THE NATHAN CUMMINGS FOUNDATION

Financial Statements

For the Years Ended December 31, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in accordance 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
September 23, 2024

THE NATHAN CUMMINGS FOUNDATION

Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets:		
Cash and cash equivalents	$ 1,812,879	$ 2,911,165
Prepaid expenses and deposits	450,638	480,231
Investment interest and dividends receivable	112,103	(95,406)
Investments (Note 3)	459,653,806	447,307,675
Program-related investments (Note 3)	600,000	600,000
Furniture and equipment, net (Note 4)	1,189,427	1,452,001
Operating lease right-of-use asset, net (Note 7)	7,019,995	7,759,535
Total Assets	**$470,838,848**	**$460,415,201**
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 1,857,640	$ 1,360,905
Grant commitments (Note 5)	2,510,000	6,655,000
Operating lease liability, net (Note 7)	7,641,177	8,327,085
Postretirement benefits obligation (Note 8)	2,457,125	2,254,284
Excise tax liability (Note 2)	-	298,421
Total Liabilities	**14,465,942**	**18,895,695**
Net Assets:		
Without donor restrictions	456,372,906	441,519,506
Total Liabilities and Net Assets	**$470,838,848**	**$460,415,201**

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activity		
Return on investments, net	$ 35,740,868	$ (51,145,252)
Expenses:		
Program-		
Grants	13,292,500	16,977,812
Other program	2,195,513	2,454,470
Total program	15,488,013	19,432,282
Management and general	5,196,614	4,539,495
Total Expenses	**20,684,627**	**23,971,777**
Change in Net Assets Without Donor Restrictions From Operations	**15,056,241**	**(75,117,029)**
Nonoperating Activity		
Postretirement benefit obligation adjustment	(202,841)	1,218,785
Change in Net Assets Without Donor Restrictions	**14,853,400**	**(73,898,244)**
Net assets without donor restrictions, beginning of year	441,519,506	515,417,750
Net Assets Without Donor Restrictions, End of Year	**$456,372,906**	**$441,519,506**

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

Statements of Functional Expenses
For the Years Ended December 31, 2023 and 2022

	Program	Management and General	2023 Total
Grants	$ 13,292,500	$ -	$ 13,292,500
Salaries and benefits	1,490,579	3,087,543	4,578,122
Professional and consulting fees	206,749	873,600	1,080,349
Occupancy costs	432,265	377,553	809,818
Meetings and engagement	57,164	443,171	500,335
Depreciation and amortization	6,904	255,670	262,574
Software, equipment and supplies	1,852	159,077	160,929
Total Expenses	**$ 15,488,013**	**$ 5,196,614**	**$ 20,684,627**

	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**

See accompanying notes.

THE NATHAN CUMMINGS FOUNDATION

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities:		
Change in net assets without donor restrictions	$ 14,853,400	$ (73,898,244)
Adjustments to reconcile change in net assets to net cash used in operating activities-		
Noncash transactions:		
Depreciation and amortization	262,574	268,948
Return on fair value investments, net	(33,514,349)	43,116,809
Change in value of investments held at NAV, net	(1,778,985)	12,226,082
Change in deferred excise tax	178,609	(970,556)
Change in post retirement benefit obligation	202,841	(1,218,785)
Changes in assets and liabilities:		
Prepaid expenses and deposits	29,593	(10,710)
Investment interest and dividends receivable	(207,509)	129,299
Accounts payable and accrued expenses	496,735	566,358
Grant commitments	(4,145,000)	(2,346,400)
Operating lease liability, net of right-of-use asset	53,632	65,744
Excise tax liability	(477,030)	659,578
Net Cash Used in Operating Activities	**(24,045,489)**	**(21,411,877)**
Cash Flows From Investing Activities:		
Purchase of investments	(29,214,363)	(292,329,013)
Proceeds from sale of investments	52,161,566	312,705,343
Net Cash Provided by Investing Activities	**22,947,203**	**20,376,330**
Net Change in Cash and Cash Equivalents	**(1,098,286)**	**(1,035,547)**
Cash and cash equivalents, beginning of year	2,911,165	3,946,712
Cash and Cash Equivalents, End of Year	**$ 1,812,879**	**$ 2,911,165**
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for taxes	$ 460,000	$ 750,000

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:

> 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, 2023 and 2022.

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.

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 readily available 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, 2023 or 2022.

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.

Furniture and Equipment - Furniture 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 - The Foundation accounts for its leases under *Leases (ASC 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 in 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. The Foundation's leases do not provide an implicit rate of return; thus, the Foundation uses the risk-free discount rate, determined using a period comparable with that of the lease term from the lease commencement date. Lease expense for lease payments is recognized on a straight-line basis over the lease term. ROU 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, 2023 and 2022.

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 September 23, 2024, 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:

	2023	2022
Prepaid (accrued) excise tax, net	$ 387,340	$ (94,100)
Deferred excise tax liability	(382,930)	(204,321)
Total Excise Tax Asset (Liability)	**$ 4,410**	**$ (298,421)**

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:

	2023	2022
Federal and state excise and unrelated business income tax expense	$ 650,393	$ 805,758
Change in deferred excise tax	178,609	(970,556)
Total Excise Tax Expense (Benefit)	**$ 829,002**	**$ (164,798)**

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 2023 and 2022.

