THE NATHAN CUMMINGS FOUNDATION

Financial Statements

For the Years Ended December 31, 2022 and 2021

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Clark Nuber PS

Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Nathan Cummings Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Clark Nuber P.S.

Certified Public Accountants
August 16, 2023

THE NATHAN CUMMINGS FOUNDATION

Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets:		
Cash and cash equivalents	$ 2,911,165	$ 3,946,712
Prepaid expenses and deposits	480,231	469,521
Investment interest and dividends receivable	(95,406)	33,893
Investments (Note 3)	447,307,675	523,426,896
Program-related investments (Note 3)	600,000	200,000
Furniture and equipment, net (Note 4)	1,452,001	1,707,647
Operating lease right-of-use asset, net (Note 7)	7,759,535	8,491,040
Total Assets	**$ 460,415,201**	**$ 538,275,709**
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 1,360,905	$ 781,245
Grant commitments (Note 5)	6,655,000	9,001,400
Operating lease liability, net (Note 7)	8,327,085	8,992,846
Postretirement benefits obligation (Note 8)	2,254,284	3,473,069
Excise tax liability (Note 2)	298,421	609,399
Total Liabilities	**18,895,695**	**22,857,959**
Net Assets:		
Without donor restrictions	441,519,506	515,417,750
Total Liabilities and Net Assets	**$ 460,415,201**	**$ 538,275,709**

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Activity		
Return on investments, net	$ (51,145,252)	$ 84,175,265
Expenses:		
Program-		
Grants	16,977,812	23,172,900
Other program	2,454,470	2,672,736
Total program	19,432,282	25,845,636
Management and general	4,539,495	4,333,348
Total Expenses	**23,971,777**	**30,178,984**
Change in Net Assets Without Donor Restrictions From Operations	**(75,117,029)**	**53,996,281**
Nonoperating Activity		
Postretirement benefit obligation adjustment	1,218,785	(335,804)
Change in Net Assets Without Donor Restrictions	**(73,898,244)**	**53,660,477**
Net assets without donor restrictions, beginning of year	515,417,750	461,757,273
Net Assets Without Donor Restrictions, End of Year	**$ 441,519,506**	**$ 515,417,750**

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

Statements of Functional Expenses
For the Years Ended December 31, 2022 and 2021

	Program	Management and General	2022 Total
Grants	$ 16,977,812	$ -	$ 16,977,812
Salaries and benefits	1,712,697	2,744,354	4,457,051
Professional and consulting fees	266,884	726,703	993,587
Occupancy costs	427,103	379,429	806,532
Meetings and engagement	32,463	278,848	311,311
Depreciation and amortization	13,807	255,141	268,948
Software, equipment and supplies	1,516	155,020	156,536
Total Expenses	**$ 19,432,282**	**$ 4,539,495**	**$ 23,971,777**

	Program	Management and General	2021 Total
Grants	$ 23,172,900	$ -	23,172,900
Salaries and benefits	1,918,451	2,777,471	4,695,922
Professional and consulting fees	327,298	720,239	1,047,537
Occupancy costs	383,320	417,910	801,230
Depreciation and amortization	13,807	194,732	208,539
Software, equipment and supplies	1,569	134,067	135,636
Meetings and engagement	28,291	88,929	117,220
Total Expenses	**$ 25,845,636**	**$ 4,333,348**	**$ 30,178,984**

