



**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND WESTERLY
HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Consolidated Financial Statements

December 31, 2018 and 2017

(With Independent Auditors' Report Thereon)

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Consolidated Financial Statements

December 31, 2018 and 2017

Table of Contents

	Page(s)
Independent Auditors' Report	1-2
Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6-24



KPMG LLP
One Financial Plaza, Suite 2300
Providence, RI 02903

Independent Auditors' Report

The Board of Directors

The Rhode Island Community Foundation,
The Rhode Island Charities Trust, Inc.,
The Haffenreffer Family Fund,
The Downcity Partnership, Inc.,
The Jewish Federation Foundation of Greater Rhode Island,
June Rockwell Levy Foundation, Inc. and
Westerly Higher Education and Job Skills Center:

We have audited the accompanying consolidated financial statements of The Rhode Island Community Foundation, The Rhode Island Charities Trust, Inc., The Haffenreffer Family Fund, The Downcity Partnership, Inc., The Jewish Federation Foundation of Greater Rhode Island, June Rockwell Levy Foundation, Inc., and Westerly Higher Education and Job Skills Center (collectively, the Foundation), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; 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.

Auditors' 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 auditors' 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 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 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 Foundation as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 1(k) to the consolidated financial statements, in 2018 the Foundation adopted Financial Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

KPMG LLP

June 19, 2019

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Consolidated Statements of Financial Position

December 31, 2018 and 2017

Assets	2018	2017
Cash	\$ 1,512,696	1,321,447
Investments (note 3)	933,228,714	925,661,239
Other assets (notes 5 and 7)	17,175,965	18,227,995
Other receivables, net (note 4)	6,552,451	3,729,096
Fixed assets, net (note 8)	3,835,019	4,053,157
Notes receivable (less allowance for doubtful accounts of \$483,266 for 2018 and \$650,000 for 2017) (note 6)	6,118,694	7,476,012
Total assets	<u>\$ 968,423,539</u>	<u>960,468,946</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses (note 11)	\$ 1,315,688	2,054,639
Grants payable (note 10)	8,553,320	2,062,011
Charitable trusts (note 7)	6,374,351	6,119,456
Liability for funds held as agency endowments (note 11)	87,705,463	86,210,017
Total liabilities	<u>103,948,822</u>	<u>96,446,123</u>
Commitments and contingencies (note 12)		
Net assets:		
Without donor restrictions:		
Primarily designated for long-term investment (note 16)	829,958,439	848,299,054
With donor restrictions (note 17)	34,516,278	15,723,769
Total net assets	<u>864,474,717</u>	<u>864,022,823</u>
Total liabilities and net assets	<u>\$ 968,423,539</u>	<u>960,468,946</u>

See accompanying notes to consolidated financial statements.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Consolidated Statements of Activities

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Change in net assets without donor restrictions:		
Revenues and investment activity:		
Contributions (note 11)	\$ 49,669,979	28,503,796
Supporting organization contribution (note 1)	32,414,261	—
Net investment return	(40,977,858)	123,273,965
Royalties and other income (notes 5 and 14)	1,444,443	1,551,503
Net assets released from restrictions	4,368,202	888,705
Total revenues and investment activity	<u>46,919,027</u>	<u>154,217,969</u>
Expenses:		
Net grants appropriated (notes 10)	54,576,765	39,912,897
Program services (note 15)	2,583,553	2,157,591
Management and General (note 15)	6,607,434	5,820,671
Fundraising (note 15)	1,491,890	1,134,677
Total expenses	<u>65,259,642</u>	<u>49,025,836</u>
Adjustment for funds held as agency endowments	<u>—</u>	<u>492,841</u>
(Decrease) increase in net assets without donor restrictions	<u>(18,340,615)</u>	<u>105,684,974</u>
Change in net assets with donor restrictions:		
Contributions (note 11)	6,311,645	342,049
Supporting organization contribution (note 1)	19,880,686	—
Change in value of investments held in trust	(875,032)	1,037,381
Net investment return	(2,156,588)	1,003,222
Net assets released from restrictions	(4,368,202)	(888,705)
Increase in net assets with donor restrictions	<u>18,792,509</u>	<u>1,493,947</u>
Change in net assets	451,894	107,178,921
Net assets, beginning of year	<u>864,022,823</u>	<u>756,843,902</u>
Net assets, end of year	<u>\$ 864,474,717</u>	<u>864,022,823</u>

