cash and cash equivalents, end of year	<u>\$ 45,463,470</u>	<u>\$ 27,431,308</u>
Supplemental cash flow information		
Cash paid for federal and state excise taxes, net of refunds	<u>\$ 2,212,535</u>	<u>\$ 846,894</u>
Cash paid for interest	<u>\$ 3,087,713</u>	<u>\$ 2,097,180</u>

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

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - DESCRIPTION OF ORGANIZATION AND RELATED ENTITIES

Doris Duke Charitable Foundation, Inc. (“DDCF”) was incorporated under the laws of the State of New York as a not-for-profit corporation in December 2017 to be the successor entity to the Doris Duke Charitable Foundation, the New York charitable trust with a similar name described below. DDCF 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). It is a private foundation within the meaning of Section 509(a) of the Code.

Doris Duke Charitable Foundation (“DDCF Trust”) was a private foundation established by the Last Will and Testament of Doris Duke in 1996. DDCF Trust was formed as a trust under the laws of the State of New York and was exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3). On February 11, 2019, DDCF Trust completed the transfer of all its assets to DDCF and by letter dated February 15, 2019, DDCF Trust notified the Internal Revenue Service (“IRS”) of its intent to terminate its private foundation status. DDCF Trust filed its final IRS Form 990-PF for the short tax year beginning January 1, 2019 and ending February 11, 2019. The mission of DDCF, which is identical to that of the original DDCF Trust, is to improve the quality of people's lives through grants supporting the performing arts, environmental conservation, medical research and child well-being, and through the preservation of the cultural and environmental legacy of Doris Duke's properties. The mission and 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 Trust 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 DDCF Trust, DDCF, 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 Readington property was recorded as public open space in 2018). The property comprises approximately 2,700 acres of landscapes, trails, lakes, farms, buildings and supporting infrastructure. It is used for public recreation and learning, environmental research, agriculture and horticultural. The DFF Board of Trustees approved a resolution to develop a master plan to fulfill DFF's mission of environmental stewardship in 2006. The plan led to the restoration of the property - completed in 2012 - consistent with sound environmental practices, to serve as a resource for public education and enjoyment.

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 Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

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 and personal property located in Honolulu, Hawaii known as Shangri La, a former residence of Doris Duke which houses her collection of Islamic art. In May 2017, DDFIA received an absolute charter as a museum from the Board of Regents of the State of New York. It is a museum for learning about the global cultures of Islamic art and design through exhibitions, digital and educational initiatives, public tours and programs, and community partnerships. DDFIA also awards grants to advance relationships and increase understanding between Muslim and non-Muslim communities for mutual well-being.

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.

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 behalf of each foundation.

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.

NOTE 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 (“U.S. 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, 2020 and 2019, the net assets of the Foundation 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 net assets with donor restrictions.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. 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 Financial Accounting Standards Board issued Accounting Standards Codification 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; and
- 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.

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.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

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 non-transferability, 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 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 reporting period. As of December 31, 2020 and 2019, the Foundation did not hold any financial instruments that were included in Level 3.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

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, with the exception of collections, are depreciated on the straight-line basis over the estimated useful lives of the respective assets, which range from three to 30 years. Leasehold improvements are amortized on the straight-line basis over the life of the lease to which they pertain 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 with useful lives greater than three years.

Leases

The Foundation determines if an arrangement is a lease at inception of the contract. Right of use assets represent the Foundation's right to use the underlying assets for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the leases. Right of use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Foundation uses an estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments. The Foundation determines this rate based on information obtained from its bankers, its secured debt fair value and publicly available data for instruments with similar characteristics.

The Foundation's operating lease is for real estate for its programmatic and administrative functions. The real estate lease agreement has an initial term of ten years. The Foundation does not record leases with an initial term of 12 months or less ("short-term leases") on its consolidated balance sheet.

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.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The following table summarizes the changes in the Foundation's beneficial interest in trusts held by others for the years December 31, 2020 and 2019:

	2020	2019
Balance, beginning of year	\$ 3,958,250	\$ 3,223,361
Change in fair value of beneficial interest	761,610	734,889
Balance, end of year	\$ 4,719,860	\$ 3,958,250

Grants

Unconditional grant awards by the Foundation to recipients are recorded as an expense and a liability when approved by the appropriate Committee of the Board 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 expected 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, 2020 and 2019, the Foundation had \$38,002,663 and \$23,948,460, 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.

COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is continuing to have a broad and negative impact on commerce and financial markets around the world. The ultimate extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Foundation's grantees, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Foundation's financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effect of this pandemic.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Subsequent Events

The Foundation evaluated its December 31, 2020 consolidated financial statements for subsequent events through June 15, 2021, the date the consolidated financial statements were issued. The Foundation is not aware of any subsequent events, which would require recognition or disclosure in the accompanying consolidated financial statements.

Adoption of Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board "FASB" issued Accounting Standards Update "ASU" No. 2016 02, *Leases*, as amended, which requires (1) most leases to be recognized on the balance sheet and (2) disclosure about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2019, with early application permitted. The new standard establishes a right of use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities.

The Foundation adopted the new standard on January 1, 2020 and elected the option to apply the transition requirements in the standard. Consequently, financial information will not be updated, and the disclosures required under the standard will not be provided for dates and periods before January 1, 2020.

The new standard provides a number of optional practical expedients in transition. The Foundation has elected the "package of practical expedients," which permits entities to not reassess conclusions prior to the implementation of the new standard about lease identification, lease classification and initial direct costs.

The most significant effects on the Foundation's consolidated financial statements relate to: (1) the recognition of a new ROU asset and a lease liability on the accompanying 2020 consolidated balance sheet for the existing real estate operating lease; and (2) providing new disclosures regarding the nature of its leasing activities.