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets without donor restrictions	$ (73,898,244)	$ 53,660,477
Adjustments to reconcile change in net assets to		
net cash used in operating activities-		
Noncash transactions:		
Depreciation and amortization	268,948	208,539
Return on fair value investments, net	43,116,809	(7,440,476)
Change in value of investments held at NAV, net	12,226,082	(76,983,485)
Change in deferred excise tax	(970,556)	(939,932)
Change in post retirement benefit obligation	(1,218,785)	335,804
Change in operating lease right-of-use asset and liability, net	65,744	501,806
Changes in assets and liabilities:		
Prepaid expenses and deposits	(10,710)	(45,508)
Investment interest and dividends receivable	129,299	(16,189)
Accounts payable and accrued expenses	566,358	298,863
Grant commitments	(2,346,400)	3,751,400
Excise tax liability	659,578	(460,540)
Net Cash Used in Operating Activities	**(21,411,877)**	**(27,129,241)**
Cash Flows From Investing Activities:		
Purchase of investments	(292,329,013)	(1,563,202)
Proceeds from sale of investments	312,705,343	31,980,164
Purchase of property and equipment		(794,393)
Net Cash Provided by Investing Activities	**20,376,330**	**29,622,569**
Net Change in Cash and Cash Equivalents	**(1,035,547)**	**2,493,328**
Cash and cash equivalents, beginning of year	3,946,712	1,453,384
Cash and Cash Equivalents, End of Year	**$ 2,911,165**	**$ 3,946,712**
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for taxes	$ 750,000	$ 1,630,000
Noncash Investing and Financing Activity:		
Establishment of operating lease right-of-use asset	$ -	$ 9,156,132
Establishment of operating lease liability	$ -	$ (9,156,132)

See accompanying notes.

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:

> <u>Net Assets Without Donor Restrictions</u> - Net assets that are not subject to externally imposed restrictions.
>
> <u>Net Assets With Donor Restrictions</u> - 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, 2022 and 2021.

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.

Adoption of New Accounting Standard - During the year ended December 31, 2021, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2018-11 - *Leases (Topic 842)*. This update increases transparency and comparability among organizations by recognizing leased assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. The Foundation adopted *Topic 842* using a modified retrospective method, effective January 1, 2021, the year in which its new lease agreement commenced (Note 7). Implementation of *Topic 842* resulted in the Foundation recognizing an initial right-of-use (ROU) leased asset and corresponding lease liability of $9,156,132 on the statements of financial position for its new lease. There was not a material effect to lease expense recognized on the statements of activities and changes in net assets.

Note 1 - Continued

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.

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.

Investments whose values are based on quoted market prices in active markets are classified as Level 1 and generally include cash equivalents and exchange-traded investment instruments. Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources are classified as Level 2. These can include certain US government and sovereign obligations, government agency obligations, investment grade corporate bonds and less liquid equity securities. Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value are based upon the best information in the circumstance and may require significant management judgment. Investments classified as Level 3 generally include securities for which no active market or dealer quote exists.

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.

Program-Related Investments - The Foundation seeks to align its investing activity with its mission. In 2021, the Foundation launched a program-related investment strategy where investments are made primarily for the purpose of advancing the Foundation's mission. Such investments include loans and equity investments with patient and/or flexible terms. Management reviews the collectability and/or fair value of the investments and determined an allowance for impairment was not necessary as of December 31, 2022 or 2021.

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 leasehold improvements are amortized using the straight-line method over the remaining term of the lease. Capitalized artwork acquired by the Foundation is not depreciated.

Note 1 - Continued

Leases - Effective January 1, 2021, the Foundation accounts for its leases under *Leases (Topic 842)*. The Foundation determines if an arrangement is a lease at its inception, including the classification of operating or finance. Operating leases are included in right-of-use (ROU) assets and lease liabilities on the statements of financial position (Note 7). ROU assets represent a right to use an underlying asset for the lease term, and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ROU assets are recognized at commencement date based on the present value of lease payments over the term of the lease, reduced by leasehold improvement allowances. A right-of-use asset and lease liability is not recognized for leases with an initial term of 12 month or less, or when the total lease liability is immaterial.

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 satisfied by the grantee. The Foundation had no conditional grants outstanding as of December 31, 2022 and 2021.

Methods Used for Allocation of Expenses - The Foundation directly charges 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 directly attributed to the program function. The remaining staff, as well as technology expenditures, are attributed 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.

