Center on Halsted

Financial Report
June 30, 2011

Contents

McGladrey

Independent Auditor's Report

To the Board of Directors
Center on Halsted
Chicago, Illinois

We have audited the accompanying statement of financial position of the Center on Halsted (the Center) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Center's 2010 financial statements and, in our report dated February 15, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of the Center on Halsted as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Chicago, Illinois
December 6, 2011

Center on Halsted

Statement of Financial Position
June 30, 2011 (With Comparative Totals for 2010)

	2011	2010
Assets		
Cash	**$ 12,801**	$ 39,169
Investments	**1,907,325**	1,419,746
Grants and other receivables	**674,454**	829,974
Pledges receivable	**1,805,969**	1,989,435
Prepaid expenses and deposits	**168,575**	174,540
Property and equipment, net	**20,210,045**	20,780,423
Other assets	**483,162**	486,095
	$ 25,262,331	$ 25,719,382
Liabilities and Net Assets		
Accounts payable	**$ 129,760**	$ 109,138
Accrued expenses	**51,940**	48,123
Line of credit	**-**	275,000
Deferred revenue	**96,428**	10,995
Advances on tenant contract	**4,200,000**	4,400,000
Long-term debt	**1,730,907**	1,730,907
	6,209,035	6,574,163
Net Assets		
Unrestricted		
Board designated	**1,907,325**	1,419,746
Undesignated	**15,265,002**	15,349,857
Total unrestricted	**17,172,327**	16,769,603
Temporarily restricted	**1,880,969**	2,375,616
	19,053,296	19,145,219
	$ 25,262,331	$ 25,719,382

See Notes to Financial Statements.

Center on Halsted

Statement of Activities
Year Ended June 30, 2011 (With Comparative Totals for 2010)

	Unrestricted	Temporarily Restricted	**2011**	2010
Revenue:				
Individual contributions, net	$ 558,881	$ -	**$ 558,881**	$ 644,358
Foundation and corporate contributions, net	574,599	75,000	**649,599**	614,960
Government grants	1,693,983	-	**1,693,983**	1,376,811
Program service fees	158,178	-	**158,178**	175,311
Investment income	57,203	-	**57,203**	21,812
Special events, net of direct expenses of $263,535 and $301,855 for 2011 and 2010, respectively	377,199	-	**377,199**	194,695
In-kind revenue, donated	4,609	-	**4,609**	35,726
Rental income	489,580	-	**489,580**	486,161
Other income	9,195	-	**9,195**	2,486
Net assets released from restrictions	569,647	(569,647)	**-**	-
	4,493,074	(494,647)	**3,998,427**	3,552,320
Expenses:				
Program services	3,594,815	-	**3,594,815**	3,086,892
Management and general	598,169	-	**598,169**	578,885
Development	260,213	-	**260,213**	263,304
	4,453,197	-	**4,453,197**	3,929,081
Increase (decrease) in net assets before unrealized gain (loss) on investments	39,877	(494,647)	**(454,770)**	(376,761)
Unrealized gain (loss) on investments	362,847	-	**362,847**	(9,341)
Increase (decrease) in net assets	402,724	(494,647)	**(91,923)**	(386,102)
Net assets:				
Beginning of year	16,769,603	2,375,616	**19,145,219**	19,531,321
End of year	$ 17,172,327	$ 1,880,969	**$ 19,053,296**	$ 19,145,219

See Notes to Financial Statements.