See accompanying notes to consolidated financial statements.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Consolidated Statements of Cash Flows

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 451,894	107,178,921
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	234,921	264,538
Bad debt expense	50,000	—
Supporting organization contribution	(52,294,947)	—
Realized gains on investments	(42,296,318)	(32,159,709)
Net unrealized losses (gains) on investments	92,042,849	(86,819,656)
Change in other assets	2,370,020	(1,058,649)
Change in other receivables	(2,744,100)	(56,565)
Change in accounts payable and accrued expenses	(788,730)	758,393
Change in grants payable	6,357,782	(584,077)
Change in liability as trustee for charitable trusts	(240,944)	(200,071)
Change in liability for funds held as agency endowments	(5,763,007)	16,534,031
Net cash (used in) provided by operating activities	<u>(2,620,580)</u>	<u>3,857,156</u>
Cash flows from investing activities:		
Purchases of investments	(160,163,350)	(383,918,201)
Proceeds from sales and maturities of investments	161,494,025	379,856,948
Principal payment on note receivable	1,357,318	—
Supporting organization cash	139,688	—
Additions to fixed assets	(16,783)	(179,358)
Net cash provided by (used in) investing activities	<u>2,810,898</u>	<u>(4,240,611)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	931	—
Net cash provided by financing activities	<u>931</u>	<u>—</u>
Net change in cash	191,249	(383,455)
Cash, beginning of year	1,321,447	1,704,902
Cash, end of year	<u>\$ 1,512,696</u>	<u>1,321,447</u>
Noncash investing transaction, assumption of notes	\$ 6,275,948	—

See accompanying notes to consolidated financial statements.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(1) Summary of Significant Accounting Policies

(a) Nature of the Business

The Rhode Island Foundation (the Foundation) is a community foundation formed in 1916 by a group of prominent local leaders in conjunction with Rhode Island Hospital Trust National Bank. The mission of the Foundation is to be a proactive community and philanthropic leader dedicated to meeting the needs of the people of Rhode Island.

The Rhode Island Community Foundation (the Community Foundation) was formed in 1984 as a nonprofit corporation with the same board of directors and management as The Rhode Island Foundation. The Community Foundation has similar charitable purposes as The Rhode Island Foundation, but the Community Foundation has funds that benefit charities both within and outside of Rhode Island.

On April 1, 2000, The Rhode Island Foundation dissolved the trust relationship with BankBoston. The assets of The Rhode Island Foundation were merged with The Rhode Island Community Foundation. The surviving entity is a nonprofit corporation, The Rhode Island Community Foundation, doing business as The Rhode Island Foundation.

The Haffenreffer Family Fund and June Rockwell Levy Foundation, Inc. became supporting organizations of The Rhode Island Community Foundation in 1987 and 2011, respectively. The board of directors of the Rhode Island Community Foundation appoints a majority of the directors of the governing bodies of each organization. These supporting organizations have charitable purposes similar to The Rhode Island Foundation.

In 1991, The Rhode Island Charities Trust, Inc., a not-for-profit corporation, became a supporting organization of The Rhode Island Community Foundation. The board of directors is the same as the membership of the Board for The Rhode Island Community Foundation. The income of The Rhode Island Charities Trust is designated for the United Way of Rhode Island.

In 2001, the Foundation set aside \$9,000,000 to invest in the future of Providence's downcity neighborhoods through a separate nonprofit, The Downcity Partnership, Inc. The mission of The Downcity Partnership, Inc. is focused on the revitalization of downtown Providence (Downcity), acting as a catalyst for development and new initiatives to benefit Downcity neighborhoods. The Downcity Partnership, Inc. will coordinate with other public, private, and nonprofit organizations, acting as the primary impetus for revitalization efforts.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

In 2015, the Westerly Higher Education and Job Skill Center became a supporting organization of the Rhode Island Community Foundation. This supporting organization was created with the intent to hold a facility that will provide workforce training in Rhode Island. Currently, it has accepted charitable contributions on behalf and in support of the workforce training project. The board of directors of the Rhode Island Community Foundation appoints a majority of the directors of the governing body of this organization. In December 2018, the supporting organization dissolved and the assets of the organization were transferred to the lessee of the facility to support the workforce training project.