Subsequent Events - The Foundation has evaluated subsequent events through August 16, 2023, the date on which the financial statements were available to be issued.

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 and on net realized taxable gains. 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. The federal excise tax rate of 1.39% has been applied to both net investment income and net realized taxable gains, and the deferred federal excise tax. Additionally, the Foundation pays taxes on unrelated business income incurred through certain partnership investments.

Note 2 - Continued

The excise tax liability, reported on the statements of financial position, consisted of the following at December 31:

	2022	2021
(Accrued) prepaid excise tax, net	$ (94,100)	$ 565,478
Deferred excise tax liability	(204,321)	(1,174,877)
Total Excise Tax Liability	**$ (298,421)**	**$ (609,399)**

Excise and unrelated business income tax expense is reported as a component of return on investments, net 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:

	2022	2021
Federal and state excise and unrelated business income tax expense	$ 805,758	$ 1,197,972
Change in deferred excise tax	(970,556)	(939,932)
Total Excise Tax Expense	**$ (164,798)**	**$ 258,040**

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 was in compliance with the minimum charitable distribution requirement for 2022 and 2021.

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).

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.

Note 3 - Continued

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.

Fixed Income - Valued using bid valuations from similar instruments in actively quoted markets.

Real Assets - Valued at the closing price reported on the active market in which the securities are traded. Real assets represent real estate, commodities and other assets traded via an exchange-traded fund.

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, 2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 15,975,439	$ -	$ -	$ 15,975,439
Fixed income		63,650,656		63,650,656
Equities	159,178,756			159,178,756
Real assets	359,052			359,052
Total Investments in the Fair Value Hierarchy	**$ 175,513,247**	**$ 63,650,656**	**$ -**	239,163,903
Limited partnership measured at NAV[a]				208,088,727
Other investments measured at NAV[a]				255,045
Program-related notes receivable				400,000
Total Investments at December 31, 2022				**$ 447,907,675**

Note 3 - Continued

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 327,470	$ -	$ -	$ 327,470
Equities	35,297,555			35,297,555
Total Investments in the Fair Value Hierarchy	**$ 35,625,025**	**$ -**	**$ -**	35,625,025
Redemption receivable				216,500,000
Limited partnership measured at NAV[(a)]				271,301,871
Program-related notes receivable				200,000
Total Investments at December 31, 2021				**$523,626,896**

(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 consists of a private investment limited partnership (NCF IH LP) which was used by its previous investment advisors to manage an endowment style investment program. The Foundation is the limited partner, and NCF IH GP, LLC, is the general partner. The LP is invested primarily in interests in private investment vehicles or pooled accounts managed by unaffiliated third parties. The LP is subject to notice periods and withdrawal dates in which the Foundation has the legal right to receive redemptions of its investments. 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.

During the year ended December 31, 2021, the Foundation conducted a market search and selected new advisers to implement its mission-aligned investing strategy. Consequently, and in accordance with its contractual obligations, the Foundation provided notice requesting a full redemption of its partnership interests from the previous advisers and subsequently transferred the general partnership of NCF IH LP from GEF GP, LP to NCF IH GP, LLC on January 31, 2022. The LP is in the process of winding down and is not expected to make any new investments. Full liquidation is expected to take up to 10 years, with $216.5 million reported as redemptions receivable and included in investments on the statements of financial position as of December 31, 2021. The initial redemption was received in good order on January 28, 2022, and subsequently reinvested in a managed portfolio.

Note 4 - Furniture and Equipment

Furniture and equipment are as follows at December 31:

	2022	2021
Leasehold improvements	$ 1,162,891	$ 1,154,891
Furniture	313,807	313,807
Grant database	273,816	273,816
Audio visual equipment	202,800	197,500
Website	69,035	69,035
Art	23,799	23,799
	2,046,148	2,032,848
Less accumulated depreciation	(594,147)	(325,201)
Furniture and Equipment, Net	**$ 1,452,001**	**$ 1,707,647**

Note 5 - Grant Commitments

Unconditional grants authorized to be paid in future years are payable as follows:

For the Year Ending December 31,	
2023	$ 6,055,000
2024	600,000
Total Grant Commitments	**$ 6,655,000**

A present value discount on grant commitments was deemed immaterial at December 31, 2022.