Center on Halsted

Statement of Functional Expenses
Year Ended June 30, 2011 (With Comparative Totals for 2010)

	Program Services							
	HIV Services	Mental Health Services	Youth Services	Education & Victim Advocacy	Community Programming Services	Ancillary Services	Volunteer Services	Senior Services
Salaries and wages	$ 540,566	$ 216,278	$ 484,475	$ 164,375	$ 242,942	$ -	$ 14,115	$ 272,655
Payroll taxes and fringe benefits	111,700	41,120	90,443	32,785	51,340	-	2,541	50,582
	652,266	257,398	574,918	197,160	294,282	-	16,656	323,237
Professional fees	12,852	46,549	59,879	16,514	27,802	3,203	1,221	170,998
Supplies	5,685	383	17,327	302	1,710	158	4,130	11,391
Food	269	147	18,191	943	2,604	1,033	3,011	2,618
Occupancy	4,818	20,356	46,975	8,431	59,935	7,901	168	36,135
Telephone	269	1,135	2,620	2,135	3,343	441	180	2,016
Postage	238	309	64	79	72	3,617	1,128	125
Printing and copying	2,679	180	1,564	254	703	-	606	1,125
Insurance	969	4,096	9,452	1,697	12,060	1,590	-	7,271
Advertising and promotional	13,250	-	-	-	-	-	-	-
Dues and subscriptions	175	100	1,251	475	72	-	-	985
Conferences, meetings, and travel	5,727	1,121	25,470	2,047	1,012	-	154	21,503
Software and equipment rental	-	-	290	-	2,538	-	-	320
Bad debt	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Program events	-	-	-	-	13,201	125	-	2,196
Repairs and maintenance	1,018	4,302	9,927	1,782	12,665	1,670	636	7,636
Depreciation	12,030	50,826	117,291	21,052	149,652	43,000	7,519	90,224
	$ 712,245	$ 386,902	$ 885,219	$ 252,871	$ 581,651	$ 62,738	$ 35,409	$ 677,780

See Notes to Financial Statements.

Center on Halsted

Statement of Functional Expenses (Continued)
Year Ended June 30, 2011 (With Comparative Totals for 2010)

		Supporting Services				
	Total Programs	Management and General	Development	Total Supporting Services	**2011 Total**	2010 Total
Salaries and wages	$ 1,935,406	$ 165,956	$ 165,489	$ 331,445	**$ 2,266,851**	$ 2,054,368
Payroll taxes and fringe benefits	380,511	47,712	17,106	64,818	**445,329**	371,642
	2,315,917	213,668	182,595	396,263	**2,712,180**	2,426,010
Professional fees	339,018	34,874	6,664	41,538	**380,556**	215,705
Supplies	41,086	20,898	3,232	24,130	**65,216**	43,637
Food	28,816	8,401	28,502	36,903	**65,719**	29,603
Occupancy	184,719	50,324	3,686	54,010	**238,729**	243,987
Telephone	12,139	2,807	168	2,975	**15,114**	40,224
Postage	5,632	2,044	6,961	9,005	**14,637**	9,970
Printing and copying	7,111	16,906	7,173	24,079	**31,190**	23,660
Insurance	37,135	10,126	606	10,732	**47,867**	46,947
Advertising and promotional	13,250	-	-	-	**13,250**	39,402
Dues and subscriptions	3,058	9,470	1,518	10,988	**14,046**	11,896
Conferences, meetings, and travel	57,034	3,168	1,224	4,392	**61,426**	44,579
Software and equipment rental	3,148	57,170	-	57,170	**60,318**	33,766
Bad debt	-	44,000	-	44,000	**44,000**	36,983
Interest	-	11,298	-	11,298	**11,298**	13,376
Program events	15,522	-	9,480	9,480	**25,002**	14,682
Repairs and maintenance	39,636	10,634	886	11,520	**51,156**	52,765
Depreciation	491,594	102,381	7,518	109,899	**601,493**	601,889
	$ 3,594,815	$ 598,169	$ 260,213	$ 858,382	**$ 4,453,197**	$ 3,929,081

See Notes to Financial Statements.

