Jessie Ball duPont Fund

Consolidated Financial Statements

For The Years Ended December 31, 2018 And 2017

Batts Morrison Wales & Lee
Certified Public Accountants

REPORT OF INDEPENDENT AUDITOR

The Board of Trustees
Jessie Ball duPont Fund
Jacksonville, Florida

We have audited the accompanying consolidated financial statements of Jessie Ball duPont Fund ("the Fund"), which consist of the consolidated statements of financial position as of December 31, 2018 and 2017, the related consolidated statements of activities and cash flows for the years then ended, and the related consolidated statement of functional expenses for the year ended December 31, 2018, 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 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 audits 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 Fund'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 Fund'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 Jessie Ball duPont Fund as of December 31, 2018 and 2017, the consolidated changes in its net assets, and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating statements of financial position as of December 31, 2018 and 2017, and the related supplemental consolidating statements of activities and cash flows for the years then ended, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
November 22, 2019

JESSIE BALL DUPONT FUND

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	$ 5,537,955	$ 7,828,194
Investments restricted for long-term purposes	267,400	157,113
Investments - at estimated fair value		
Nonpublicly traded investments	129,190,216	132,893,786
Equity securities	85,960,247	113,046,048
Corporate and other fixed income securities	37,228,660	32,417,200
Total investments	252,379,123	278,357,034
Property and equipment, net	22,639,137	23,474,652
Other assets	28,417,503	25,415,876
Total assets	**$ 309,241,118**	**$ 335,232,869**

LIABILITIES AND NET ASSETS

	2018	2017
LIABILITIES		
Grants payable	$ 1,529,595	$ 2,150,837
Accounts payable	30,531	70,085
Deferred revenue	1,003,416	1,161,631
Notes payable, net	34,277,886	35,835,000
Total liabilities	**36,841,428**	**39,217,553**
NET ASSETS		
Without donor restrictions	272,132,290	295,858,203
With donor restrictions	267,400	157,113
Total net assets	**272,399,690**	**296,015,316**
Total liabilities and net assets	**$ 309,241,118**	**$ 335,232,869**

JESSIE BALL DUPONT FUND
CONSOLIDATED STATEMENTS OF ACTIVITIES

	For The Years Ended December 31, 2018	2017
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Net (losses) gains on securities	$ (15,935,808)	$ 38,617,473
Revenue		
Interest and dividends	3,653,461	3,675,811
Rent and other revenue	1,516,036	1,493,773
Net (losses) gains on securities and revenue	(10,766,311)	43,787,057
Expenses		
Program expenses	11,049,239	10,309,663
Supporting expenses	1,910,363	2,336,687
Total expenses	12,959,602	12,646,350
Change in net assets without donor restrictions	**(23,725,913)**	**31,140,707**
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	110,287	157,113
Change in net assets with donor restrictions	**110,287**	**157,113**
CHANGE IN NET ASSETS	**(23,615,626)**	**31,297,820**
NET ASSETS - Beginning of year	**296,015,316**	**264,717,496**
NET ASSETS - End of year	**$ 272,399,690**	**$ 296,015,316**

JESSIE BALL DUPONT FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Years Ended December 31, 2018	2017
OPERATING CASH FLOWS		
Investment income received	$ 3,653,461	$ 3,675,811
Cash received from tenants	1,237,718	1,183,997
Other revenue received	127,414	106,466
Grants paid	(6,824,178)	(7,348,142)
Cash paid for operating activities	(4,873,981)	(3,949,015)
Interest paid	(542,484)	(448,919)
Excise taxes paid	(180,000)	(788,000)
Net operating cash flows	**(7,402,050)**	**(7,567,802)**
INVESTING CASH FLOWS		
Proceeds from sales of investments	69,857,149	122,045,245
Purchases of investments	(59,815,046)	(107,055,461)
Purchases of and improvements to property and equipment	(383,465)	(300,658)
Program loans made	(3,100,000)	(4,500,000)
Repayments on program loans	110,287	107,614
Net investment in assets restricted for long-term purposes	(110,287)	(157,113)
Net investing cash flows	**6,558,638**	**10,139,627**
FINANCING CASH FLOWS		
Contributions restricted for long-term purposes	110,287	157,113
Repayments	(1,557,114)	(1,450,000)
Net financing cash flows	**(1,446,827)**	**(1,292,887)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(2,290,239)**	**1,278,938**
CASH AND CASH EQUIVALENTS - Beginning of year	**7,828,194**	**6,549,256**
CASH AND CASH EQUIVALENTS - End of year	**$ 5,537,955**	**$ 7,828,194**
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	$ (23,615,626)	$ 31,297,820
Adjustments to reconcile change in net assets to net operating cash flows		
Net losses (gains) on securities	15,935,808	(38,617,473)
Depreciation and amortization	1,238,457	1,191,777
Contributions restricted for long-term purposes	(110,287)	(157,113)
Change in other assets	(31,391)	(58,767)
Change in grants payable	(621,242)	(947,278)
Change in accounts payable	(39,554)	(23,892)
Change in deferred revenue	(158,215)	(252,876)
Net operating cash flows	**$ (7,402,050)**	**$ (7,567,802)**