On October 4, 2018, The Jewish Federation Foundation of Greater Rhode Island (JFF) became a supporting organization of The Rhode Island Community Foundation. The Foundation recorded \$60,232,545 of assets and assumed \$7,937,598 of liabilities related to JFF becoming a supporting organization. In the statement of activities the Foundation reported \$52,294,947 in contributions consisting of \$32,414,261 in net assets without donor restrictions and \$19,880,686 in net assets with donor restrictions. The board of directors of the Rhode Island Community Foundation appoints a majority of the directors of the governing body of this organization. JFF promotes the welfare of the Jewish community through the support of charitable, cultural, educational and religious organizations, including the Jewish Alliance of Greater Rhode Island.

The accompanying consolidated financial statements as of December 31, 2018 and 2017 include the accounts of The Rhode Island Community Foundation, The Rhode Island Charities Trust Inc., The Haffenreffer Family Fund, The Downcity Partnership, Inc., The Jewish Federation Foundation of Greater Rhode Island effective October 4, 2018, June Rockwell Levy Foundation, Inc. and Westerly Higher Education and Job Skill Center (collectively referred to herein as the Foundation). All material inter-entity activity has been eliminated in the consolidated financial statements.

(b) Net Asset Classification

The Foundation is incorporated in and subject to the laws of Rhode Island, which contain the provisions outlined in the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, the net assets of a donor-restricted endowment fund may be appropriated for expenditure by the Board in accordance with the standard of prudence prescribed by UPMIFA. The Foundation has classified its net assets as follows:

Net assets without donor restrictions are not subject to donor-imposed stipulations but may be designated for specific purposes by the board of directors.

Net assets with donor restrictions consist of charitable gift annuities, pooled income funds, irrevocable charitable trusts, pledges and other contributions with purpose restrictions.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(c) Investments Held in Trust by Others

Investments held in trust by others are recorded at present value of expected net proceeds ultimately payable to the Foundation. These assets are adjusted annually to fair value, and any gain or loss is reflected in the consolidated statements of activities as investment income or losses.

(d) Fixed Assets

Fixed assets include land, building, computer and automotive equipment, furniture and fixtures, and leasehold improvements. The fixed assets are stated at cost. The fixed assets are being depreciated on a straight-line basis and the useful lives of the assets are as follows:

<u>Classification</u>	<u>Useful lives</u>
Computer and automotive equipment	4 years
Furniture, fixtures, and other equipment	7 years
Building and building improvements	4–40 years

(e) Grants Payable

The Foundation records grants as expenses when all conditions stipulated by the grant have been substantially met by the grantee. Grants issued with future payment dates and without substantive conditions are accrued and expensed when approved.

(f) Investments and Investment Income

Investments are reported at fair value. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Financial instruments that are measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. Level 1 includes debt and equity securities that trade in an active exchange market, as well as U.S. Treasury securities;

Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

Level 3 – unobservable inputs are used when little or no market data is available. Significant professional judgment is used in determining the fair value assigned to such assets or liabilities. This category includes financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

(g) Use of Estimates

The management of the Foundation has made a number of estimates and assumptions relating to the reporting of assets and liabilities, and the disclosure of contingent assets and liabilities, to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

(h) Fair Value of Financial Instruments

The fair values of the financial instruments as of December 31, 2018 and 2017, represents management's best estimates of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances.

(i) Agency Endowment Funds

The Foundation follows generally accepted accounting principles (GAAP) regarding the treatment of transactions in which the Foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both to another entity that is specified by the donor.

GAAP requires that if a Not-for-Profit Organization (NPO) establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments. The Foundation maintains variance power and legal ownership of agency endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with GAAP, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPOs.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(j) Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity date of three months or less to be cash equivalents, except for long-term investment.

