

THE NATHAN CUMMINGS FOUNDATION

Financial Statements

For the Years Ended December 31, 2020 and 2019

Table of Contents

	Page
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 15

Independent Auditor's Report

**To the Board of Directors
The Nathan Cummings Foundation
New York, New York**

We have audited the accompanying financial statements of The Nathan Cummings Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

10900 NE 4th St
Suite 1400
Bellevue WA
98004

clarknuber.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Clark Nuber P.S.

Certified Public Accountants
August 25, 2021

THE NATHAN CUMMINGS FOUNDATION

Statements of Financial Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets:		
Cash and cash equivalents	\$ 1,453,384	\$ 2,772,405
Prepaid expenses	424,013	315,494
Investment interest and dividends receivable	17,704	27,019
Investments (Note 3)	469,619,897	440,824,205
Property and equipment, net (Note 4)	<u>1,080,987</u>	<u>375,889</u>
Total Assets	<u>\$ 472,595,985</u>	<u>\$ 444,315,012</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 441,576	\$ 654,121
Grant commitments	5,250,000	8,775,000
Postretirement benefits obligation (Note 7)	3,137,265	2,674,792
Excise tax liability (Note 2)	<u>2,009,871</u>	<u>1,380,203</u>
Total Liabilities	10,838,712	13,484,116
Net Assets:		
Without donor restrictions	<u>461,757,273</u>	<u>430,830,896</u>
Total Liabilities and Net Assets	<u>\$ 472,595,985</u>	<u>\$ 444,315,012</u>

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Activity		
Return on investments, net	\$ 54,610,990	\$ 46,719,534
Expenses:		
Program-		
Grants	16,083,499	24,496,917
Other program	<u>2,896,236</u>	<u>3,341,600</u>
Total program	18,979,735	27,838,517
Management and general	<u>4,220,146</u>	<u>5,242,265</u>
Total Expenses	<u>23,199,881</u>	<u>33,080,782</u>
Change in Net Assets Without Donor Restrictions From Operations	31,411,109	13,638,752
Nonoperating Activity		
Postretirement benefit obligation adjustment	(462,473)	(471,829)
Loss on disposal of assets	<u>(22,259)</u>	<u></u>
Change in Net Assets Without Donor Restrictions	30,926,377	13,166,923
Net assets without donor restrictions, beginning of year	<u>430,830,896</u>	<u>417,663,973</u>
Net Assets Without Donor Restrictions, End of Year	<u>\$ 461,757,273</u>	<u>\$ 430,830,896</u>

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

**Statements of Functional Expenses
For the Years Ended December 31, 2020 and 2019**

	<u>Program</u>	<u>Management and General</u>	<u>2020 Total</u>
Grants	\$ 16,083,499	\$ -	\$ 16,083,499
Salaries and benefits	2,000,758	2,271,741	4,272,499
Professional and consulting fees	260,487	1,251,978	1,512,465
Occupancy costs	543,919	342,062	885,981
Meetings and engagement	76,890	107,844	184,734
Software, equipment and supplies	375	156,686	157,061
Depreciation and amortization	13,807	89,835	103,642
Total Expenses	<u>\$ 18,979,735</u>	<u>\$ 4,220,146</u>	<u>\$ 23,199,881</u>

	<u>Program</u>	<u>Management and General</u>	<u>2019 Total</u>
Grants	\$ 24,496,917	\$ -	\$ 24,496,917
Salaries and benefits	1,630,709	2,699,477	4,330,186
Professional and consulting fees	893,427	1,465,106	2,358,533
Occupancy costs	469,823	392,301	862,124
Meetings and engagement	333,870	465,273	799,143
Software, equipment and supplies		160,172	160,172
Depreciation and amortization	13,771	59,936	73,707
Total Expenses	<u>\$ 27,838,517</u>	<u>\$ 5,242,265</u>	<u>\$ 33,080,782</u>