Center on Halsted

Statement of Cash Flows
Year Ended June 30, 2011 (With Comparative Totals for 2010)

	2011	2010
Cash Flows from Operating Activities		
Decrease in net assets	**$ (91,923)**	$ (386,102)
Amortization of advances on tenant contract	**(200,000)**	(200,000)
In-kind contributions of property and equipment and other assets	**-**	(24,206)
Depreciation	**601,493**	601,889
Unrealized (gain) loss on investments	**(362,847)**	9,341
Legal fee amortization	**2,933**	2,933
Changes in:		
Grants and other receivables	**155,520**	62,187
Pledges receivable	**183,466**	9,176
Prepaid expenses and deposits	**5,965**	17,479
Accounts payable	**20,622**	(49,713)
Accrued expenses	**3,817**	(25,546)
Deferred revenue	**85,433**	(11,994)
Net cash provided by operating activities	**404,479**	5,444
Cash Flows from Investing Activities		
Additions to property and equipment	**(31,115)**	(3,564)
Proceeds from sale of investments	**484,868**	1,053,449
Purchases of investments	**(609,600)**	(1,429,087)
Net cash used in investing activities	**(155,847)**	(379,202)
Cash Flows from Financing Activities		
Net borrowings (repayments) under line of credit	**(275,000)**	95,000
Decrease in cash	**(26,368)**	(278,758)
Cash:		
Beginning of year	**39,169**	317,927
End of year	**$ 12,801**	$ 39,169
Supplemental Disclosure of Cash Flow Information		
Interest paid	**$ 11,298**	$ 13,376

See Notes to Financial Statements.

Note 1. Nature of Activities and Significant Accounting Policies

Center on Halsted (the Center) is located in the heart of Chicago's Lesbian, Gay, Bisexual, and Transgender (LGBT) community – the Lakeview neighborhood. Serving a diverse constituency, the Center builds and strengthens the LGBT community through offering a rich array of program and services for LGBT youth, adults, and seniors. Five years ago, the Center celebrated the grand opening of its newly constructed community center. The 175,000 square foot, silver LEED certified facility serves as a beacon for the thousands of community members it welcomes each year. Serving a dynamic and diverse urban constituency of over 365,000 community members annually, the Center is the nation's most comprehensive community center designed to meet the needs and enrich the lives of LGBT individuals. The Center is a place where LGBT people can find safety and services during the most challenging of times. With its 38 year history of providing services, resources, and activities for Chicago's LGBT community, the Center (founded as Gay Horizons and later known as Horizons Community Services), has developed innovative programming, strategic partnerships, and engaged in extensive advocacy efforts over the past five years. The Center's facility also includes offices and meeting space for ten community organizations, program specific space for youth and senior adults, gallery space, a 161 seat theater, a gymnasium, and a rooftop garden along with ground level retail space and related underground parking.

The Center is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

Basis of presentation: The financial statements have been prepared in accordance with accounting principles applicable to nonprofit organizations in conformity with accounting principles generally accepted in the United States of America.

Classification of net assets

Unrestricted net assets: are available for support of the Center's operations and are not subject to donor-imposed restrictions. The Center also has a Board designated endowment fund, which is classified as unrestricted.

Temporarily restricted net assets: are subject to donor-imposed restrictions that may or will be met either by actions of the Center or the passage of time.

Permanently restricted net assets: are amounts for which the principal must remain intact per donor request and the earnings can be used for specified purposes or general operations to the extent of its investment income. The Center currently has no permanently restricted net assets.

Cash: The Center maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts and management believes the Center is not exposed to any significant credit risk on cash.

Grants and other receivables and revenues: Grants and other receivables consist primarily of reimbursements due from various governmental agencies and client fees due from individuals. These receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Center's historical collection experience. At June 30, 2011, the Center had no allowance for doubtful accounts related to grants and other receivables.

Revenue from government grants is recognized when earned, which is to the extent that the related grant expenses have been incurred.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Investments: Investments are presented in the financial statements at fair value in accordance with accounting principles generally accepted in the United States of America. The fair value of investments is generally determined based on quoted market price or estimated fair value.

Investment income, realized gains (losses), and change in unrealized gains (losses) are reflected in the statement of activities. Investments received as contributions are recorded at fair value at the date of receipt. The Center's investment portfolio is subject to various risks, such as interest rate, credit and overall market volatility. Because of these risks, it is possible that changes in the fair value of investments may occur and that such changes could materially affect the Center's financial statements.