(k) Recent Accounting Pronouncements

During 2018, the Foundation adopted Financial Accounting Standards Update (ASU) No. 2016-14, *Not-for Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*. The primary changes, which affect most not-for-profit financial statements, include revisions to simplify and enhance the presentation of net assets, a requirement to present functional and natural expenses in a single location, and expand disclosures regarding liquidity and availability of resources. A summary of the net asset reclassifications resulting from the adoption of ASU 2016-14 as of December 31, 2017 is as follows:

<u>Net assets classifications</u>	<u>ASU 2016-14 Classifications</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total net assets</u>
As previously presented:			
Unrestricted	\$ 848,299,054	—	848,299,054
Temporarily restricted	—	15,723,769	15,723,769
Net assets as reclassified	<u>\$ 848,299,054</u>	<u>15,723,769</u>	<u>864,022,823</u>

(2) Liquidity

As of December 31, 2018, financial assets and liquidity resources available within one year for general expenditure including operating expenses and grant disbursements were as follows:

Financial assets:	
Cash	\$ 1,512,696
Pledges and other receivables due in one year	1,136,955
Estimated appropriation for spending rate	<u>67,888,256</u>
Total financial assets available within one year	<u>\$ 70,537,907</u>

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The Foundation's Board of Directors approves the annual spending rate from the endowment. Under the provision of the spending rule, for the years ending December 31, 2018 and 2017, the board approved an endowment appropriation ranging from 5% to 6.53%. Additionally, the Foundation has board designated funds of approximately \$266,427,677 as of December 31, 2018. Although the Foundation does not intend to spend from its board designated endowment funds other than amounts appropriated for operation, amounts could be made available if necessary. To manage liquidity, the Foundation's investment policy includes a periodic review of total endowment fund liquidity.

(3) Investments

(a) *Investments and Spending Policy*

The Foundation's portfolio is managed by outside investment managers who invest according to the investment guidelines established by the Investment Committee of the Board. The investment portfolio is allocated approximately 60% equity investments, 35% alternative investments, and 5% fixed income investments. The equity investments are further diversified into domestic, international and emerging markets. The alternative investments are further diversified into private equity, real assets and hedge/absolute return strategies. Additionally, the entire portfolio is diversified across economic sectors, geographic locations and industries.

(b) *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Committee is responsible for establishing an asset allocation policy. The asset allocation policy is designed to attempt to achieve diversity among capital markets and within capital markets, by investment discipline and management style. The Investment Committee designs a policy portfolio in light of the endowment's needs for liquidity, preservation of purchasing power and risk tolerances. This policy is reviewed on an ongoing basis by the Investment Committee. There is no limitation on the types of investments in which the endowment fund may be invested, and it is intended that the Board of Directors and the Investment Committee have the broadest flexibility as to the selection of investments for the endowment fund.

Realized and unrealized investment gains or losses are determined by comparison of the asset cost basis to net proceeds received at the time of disposition on an average cost basis (realized) and comparison of the difference between market values and the cost basis (unrealized), respectively. Dividend and interest income is recognized when earned.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(c) Return Objectives and Risk Parameters

The primary investment objective of management is to maintain and grow the fund's real value by generating average annual real returns that meet or exceed the spending rate, after inflation, management fees and administrative costs. Consistent with this goal, the Board of Directors and the Investment Committee intend that the investments be managed with an intention to: maximize total returns consistent with prudent levels of risk; reduce portfolio risk through asset allocation and diversification. The Foundation manages its investment income spending policy by the "total return" method, which utilizes a Board-approved prudent spending rate percentage applied against a sixteen-quarter average investment portfolio market value. This method allows for the investments to be invested over the long term in order to achieve its primary investment objective. The Foundation's spending rate percentage ranged from 5% to 6.53% in 2018 and 2017.

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

Following is a description of the valuation methodologies used for assets at fair value:

Cash and cash equivalents: Money market funds are valued at the net asset value (NAV) reported by the financial institution.

Mutual funds, common stocks and equities: Valued at the closing price reported on an active market on which the individual securities are traded.

Fixed income: The accounts invest principally in fixed income instruments and debt instruments. Account investments are primarily valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments including matrix pricing.