JESSIE BALL DUPONT FUND

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2018

	Program expenses	Supporting expenses	Total expenses
Grants	$ 6,684,936	$ —	$ 6,684,936
Personnel costs	1,408,828	215,377	1,624,205
Depreciation and amortization expense	1,210,919	27,538	1,238,457
Utilities, repairs, maintenance, and insurance	781,187	—	781,187
Trustee fees	283,321	283,320	566,641
Interest	—	542,484	542,484
Other expenses	181,368	278,579	459,947
Consulting fees and services	142,986	301,364	444,350
Travel and meetings	200,666	81,701	282,367
Excise taxes	—	180,000	180,000
Office expenses	155,028	—	155,028
Total expenses	**$ 11,049,239**	**$ 1,910,363**	**$ 12,959,602**

NOTE A – NATURE OF ORGANIZATION

The Jessie Ball duPont Fund ("the Fund") was established by the Last Will and Testament of its founder and contributor, Jessie Ball duPont, on November 1, 1976. The Fund is organized as a nonprofit charitable trust and began operations on November 1, 1976, exclusively for religious, charitable, literary, and educational purposes. Pursuant to the terms of the Last Will and Testament, the principal of the trust shall be held perpetually with all income distributed to various charitable institutions or for specified charitable purposes.

In conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), the Fund's consolidated financial statements also include the accounts of the following organizations, which are separate legal entities:

- JBdF, Inc. ("JBdF") is a Florida nonprofit corporation formed for the purpose of holding title to the Jessie Ball duPont Center, located in downtown Jacksonville, Florida. The Fund is the sole voting member of JBdF.

- JB duPont Center, LLC ("the Center") is a Florida single-member limited liability company formed for the purpose of entering into a master lease agreement with JBdF. The Center serves as the master tenant of the Jessie Ball duPont Center. The Center subleases space in the building to other nonprofit organizations. The Fund is the sole member of the Center.

All significant interorganization balances and transactions have been eliminated in consolidation. Hereinafter, unless otherwise specified, references to "the Fund" are references to the consolidated group of entities in the aggregate.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Fund recognizes cash contributions as revenue when the contributions are received by the Fund. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Cash and cash equivalents

The Fund considers all investment instruments purchased with original maturities of three months or less to be cash equivalents.

Investments restricted for long-term purposes

Investments restricted for long-term purposes include equity securities carried at estimated fair value. The assets are restricted for technology-related building improvements.

Investments

Investments in securities that are traded on national or international securities exchanges are carried at estimated fair value, based upon quoted market prices provided by external investment managers and the Fund's custodian and accepted by the Fund's management. Nonpublicly traded investments include limited partnerships, hedge funds, and private equity funds and are carried at estimated fair value. Estimated fair values for nonpublicly traded investments are provided by the investee and accepted by the Fund's management. Such investments are not readily marketable and are often highly illiquid. The estimated fair values of nonpublicly traded investments included in the accompanying consolidated financial statements are subject to a high degree of uncertainty and the actual fair values could differ materially from the estimated fair values. Management of the Fund believes that the Fund's nonpublicly traded investments are carried at reasonable estimates of their fair value.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment
Property and equipment are stated at cost. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method.

Other assets
Other assets include funds advanced to a third party in connection with the financing arrangement described in Note I.

Net assets with donor restrictions
Net assets with donor restrictions consist of amounts held in perpetuity with distributions restricted for technology-related building improvements.

Functional allocation of expenses
The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time and space utilization.

Federal excise tax
The Jessie Ball duPont Fund qualifies under Section 501(a) of the Internal Revenue Code ("the Code") as an entity exempt from income taxes as described in Section 501(c)(3) of the Code. The Jessie Ball duPont Fund is a private foundation as described in Section 509(a) of the Code. In accordance with applicable provisions of the Code, the Jessie Ball duPont Fund is subject to an excise tax of one or two percent on its net investment income. JBdF is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. The Center is considered a disregarded entity for federal income tax purposes.

Use of estimates
Management uses estimates and assumptions in preparing the consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual amounts, values, and results could differ materially from those estimates.