Note 6 - Line of Credit

The Foundation has a $10,000,000 line of credit with a 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, 2022 and 2021.

Note 7 - Leases

In 2020, the Foundation signed a lease agreement for office space. The lease term is from February 8, 2021 through December 31, 2032 and allows an option to renew the lease for one five-year term. Rental payments increase every five years throughout the term of the lease. In addition, the lease agreement provides for a rent holiday and a leasehold improvement allowance.

The lease is classified as an operating lease in accordance with *Leases (Topic 842)*. The option to renew the lease for one five-year term was not considered in calculating the ROU asset and lease liability, as lease renewal is not reasonably certain. Rent expense is recognized on the straight-line method.

Note 7 - Continued

Both a lease liability and ROU asset are recognized on the statements of financial position. The lease liability represents the present value of future lease payments over the term of the lease. Since the implicit interest rate of the lease is not readily determinable, the Foundation elected to utilize the risk-free U.S. Treasury securities ten-year constant maturity rate at the date of the lease inception of 1.19%. The ROU asset is measured at the initial amount of the lease liability, adjusted for the leasehold improvement allowance. The ROU asset is reduced over the lease term by the straight-line lease expense, less the accretion of the lease liability present value discount.

Supplemental cash flow information related to leases as of December 31, 2022 is as follows:

Cash paid for amounts included in the measurement of lease liabilities- Operating cash flows from operating leases	$ 768,910
Weighted-average remaining lease term - operating lease	10 years
Weighted-average discount rate - operating lease	1.19%

Future minimum lease payments at December 31, 2022 are as follows:

For the Year Ending December 31,	
2023	$ 768,910
2024	838,811
2025	838,811
2026	896,107
2027	907,566
Thereafter	4,663,881
Total future lease payments	8,914,086
Less unamortized present value discount on lease liability	(587,001)
Operating Lease Liability, Net	**$ 8,327,085**

Lease expense totaled approximately $835,000 and $765,000 for the years ended December 31, 2022 and 2021. This consisted entirely of operating lease costs.

Note 8 - 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 $499,000 and $447,000 for the years ended December 31, 2022 and 2021, 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.

Note 8 - Continued

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 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:

	2022	2021
Benefit obligation	$ (2,254,284)	$ (3,473,069)
Funded Status	**$ (2,254,284)**	**$ (3,473,069)**
Items not yet recognized as a component of net periodic benefit cost-		
Prior service costs	$ (1,115,633)	$ (1,208,294)
Net (loss)/gain	(1,101,158)	495,708
	$ (2,216,791)	**$ (712,586)**

Note 8 - Continued

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.

	2022	2021
Net periodic benefit cost	$ 350,431	$ 397,959
Employer contributions	65,011	71,111
Benefits paid	(65,011)	(71,111)

	2022	2021
Discount rate (benefit obligation)	5.0%	2.8%
Discount rate (benefit costs)	5.0%	2.8%

The healthcare cost trend rate was assumed to be 5.0% for the year ended December 31, 2022.

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

For the Year Ending December 31,	
2023	$ 66,560
2024	68,217
2025	69,765
2026	71,184
2027	72,449
2028 - 2031	374,432

Note 9 - 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.

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

	2022	2021
Cash and cash equivalents	$ 2,911,165	$ 3,946,712
Interest and dividends receivable		33,893
Investments	447,307,675	523,426,896
Less investments at NAV with limited liquidity	(208,088,727)	(271,301,871)
Financial Assets Available Within One Year to Meet General Expenditures	**$ 242,130,113**	**$ 256,105,630**