Property and equipment: Property and equipment are stated at cost, except for donated assets, which are recorded at fair value at the time of receipt. The Center capitalizes additions and improvements to existing property and equipment over $2,500 and having a useful life of more than one year. General maintenance and repairs are charged to expense. Depreciation is being provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are:

Buildings	40 years
Furniture and fixtures	7 years
Computer equipment	5 years
Computer software	3 years

Other assets: Included in other assets are all contributions of works of art and other similar non-depreciable items that have been recognized at their estimated fair value at the date of receipt based upon appraisals or similar valuations. The amount reported for these assets at June 30, 2011 is $204,535. In addition, the Center previously incurred legal costs in conjunction with a tenant contract agreement. The Center has capitalized these costs and began amortizing them over the term of the lease beginning July 2007. The unamortized balance at June 30, 2011 is $278,627, which is net of accumulated amortization of $11,732.

Deferred revenue: Cash received for the rental of meeting space and future events at the Center and grants are recorded as deferred revenue. The Center had deferred revenue at June 30, 2011 of $96,428.

Program service fees: Revenues from services charged for the Center’s various programs are recognized when earned.

Contributions: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases this net asset class. If satisfaction of temporary restrictions occurs in the same year as revenue recognition, contributions are then recorded as unrestricted revenue. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional pledges are recognized as revenue in the period in which the pledge is received and are recorded net of a present value discount for any installments to be received at a date more than one year in the future.

The allowance for uncollectible contributions is based upon management’s analysis of various factors including prior collection history, type of contribution, and nature of fundraising activities. At June 30, 2011, the Center had an allowance for uncollectible contributions of $26,730.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In-kind contributions: The financial statements reflect amounts for in-kind contributions and donated services for which an objective basis is available to measure their value. The Center does not imply time restrictions for gifts of long-lived assets. As a result, in the absence of donor-imposed restrictions, gifts of long-lived assets are reported as unrestricted income. The Center has recorded in-kind contributions, which included design services, program supplies and services, event services, and landscaping of $4,609 for the year ended June 30, 2011.

Functional allocation of expenses: The costs of providing the program and other activities have been presented on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. This year, program costs include an allocation to Senior Services, formerly known as Services and Advocacy for Gay, lesbian, bisexual and transgender Elders (SAGE). Expenses that are common to program services, development and general administration are allocated based on management's determination.

Use of estimates: In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparative data: The financial statements include certain prior year summarized comparative information in total but not in the level of detail required for a presentation in conformity with accounting principles accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center’s financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Income taxes: The Center, an Illinois nonprofit corporation, is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, except for taxes pertaining to unrelated business income, if any.

The accounting standard on uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Center and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities during the year.

The Center files Forms 990 in the U.S. federal jurisdiction and the State of Illinois. The Center is generally no longer subject to examination by the Internal Revenue Service for years before fiscal 2008.

Subsequent events: The Center has evaluated subsequent events for potential recognition and/or disclosure through December 6, 2011, the date the financial statements were available to be issued.

Note 2. Pledges Receivable

Pledges receivable as of June 30, 2011, net of respective allowances consist of:

Up to one year	$ 278,119
Two years	94,459
More than two years	1,472,513
	1,845,091
Present value discount (approximately 1.0 to 4.5 percent)	(12,392)
Allowance for uncollectible contributions	(26,730)
	$ 1,805,969

The present value discount rates are comparable to the Treasury's risk-free rate over similar time horizons.

Note 3. Fair Value Measurements

The accounting standard on fair value measurements provides a framework for measuring fair value under generally accepted accounting principles. The accounting standard defines fair value, establishes a framework for measuring fair value, sets out a fair value hierarchy and expands disclosures about fair value measurements. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the accounting standard as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under the accounting standard are described below:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

Level 2. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 3. Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2011.

Equity and fixed income mutual funds: Valued at the closing price reported on the active market on which the funds are traded.