The impact on the January 1, 2020 consolidated balance sheet is the recognition of a ROU asset totaling \$5,171,054 and a corresponding operating lease liability of \$5,962,097, based on the present value of the remaining minimum rental payments for the existing operating lease.

The new standard also provides practical expedients for an entity's ongoing accounting. The Foundation has elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, the Foundation will not recognize ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition.

Reclassifications

Certain information in the fiscal 2019 financial statements has been reclassified to conform to the fiscal 2020 presentation. Specifically, debt issuance costs which had previously been included and presented as other assets have now been netted with bonds payable to conform with the 2020 presentation.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 3 - INVESTMENTS

Investments at December 31, 2020 and 2019 consist of the following:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 55,881,111	\$ 89,672,291	\$ 45,944,075	\$ 54,254,622
Commingled funds	278,505,930	377,520,029	289,293,784	368,524,989
Fixed-income	48,351,668	48,127,829	94,760,212	94,630,105
Marketable alternative investments	384,505,775	888,512,792	296,786,295	773,234,719
Non-exchange traded alternative investments	482,091,202	946,334,863	428,097,137	589,739,749
Subtotal	1,249,335,686	2,350,167,804	1,154,881,503	1,880,384,184
Interest, dividends and other receivables, net	608,551	608,551	552,496	552,496
Due to brokers	(69,420,872)	(69,420,872)	(6,917,666)	(6,917,666)
Due from brokers	68,616,845	68,616,845	7,043,092	7,043,092
Total	<u>\$ 1,249,140,211</u>	<u>\$ 2,349,972,329</u>	<u>\$ 1,155,559,425</u>	<u>\$ 1,881,062,106</u>

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Marketable and non-exchange traded alternative investments at December 31, 2020 and 2019 consist of the following:

	2020			2019		
	Number of Funds	Cost	Fair Value	Number of Funds	Cost	Fair Value
Alternative investment strategy:						
Marketable alternative investments:						
Multi-strategy	8	\$ 109,499,161	\$ 233,120,107	7	\$ 110,120,918	\$ 262,275,971
Equity long/short	11	179,446,712	530,343,704	10	120,062,191	402,885,522
Distressed/high yield	8	95,559,902	125,048,981	7	66,603,186	108,073,226
Total marketable alternative investments	27	384,505,775	888,512,792	24	296,786,295	773,234,719
Non-exchange traded alternative investments:						
Fund of funds	10	47,594,370	32,570,429	9	49,583,318	37,148,462
Buy-outs/growth	20	98,439,226	150,676,224	22	89,863,461	97,462,118
Venture capital	106	228,672,615	672,468,911	86	188,459,119	358,790,710
Distressed	4	3,066,184	4,000,391	4	4,343,932	5,257,025
Special situations	4	20,608,236	22,313,004	3	10,924,676	10,628,329
Real assets	21	83,710,571	64,305,904	21	84,922,631	80,453,105
Total non-exchange traded alternative investments	165	482,091,202	946,334,863	145	428,097,137	589,739,749
Total alternative investments	192	\$ 866,596,978	\$ 1,834,847,655	169	\$ 724,883,432	\$ 1,362,974,468

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 funds 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.

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 \$4,411,984 and \$14,711,204 at December 31, 2020 and 2019, 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.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The following table summarizes investments within the fair value hierarchy as of December 31, 2020:

	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ 89,659,294	\$ 12,997	\$ -	\$ -	\$ 89,672,291
Commingled funds	-	-	-	377,520,029	377,520,029
Fixed income	-	48,127,829	-	-	48,127,829
Non-exchange traded alternative investments	-	-	-	946,334,863	946,334,863
Marketable alternative investments	-	-	-	888,512,792	888,512,792
	<u>\$ 89,659,294</u>	<u>\$ 48,140,826</u>	<u>\$ -</u>	<u>\$ 2,212,367,684</u>	<u>\$ 2,350,167,804</u>

The following table summarizes investments within the fair value hierarchy as of December 31, 2019:

	Level 1	Level 2	Level 3	NAV	Total
Equities	\$ 54,239,771	\$ 14,851	\$ -	\$ -	\$ 54,254,622
Commingled funds	-	-	-	368,524,989	368,524,989
Marketable alternative investments	-	-	-	773,234,719	773,234,719
Non-exchange traded alternative investments	-	-	-	589,739,749	589,739,749
Fixed income	-	94,630,105	-	-	94,630,105
	<u>\$ 54,239,771</u>	<u>\$ 94,644,956</u>	<u>\$ -</u>	<u>\$ 1,731,499,457</u>	<u>\$ 1,880,384,184</u>

The Foundation uses net asset value ("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.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The following table lists such investments reported at fair value using NAV by major assets category at December 31, 2020:

	Number of Funds	NAV in Funds	Remaining Life	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Commingled Funds	11	\$ 377,520,029	N/A	\$ -	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than one fund with a rolling one-year lockup
Multi-Strategy	8	233,120,107	N/A	-	N/A	Monthly to annually with 14 to 180 days notice	No restrictions other than one fund with a rolling two- year lockup and 10% gate, one fund with a 33% gate and one fund with illiquid side pocket investments
Equity Long/Short	11	530,343,704	N/A	-	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than one fund with a one- year lockup, one fund with a 50% gate and one fund with a 25% gate
Distressed/High Yield	8	125,048,981	N/A	1,896,000	N/A	Monthly to semi- annually with 60 to 90 days notice	No restrictions other than one fund with rolling two- year lockup, one fund with a 50% gate, one fund with a 25% gate and one fund with a 25% gate per quarter
Fund of Funds	10	32,570,429	Varying through 2027	13,545,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Buy-outs/Growth	20	150,676,224	Varying through 2041	28,083,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Venture Capital	106	672,468,911	Varying through 2029	153,830,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Distressed	4	4,000,391	Varying through 2019	3,550,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Special Situations	4	22,313,004	Through 2025	11,919,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Real Assets	21	64,305,904	Varying through 2026	31,542,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
	<u>203</u>	<u>\$ 2,212,367,684</u>		<u>\$ 244,365,000</u>			