New accounting pronouncement
Financial Accounting Standards Board Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities is effective for the Fund's consolidated financial statements for the year ended December 31, 2018. The ASU requires various changes to the presentation of financial statements of not-for-profit entities, the most significant of which relate to the classifications of net assets, a requirement to report expenses by natural classification as well as by functional classification, and new required disclosures related to an entity's liquidity and availability of resources. The adoption of the ASU had no effect on the Fund's consolidated net assets as of January 1, 2017 or the consolidated change in net assets for the year ended December 31, 2017. As allowed by applicable guidance, the Fund has chosen not to retrospectively apply provisions not required to be applied to the 2017 consolidated financial statements.

Reclassifications
Certain amounts included in the December 31, 2017 consolidated financial statements have been reclassified to conform to classifications adopted during the year ended December 31, 2018. The reclassifications had no material effect on the accompanying consolidated financial statements.

Subsequent events
The Fund has evaluated for possible financial reporting and disclosure subsequent events through November 22, 2019, the date as of which the consolidated financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available within one year of the December 31, 2018 consolidated statement of financial position for general expenditure are as follows:

Financial assets available:	
Cash and cash equivalents	$ 5,537,955
Investments restricted for long-term purposes	267,400
Investments	252,379,123
Total financial assets available	258,184,478
Less:	
Amounts unavailable for general expenditure within one year, due to donor-imposed restrictions	(267,400)
Net financial assets available within one year	$257,917,078

The Fund is primarily supported by investment income. As part of the Fund's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Fund has certain assets limited to use for donor-restricted purposes. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Fund must maintain sufficient resources to meet its responsibilities to its donors. Thus, those financial assets may not be available for general expenditures within one year of December 31, 2018, and are excluded from net financial assets available to meet general expenditures within one year. Management of the Fund believes the Fund has sufficient investments available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need

NOTE D – CONCENTRATIONS

The Fund maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Fund has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

The Fund's investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of the 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 investment account balances and the amounts reported in the accompanying consolidated financial statements.

NOTE E – QUALIFYING DISTRIBUTIONS AND OTHER

As a private foundation, the Fund is required by Section 4942 of the Code to pay out, as qualifying distributions, a minimum of 5% of the average fair value of the Fund's noncharitable use assets annually. In 2018 and 2017, the average fair value for this purpose was $304,125,970 and $289,716,226. During 2018 and 2017, the Fund made qualifying distributions of $15,937,064 and $15,184,611 (including program-related investments of $3,100,000 and $4,500,000). Qualifying distributions amounted to 5.24% during both 2018 and 2017, respectively.

As of December 31, 2018, the Fund had approved grants totaling $1,529,595 to be paid in subsequent years through 2021. Such amounts are included in the accompanying consolidated statement of financial position as "grants payable."

NOTE E – QUALIFYING DISTRIBUTIONS AND OTHER (Continued)

As of December 31, 2018, excess distributions of approximately $20,461,234 are available for carryover to offset the future years' minimum distribution requirements required by federal tax law for private foundations.

Future expirations of these excess distributions are as follows:

Year Ending December 31,	
2019	$ 16,181,000
2020	1,838,000
2021	182,000
2022	1,172,000
2023	1,088,000
Total	$ 20,461,000

During each of the years ended December 31, 2018 and 2017, the Fund incurred the following investment-related fees:

	2018	2017
Fees paid to corporate trustee for investment consulting services	$ 606,438	$ 638,254
Fees paid to corporate trustee for securities custodian services	150,254	145,199
Fees paid directly to outside investment managers by the Fund	421,262	365,906
Estimated fees incurred for outside investment managers	2,137,318	2,559,490
Total investment-related fees	$ 3,315,272	$ 3,708,849

NOTE F – TRUSTEE STRUCTURE AND FEES

The governing structure of the Jessie Ball duPont Fund, created by Mrs. duPont's Last Will and Testament and subsequent court order expanding the original number of four trustees to no more than seven and no fewer than five, includes five individual trustees, each elected by a majority vote of the trustees; a clerical trustee appointed by the Episcopal Bishop of Florida; and a corporate trustee that must be a national financial institution having trust powers selected by a majority vote of trustees. The individual and clerical trustees serve a term of five years and may succeed themselves for two successive five-year terms; the corporate trustee must be re-elected annually by a majority vote of the trustees, while the individual representing the corporate trustee may serve a total of three five-year terms. In accordance with Mrs. duPont's Last Will and Testament, the trustees are trustees of Mrs. duPont's estate, which includes the Fund and two additional trusts, and are compensated for their services to the Fund at a reasonable rate (currently, $30,000 annually, with each trustee committing an average of 40 days per year on Fund business). As corporate trustee, Northern Trust Bank fulfills custodial and certain administrative functions for the Fund, including preparation of the Fund's 990-PF tax return, payroll, grant, and administrative expense payments and budget oversight and reconciliation.