Private equities, hedge funds, and real assets: The estimation of fair value of investments in investment companies for which investment does not have a readily determinable value is made using the NAV per share or its equivalent as a practical expedient.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The Foundation owns interests in alternative investment funds that are generally reported at the net assets value (NAV) reported by the fund managers, unless the fund has a readily determinable fair value, which is used as a practical expedient to estimate the fair value of the Foundation's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. As of December 31, 2018 and 2017, the Foundation had no plans or intentions to sell investments at amounts different from NAV.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables summarize the Foundation's investments, other than those recorded at NAV, by major category within the ASC 820-10 fair value hierarchy as of December 31, 2018 and 2017.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The following table summarizes Level 1 investments in the fair value hierarchy:

	Level 1	
	December 31	
	2018	2017
Short term investments:		
Cash and cash equivalents	\$ 83,211,235	35,023,564
Mutual and comingled funds – fixed income	32,667,649	29,180,925
Mutual funds and common trust funds:		
Equity	204,815,520	247,825,204
Real estate	15,838,748	13,614,991
Bonds:		
US Treasury bond	465,484	—
International bonds	1,825,000	—
Short duration bonds	63,637,701	60,670,915
International funds – equities and fixed income:		
Emerging markets: equity	47,289,561	47,946,598
Developed markets: equity	151,258,807	177,227,159
Real estate	15,392,202	14,846,119
Total investments, in the fair value hierarchy	<u>\$ 616,401,907</u>	<u>626,335,475</u>

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The following table reconciles NAV-measured investments to investments reported in the consolidated statements of the Foundation as of December 31, 2018 and 2017.

	<u>Year ended December 31</u>		<u>Redemption or liquidation</u>	<u>Days' notice</u>
	<u>2018</u>	<u>2017</u>		
Hedge funds/flexible capital:				
Multiple strategies	\$ 101,168,154	100,369,650	Quarterly	45–60
Multiple strategies	20,690,725	24,393,307	Quarterly (1)	60–95
Multiple strategies	18,385,232	14,105,209	Quarterly (2)	60
Multiple strategies	57,056,546	58,004,872	Semi-liquid (4)	65–95
Multiple strategies	20,766,511	15,678,490	Annually	45–95
Multiple strategies	476,622	1,118,745	Illiquid (5)	—
Private equity:				
Private equity and Venture capital funds	70,126,277	52,250,797	Illiquid (5)	—
Real assets/inflation hedging:				
Treasury inflation				
Protected securities	—	6,432,265	Quarterly (3)	60
Real estate and natural Resources	27,092,007	26,972,429	Illiquid (5)	—
Impact investments	1,064,733	—	Illiquid	—
Total investments measured at NAV	316,826,807	299,325,764		
All other investments	616,401,907	626,335,475		
Total investments	\$ 933,228,714	925,661,239		

(1) 25% per quarter.

(2) 10% gate, max. 3 consecutive quarters

(3) 33% existing shares available to redeem per quarter, last redemption requested for 12/31/17.

(4) Redemptions generally available annually. Balances of \$1,264,611 and \$6,001,655 are illiquid as of 12/31/2018 and 12/31/2017, respectively.

(5) Depending on the age of the fund, these funds are expected to liquidate in 1 to 25 years.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The investment composition by fund type for the years ended December 31 are:

	<u>2018</u>	<u>2017</u>
Board designated	\$ 279,360,269	307,939,425
Donor designated	325,374,386	341,338,271
Donor advised	236,554,552	232,900,093
Supporting organizations	<u>91,939,507</u>	<u>43,483,450</u>
	<u>\$ 933,228,714</u>	<u>925,661,239</u>

Liquidity

Investments as of December 31, 2018 are summarized below based on when they may be redeemed or sold:

Daily	\$ 465,486,548
Semi-Monthly	44,185,121
Monthly	104,439,753
Quarterly	140,244,112
Annually	80,113,542
Illiquid	<u>98,759,638</u>
Total	<u>\$ 933,228,714</u>

As a result of market declines, the fair value of certain donor-restricted endowments may fall below original contributed value. As of December 31, 2018, funds with an original gift value of \$500,785 were underwater by \$56,637. These unrealized losses have been recorded as reductions in net assets with donor restrictions. Future market gains will be used to restore this reduction in net assets.