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The following table lists such investments reported at fair value using NAV by major asset category at December 31, 2019:

	Number of Funds	NAV in Funds	Remaining Life	\$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Commingled Funds	12	\$ 368,524,989	N/A	\$ -	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than one fund with a rolling one-year lockup
Multi-Strategy	7	262,275,971	N/A	-	N/A	Monthly to annually with 14 to 180 days notice	No restrictions other than one fund with a rolling two-year lockup and 10% gate, one fund with a 33% gate and one fund with illiquid side pocket investments
Equity Long/Short	10	402,885,522	N/A	-	N/A	Monthly to annually with 30 to 90 days notice	No restrictions other than one fund with a one- year lockup, one fund with a 50% gate and one fund with a 25% gate
Distressed/High Yield	7	108,073,226	N/A	1,896,000	N/A	Monthly to semi- annually with 60 to 90 days notice	No restrictions other than one fund with rolling two-year lockup, one fund with a 50% gate, one fund with a 25% gate and one fund with a 25% gate per quarter
Fund of Funds	9	37,148,462	Varying through 2027	9,171,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Buy-outs/Growth	22	97,462,118	Varying through 2041	45,490,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Venture Capital	86	358,790,710	Varying through 2029	107,868,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Distressed	4	5,257,025	Varying through 2019	3,550,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Special Situations	3	10,628,329	Through 2025	11,033,000	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
Real Assets	<u>21</u>	<u>80,453,105</u>	Varying through 2026	<u>31,550,000</u>	Over the life of the funds	Illiquid at the discretion of the General Partners	Illiquid at the discretion of the General Partners
	<u>181</u>	<u>\$ 1,731,499,458</u>		<u>\$ 210,558,000</u>			

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 4 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, at December 31, 2020 and 2019, consists of the following:

	<u>2020</u>	<u>2019</u>
Land improvements	\$ 37,413,772	\$ 37,278,490
Buildings and improvements	64,118,279	63,253,753
Furniture and equipment	14,502,638	14,476,436
Leasehold improvements	<u>5,310,134</u>	<u>5,310,134</u>
	121,344,823	120,318,812
Less: accumulated depreciation and amortization	<u>(65,541,313)</u>	<u>(61,825,064)</u>
	55,803,510	58,493,748
Land	49,010,680	49,010,680
Construction-in-progress	<u>471,045</u>	<u>1,538,431</u>
	<u>\$ 105,285,235</u>	<u>\$ 109,042,859</u>

Depreciation and amortization expense for the years ended 2020 and 2019 totaled \$4,803,012 and \$4,777,639, respectively.

Construction-in-progress as of December 31, 2020 and 2019 consists of costs associated with land and building improvements at the Foundation's properties.

NOTE 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.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

The actuarial present value of the benefit obligation and the amounts recognized in the accompanying consolidated balance sheets as of December 31, 2020 and 2019, are as follows:

	2020	2019
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 7,863,476	\$ 8,515,646
Service cost	227,572	317,995
Interest cost	270,921	341,306
Plan participants' contributions	41,598	50,013
Amendments/curtailments/special termination	-	(207,237)
Actuarial gain	(419,601)	(803,643)
Benefits paid	(271,489)	(350,604)
Benefit obligation, end of year	\$ 7,712,477	\$ 7,863,476
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ -	\$ -
Employer contributions	229,891	300,591
Plan participants' contributions	41,598	50,013
Benefits paid	(271,489)	(350,604)
Fair value of plan assets, end of year	\$ -	\$ -
Components of accrued benefit cost:		
Funded status	\$ (7,712,477)	\$ (7,863,476)
Unamortized prior service credit	(248,977)	(365,783)
Unamortized net gain	(3,613,751)	(4,006,603)
Accrued benefit cost	\$ (11,575,205)	\$ (12,235,862)
Components of net periodic benefit cost:		
Service cost	\$ 227,572	\$ 317,995
Interest cost	270,921	341,306
Amortization of prior service credit	(116,806)	(59,828)
Amortization of net gain	(812,453)	(551,505)
Net periodic post-retirement benefit cost	\$ (430,766)	\$ 47,968

The mortality rates used for the December 31, 2020 and 2019 disclosures are based on the Pri.H-2012 Mortality Table for annuitants and non-annuitants with projected mortality improvements using scale MP-2020 on a generational basis.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Future benefit payments to participants, net of employee contributions, are expected to be paid as follows:

Year Ending December 31:		
2021	\$	330,734
2022		386,609
2023		432,323
2024		501,066
2025		518,455
2026-2030		<u>2,577,839</u>
	<u>\$</u>	<u>4,747,026</u>

Expected employer contributions to the post-retirement health benefit plan, net of employee contributions, for calendar year 2021 will total \$330,734.