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

**Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Change in net assets without donor restrictions	\$ 30,926,377	\$ 13,166,923
Adjustments to reconcile change in net assets to net cash used in operating activities-		
Noncash transactions:		
Depreciation and amortization	103,642	73,707
Loss on disposal of property and equipment	22,258	
Return on fair value investments, net	(4,058,690)	(6,002,916)
Change in value of investments held at NAV, net	(51,721,057)	(41,417,746)
Deferred excise tax expense	774,860	395,733
Change in post retirement benefit obligation	462,473	471,829
Changes in assets and liabilities:		
Investment interest and dividends receivable	9,315	38,741
Prepaid expenses	(108,519)	(157,059)
Accounts payable and accrued expenses	(253,351)	70,150
Grant commitments	(3,525,000)	4,225,000
Excise tax liability	(145,192)	181,155
Net Cash Used in Operating Activities	(27,512,884)	(28,954,483)
Cash Flows From Investing Activities:		
Purchase of investments	(7,699,546)	(1,822,731)
Proceeds from sale of investments	34,683,601	25,228,967
Purchase of property and equipment	(790,192)	(137,555)
Net Cash Provided by Investing Activities	26,193,863	23,268,681
Net Change in Cash and Cash Equivalents	(1,319,021)	(5,685,802)
Cash and cash equivalents, beginning of year	<u>2,772,405</u>	<u>8,458,207</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,453,384</u>	<u>\$ 2,772,405</u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for taxes	\$ 110,000	\$ 305,000

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

Notes to Financial Statements For the Years Ended December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies

The Nathan Cummings Foundation, Inc. (the "Foundation"), incorporated in Illinois on May 27, 1949, is a national private grant making organization rooted in the Jewish tradition of social justice and committed to creating a more just, vibrant, sustainable and democratic society. The Foundation makes grants to address inequality and climate change with approaches that focus on transitioning an economy to be more just, clean and inclusive; advancing racial and economic justice; increasing corporate and political accountability; and amplifying voice, creativity and culture to move people to act for social change. The Foundation's office is in New York City.

The Foundation was a beneficiary of the Estate of Nathan Cummings, the founder of Consolidated Foods Corporation, which changed its name to Sara Lee Corporation in 1985. The primary source of revenue for the Foundation is derived from investment activities.

Basis of Presentation - The Foundation has presented its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Foundation has presented unclassified statements of financial position which sequence assets according to their nearness of conversion to cash and sequence liabilities according to the nearness of their maturity and resulting use of cash.

Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to externally imposed restrictions.

Net Assets With Donor Restrictions - Net assets subject to externally imposed restrictions that may or will be met either by actions of the Foundation and/or the passage of time. There were no net assets with donor restrictions at December 31, 2020 and 2019.

Revenue is reported as an increase in net assets without restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets are reported as transfers between the applicable classes of net assets.

Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Foundation considers all highly liquid investments purchased with an original maturity of three months or less, to be cash equivalents except for cash and cash equivalents held as part of the Foundation's investment portfolio.

THE NATHAN CUMMINGS FOUNDATION

Notes to Financial Statements For the Years Ended December 31, 2020 and 2019

Note 1 - Continued

Investments - Investments in debt and equity securities are stated at fair value, with both realized and unrealized gains and losses recorded in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor restrictions or law. Fair value of investments with readily determinable market values is based on quoted market prices. The estimated fair value of certain alternative investments for which quoted market prices are not available is based on valuations provided by the external investment managers and the management of the investees, generally on the basis of net asset value (NAV) per share, or its equivalent, as a practical expedient for measuring fair value. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the NAV of the investments. The estimated fair value may differ significantly from the value that would have been used had a ready market for the investments existed.

Investment securities, in general, are exposed to various risks, including interest rate, credit, and overall market volatility. It is reasonably probable that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Concentration of Credit Risk - Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist primarily of cash and investments. Cash and investments held by financial institutions exceed federally insured limits.

Property and Equipment - Property and equipment is stated at cost for purchased assets or estimated fair value at the date of receipt for donated assets. The Foundation capitalizes office equipment and furniture with a cost, if purchased, or fair value, if donated, greater than \$50,000. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, ranging from two to seven years. Capitalized artwork acquired by the Foundation is not depreciated.

Grant Commitments - Unconditional grants are recognized as expense in the statements of activities and changes in net assets at the time awarded. Conditional grants are recognized as expense when the conditions are substantially satisfied by the grantee. The Foundation had no conditional grants outstanding as of December 31, 2020 and 2019.

Methods Used for Allocation of Expenses - The Foundation directly allocates costs to the programs and general and administrative functions wherever practicable. For example, the cost of staff and field activities in direct service of programs, including communications, are allocated to the program function. The remaining staff, as well as technology expenditures, are allocated to the general and administrative function. Other costs, such as professional and consulting fees or meetings and engagement costs, are charged directly to the relevant category on an item-by-item basis.