(4) Other Receivables

Other receivables consist primarily of pledges and the Foundation's remainder interest in charitable remainder trusts where the Foundation is not the trustee.

The Foundation's net interest in charitable remainder trusts as of December 31, 2018 and 2017 was \$2,687,498 and \$2,994,874, respectively. The Foundation's net interest in these charitable remainder trusts represents the fair value of assets in the trusts less the present value of payments expected to be made to other beneficiaries. Pledge receivables as of December 31, 2018 and 2017 were \$3,762,955 and \$477,884, respectively.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(5) Land

Included in other assets are land and a mining lease held by The Rhode Island Charities Trust Inc., in Sandersville, Georgia. The land is valued at cost and has been under lease to mining companies since 1963. The carrying value of the land at December 31, 2018 and 2017 is \$1 and the carrying value of the mining lease is \$1. The lease provides for a royalty based on a fixed price, adjusted annually for inflation, per wet ton of crude kaolin mined and removed from the property. The royalty income in 2018 and 2017 was \$372,105 and \$493,667, respectively.

(6) Notes Receivable

At December 31, promissory notes receivable consisted of the following:

A promissory note dated May 16, 2007 in the amount of \$2,360,109 from Rhode Island Public Radio, a nonprofit corporation. The principal balance of this note is due and payable on May 16, 2022. Interest is 0.86% and is payable quarterly. The balance at December 31, 2018 and 2017 was \$326,012.

At December 31, 2017, promissory notes receivable from the Providence Preservation Society Revolving Fund, Inc., a nonprofit corporation organized to preserve Providence's architectural heritage and stimulate community revitalization, consisted of the following:

	<u>2018</u>	<u>2017</u>
A promissory note dated February 25, 2004, in the amount of \$3,500,000, with 1% interest payable annually	\$ —	\$ 3,500,000
A promissory note dated July 7, 2005, in the amount of \$3,000,000, with 1% interest payable annually	\$ —	\$ 3,000,000
A promissory note dated December 28, 2011, in the amount of \$1,300,000, with 1% interest payable annually	\$ —	\$ 1,300,000

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The initial term of these promissory notes were for ten years, with additional 5-year extensions at the discretion of the Foundation. An extension was granted on December 28, 2011 and the notes matured on December 31, 2018. Upon maturity, a principal payment of \$1,357,318 was received and the underlying loans held by the Providence Reservation Society Revolving Fund, Inc., were assigned over to The Rhode Island Community Foundation. At December 31, 2018, the loan balances totaled \$6,275,948, with interest rates ranging from 4% to 5.5% and maturity dates ranging from August 2019 through December 2025.

The Foundation has established an allowance on the above noted notes receivable. The balance at December 31, 2018 and 2017 was \$483,266 and \$650,000, respectively.

(7) Charitable Trusts

The fair values of the charitable remainder trusts, charitable gift annuities and pooled income funds are as follows and are included in other assets:

	2018	2017
Charitable remainder trusts	\$ 3,129,335	3,416,111
Charitable gift annuities	6,592,196	6,522,785
Pooled income funds	7,073,339	7,588,028
Total	\$ 16,794,870	17,526,924

When the Foundation acts as trustee, a liability is recorded for the amount due to income beneficiaries of charitable gift annuities and charitable remainder trust, and for deferred revenue on pooled income funds. The present value of the estimated future payments to be distributed during the beneficiaries' expected lives is recorded as a liability using the current discount rate of 3.6% and 2.6% in 2018 and 2017, respectively.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(8) Fixed Assets

Fixed assets consisted of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Land	\$ 450,000	450,000
Building	4,108,201	4,108,201
Building improvements	2,122,232	2,115,842
Furniture and fixtures	513,784	503,391
Equipment	<u>693,410</u>	<u>769,016</u>
	7,887,627	7,946,450
Less accumulated depreciation and amortization	<u>(4,052,608)</u>	<u>(3,893,293)</u>
	<u>\$ 3,835,019</u>	<u>4,053,157</u>

Depreciation expense was \$234,291 and \$264,538 for the years ended December 31, 2018 and 2017, respectively.