	<u>2020</u>	<u>2019</u>
Assumed pre-65 medical trend rates at December 31:		
Health care cost trend rate assumed for next year	7.00%	6.75%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78%	3.78%
Year rate reaches the ultimate trend rate	2075	2075
Assumed post-65 medical trend rates at December 31:		
Health care cost trend rate assumed for next year	4.50%	4.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78%	3.78%
Year rate reaches the ultimate trend rate	2075	2075
Assumed prescription drug trend rates at December 31:		
Health care cost trend rate assumed for next year	7.00%	7.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78%	3.78%
Year rate reaches the ultimate trend rate	2075	2075

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 (benefit) expense associated with this plan totaled \$(150,999) and (\$652,170) for 2020 and 2019, respectively.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

	2020	2019
Amounts recognized in the consolidated balance sheets consist of:		
Accrued benefit liability	\$ 7,712,477	\$ 7,863,476
Amount recognized in net assets without donor restrictions	\$ 3,862,728	\$ 4,372,386
Amounts recognized in net assets without donor restrictions consist of:		
Unamortized prior service credit	\$ 248,977	\$ 365,783
Unamortized actuarial net gain	3,613,751	4,006,603
	\$ 3,862,728	\$ 4,372,386
Amounts expected to be amortized from net assets without donor restrictions next calendar year include:		
Prior service credit	\$ 116,806	\$ 59,828
Net actuarial gain	812,453	551,505
	\$ 929,259	\$ 611,333
Change in unamortized items:		
Prior service credit	\$ -	\$ (207,237)
Actuarial gain	(419,601)	(803,643)
	\$ (419,601)	\$ (1,010,880)

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	\$ 80,623	\$ (65,603)
Effect on post-retirement benefit obligation	\$ 1,090,577	\$ (903,355)
Expected effect in the net assets for calendar year 2021:		
Transition obligation	\$ -	
Prior service credit	\$ (115,550)	
Net actuarial gain	\$ (533,303)	

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 6 - GRANTS PAYABLE, NET

The following summarizes the changes in grants payable during 2020 and 2019:

	2020	2019
Balance, beginning of year:		
DDCF	\$ 50,085,984	\$ 60,221,294
DDF	2,840,367	4,125,549
DDFIA	1,240,984	796,164
Present value discount	(2,647,734)	(2,938,671)
	51,519,601	62,204,336
Grants authorized:		
DDCF	75,094,267	62,453,568
DDF	2,175,000	1,570,000
DDFIA	5,056,420	2,945,500
Present value discount	(523,812)	(606,851)
	81,801,875	66,362,217
Deductions:		
Payments made:		
DDCF	(77,772,119)	(72,523,878)
DDF	(1,817,426)	(2,817,170)
DDFIA	(2,750,052)	(2,500,680)
Amortization of present value discount	1,465,651	897,788
	(80,873,946)	(76,943,940)
Net rescinded grants:		
DDCF	-	(65,000)
DDF	-	(38,012)
	-	(103,012)
Balance, end of year:		
DDCF	47,408,132	50,085,984
DDF	3,197,941	2,840,367
DDFIA	3,547,352	1,240,984
Present value discount	(1,705,894)	(2,647,734)
	\$ 52,447,531	\$ 51,519,601

The Foundation's grant commitments at December 31, 2020 and 2019 have been discounted to present value by applying interest rate factors of 1.22% and 2.38%, respectively.

In 2020 and 2019, grants in the amount of \$150,179 and \$77,736, respectively, were refunded and netted with grants expense in the accompanying consolidated statements of activities. During 2020 and 2019, there were \$0 and \$103,012, respectively, of grants rescinded.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

As of December 31, 2020, the Foundation's Board of Trustees approved certain grants totaling \$32,623,076 for which grantees had not yet been selected and notified. Accordingly, such grants have not been accrued in the accompanying 2020 consolidated financial statements.

Unconditional grants authorized but unpaid at December 31, 2020 are expected to be paid as follows:

	Amount
Year Ending December 31,	
2021	\$ 31,251,314
2022	18,587,111
2023	4,170,000
2024	-
2025	145,000
	54,153,425
Less: present value discount	(1,705,894)
	\$ 52,447,531

NOTE 7 - EXCISE AND INCOME TAXES

Excise and Income taxes consisted of the following activity:

	2020	2019
Current excise tax	\$ 1,455,869	\$ 2,303,557
Deferred excise tax	5,217,185	(1,256,600)
Federal and state income taxes	134,920	(43,751)
	\$ 6,807,974	\$ 1,003,206

Current excise taxes are computed at a 1.39% and 2% excise tax rate, respectively, as of December 31, 2020 and 2019 on DDCF's net investment income. Current federal and state income taxes are based on unrelated business income derived by the Foundation's pass-through investments. For federal income tax purposes, the Foundation's federal and state unrelated business income tax provision (benefit) totals \$134,920 and (\$43,751), respectively, at December 31, 2020 and 2019. The Foundation generates unrelated business income on a multi-state basis and has calculated a tax provision that represents its income tax liability, net of withholding tax refunds received.

The Foundation recorded a deferred tax liability of \$15,301,672 and \$10,084,487, respectively, as of December 31, 2020 and 2019. This deferred tax liability is a result of the unrealized appreciation on the Foundation's investments.

DDCF's deferred excise tax of \$5,217,185 is netted against unrealized gains on the accompanying 2020 consolidated statement of activities.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 8 - ACCOUNTING FOR UNCERTAIN TAX POSITIONS

The Foundation follows guidance that clarifies the accounting for uncertainty in income tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements 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 foundations are organizations exempt from federal income taxation under §501(c)(3) of the Code and are private foundations as described in §509(a); although, the foundations are subject to tax on income unrelated to their exempt purpose, unless that income is otherwise excluded by the Code. The foundations have processes presently in place to ensure the maintenance of their tax-exempt status; to identify and report unrelated income; to determine their filing and tax obligations in jurisdictions for which they have nexus; and to identify and evaluate other matters that may be considered tax positions. The foundations have determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements as of and for the years ended December 31, 2020 and 2019.