Money market funds, public real estate investment trust, and commodity mutual funds: Valued at the net asset value (NAV) of shares held at year-end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center 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.

All financial instruments detailed in Note 4 to the financial statements are considered Level 1.

Note 4. Investments

Investments at June 30, 2011 consist of:

Money market funds	$ 5,008
Equity mutual funds	1,364,335
Fixed income mutual funds	385,114
Public real estate investment trust	58,301
Commodity mutual funds	94,567
	$ 1,907,325

Investment income and unrealized gain on investments for the year ended June 30, 2011 is $57,203 and $362,847, respectively.

Note 5. Property and Equipment

Property and equipment at June 30, 2011 consist of:

Land	$ 6,762,611
Building	14,409,354
Furniture and fixtures	1,103,914
Computer equipment	382,167
Computer software	57,627
	22,715,673
Accumulated depreciation	(2,505,628)
	$ 20,210,045

Depreciation expense for the year ended June 30, 2011 totaled $601,493.

Note 6. Line of Credit

During 2010, the Center entered into a single revolving line of credit agreement with Bank of America for $1,000,000, replacing its existing lines of credit with the Bank. In March 2011, the line was extended through February 29, 2012, at which point the Center intends to renew the line. The line contains a variable rate of interest equal to the BBA LIBOR Daily floating rate plus 2.75 percentage points. At June 30, 2011, the rate was 2.94 percent. Collateral for the line are certain assets, including equipment and receivables, of the Center. At June 30, 2011, the Center had $0 outstanding under the line of credit.

Note 7. Long-Term Debt

Long-term debt at June 30, 2011 consists of a note payable to the City of Chicago at no interest, originally in the amount of $2,740,000, which was amended on June 28, 2007 to a revised amount due of $1,730,907 due to a soil remediation credit. The note is due and payable in its entirety on August 1, 2018 and collateralized by the Center on Halsted.

Note 8. Advances on Tenant Contract

The Center entered into a lease contract for the retail space, including the parking garage, at the Center for a term of 99 years commencing July 22, 2007 when the Center delivered possession of the premises to the tenant. Per the lease agreement, the tenant has prepaid the first 25 years of the base lease rent. The prepaid rent has been reported as advances on tenant contract on the statement of financial position and is being amortized over the prepayment period. The unamortized amount as of June 30, 2011 was $4,200,000.

Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2011 consist of:

Pledges receivable	$ 1,805,969
Corporate grant receivable	75,000
	$ 1,880,969

Note 10. Endowment Funds

The Center has a Board-designated endowment fund. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Center is not subject to the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) since it has no donor-restricted endowment funds. The Center’s Board-designated endowment net assets as of June 30, 2011 are $1,907,325, and are classified within unrestricted net assets on the statement of financial position.

Note 10. Endowment Funds (Continued)

The changes in endowment net assets for the Center were as follows for the years ended June 30, 2011:

Endowment net assets, July 1, 2010	$ 1,419,746
Contributions	94,328
Investment income (loss):	
Unrealized gains	362,847
Dividends	44,875
Investment fees	(14,471)
Endowment net assets, June 30, 2011	$ 1,907,325

Return Objectives and Risk Parameters

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include only Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to earn a long-term real return (net of management fees and inflation) of 5% per annum. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved in accordance with the maximum and minimum range for each asset category described below. The Center targets a diversified asset allocation in accordance with the overall risk and return objectives of the portfolio. The Center also reviews its portfolio to avoid investments in the securities of companies that actively and directly pursue corporate practices or policies harmful to or violate the rights of LGBT persons. The asset class and range is as follows:

Asset Class	Minimum	Target	Maximum	
Equity	59%	66%	80%	Large Cap, Mid Cap Stock
Fixed Income	19%	26%	35%	Core Fixed Income, High Yield
Alternate investments	0%	8%	15%	Real Estate, Alternative Funds

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Center has a policy of providing a cash income stream to the organization of up to 4% of the prior three calendar year's average net asset value of the fund, defined as the value of the fund net of any collateralized debt. This is consistent with the Center's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.