

2022 Endowment Accounts Report

Hazelden Betty Ford Foundation

Return Objectives and Risk Parameters

The Foundation 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 those assets of donor-restricted funds that the Foundation must hold in perpetuity, or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that outperform a custom benchmark (the Allocation Index) consisting of the appropriate indices of each asset class and their proportional weighting in the portfolio. The Allocation Index is constructed by selecting appropriate indices (e.g., S&P 500, Russell 2000, MSCI EAFE, etc.) and assigning beginning of the quarter weightings by asset class. The total return of the invested assets is expected to exceed the total return of the Allocation Index.

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 Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 12 quarters ended September 30, 2021 and 2020, respectively. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at a rate sufficient to meet the Foundation's spending needs, while maintaining the inflation-adjusted principal of the endowment funds.

Endowment Accounts Report — Year Ended December 31, 2022

Hazelden Betty Ford Foundation

Fund Name	Adjusted Fair Market Value of Funds 12-31-2021	2022 Activity Net Investment Total Return	Amount Used for Donor Purpose/Other	New Gifts/ Additions to Principal	Adjusted Fair Market Value of Funds 12-31-2022
Alan Braun GLBT Scholarship	\$127,609	(\$21,260)	(\$5,376)		\$100,973
Ann Kuhn Patient Aid	144,633	(24,097)	(6,096)		114,440
Arch W. Shaw III Research	66,296	(11,050)	(2,348)	10,000	62,898
Arkansas Patient Aid	526,755	(87,760)	(22,196)		416,799
Baillon Family Research	1,295,992	(181,100)		1,000	1,115,892
Betty Ford Center Family/Children's Program	669,662	(111,569)	(28,216)		529,877
Betty Ford Center Legacy Financial Assistance	4,970,525	(828,175)	(209,444)	500	3,933,406
Betty Ford Institute	1,286,187	(214,286)	(54,196)		1,017,705
Bundy Patient Aid	658,107	(109,644)	(27,732)		520,731
Butler Center for Research	2,230,132	(371,552)	(93,972)		1,764,608
Center for Public Advocacy	253,783	(42,282)	(10,692)		200,809
Charles Rechlin Summer Institute for Medical Students	283,566	(47,264)	(9,816)	50,000	276,486
Charlie's Fund for Hazelden Center Youth and Families	56,233	(9,369)	(2,368)		44,496
Chicago Patient Aid	102,471	(17,072)	(4,316)		81,083
Continuing Care Patient Aid	6,513	(1,085)	(276)		5,152
Cork	3,002,298	(500,198)	(126,508)		2,375,592
Counselor Training	120,464	(20,070)	(5,076)		95,318
D. MacMillan Public Education	118,360	(19,719)	(4,988)		93,653
Daniels Patient Aid	2,632,381	(438,568)	(110,920)		2,082,893
David H. & Barbara M. Jacob Family Foundation	248,772	(41,447)	(10,484)		196,841
Debra Glendening Women's Recovery Patient Aid	280,249	(46,695)	(11,384)		222,170
Evan Keating HCYF Patient Aid	100,040	(16,680)	(4,132)	100	79,328
Family Center Operations	120,528	(20,080)	(5,080)		95,368
Fellowship Club St. Paul	128,758	(21,452)	(5,424)		101,882
General Operations	4,808,019	(801,041)	(202,596)		3,804,382
General Patient Aid	2,686,499	(447,585)	(113,200)		2,125,714
George Weller Tiebout Patient Aid	452,675	(75,418)	(19,076)		358,181
Graduate School	112,863	(18,745)	(4,756)	5,000	94,362
Graduate School Operations	183,145	(30,513)	(7,716)		144,916
Graduate School Scholarships	188,133	(31,344)	(7,884)		148,905

Endowment Accounts Report — Year Ended December 31, 2022

Hazelden Betty Ford Foundation

Fund Name	Adjusted Fair Market Value of Funds 12-31-2021	2022 Activity Net Investment Total Return	Amount Used for Donor Purpose/Other	New Gifts/ Additions to Principal	Adjusted Fair Market Value of Funds 12-31-2022
Hardy Financial Assistance	\$2,801,241	(\$466,701)	(\$118,036)		\$2,216,504
Heckman Archives Students	102,627	(17,098)	(4,324)		81,205
Huss Older Adults Research	546,138	(90,989)	(23,012)		432,137
J. Waletzky Memorial Patient Aid	205,765	(34,281)	(8,672)		162,812
James and Alice Roberson African American Student Endowment Fund	77,170	(12,976)	(3,252)	6,000	66,942
Jerry Moe and Berger Family Children's Program	22,331	(3,720)	(940)		17,671
Joseph Liftik Renewal Patient Aid	57,422	(9,567)	(2,420)		45,435
Kate Blackwell Women's Patient Aid	78,464	(13,073)	(3,308)		62,083
Kirby Extended Care Patient Aid	97,530	(16,249)	(4,108)		77,173
Lammers Renewal Center	4,472	(745)	(144)	1,000	4,583
Lodge Program Development	81,926	(13,649)	(3,452)		64,825
Lois Smith Family Patient Aid	1,164,318	(193,981)	(49,060)		921,277
M. Buseman Sunnyside Patient Aid	98,953	(16,487)	(4,124)	805	79,147
Mark Christian Graduate Programs	271,238	(45,190)	(11,428)		214,620
Mott Family Prevention	379,054	(63,152)	(15,972)		299,930
New York Patient Aid	135,921	(22,645)	(5,728)		107,548
Nicholas Pappas Patient Aid	87,466	(14,572)	(3,684)		69,210
Phil Cavanaugh Patient Aid	20,009	(3,333)	(844)		15,832
Renewal Center	374,816	(62,446)	(15,792)		296,578
Richard & Mary Kelly Family Patient Aid	502,004	(83,644)	(20,380)	18,158	416,138
Robert & Lynne Frey Women's Patient Aid	68,643	(11,436)	(2,892)		54,315
Robert Phelps Memorial Patient Aid	54,444	(9,071)	(2,296)		43,077
Rogers Dillon Donnelly Lifesaver Patient Aid	107,923	(17,911)	(4,544)	1,000	86,468
Schindler Memorial Patient Aid	32,828	(5,505)	(1,384)	330	26,269
Starr Foundation for Research and Education	105,319	(17,547)	(4,436)		83,336
Summer Institute for Medical Students	210,596	(35,086)	(8,872)		166,638
Thiry Endowed Fund for Fellowship	53,577	(8,926)	(2,256)		42,395
William & Margaret McNamee Renewal Center	219,990	(36,651)	(9,268)		174,071
Youth and Family Patient Aid	172,950	(28,814)	(7,288)		136,848
Total	\$35,996,783	(\$5,962,565)	(\$1,458,184)	\$93,893	\$28,669,927