NOTE 9 - 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, Rhode Island, 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. In 2016, the tax-exempt status of NRF was changed from a private foundation to a public charity. Annually, DDCF’s Board of Trustees approves a grant to fund the operations of Rough Point. During 2020 and 2019, NRF was awarded \$2,631,120 from DDCF each year. The Foundation shares no common board members with NRF and exerts no control over NRF’s operations.

NOTE 10 - LEASES

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 10 years and eight months and expires on August 31, 2025. The lease includes a rent abatement and a landlord contribution for qualified renovation expenses.

As of December 31, 2020, the Foundation’s reported a ROU asset of \$4,314,697 on the consolidated balance sheet and a corresponding operating lease liability of \$5,015,571, based on the present value of the remaining minimum rental payments for the existing operating lease. The remaining lease term for the operating lease at December 31, 2020 is 4.67 years and the discount rate for the operating lease is 2.38%, based on the estimated incremental borrowing rate at January 1, 2020.

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

Future minimum rental commitments under operating leases are as follows:

Year Ending December 31:	
2021	\$ 1,148,892
2022	1,148,892
2023	1,148,892
2024	1,148,892
2025	<u>765,928</u>
Total lease payments	5,361,496
Less: Imputed interest	<u>(345,925)</u>
Lease liability	<u><u>\$ 5,015,571</u></u>

NOTE 11 - 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 2020 and 2019 totaled \$1,738,225 and \$1,615,636, 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 employee's direction, in excess of the Code's 401(a)(17) limitation for eligible employees. Pension expense relative to the Supplemental Plan totaled \$172,637 and \$155,101 in 2020 and 2019, respectively. The annual limitation used in calculating the 2020 and 2019 pension expense was \$285,000 and \$280,000, respectively. As of December 31, 2020 and 2019, DDMF accrued \$2,067,553 and \$1,981,393, 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 2020 and 2019 was \$19,500 and \$19,000, respectively. This plan is entirely funded by employee salary deferrals. Plan assets and liabilities pertaining to the 457(b) plan have been recognized in other assets and accounts payable and accrued expenses on the accompanying consolidated financial statements.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 12 - BONDS PAYABLE, NET

Doris Duke Charitable Foundation, Inc. Social Bonds, Series 2020 (Taxable)

On July 28, 2020, DDCF issued a \$100 million taxable bond (Series 2020) to enable grant-making to stabilize and sustain a nonprofit sector facing devastating economic impacts due to COVID-19 and an unprecedented demand for its services magnified by racial injustice. The Series 2020 bonds, underwritten by Morgan Stanley, bear an interest rate of 2.345% with a maturity date of July 1, 2050. The Series 2020 bonds were issued at a discount of \$225,000. The bond discount is being amortized using the straight line method over the term of the bonds. Amortization of the bond discount totaled \$11,416 for the year ended December 31, 2020. Deferred bond issue costs totaling \$673,518 are netted with bond payables. During fiscal 2020, interest expense related to the Series 2020 bonds totaled \$996,625. Payment on the Series 2020 bonds is due in full on July 1, 2050.

New Jersey Economic Development Authority, Economic Development Bonds (Duke Farms Foundation Project) - Series 2016 and 2017

In 2017, the Foundation completed bond repurchase agreements to refinance its New Jersey Economic Development Authority Economic Development Refunding Bonds (Duke Farms Foundation Project) Series 2009A and 2009B bonds.

On January 19, 2017, the Series 2009B bonds were refinanced through a new issuance of \$24,840,000 of Series 2016 bonds bearing an interest rate of 4.073% with a maturity date of July 1, 2046. The Series 2016 bonds were issued at a discount of \$310,500. The bond discount is being amortized using the effective-interest method over the term of the bonds. Amortization of the bond discount totaled \$19,594 for each of the years ended December 31, 2020 and 2019. Payment on the Series 2016 bonds is due in full on July 1, 2046. On February 1, 2017, the Series 2009A bonds were refinanced through a new issuance of \$30,250,000 of Series 2017 bonds. The interest rate on the Series 2017 variable rate bonds ranged between .974% and 2.323% during calendar 2020 and 2.263% and 2.933% during calendar 2019. The DFF interest rate swap agreement from the Series 2009A was maintained for the Series 2017 bonds. Under the terms of the agreement, DFF agreed to pay Deutsche Bank a fixed rate of interest equal to 2.665% and to receive from Deutsche Bank a payment equal to 68% of the 3-month London Interbank Offered Rate (1.600% and 1.300% at December 31, 2020 and 2019, 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 2017 bonds is due in full on July 1, 2048.

In conjunction with the initial 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 (Series 2017) and July 1, 2046 (Series 2016), at which time the bonds are payable in full. During fiscal 2020, interest expense relating to the Series 2016 and Series 2017 bonds, including interest rate swap payments, totaled \$2,091,088. During fiscal 2019, interest expense relating to Series 2017 and 2016 bonds, including interest rate swap payments, totaled \$2,161,614.