Expenses that are allocated between functions include the President's salary and benefits, which are allocated based on a time-use study, and occupancy costs and depreciation which are allocated based on headcount.

Operating and Nonoperating Activities - All activities are considered operating except for adjustments to the Foundation's postretirement benefit obligation and losses on disposal of assets.

THE NATHAN CUMMINGS FOUNDATION

Notes to Financial Statements For the Years Ended December 31, 2020 and 2019

Note 2 - Federal Excise Taxes

The Foundation is classified as a private foundation as described in Section 509(a) of the Internal Revenue Code and is, therefore, subject to an excise tax on its net investment income. Deferred federal excise tax arises from timing differences between financial statement and tax reporting related to investment income and the difference between the cost basis and fair value of investments. In accordance with Section 4940(e) of the Internal Revenue Code, the Foundation paid a 1.39 percent and a 1 percent excise tax rate for the years ended December 31, 2020 and 2019, respectively.

The excise tax liability consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Prepaid (accrued) excise tax, net	\$ 104,938	\$ (40,254)
Deferred excise tax liability	<u>(2,114,809)</u>	<u>(1,339,949)</u>
Total Excise Tax Liability	<u>\$ (2,009,871)</u>	<u>\$ (1,380,203)</u>

Excise and unrelated business income tax expense is reported as a component of return on investments on the statements of activities and changes in net assets. The components of excise tax expense were as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Federal and state excise and unrelated business income tax expense	\$ 533,275	\$ 829,418
Change in deferred excise tax on unrealized gain	<u>774,860</u>	<u>395,733</u>
Total Excise Tax Expense	<u>\$ 1,308,135</u>	<u>\$ 1,225,151</u>

The Foundation is also required under the Internal Revenue Code to make minimum charitable distributions based on the fair value of its assets. Charitable distributions made in excess of the required minimum in any year may be used to reduce the minimum distributions required in future years, subject to a five-year carryover limitation. Failure to make the minimum charitable distributions could result in additional taxes and possible loss of the Foundation's charitable organization status. The Foundation's required minimum charitable distributions for the year ended December 31, 2019 were made by December 31, 2020.

Note 3 - Fair Value Measurements and Investments

As noted in Note 1, investments in debt and equity securities are reported at fair value. U.S. GAAP for *Fair Value Measurements* has established a framework that requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants.

U.S. GAAP uses a fair value hierarchy which prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

THE NATHAN CUMMINGS FOUNDATION

**Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019**

Note 3 - Continued

Valuation Techniques - Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices for identical instruments in active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets using Level 3 inputs are primarily valued using management’s judgment about the assumptions market participants would utilize in pricing the asset. Valuation techniques utilized to determine fair value are consistently applied.

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

Cash and Cash Equivalents - Valued at cost plus accrued interest, which approximates fair value.

Marketable Equity Securities - Valued at the closing price reported on the active market in which the securities are traded.

Investments Measured at NAV - Valued using the NAV provided by the investment’s manager. The NAV is based on the fair value of the underlying assets owned by the fund, minus its liabilities.

Fair Values Measured on a Recurring Basis - Fair values of the Foundation’s assets measured on a recurring basis are as follows at December 31:

	December 31, 2020			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 2,319,666	\$ -	\$ -	\$ 2,319,666
Equity securities-				
Domestic	26,633,289			26,633,289
Foreign	784,851			784,851
Other	25,268			25,268
Total Investments in the Fair Value Hierarchy	\$ 29,763,074	\$ -	\$ -	29,763,074
Redemption receivable				17,000,000
Limited partnership measured at NAV ^(a)				422,856,823
Total Investments at December 31, 2020				\$ 469,619,897

THE NATHAN CUMMINGS FOUNDATION

Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 3 - Continued

	December 31, 2019			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 4,298,022	\$ -	\$ -	\$ 4,298,022
Equity securities-				
Domestic	26,095,820			26,095,820
Foreign	772,033			772,033
Other	52,834			52,834
Total Investments in the Fair Value Hierarchy	\$ 31,218,709	\$ -	\$ -	31,218,709
Redemption receivable				24,000,000
Limited partnership measured at NAV ^(a)				385,605,496
Total Investments at December 31, 2019				\$ 440,824,205

- (a) In accordance with ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*, certain investments that were measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The NAV amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the line items in the statements of financial position.

