Altman Foundation

Financial Statements

December 31, 2019 and 2018

Independent Auditors' Report

Board of Trustees
Altman Foundation

We have audited the accompanying financial statements of the Altman Foundation, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, 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.

Auditors' 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 audit 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 auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Altman Foundation as of December 31, 2019 and 2018 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.

PKF O'Connor Davies, LLP

September 8, 2020

Altman Foundation

Statements of Financial Position

	December 31	
	2019	2018
ASSETS		
Cash in operating account	$ 9,729	$ 39,298
Prepaid taxes	3,004	3,254
Prepaid expenses and other assets	392,859	387,178
Investments (Note 4)	267,116,309	247,188,326
Program related investments (Note 5)	1,181,390	667,097
Furniture, equipment and leasehold improvements, net (Note 8)	827,961	904,848
	$ 269,531,252	$ 249,190,001
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable (Note 9)	$ 2,575,000	$ 2,547,500
Accounts payable and accrued expenses	206,109	240,777
Investment payable	1,510,304	902,385
Current federal excise tax liability (Note 3)	92,834	118,501
Deferred federal excise tax liability (Note 3)	581,661	542,897
Deferred rent and landlord incentive (Note 7)	573,362	594,996
Total Liabilities	5,539,270	4,947,056
Net assets without donor restrictions	263,991,982	244,242,945
	$ 269,531,252	$ 249,190,001

See notes to financial statements

Altman Foundation

Statements of Activities

	Year Ended December 31	
	2019	2018
INVESTMENT RETURN		
Interest and dividends	$ 3,396,029	$ 2,863,085
Net partnership income	1,553,644	513,032
Net realized gain on sale of investments	17,621,464	18,556,968
Change in net unrealized appreciation (depreciation) on investments	14,701,233	(21,904,437)
Other loss	(16,891)	(7,811)
Gross Investment Income	37,255,479	20,837
Less: external investment expenses	(3,732,516)	(3,077,544)
Less: direct internal investment expenses	(21,946)	(104,183)
Investment Return	33,501,017	(3,160,890)
EXPENSES		
Program grants	10,933,226	11,434,815
Other program	1,567,501	1,679,552
General and administration	591,375	570,438
Investment related taxes	434,347	(89,454)
Other investment	225,531	186,712
Total Expenses	13,751,980	13,782,063
Change in Net Assets	19,749,037	(16,942,953)
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	244,242,945	261,185,898
End of year	$ 263,991,982	$ 244,242,945

See notes to financial statements

Altman Foundation

Statements of Functional Expenses
For the Year Ended December 31,

	2019						
	Program Activities			Supporting Activities			
	Program Grants	Other Program	Total Program Expenses	General and Administration	Investment Related Taxes	Other Investment	Total
Grants authorized	$ 10,933,226	$ -	$ 10,933,226	$ -	$ -	$ -	$ 10,933,226
Salary and wages	-	808,893	808,893	303,178	-	135,864	1,247,935
Payroll taxes and employee benefits	-	228,570	228,570	85,668	-	38,390	352,628
Occupancy	-	306,915	306,915	74,622	-	19,659	401,196
Depreciation and amortization	-	85,789	85,789	20,858	-	5,495	112,142
Technology and computer related	-	49,640	49,640	18,606	-	8,338	76,584
Professional fees	-	9,986	9,986	40,706	-	1,677	52,369
Office expense	-	28,585	28,585	6,950	-	1,831	37,366
Dues, memberships and subscriptions	-	36,401	36,401	4,174	-	878	41,453
Travel, conferences and meetings	-	12,722	12,722	12,565	-	606	25,893
Insurance	-	-	-	19,724	-	-	19,724
Miscellaneous	-	-	-	4,324	-	12,793	17,117
Total Before Investment Related Taxes	10,933,226	1,567,501	12,500,727	591,375	-	225,531	13,317,633
Federal excise tax-current	-	-	-	-	395,333	-	395,333
Federal excise tax (benefit)-deferred	-	-	-	-	38,764	-	38,764
Unrelated business income tax	-	-	-	-	250	-	250
	$ 10,933,226	$ 1,567,501	$ 12,500,727	$ 591,375	$ 434,347	$ 225,531	$ 13,751,980