The corporate co-trustee fee is set annually by a majority vote of the individual and clerical trustees. For the years ended December 31, 2018 and 2017, the corporate trustee was paid approximately $367,000 and $356,000 for trustee services, $606,000 and $638,000 for investment services, and $150,000 and $145,000 for securities custodian services, respectively. The individual representing the corporate trustee is not compensated separately by the Fund.

NOTE G – FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, U.S. GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). 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.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

Nonpublicly traded investments valued using "Level 3" inputs consist of investments in pooled funds which invest in privately-held enterprises in the United States and abroad. Certain of these investments cannot be liquidated in the near-term. In addition, nonpublicly traded investments consist of investments in hedge funds that pursue various strategies to diversify risks and reduce volatility. There are no lock-up periods associated with the Fund's hedge funds investments, and such investments can generally be liquidated at an amount approximating net asset value in the near-term with proper notice. The reported estimated fair values of nonpublicly traded investments are generally based on amounts provided by the investee or, for certain investments, an annual independent valuation study.

The carrying value of cash and cash equivalents does not differ materially from reasonable estimates of fair value, as the terms of such instruments do not vary significantly from the assumptions that would be made in estimating fair value.

Estimated fair value of certain assets measured on a recurring basis at December 31, 2018, are as follows:

	Total	Level 1	Level 2	Level 3
Nonpublicly traded investments	$ 99,235,328	$ —	$ —	$ 99,235,328
Equity securities	86,227,647	86,227,647	—	—
Corporate and other fixed income securities	37,228,660	37,228,660	—	—
Subtotal	222,691,635	$ 123,456,307	$ —	$ 99,235,328
Fair value measured at net asset value – other nonpublicly traded investments	29,954,888			
Total	$ 252,646,523			

NOTE G – FAIR VALUE MEASUREMENTS (Continued)

Estimated fair value of certain assets measured on a recurring basis at December 31, 2017, are as follows:

	Total	Level 1	Level 2	Level 3
Nonpublicly traded investments	$ 102,455,600	$ —	$ —	$ 102,455,600
Equity securities	113,203,161	113,203,161	—	—
Corporate and other fixed income securities	32,417,200	32,417,200	—	—
Subtotal	248,075,961	$ 145,620,361	$ —	$ 102,455,600
Fair value measured at net asset value – other nonpublicly traded investments	30,438,186			
Total	$ 278,514,147			

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, January 1, 2017	$ 100,319,770
Net sales	(11,930,896)
Net income	1,312,790
Net gains	12,753,936
Balance, December 31, 2017	102,455,600
Net sales	(627,623)
Net income	1,908,747
Net losses	(4,501,396)
Balance, December 31, 2018	$ 99,235,328

NOTE H – PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

Category	December 31, 2018	December 31, 2017
Land	$ 1,743,567	$ 1,743,567
Buildings and building improvements	22,666,295	22,493,238
Furniture and equipment	2,192,293	1,981,885
Total property and equipment	26,602,155	26,218,690
Less: Accumulated depreciation	(3,963,018)	(2,744,038)
Net property and equipment	$ 22,639,137	$ 23,474,652

JBdF is the owner of the Jessie Ball duPont Center, located in downtown Jacksonville, Florida. The Jessie Ball duPont Center serves as the headquarters of the Fund and also contains office suites available for rent to other nonprofit organizations at below-market rates. JBdF and the Center entered into a master lease agreement for the Jessie Ball duPont Center wherein the Center is the master tenant. Depreciation expense amounted to approximately $1,219,000 and $1,170,000 during 2018 and 2017, respectively.

NOTE I – LONG-TERM DEBT

During a prior year, JBdF obtained financing for improvements to be made to the property described in Note H. The financing provided net proceeds of approximately $22,785,000 to JBdF. In conjunction with the financing, the Fund advanced a $15,843,100 "Leverage Loan" to a wholly owned subsidiary of JPMorgan Chase, N.A. ("Chase") to facilitate Chase's provision of New Markets Tax Credit ("NMTC") equity to subsidize the Jessie Ball duPont Center project and these improvements. Because the financing was obtained pursuant to a NMTC arrangement, JBdF expects that it will not be required to repay a portion of the financing proceeds. This expectation is based on the assumption that Chase may voluntarily elect to sell its interests in each of the NMTC Lender entities listed below to the Fund for $1,000 at the end of the 7-year NMTC compliance period via a put/call agreement entered into by Chase and the Fund at NMTC closing. In conjunction with Chase's exercise of the "put," and the exercise of redemption agreements with the managing members of each of the NMTC Lender entities, the Fund thus expects it would acquire full (indirect or direct) ownership of the $22,785,000 of NMTC loans to JBdF. If the Fund does so, management estimates as of December 31, 2018, that income in the form of a contribution equal to the difference between the $22,785,000 NMTC loans and the $15,843,100 Leverage Loan (approximately $6,942,000) will be recognized in a future period if and when the anticipated transaction between Chase and the Fund described above occurs. The Fund and JBdF could then make favorable arrangements between the entities regarding the loans going forward.