Deferred bond issue costs pertaining to both the 2017 and 2016 bonds totaling \$783,245 are netted with bond payables.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

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, 2020 and 2019, amounts included within the accompanying consolidated financial statements relating to the interest rate swap agreement are as follows:

Fair Value at December 31, 2020	Fair Value at December 31, 2019	Consolidated Balance Sheets Location	Change in Value of Interest Rate Swap Agreement for the Year Ended December 31, 2020	Change in Value of Interest Rate Swap Agreement for the Year Ended December 31, 2019	Consolidated Statement of Activities Location	Level within the Fair Value Hierarchy
\$ 12,246,565	\$ 8,226,819	"Interest rate swap agreement (liabilities)"	\$ (4,019,747)	\$ (3,687,699)	Change in value of interest rate swap agreement	Level 2

NOTE 13 - LINE OF CREDIT AND PROGRAM-RELATED INVESTMENTS

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 Code. The original maturity date for this agreement was five years from its effective date (on or before May 5, 2020). In February 2018, a one-year extension of the maturity date (until May 5, 2021) was approved and in November 2018, an additional 32-month extension of the maturity date (until December 31, 2023) was approved. As of December 31, 2020, there was an outstanding balance of \$19,366,000 on the line of credit.

In addition, on September 19, 2016, the Foundation signed a credit agreement with Social Finance CT Family Stability for loans up to \$1,500,000 over 6 years. In February 2020, \$226,064 was funded to Social Finance CT Family Stability. In May 2020, the \$1,500,000 balance was repaid in full.

On November 30, 2020, the Foundation signed a loan agreement with Artspace Projects, Inc. in the amount of \$2,500,000 bearing an interest rate of 1% over five years. This loan qualifies as a program-related investment, as defined in Section 4944(c) of the Code. The maturity date for this loan is November 30, 2025. As of December 31, 2020, there was an outstanding balance of \$2,500,000 on this loan.

Doris Duke Charitable Foundation, Inc. and Related Entities

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 14 - FUNCTIONAL EXPENSES

The Foundation provides for programs to improve the quality of people's lives through grants supporting the performing arts, environmental conservation, medical research and child well-being, and through preservation of the cultural and environmental legacy of Doris Duke's properties. Expenses that can be identified with a specific program are charged directly. Other expenses that are common to programs and supporting activities are allocated by various statistical bases. Expenses related to providing these services consist of the following:

	2020		
	Program Activities	Supporting Activities	Total
Grants, net	\$ 83,117,347	\$ -	\$ 83,117,347
Salaries, benefits & payroll taxes	13,284,925	2,915,927	16,200,852
Legal fees	23,111	-	23,111
Accounting & tax fees	57,017	269,900	326,917
Outsourced services	2,880,043	1,121,480	4,001,523
Depreciation	4,678,668	103,653	4,782,321
Occupancy	696,055	307,011	1,003,066
Travel, conferences & meetings	127,006	16,591	143,597
Printing & publications	21,794	1,516	23,310
Bond interest	3,087,713	-	3,087,713
Other	3,875,827	408,446	4,284,273
	<u>\$ 111,849,506</u>	<u>\$ 5,144,524</u>	<u>\$ 116,994,030</u>
	2019		
	Program Activities	Supporting Activities	Total
Grants, net	\$ 67,079,257	\$ -	\$ 67,079,257
Salaries, benefits & payroll taxes	12,052,223	2,705,000	14,757,223
Legal fees	118,277	-	118,277
Accounting & tax fees	57,716	264,763	322,479
Outsourced services	3,257,127	685,150	3,942,277
Depreciation	4,612,171	122,959	4,735,130
Occupancy	667,181	284,699	951,880
Travel, conferences & meetings	783,247	89,337	872,584
Printing & publications	36,764	834	37,598
Bond interest	2,161,614	-	2,161,614
Other	3,833,282	400,459	4,233,741
	<u>\$ 94,658,859</u>	<u>\$ 4,553,201</u>	<u>\$ 99,212,060</u>

Doris Duke Charitable Foundation, Inc. and Related Entities
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2020 and 2019

NOTE 15 - AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS

The Foundation's financial assets available within one year of December 31, 2020 and 2019 to meet general expenditures include:

	2020	2019
Cash and cash equivalents	\$ 45,463,470	\$ 27,431,308
Interest and dividends receivable	608,551	552,496
Exchange traded, marketable equities and commingled funds	467,192,320	422,779,611
Fixed income securities	48,127,829	94,630,105
Available financial assets	\$ 561,392,170	\$ 545,393,520

The Foundation endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations become due. In addition to the liquid assets presented above, there are likely to be additional components of the Foundation's investments that may be available and liquid within one year. These components include certain portions of marketable alternatives, as well as return of capital from both private equity and real estate holdings. The Foundation's Investment Committee reviews and evaluates the liquidity of the investment portfolio on a quarterly basis.