The Foundation's investment in a limited partnership (LP) consists of a private investment limited partnership which offers an endowment style investment program. The Foundation is the limited partner, and GEF GP, LP, is the general partner. The LP invests with a long-term horizon, seeking varied and non-traditional investment opportunities in an effort to provide a diversified, single-portfolio investment strategy for the Foundation. The LP invests primarily in interests in public or private investment vehicles or pooled accounts managed by unaffiliated third parties, although it may invest directly in securities and other assets. The LP is subject to notice periods and withdrawals dates in which the Foundation has the legal right to receive redemptions of its investments. The LP's redemption provisions require a March 1 notification date to be effective as of June 30; and a September 1 notification date to be effective as of December 31. There are limitations of redemptions as further outlined in the partnership agreement. The Foundation, as limited partner, is allocated 100% of the profits and losses of the LP. The general partner is responsible for the liabilities of the LP.

THE NATHAN CUMMINGS FOUNDATION

Notes to Financial Statements For the Years Ended December 31, 2020 and 2019

Note 4 - Furniture and Equipment

Furniture and equipment are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 607,664	\$ 1,336,938
Furniture	130,748	81,519
Website	69,035	69,035
Art	23,799	23,799
Grant database	273,816	273,816
Audio visual equipment	<u>92,587</u>	<u>146,403</u>
	1,197,649	1,931,510
Less accumulated depreciation	<u>(116,662)</u>	<u>(1,555,621)</u>
Furniture and Equipment, Net	<u>\$ 1,080,987</u>	<u>\$ 375,889</u>

Note 5 - Line of Credit

The Foundation had a \$10,000,000 line of credit with a bank with no expiration date. The line of credit was unsecured. Borrowings against the line of credit bore interest at the greater of LIBOR plus 0.45% or the bank's prime rate. The line was terminated by the Foundation in June 2019, with no outstanding balance owed.

In March 2020, the Foundation secured a new \$10,000,000 line of credit with a different bank. The line of credit expires March 2025, and bears interest at the greater of the bank's prime rate less 2.67%, or 2.40%. The line is secured by Foundation assets held at the bank. There were no borrowings against this line of credit at December 31, 2020.

Note 6 - Commitments

The Foundation leased office space under an operating lease, which was terminated in November 2020. In addition to base rent, the Foundation was obligated to pay an additional amount based on its share of real estate taxes.

In 2020, the Foundation signed a lease agreement for new office space effective February 2021 through December 2032. The Foundation has the option to renew the lease for one five-year term. Fixed rental payments increase every five years throughout the term of the lease. In addition, the agreement provides for a rent holiday and certain leasehold improvements.

THE NATHAN CUMMINGS FOUNDATION

Notes to Financial Statements For the Years Ended December 31, 2020 and 2019

Note 6 - Continued

Future minimum lease payments are as follows:

For the Year Ending December 31,

2021	\$	263,293
2022		768,910
2023		768,910
2024		838,811
2025		838,811
Thereafter		<u>6,467,554</u>
Total Future Lease Payments	\$	<u>9,946,289</u>

Rent expense for the years ended December 31, 2020 and 2019 was approximately \$690,000 and \$637,000, respectively.

Note 7 - Post Employment Benefits

Pension Plans - The Foundation contributes to a defined contribution money purchase retirement plan on behalf of all eligible employees. Under the terms of the plan, employer contributions are fully vested upon contribution to the plan. Plan expense was approximately \$435,000 and \$434,000 for the years ended December 31, 2020 and 2019, respectively. In addition, the Foundation has a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code to which employees may contribute.

Postretirement Healthcare Benefits - In addition to providing pension plans, the Foundation provides certain postretirement healthcare for eligible retired employees. The Foundation currently offers continuing participation in the Foundation's medical plans to eligible employees who retire. The Foundation may modify or terminate these plans at any time.

To be eligible for this program, at the time of retirement the employee must have attained the age of 55 and have been a full-time employee of the Foundation for at least 10 years. Upon leaving the Foundation for any reason, other than termination for cause, the retiree may continue to participate in the Foundation's medical insurance programs on the same basis as full-time employees, including family coverage. As with full-time employees, the retiree is required to reimburse the Foundation in an amount equal to premium contributions she/he would have paid as an employee.