In connection with the financing arrangement described above, JBdF entered into various loans. Each of the loans is secured by a mortgage on certain property, as well as a first priority interest in certain disbursement and reserve bank accounts, and certain other rights as described in the loan documents. The Fund is an unconditional guarantor for each of the loans. The annual interest rate on each of the loans is 0.875%, with interest payable annually on December 1st until the loans are paid. Commencing on December 1, 2023, and annually on each December 1st thereafter, principal payments in amounts further described in the loan documents are required. All unpaid principal and interest is due on December 31, 2054. The loans cannot be prepaid in full or in part until after the seventh anniversary of the closing date of the loans (September 2021), at which time prepayment in full or in part may be made. The loan proceeds were required to be used solely to complete the construction of the Jessie Ball duPont Center described in Note H and for other similar purposes. In addition, as of December 31, 2018 and 2017, "cash and cash equivalents" includes approximately $341,000 and $434,000 held by JBdF in special disbursement accounts for construction and other purposes, respectively. Following are the specific loans (by lender) entered into by JBdF in connection with this financing arrangement. None of the lenders listed below are related to the Fund, JBdF, or the Center.

	December 31,	
	2018	2017
Florida Community New Markets Fund XVI, LLC (Lender)		
Facility Note A-1	$ 6,646,000	$ 6,646,000
Facility Note B-1	2,904,000	2,904,000
Subtotal Florida Community New Markets Fund XVI, LLC	9,550,000	9,550,000
New Markets Investment 82, LLC (Lender)		
Facility Note A-2	3,323,000	3,323,000
Facility Note B-2	1,502,000	1,502,000
Subtotal New Markets Investment 82, LLC	4,825,000	4,825,000
Consortium America LVI, LLC (Lender)		
Facility Note A-3	3,215,700	3,215,700
Facility Note B-3	1,194,300	1,194,300
Subtotal Consortium America LVI, LLC	4,410,000	4,410,000

NOTE I – LONG-TERM DEBT (Continued)

	December 31, 2018	December 31, 2017
CNMC Sub-CDE 56, LLC (Lender)		
Facility Note A-4	$ 2,658,400	$ 2,658,400
Facility Note B-4	1,341,600	1,341,600
Subtotal CNMC Sub-CDE 56, LLC	4,000,000	4,000,000
Total JBdF loans payable	22,785,000	22,785,000
In addition to the loans described above, the Fund entered into a non-revolving line of credit agreement ("the LOC") with a bank in an amount up to $16,500,000. The LOC requires monthly payments of interest at the one-month LIBOR plus 0.75% per annum (3.27% and 2.32% as of December 31, 2018 and 2017). Monthly payments of principal pursuant to a twenty-five year amortization schedule commenced in February 2016. The LOC is callable by the bank during October 2020, October 2027, and October 2034. The LOC is secured by certain assets of the Fund and contains certain financial and other covenants. The LOC matures during October 2038. Substantially all of the proceeds advanced by the bank to the Fund pursuant to the LOC were loaned to another party through the New Markets Tax Credit arrangement described above. The loan agreement between the Fund and the other party, which is secured by a certain pledge agreement, requires repayment in full of the amounts advanced by the Fund no later than the maturity date of December 31, 2045. The amount due from the other party to the Fund is included with "other assets" in the accompanying consolidated financial statements.	11,492,886	13,050,000
Total long-term debt	$ 34,277,886	$ 35,835,000

Approximate future maturities of long-term debt by year for the next five years and thereafter is as follows:

Year Ending December 31,	
2019	$ 660,000
2020	10,833,000
2021	—
2022	—
2023	619,000
Thereafter	22,166,000
Total	$ 34,278,000

NOTE J – OPERATING LEASES

The Center leases office space to other nonprofit organizations. Following is a schedule by year of approximate future minimum rentals to be received under the leases at December 31, 2018:

Year Ending December 31,	
2019	$ 792,000
2020	816,000
2021	840,000
2022	865,000
2023	891,000
Thereafter	1,480,000
Total	$ 5,684,000

NOTE K– COMMITMENTS

As of December 31, 2018, the Fund had open private investment funding commitments related to certain nonpublicly traded investments of approximately $17,975,000, which are expected to be funded as capital calls are made.