SUPPLEMENTARY INFORMATION

Doris Duke Charitable Foundation, Inc. and Related Entities

SCHEDULE 1 - CONSOLIDATING BALANCE SHEET INFORMATION

As of December 31, 2020

	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
ASSETS								
Cash and cash equivalents	\$ 44,993,817	\$ 410,898	\$ (2,978)	\$ (4,275)	\$ 66,008	\$ 45,463,470	\$ -	\$ 45,463,470
Prepaid expenses and other receivables	243,749	5,190,267	937,551	172,170	3,645,979	10,189,716	(8,857,603)	1,332,113
Other assets	354,950	13,062	1,000	1,941,017	-	2,310,029	-	2,310,029
Investments	2,345,012,787	4,959,542	-	-	-	2,349,972,329	-	2,349,972,329
Program-related investments	21,866,000	-	-	-	-	21,866,000	-	21,866,000
Beneficial interest in trusts held by others	4,719,860	-	-	-	-	4,719,860	-	4,719,860
Due from related entities	809,574	2,249	259,972	9,452,981	-	10,524,776	(10,524,776)	-
Right of use asset	-	-	-	4,314,697	-	4,314,697	-	4,314,697
Property and equipment, net	-	-	67,407,784	1,035,903	36,841,548	105,285,235	-	105,285,235
Total assets	<u>\$ 2,418,000,737</u>	<u>\$ 10,576,018</u>	<u>\$ 68,603,329</u>	<u>\$ 16,912,493</u>	<u>\$ 40,553,535</u>	<u>\$ 2,554,646,112</u>	<u>\$ (19,382,379)</u>	<u>\$ 2,535,263,733</u>
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable and accrued expenses	\$ 2,551,102	\$ 45,390	\$ 531,068	\$ 5,261,447	\$ 327,963	\$ 8,716,970	\$ -	\$ 8,716,970
Grants payable, net	54,613,665	3,189,715	-	-	3,501,754	61,305,134	(8,857,603)	52,447,531
Due to related entities	8,145,635	197,726	1,158,049	785,558	237,808	10,524,776	(10,524,776)	-
Deferred federal and state excise taxes payable	15,301,672	-	-	-	-	15,301,672	-	15,301,672
Post-retirement health benefit obligation	-	-	3,767,746	2,170,203	1,774,528	7,712,477	-	7,712,477
Lease liability	-	-	-	5,015,571	-	5,015,571	-	5,015,571
Interest rate swap agreement	-	-	12,246,565	-	-	12,246,565	-	12,246,565
Bonds payable, net	98,543,236	-	55,090,000	-	-	153,633,236	-	153,633,236
Total liabilities	179,155,310	3,432,831	72,793,428	13,232,779	5,842,053	274,456,401	(19,382,379)	255,074,022
NET ASSETS - without donor restrictions	<u>2,238,845,427</u>	<u>7,143,187</u>	<u>(4,190,099)</u>	<u>3,679,714</u>	<u>34,711,482</u>	<u>2,280,189,711</u>	<u>-</u>	<u>2,280,189,711</u>
Total liabilities and net assets	<u>\$ 2,418,000,737</u>	<u>\$ 10,576,018</u>	<u>\$ 68,603,329</u>	<u>\$ 16,912,493</u>	<u>\$ 40,553,535</u>	<u>\$ 2,554,646,112</u>	<u>\$ (19,382,379)</u>	<u>\$ 2,535,263,733</u>

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

Doris Duke Charitable Foundation, Inc. and Related Entities

SCHEDULE 2 - CONSOLIDATING BALANCE SHEET INFORMATION

As of December 31, 2019

	Doris Duke Charitable Foundation	Doris Duke Foundation	Duke Farms Foundation	Doris Duke Management Foundation	Doris Duke Foundation for Islamic Art	Subtotal	Elimination Entries	Total
ASSETS								
Cash and cash equivalents	\$ 27,240,823	\$ 212,605	\$ (10,130)	\$ (65,517)	\$ 53,527	\$ 27,431,308	\$ -	\$ 27,431,308
Prepaid expenses and other receivables	790,394	4,807,693	126,747	131,621	1,323,344	7,179,799	(6,106,501)	1,073,298
Other assets	354,950	13,062	1,000	1,726,975	-	2,095,987	-	2,095,987
Investments	1,876,674,877	4,387,229	-	-	-	1,881,062,106	-	1,881,062,106
Program-related investments	20,639,936	-	-	-	-	20,639,936	-	20,639,936
Beneficial interest in trusts held by others	3,958,250	-	-	-	-	3,958,250	-	3,958,250
Due from related entities	809,574	-	259,972	8,932,702	-	10,002,248	(10,002,248)	-
Property and equipment, net	-	-	70,437,093	1,267,750	37,338,016	109,042,859	-	109,042,859
Total assets	<u>\$ 1,930,468,804</u>	<u>\$ 9,420,589</u>	<u>\$ 70,814,682</u>	<u>\$ 11,993,531</u>	<u>\$ 38,714,887</u>	<u>\$ 2,061,412,493</u>	<u>\$ (16,108,749)</u>	<u>\$ 2,045,303,744</u>
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts payable and accrued expenses	\$ 3,187,931	\$ 64,482	\$ 464,661	\$ 5,207,337	\$ 225,440	\$ 9,149,851	\$ -	\$ 9,149,851
Grants payable, net	53,688,307	2,719,370	-	-	1,218,425	57,626,102	(6,106,501)	51,519,601
Due to related entities	7,625,356	197,726	1,158,049	783,309	237,808	10,002,248	(10,002,248)	-
Deferred federal and state excise taxes payable	10,084,487	-	-	-	-	10,084,487	-	10,084,487
Post-retirement health benefit obligation	-	-	3,815,372	2,323,171	1,724,933	7,863,476	-	7,863,476
Interest rate swap agreement	-	-	8,226,819	-	-	8,226,819	-	8,226,819
Bonds payable, net	-	-	54,276,621	-	-	54,276,621	-	54,276,621
Total liabilities	74,586,081	2,981,578	67,941,522	8,313,817	3,406,606	157,229,604	(16,108,749)	141,120,855
NET ASSETS - without donor restrictions	<u>1,855,882,723</u>	<u>6,439,011</u>	<u>2,873,160</u>	<u>3,679,714</u>	<u>35,308,281</u>	<u>1,904,182,889</u>	<u>-</u>	<u>1,904,182,889</u>
Total liabilities and net assets	<u>\$ 1,930,468,804</u>	<u>\$ 9,420,589</u>	<u>\$ 70,814,682</u>	<u>\$ 11,993,531</u>	<u>\$ 38,714,887</u>	<u>\$ 2,061,412,493</u>	<u>\$ (16,108,749)</u>	<u>\$ 2,045,303,744</u>