(9) Retirement Plan

The Foundation sponsors a defined contribution retirement plan in which contributions are based upon a specified percentage of salary. All employees are eligible after six months of service. There is a 4-year vesting schedule for the employer contribution as follows: 25% after year 1, 50% after year 2, 75% after year 3, and 100% after year 4. Retirement plan expense was \$403,287 and \$396,660 for 2018 and 2017, respectively. Employees also have the option to contribute to this plan through salary reductions. These funds are managed exclusively by third-party administrators.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(10) Grants

Grants payable for the years ended December 31, 2018 and 2017 is summarized as follows:

	<u>2018</u>	<u>2017</u>
Grants due in 2018	\$ —	1,847,011
Grants due in 2019	5,538,143	215,000
Grants due in 2020	2,865,177	—
Grants due in 2021	150,000	—
Grants payable at end of year	<u>\$ 8,553,320</u>	<u>2,062,011</u>

The Foundation approves grants with conditions; however, the probability is remote that the grantees will not meet these conditions. Accordingly, all grants are accounted for as grants payable when approved.

(11) Liability for Funds Held as Agency Endowments

At December 31, 2018 and 2017, the Foundation held agency endowment funds and certain other designated funds with a combined value of \$87,705,463 and \$86,210,017, respectively, which it accounts for as a liability. The following summarizes activity in such liability accounts during the years then ended:

	<u>2018</u>	<u>2017</u>
Beginning liability for funds held as agency endowments	\$ 86,210,017	69,675,986
Contributions	9,918,228	8,028,188
Investment income	969,692	606,983
Unrealized and realized (losses) gains, net	(5,027,196)	11,805,141
Foundation support fees	(767,069)	(693,083)
Grants	<u>(3,598,209)</u>	<u>(3,213,198)</u>
Ending liability for funds held as agency endowments	<u>\$ 87,705,463</u>	<u>86,210,017</u>

During 2018 and 2017, the Foundation, as a fiscal agent, received funds designated for specific organizations in the amount of \$155,000 and \$1,173,031, respectively. Included in accounts payable and accrued expenses is the Foundation's net fiscal agent liability from these funds which was \$163,995 and \$950,044 at December 31, 2018 and 2017, respectively.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(12) Commitments and Contingencies

(a) Investments

Private equity and real asset investments are generally made through limited partnerships. Under the terms of these agreements, the Foundation is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the manager. These partnerships have a limited existence, generally ten years, and such agreements may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Foundation cannot anticipate such changes because they are based on unforeseen events, but should they occur they may result in less liquidity or return from the investment than originally anticipated. As a result, the timing and amount of future capital or liquidity calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with private equity and real asset investments as of December 31, 2018 and 2017 were \$91,904,458 and \$87,983,907.

(b) Loan Guarantees

The Foundation is also a limited liability guarantor of a promissory note from RBS Citizens, National Association to the Rhode Island Philharmonic Orchestra for up to 50% of the principal balance. The guarantee at December 31, 2018 is \$2,005,518. This guaranty will remain in effect until June 18, 2023.

(c) Potential Litigation

The Foundation is involved in miscellaneous general liability suits arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without a material adverse effect on the Foundation's financial position or results of operations.

(13) Tax Status

Each of the entities comprising the Foundation is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from income taxes pursuant to Section 501(a) of the Code.

The Foundation is highly confident that it has at all times maintained its tax-exempt status by fulfilling its mission and is highly confident that the vast majority of its operations and revenue are exempt from income tax liability. Management asserts that no such uncertain tax position exists for the Foundation at December 31, 2018.

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

The Foundation's long-term investments include alternative investments, such as hedge funds and venture capital funds that generate unrelated business income per Section 514 of the Internal Revenue Code. The Foundation reports applicable unrelated business income by filing the applicable U.S. and state income tax returns.