Supplemental Consolidating Statements

JESSIE BALL DUPONT FUND

SUPPLEMENTAL CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2018
(UNAUDITED)

ASSETS

	Jessie Ball duPont Fund	JBdF, Inc.	JB duPont Center, LLC	Eliminations	Consolidated Total
ASSETS					
Cash and cash equivalents	$ 4,935,710	$ 374,618	$ 227,627	$ —	$ 5,537,955
Investments restricted for long-term purposes	267,400	—	—	—	267,400
Investments - at estimated fair value					
Nonpublicly traded investments	129,190,216	—	—	—	129,190,216
Equity securities	85,960,247	—	—	—	85,960,247
Corporate and other fixed income securities	37,228,660	—	—	—	37,228,660
Total investments	252,379,123	—	—	—	252,379,123
Property and equipment, net	56,031	17,525,739	5,057,367	—	22,639,137
Other assets	27,605,640	703,103	108,760	—	28,417,503
Total assets	**$ 285,243,904**	**$ 18,603,460**	**$ 5,393,754**	**$ —**	**$ 309,241,118**

LIABILITIES AND NET ASSETS

	Jessie Ball duPont Fund	JBdF, Inc.	JB duPont Center, LLC	Eliminations	Consolidated Total
LIABILITIES					
Grants payable	$ 1,529,595	$ —	$ —	$ —	$ 1,529,595
Accounts payable	—	—	30,531	—	30,531
Deferred revenue	—	—	1,114,469	(111,053)	1,003,416
Notes payable, net	11,492,886	22,785,000	—	—	34,277,886
Total liabilities	**13,022,481**	**22,785,000**	**1,145,000**	**(111,053)**	**36,841,428**
NET ASSETS					
Without donor restrictions	271,954,023	(4,181,540)	4,248,754	111,053	272,132,290
With donor restrictions	267,400	—	—	—	267,400
Total net assets	**272,221,423**	**(4,181,540)**	**4,248,754**	**111,053**	**272,399,690**
Total liabilities and net assets	**$ 285,243,904**	**$ 18,603,460**	**$ 5,393,754**	**$ —**	**$ 309,241,118**

JESSIE BALL DUPONT FUND

SUPPLEMENTAL CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2017

(UNAUDITED)

ASSETS

	Jessie Ball duPont Fund	JBdF, Inc.	JB duPont Center, LLC	Eliminations	Consolidated Total
ASSETS					
Cash and cash equivalents	$ 6,353,080	$ 705,433	$ 769,681	$ —	$ 7,828,194
Investments restricted for long-term purposes	157,113	—	—	—	157,113
Investments - at estimated fair value					
Nonpublicly traded investments	132,893,786	—	—	—	132,893,786
Equity securities	113,046,048	—	—	—	113,046,048
Corporate and other fixed income securities	32,417,200	—	—	—	32,417,200
Total investments	278,357,034	—	—	—	278,357,034
Property and equipment, net	66,311	18,122,681	5,285,660	—	23,474,652
Other assets	24,603,955	729,580	82,341	—	25,415,876
Total assets	**$ 309,537,493**	**$ 19,557,694**	**$ 6,137,682**	**$ —**	**$ 335,232,869**

LIABILITIES AND NET ASSETS

	Jessie Ball duPont Fund	JBdF, Inc.	JB duPont Center, LLC	Eliminations	Consolidated Total
LIABILITIES					
Grants payable	$ 2,150,837	$ —	$ —	$ —	$ 2,150,837
Accounts payable	—	—	70,085	—	70,085
Deferred revenue	—	—	1,272,684	(111,053)	1,161,631
Notes payable, net	13,050,000	22,785,000	—	—	35,835,000
Total liabilities	**15,200,837**	**22,785,000**	**1,342,769**	**(111,053)**	**39,217,553**
NET ASSETS					
Without donor restrictions	294,179,543	(3,227,306)	4,794,913	111,053	295,858,203
With donor restrictions	157,113	—	—	—	157,113
Total net assets	**294,336,656**	**(3,227,306)**	**4,794,913**	**111,053**	**296,015,316**
Total liabilities and net assets	**$ 309,537,493**	**$ 19,557,694**	**$ 6,137,682**	**$ —**	**$ 335,232,869**

JESSIE BALL DUPONT FUND

SUPPLEMENTAL CONSOLIDATING STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2018
(UNAUDITED)