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, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 10,850,192	$ -	$ -	$ 10,850,192
Fixed income	-	71,764,441	-	71,764,441
Equities	195,800,778	-	-	195,800,778
Total Investments in the Fair Value Hierarchy	**$206,650,970**	**$ 71,764,441**	**$ -**	278,415,411
Limited partnership measured at NAV[a]				166,633,947
Other investments measured at NAV[a]				14,804,448
Program-related notes receivable				400,000
Total Investments at December 31, 2023				**$460,253,806**

Note 3 - Continued

	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**

(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 following table sets forth a summary of the Foundation's investments by major category reported at NAV at December 31:

	2023		2022	
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Alternative Investments-				
Private investment limited partnership	$ 166,633,947	$ -	$ 208,088,727	$ -
Private equity funds	2,857,985	10,076,711	55,045	-
Global equity funds	11,746,463	-	-	-
Program-related investment funds	200,000	-	200,000	-
	$181,438,395	**$ 10,076,711**	**$208,343,772**	**$ -**

Note 3 - Continued

Private Investment 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.

Private Equity Funds - Consists of private partnerships and holding companies that invest in equity and credit of primarily private companies. Redemptions are not permitted during the life of the fund, which is generally ten to fifteen years. Distributions are made at the discretion of the general partners, based upon the sale of the underlying investments.

Global Equity Funds - Consists of private partnerships and holding companies that invest primarily in marketable equity securities, subject to certain redemption restrictions. As of December 31, 2023, 100% of this amount could be redeemed with 30 days' notice, subject to additional terms and conditions.

Program-Related Investment Funds - Consists of private partnerships and holding companies that make investments that significantly further the foundation's charitable purpose, which the foundation has therefore designated as program-related investments. As of December 31, 2023 and 2022, 100% of this amount was invested in a private equity fund.

Note 4 - Furniture and Equipment

Furniture and equipment are as follows at December 31:

	2023	2022
Leasehold improvements	$ 1,162,891	$ 1,162,891
Furniture	313,807	313,807
Grant database	273,816	273,816
Audio visual equipment	202,800	202,800
Website	69,035	69,035
Art	23,799	23,799
	2,046,148	2,046,148
Less accumulated depreciation	(856,721)	(594,147)
Furniture and Equipment, Net	**$ 1,189,427**	**$ 1,452,001**

Note 5 - Grant Commitments

At December 31, 2023, all unconditional grants authorized to be paid in future years are payable during 2024. At December 31, 2022, $6,055,000 was payable during 2023, and $600,000 was payable during 2024. A present value discount on grant commitments was deemed immaterial at December 31, 2023 and 2022.

Note 6 - Line of Credit

The Foundation had a $10,000,000 line of credit with a bank. The line of credit bore interest at the greater of the bank's prime rate less 2.67%, or 2.40%. The line was secured by Foundation assets held at the bank. There were no borrowings against this line of credit at December 31, 2023 and 2022. The line of credit was terminated by the Foundation on May 1, 2024.

Note 7 - Leases

In 2020, the Foundation signed an operating 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. 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. 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.

Note 7 - Continued

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

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities- Operating cash flows from operating leases	$ 781,021	$ 768,910
Weighted-average remaining lease term - operating lease	9 years	10 years
Weighted-average discount rate - operating lease	1.19%	1.19%

Future minimum lease payments at December 31, 2023 are as follows:

For the Year Ending December 31,	
2024	$ 838,811
2025	838,811
2026	896,107
2027	907,566
2028	907,566
Thereafter	3,756,315
Total future lease payments	8,145,176
Less unamortized present value discount on lease liability	(503,999)
Operating Lease Liability, Net	**$ 7,641,177**

Lease expense totaled approximately $835,000 and $835,000 for the years ended December 31, 2023 and 2022, respectively. 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 $516,000 and $499,000 for the years ended December 31, 2023 and 2022, 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.

Note 8 - Continued

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:

	2023	2022
Benefit obligation	$ (2,457,125)	$ (2,254,284)
Funded Status	**$ (2,457,125)**	**$ (2,254,284)**
Items not yet recognized as a component of net periodic benefit cost-		
Prior service costs	$ (1,022,972)	$ (1,115,633)
Net gain/(loss)	1,091,422	(1,101,158)
	$ 68,450	**$ (2,216,791)**

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.

	2023	2022
Net periodic benefit cost	$ 106,462	$ 350,431
Employer contributions	$ 60,018	$ 65,011
Benefits paid	$ (60,018)	$ (65,011)

	2023	2022
Discount rate (benefit obligation)	4.85%	5.0%
Discount rate (benefit costs)	4.85%	5.0%

The healthcare cost trend rate was assumed to be 5.0% for the year ended December 31, 2023.

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

For the Year Ending December 31,	
2024	$ 68,472
2025	$ 70,005
2026	$ 71,401
2027	$ 72,642
2028	$ 73,706
2029 - 2033	$ 441,778

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:

	2023	2022
Cash and cash equivalents	$ 1,812,879	$ 2,911,165
Investment interest and dividends receivable	112,103	-
Investments	459,653,806	447,307,675
Less investments at NAV with limited liquidity	(166,633,947)	(208,088,727)
Financial Assets Available Within One Year to Meet General Expenditures	**$294,944,841**	**$242,130,113**