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

Doris Duke Charitable Foundation, Inc. and Related Entities

SCHEDULE 3 - CONSOLIDATING SCHEDULE OF ACTIVITIES INFORMATION

For the year ended December 31, 2020

	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	\$ 3,661,077	\$ -	\$ -	\$ -	\$ -	\$ 3,661,077	\$ -	\$ 3,661,077
Interest	4,566,167	-	-	-	-	4,566,167	-	4,566,167
Net realized gains	125,916,138	268,659	-	-	-	126,184,797	-	126,184,797
Unrealized gains, net	369,516,588	762,668	-	-	-	370,279,256	-	370,279,256
DDCF-DDF investment income allocation	(18,734)	18,734	-	-	-	-	-	-
	503,641,236	1,050,061	-	-	-	504,691,297	-	504,691,297
Less:								
Investment expenses	(7,632,456)	(27,748)	-	-	-	(7,660,204)	-	(7,660,204)
Provision for federal and state excise taxes	(1,250,671)	(2,500)	-	(22,933)	-	(1,276,104)	-	(1,276,104)
Net investment income (loss)	494,758,109	1,019,813	-	(22,933)	-	495,754,989	-	495,754,989
Change in value of beneficial interest in trusts held by others	761,610	-	-	-	-	761,610	-	761,610
Contributions from related entities	-	2,200,000	12,689,991	-	10,819,962	25,709,953	(25,709,953)	-
Management fees	-	-	-	12,632,970	-	12,632,970	(12,632,970)	-
Other revenues	194,803	-	310,657	-	(1,460)	504,000	-	504,000
Change in value of interest rate swap agreement	-	-	(4,019,747)	-	-	(4,019,747)	-	(4,019,747)
Total revenues	495,714,522	3,219,813	8,980,901	12,610,037	10,818,502	531,343,775	(38,342,923)	493,000,852
Expenses								
Grants, net	101,568,360	2,225,612	-	-	5,033,328	108,827,300	(25,709,953)	83,117,347
Program	1,482,889	227,866	14,203,696	7,465,513	5,352,195	28,732,159	-	28,732,159
Administration	-	-	-	5,144,524	-	5,144,524	-	5,144,524
Management fees	9,700,569	62,159	1,840,464	-	1,029,778	12,632,970	(12,632,970)	-
Total expenses	112,751,818	2,515,637	16,044,160	12,610,037	11,415,301	155,336,953	(38,342,923)	116,994,030
Change in net assets	382,962,704	704,176	(7,063,259)	-	(596,799)	376,006,822	-	376,006,822
Net assets - without donor restrictions, beginning of year	1,855,882,723	6,439,011	2,873,160	3,679,714	35,308,281	1,904,182,889	-	1,904,182,889
Net assets - without donor restrictions, end of year	\$ 2,238,845,427	\$ 7,143,187	\$ (4,190,099)	\$ 3,679,714	\$ 34,711,482	\$ 2,280,189,711	\$ -	\$ 2,280,189,711

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

Doris Duke Charitable Foundation, Inc. and Related Entities

SCHEDULE 4 - CONSOLIDATING SCHEDULE OF ACTIVITIES INFORMATION

For the year ended December 31, 2019

	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	\$ 5,686,510	\$ -	\$ -	\$ -	\$ -	\$ 5,686,510	\$ -	\$ 5,686,510
Interest	6,635,215	-	-	-	-	6,635,215	-	6,635,215
Net realized gains	100,595,168	231,725	-	-	-	100,826,893	-	100,826,893
Unrealized gains, net	159,344,365	360,566	-	-	-	159,704,931	-	159,704,931
DDCF-DDF investment income allocation	(28,202)	28,202	-	-	-	-	-	-
	272,233,056	620,493	-	-	-	272,853,549	-	272,853,549
Less:								
Investment expenses	(7,127,431)	(27,697)	-	-	-	(7,155,128)	-	(7,155,128)
Provision for federal and state excise taxes	(1,914,577)	-	-	(8,500)	-	(1,923,077)	-	(1,923,077)
Net investment income (loss)	263,191,048	592,796	-	(8,500)	-	263,775,344	-	263,775,344
Change in value of beneficial interest in trusts held by others	734,889	-	-	-	-	734,889	-	734,889
Contributions from related entities	-	1,650,000	12,480,396	-	10,348,873	24,479,269	(24,479,269)	-
Management fees	-	-	-	12,117,576	-	12,117,576	(12,117,576)	-
Other revenues	460,717	-	576,133	-	7,777	1,044,627	-	1,044,627
Change in value of interest rate swap agreement	-	-	(3,687,699)	-	-	(3,687,699)	-	(3,687,699)
Total revenues	264,386,654	2,242,796	9,368,830	12,109,076	10,356,650	298,464,006	(36,596,845)	261,867,161
Expenses								
Grants, net	87,008,442	1,600,169	-	-	2,949,915	91,558,526	(24,479,269)	67,079,257
Program	483,988	302,627	13,913,937	7,555,875	5,323,175	27,579,602	-	27,579,602
Administration	-	-	-	4,553,201	-	4,553,201	-	4,553,201
Management fees	9,570,887	57,825	1,601,766	-	887,098	12,117,576	(12,117,576)	-
Total expenses	97,063,317	1,960,621	15,515,703	12,109,076	9,160,188	135,808,905	(36,596,845)	99,212,060
Change in net assets	167,323,337	282,175	(6,146,873)	-	1,196,462	162,655,101	-	162,655,101
Net assets - without donor restrictions, beginning of year	1,688,559,386	6,156,836	9,020,033	3,679,714	34,111,819	1,741,527,788	-	1,741,527,788
Net assets - without donor restrictions, end of year	\$ 1,855,882,723	\$ 6,439,011	\$ 2,873,160	\$ 3,679,714	\$ 35,308,281	\$ 1,904,182,889	\$ -	\$ 1,904,182,889

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