Upon becoming eligible for Medicare, the retiree must apply for Medicare. When Medicare benefits are available, the medical insurance provided by the Foundation will become secondary, supplemental coverage. Similarly, if the retiree's spouse is covered by the Foundation's insurance, she/he must apply for Medicare at the applicable age and at that time the medical insurance provided by the Foundation will become secondary, supplemental coverage. If the retiree and/or spouse become eligible to receive medical coverage from another employer, medical insurance provided by the Foundation will become secondary, supplemental coverage.

The Foundation recognizes the postretirement benefit obligation in accordance with the accounting standards for pension plans, which requires organizations to recognize the over-funded or under-funded status of a postretirement benefit plan as an asset or liability in its statements of financial position.

THE NATHAN CUMMINGS FOUNDATION

Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 7 - Continued

The benefit obligation, plan assets, contributions, payments, and funded status for the postretirement benefit program as of and for the years ended December 31 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Benefit obligation	\$ (3,137,265)	\$ (2,674,792)
Fair value of plan assets		
Funded Status	<u>\$ (3,137,265)</u>	<u>\$ (2,674,792)</u>
Items not yet recognized as a component of net periodic benefit cost-		
Prior service costs	\$ (1,300,955)	\$ (1,393,616)
Net loss	<u>579,413</u>	<u>396,216</u>
	<u>\$ (721,542)</u>	<u>\$ (997,400)</u>

The estimated net loss and prior service cost for the post-retirement benefits program that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next year totals \$92,661.

	<u>2020</u>	<u>2019</u>
Net periodic benefit cost	\$ 262,433	\$ 181,711
Employer contributions	75,818	72,386
Benefits paid	(75,818)	(72,386)
	<u>2020</u>	<u>2019</u>
Discount rate (benefit obligation)	3.3%	3.3%
Discount rate (benefit costs)	3.3%	3.3%

The healthcare cost trend rate was assumed to be 5.5% for the year ended December 31, 2020. This trend rate is assumed to decrease gradually to 5% by the year ending December 31, 2021 and thereafter.

Expected benefit payments for the postretirement healthcare benefits are summarized as follows:

For the Year Ending December 31,

2021	\$ 60,959
2022	62,936
2023	64,542
2024	66,048
2025	67,433
2026 - 2030	352,086

THE NATHAN CUMMINGS FOUNDATION

Notes to Financial Statements For the Years Ended December 31, 2020 and 2019

Note 8 - Liquidity and Availability of Financial Assets

The Foundation structures its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations become due. Distributions from the investment in a limited partnership with limited liquidity generally are at the sole discretion of the general partner; however, distributions can be obtained if necessary, as described in Note 3.

In the normal course of operations, the Foundation expects to withdraw up to 7% of the value of the investment in limited partnership annually. In the event the Foundation chooses to liquidate the partnership, approximately 51% of the balance can be withdrawn within one year.

The Foundation's financial assets available to meet general expenditures within one year of December 31, are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,453,384	\$ 2,772,405
Interest and dividends receivable	17,704	27,019
Investments	469,619,897	440,824,205
Less investments at NAV with limited liquidity	<u>(422,818,386)</u>	<u>(385,597,329)</u>
Financial Assets Available Within One Year to Meet General Expenditures	<u>\$ 48,272,599</u>	<u>\$ 58,026,300</u>

Note 9 - Risks and Uncertainties

In December 2019, a novel strain of coronavirus (COVID-19) was identified, and subsequent to year end, the World Health Organization declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 pandemic has caused business disruption through mandated and voluntary closings of multiple businesses and organizations, although partial re-openings have since occurred. Throughout the year, the Foundation's top priorities were the safety and livelihood of its employees and the continued support of its grantees. The Foundation transitioned to virtual operations and issued an additional \$1.2 million in supplemental grantmaking in response to the pandemic. As of August 25, 2021, management is not aware of any significant adverse effects on the financial statements for the year ended December 31, 2020 as a result of COVID-19. Management will continue to monitor market events and conditions as they unfold, including in investment markets, and has established strategies to respond accordingly to expected increased market volatility.

Note 10 - Subsequent Events

The Foundation has evaluated subsequent events through August 25, 2021, the date on which the financial statements were available to be issued.