	Jessie Ball duPont Fund	JBdF, Inc.	JB duPont Center, LLC	Eliminations	Consolidated Total
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
Net losses on securities	$ (15,935,808)	$ —	$ —	$ —	$ (15,935,808)
Revenue					
Interest and dividends	3,650,537	2,924	—	—	3,653,461
Grants from affiliate	502,123	216,000	266,000	(984,123)	—
Rent and other revenue	127,414	—	1,388,622	—	1,516,036
Net losses on securities and revenue	(11,655,734)	218,924	1,654,622	(984,123)	(10,766,311)
Expenses					
Program expenses	9,035,150	845,671	1,936,541	(768,123)	11,049,239
Supporting expenses	1,534,636	327,487	264,240	(216,000)	1,910,363
Total expenses	10,569,786	1,173,158	2,200,781	(984,123)	12,959,602
Change in net assets without donor restrictions	**(22,225,520)**	**(954,234)**	**(546,159)**	**—**	**(23,725,913)**
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS					
Contributions	110,287	—	—	—	110,287
Change in net assets with donor restrictions	**110,287**	**—**	**—**	**—**	**110,287**
CHANGE IN NET ASSETS	**(22,115,233)**	**(954,234)**	**(546,159)**	**—**	**(23,615,626)**
NET ASSETS - Beginning of year	**294,336,656**	**(3,227,306)**	**4,794,913**	**111,053**	**296,015,316**
NET ASSETS - End of year	**$ 272,221,423**	**$ (4,181,540)**	**$ 4,248,754**	**$ 111,053**	**$ 272,399,690**

JESSIE BALL DUPONT FUND

SUPPLEMENTAL CONSOLIDATING STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2017

(UNAUDITED)

	Jessie Ball duPont Fund	JBdF, Inc.	JB duPont Center, LLC	Eliminations	Consolidated Total
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
Net gains on securities	$ 38,617,473	$ —	$ —	$ —	$ 38,617,473
Revenue					
Interest and dividends	3,674,612	1,199	—	—	3,675,811
Grants from affiliate	—	216,000	581,000	(797,000)	—
Rent and other revenue	106,466	—	1,387,307	—	1,493,773
Net gains on securities and revenue	42,398,551	217,199	1,968,307	(797,000)	43,787,057
Expenses					
Program expenses	8,709,063	608,548	1,573,052	(581,000)	10,309,663
Supporting expenses	1,938,977	325,777	287,933	(216,000)	2,336,687
Total expenses	10,648,040	934,325	1,860,985	(797,000)	12,646,350
Change in net assets without donor restrictions	**31,750,511**	**(717,126)**	**107,322**	**—**	**31,140,707**
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS					
Contributions	157,113	—	—	—	157,113
Change in net assets with donor restrictions	**157,113**	**—**	**—**	**—**	**157,113**
CHANGE IN NET ASSETS	**31,907,624**	**(717,126)**	**107,322**	**—**	**31,297,820**
NET ASSETS - Beginning of year	**262,429,032**	**(2,510,180)**	**4,687,591**	**111,053**	**264,717,496**
NET ASSETS - End of year	**$ 294,336,656**	**$ (3,227,306)**	**$ 4,794,913**	**$ 111,053**	**$ 296,015,316**

JESSIE BALL DUPONT FUND

SUPPLEMENTAL CONSOLIDATING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2018
(UNAUDITED)

	Jessie Ball duPont Fund	JBdF, Inc.	JB duPont Center, LLC	Eliminations	Consolidated Total
OPERATING CASH FLOWS					
Investment income received	$ 3,650,537	$ 2,924	$ —	$ —	$ 3,653,461
Grants from affiliates	502,123	216,000	266,000	(984,123)	—
Cash received from tenants	—	—	1,237,718	—	1,237,718
Other revenue received	127,414	—	—	—	127,414
Grants paid	(7,306,178)	(252,123)	(250,000)	984,123	(6,824,178)
Cash paid for operating activities	(3,342,595)	(98,247)	(1,433,139)	—	(4,873,981)
Interest paid	(343,115)	(199,369)	—	—	(542,484)
Excise taxes paid	(180,000)	—	—	—	(180,000)
Net operating cash flows	**(6,891,814)**	**(330,815)**	**(179,421)**	**—**	**(7,402,050)**
INVESTING CASH FLOWS					
Proceeds from sales of investments	69,857,149	—	—	—	69,857,149
Purchases of investments	(59,815,046)	—	—	—	(59,815,046)
Purchases of and improvements to property and equipment	(20,832)	—	(362,633)	—	(383,465)
Program loans made	(3,100,000)	—	—	—	(3,100,000)
Repayments on program loans	110,287	—	—	—	110,287
Net investment in assets restricted for long-term purposes	(110,287)	—	—	—	(110,287)
Net investing cash flows	**6,921,271**	**—**	**(362,633)**	**—**	**6,558,638**
FINANCING CASH FLOWS					
Contributions restricted for long-term purposes	110,287	—	—	—	110,287
Repayments	(1,557,114)	—	—	—	(1,557,114)
Net financing cash flows	**(1,446,827)**	**—**	**—**	**—**	**(1,446,827)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(1,417,370)**	**(330,815)**	**(542,054)**	**—**	**(2,290,239)**
CASH AND CASH EQUIVALENTS - Beginning of year	**6,353,080**	**705,433**	**769,681**	**—**	**7,828,194**
CASH AND CASH EQUIVALENTS - End of year	**$ 4,935,710**	**$ 374,618**	**$ 227,627**	**$ —**	**$ 5,537,955**
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS					
Change in net assets	$ (22,115,233)	$ (954,234)	$ (546,159)	$ —	$ (23,615,626)
Adjustments to reconcile change in net assets to net operating cash flows					
Net losses on securities	15,935,808	—	—	—	15,935,808
Depreciation and amortization	31,112	616,419	590,926	—	1,238,457
Contributions restricted for long-term purposes	(110,287)	—	—	—	(110,287)
Change in other assets	(11,972)	7,000	(26,419)	—	(31,391)
Change in grants payable	(621,242)	—	—	—	(621,242)
Change in accounts payable	—	—	(39,554)	—	(39,554)
Change in deferred revenue	—	—	(158,215)	—	(158,215)
Net operating cash flows	**$ (6,891,814)**	**$ (330,815)**	**$ (179,421)**	**$ —**	**$ (7,402,050)**