(14) Leases

The Foundation leases property to others under noncancelable operating leases requiring fixed monthly payments over various terms. For the years ended December 31, 2018 and 2017, the Foundation recognized \$282,291 and \$284,041, respectively, in lease revenue which is included in other income. At December 31, 2018, future minimum lease receipts were as follows:

	Amount
Year ending December 31:	
2019	\$ 192,619
2020	135,958
2021	61,763
Total	\$ 390,340

(15) Functional Classification of Expenses

For the year ended December 31, 2018, total expenses of the Foundation were classified by function as follows:

	Program Services	Management and general	Fundraising	Total
Salaries	\$ 1,487,911	2,544,687	944,687	4,977,285
Employee benefits	422,763	826,480	201,405	1,450,648
Marketing	56,388	184,163	56,074	296,625
Conferences and meetings	66,840	61,027	29,726	157,593
Insurance	—	80,406	—	80,406
Purchased services	499,808	1,626,577	249,789	2,376,174
Supplies and general	49,843	345,233	10,209	405,285
Building maintenance	—	703,940	—	703,940
Depreciation	—	234,921	—	234,921
	\$ 2,583,553	6,607,434	1,491,890	10,682,877

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

For the year ended December 31, 2017, total expenses of the Foundation were classified by function as follows:

	<u>Program Services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,288,228	2,474,340	846,186	4,608,754
Employee benefits	358,509	847,782	198,357	1,404,648
Marketing	37,883	196,606	1,318	235,807
Conferences and meetings	39,766	53,301	29,277	122,344
Insurance	—	96,465	—	96,465
Purchased services	392,451	886,769	51,324	1,330,544
Supplies and general	40,754	254,220	8,215	303,189
Building maintenance	—	746,650	—	746,650
Depreciation	—	264,538	—	264,538
	<u>\$ 2,157,591</u>	<u>5,820,671</u>	<u>1,134,677</u>	<u>9,112,939</u>

(16) Net Assets Without Donor Restriction by Organization

Net assets without donor restriction by organization at December 31, 2018 and 2017 consist of:

	<u>2018</u>	<u>2017</u>
The Rhode Island Community Foundation	\$ 755,199,681	797,110,956
The Rhode Island Charities Trust, Inc., The Haffenreffer Family Fund, The Downcity Partnership, Inc., Westerly Higher Education and Job Skills Center and Jewish Federation Foundation of Greater Rhode Island June Rockwell Levy Foundation, Inc.	<u>74,758,758</u>	<u>51,188,098</u>
Total	<u>\$ 829,958,439</u>	<u>848,299,054</u>

**THE RHODE ISLAND COMMUNITY FOUNDATION,
THE RHODE ISLAND CHARITIES TRUST, INC.,
THE HAFFENREFFER FAMILY FUND,
THE DOWNCITY PARTNERSHIP, INC.,
THE JEWISH FEDERATION FOUNDATION OF GREATER RHODE ISLAND,
JUNE ROCKWELL LEVY FOUNDATION, INC., AND
WESTERLY HIGHER EDUCATION AND JOB SKILLS CENTER
(COLLECTIVELY, THE FOUNDATION)**

Notes to Consolidated Financial Statements

December 31, 2018 and 2017

(17) Net Assets With Donor Restriction by Organization

Net assets with donor restriction by organization at December 31, 2018 and 2017 consist of:

	2018	2017
The Rhode Island Community Foundation:		
Time and purpose restrictions	\$ 17,306,360	15,723,769
The Rhode Island Charities Trust, Inc., The Haffenreffer Family Fund, The Downcity Partnership, Inc., Westerly Higher Education and Job Skills Center and Jewish Federation Foundation of Greater Rhode Island		
June Rockwell Levy Foundation, Inc.:		
Time and purpose restrictions	17,209,918	—
	\$ 34,516,278	15,723,769

(18) Related Parties

Members of the Foundation's Board of Directors and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the Foundation. The Foundation's conflict of interest policy requires, among other things, that no member of the Board of Directors or its committees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. For members of the Board of Directors and senior management, the Foundation requires an annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the Foundation. When such relationships exist, measures are taken to address the actual or perceived conflict to ensure the best interests of the Foundation and ensure compliance with relevant conflict of interest laws or policy.

(19) Subsequent Events

The Foundation has evaluated subsequent events from the balance sheet date through June 19, 2019, the date at which the financial statements were available to be issued, and determined there are no other items to disclose.