JESSIE BALL DUPONT FUND

SUPPLEMENTAL CONSOLIDATING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2017
(UNAUDITED)

	Jessie Ball duPont Fund	JBdF, Inc.	JB duPont Center, LLC	Eliminations	Consolidated Total
OPERATING CASH FLOWS					
Investment income received	$ 3,674,612	$ 1,199	$ —	$ —	$ 3,675,811
Grants from affiliates	—	216,000	581,000	(797,000)	—
Cash received from tenants	—	—	1,183,997	—	1,183,997
Other revenue received	106,466	—	—	—	106,466
Grants paid	(7,348,142)	—	—	—	(7,348,142)
Cash paid for operating activities	(3,286,556)	(126,499)	(1,332,960)	797,000	(3,949,015)
Interest paid	(249,549)	(199,370)	—	—	(448,919)
Excise taxes paid	(788,000)	—	—	—	(788,000)
Net operating cash flows	**(7,891,169)**	**(108,670)**	**432,037**	**—**	**(7,567,802)**
INVESTING CASH FLOWS					
Proceeds from sales of investments	122,045,245	—	—	—	122,045,245
Purchases of investments	(107,055,461)	—	—	—	(107,055,461)
Purchases of and improvements to property and equipment	(7,558)	—	(293,100)	—	(300,658)
Program loans made	(4,500,000)	—	—	—	(4,500,000)
Repayments on program loans	107,614	—	—	—	107,614
Net investment in assets restricted for long-term purposes	(157,113)	—	—	—	(157,113)
Net investing cash flows	**10,432,727**	**—**	**(293,100)**	**—**	**10,139,627**
FINANCING CASH FLOWS					
Contributions restricted for long-term purposes	157,113	—	—	—	157,113
Repayments	(1,450,000)	—	—	—	(1,450,000)
Net financing cash flows	**(1,292,887)**	**—**	**—**	**—**	**(1,292,887)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**1,248,671**	**(108,670)**	**138,937**	**—**	**1,278,938**
CASH AND CASH EQUIVALENTS - Beginning of year	**5,104,409**	**814,103**	**630,744**	**—**	**6,549,256**
CASH AND CASH EQUIVALENTS - End of year	**$ 6,353,080**	**$ 705,433**	**$ 769,681**	**$ —**	**$ 7,828,194**
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS					
Change in net assets	$ 31,907,624	$ (717,126)	$ 107,322	$ —	$ 31,297,820
Adjustments to reconcile change in net assets to net operating cash flows					
Net gains on securities	(38,617,473)	—	—	—	(38,617,473)
Depreciation and amortization	24,404	615,456	551,917	—	1,191,777
Contributions restricted for long-term purposes	(157,113)	—	—	—	(157,113)
Change in other assets	(101,333)	(7,000)	49,566	—	(58,767)
Change in grants payable	(947,278)	—	—	—	(947,278)
Change in accounts payable	—	—	(23,892)	—	(23,892)
Change in deferred revenue	—	—	(252,876)	—	(252,876)
Net operating cash flows	**$ (7,891,169)**	**$ (108,670)**	**$ 432,037**	**$ —**	**$ (7,567,802)**