	2018						
	Program Activities			Supporting Activities			
	Program Grants	Other Program	Total Program Expenses	General and Administration	Investment Related Taxes	Other Investment	Total
Grants authorized	$ 11,434,815	$ -	$ 11,434,815	$ -	$ -	$ -	$ 11,434,815
Salary and wages	-	937,964	937,964	265,478	-	45,882	1,249,324
Payroll taxes and employee benefits	-	267,244	267,244	84,455	-	41,632	393,331
Occupancy	-	273,263	273,263	83,155	-	52,011	408,429
Depreciation and amortization	-	70,133	70,133	21,342	-	13,349	104,824
Technology and computer related	-	51,283	51,283	16,207	-	7,989	75,479
Professional fees	-	-	-	42,606	-	5,600	48,206
Office expense	-	31,270	31,270	9,516	-	5,952	46,738
Dues, memberships and subscriptions	-	36,401	36,401	2,939	-	2,391	41,731
Travel, conferences and meetings	-	11,994	11,994	25,705	-	1,548	39,247
Insurance	-	-	-	18,863	-	-	18,863
Miscellaneous	-	-	-	172	-	10,358	10,530
Total Before Investment Related Taxes	11,434,815	1,679,552	13,114,367	570,438	-	186,712	13,871,517
Federal excise tax-current	-	-	-	-	344,325	-	344,325
Federal excise tax (benefit)-deferred	-	-	-	-	(438,089)	-	(438,089)
Unrelated business income tax	-	-	-	-	4,310	-	4,310
	$ 11,434,815	$ 1,679,552	$ 13,114,367	$ 570,438	$ (89,454)	$ 186,712	$ 13,782,063

See notes to financial statements

Altman Foundation

Statements of Cash Flows

	Year Ended December 31 2019	Year Ended December 31 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and dividends received	$ 237,532	$ 275,152
Other receipts	4,960	9,980
Payments for federal excise taxes	(421,000)	(275,000)
Payments to vendors	(906,135)	(931,653)
Payments for compensation and benefits	(1,837,663)	(1,687,572)
Payments for grants and matching gifts	(10,933,873)	(10,956,103)
Net Cash from Operating Activities	(13,856,179)	(13,565,196)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(35,255)	(13,181)
Partnership distributions	14,237,752	10,104,776
Partnership capital calls	(18,021,430)	(12,151,350)
Net change in money market funds	5,443,494	(9,633,620)
Disbursement of program related investment	(531,250)	(250,000)
Repayment of program related investment	-	531,356
Purchases of investments	(23,000,999)	(33,200,000)
Proceeds from redemptions of investments	35,734,298	58,071,914
Net Cash from Investing Activities	13,826,610	13,459,895
Net Change in Cash	(29,569)	(105,301)
CASH		
Beginning of year	39,298	144,599
End of year	$ 9,729	$ 39,298

See notes to financial statements

1. Organization

The Altman Foundation (the "Foundation") was established and funded in 1913 by Benjamin Altman, the founder of B. Altman & Co. Under its charter, the Foundation is limited to grants to organizations in New York State. The Foundation supports programs and organizations within the five boroughs of New York City in five major areas: (i) Education; (ii) Health; (iii) Strengthening Communities; (iv) Cultural Engagement, Youth Development, and the Arts; and (v) in the overarching area of Services to Not-for-Profits.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. At December 31, 2019 and 2018, the net assets of the Foundation were without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Foundation follows US GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. The Foundation follows US GAAP guidance which removed the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with maturities of three months or less at time of purchase, except for those short-term investments managed by the Foundation's investment managers as part of their long-term investment strategies.

Investments Valuation

Investments are carried at fair value.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Program Related Investments

The Foundation makes Program Related Investments ("PRIs") to other organizations to achieve charitable purposes in alignment with the Foundation's strategies. These investments are comprised of either direct loans or via participation in a PRI loan portfolio as part of a limited partnership interest.

Direct loan PRIs bear a below-market interest rate. These loans are initially measured at fair value at inception to determine if a contribution element exists. Loans are then recorded on a net basis to reflect a discount on the loan receivable if such discount is material to the Foundation's financial statements and the discount is amortized to grant expense over the term of the loan. In addition, a loss reserve estimate is reviewed on an annual basis and adjusted if collectability risk has significantly changed based on the Foundation's understanding of the borrower's financial health and/or payment history.

Investment in loan PRIs as part of a limited partnership interest are recorded at the amount the partnership expects to collect for the Foundation's interest. Any loss reserve is recorded at the partnership level, and the Foundation's interest is adjusted accordingly.

Furniture, Equipment and Leasehold Improvements, Net

Furniture and equipment, including computer hardware and software, are recorded at cost and depreciated using the straight-line method over periods ranging from five to ten years. Leasehold improvements are recorded at cost and amortized over the term of the lease. The Foundation capitalizes all property and equipment items over $10,000.

2. Summary of Significant Accounting Policies *(continued)*

Grants

Grants are recorded when authorized by the Board of Trustees.

Concentration of Credit Risk

The Foundation invests its cash and cash equivalents with a quality financial institution. Throughout the year, balances in this account exceeded the Federal insured limits. The Foundation has a diversified portfolio of investments across multiple asset classes, and routinely assesses the diversification and financial strength of its cash and investment portfolio to limit concentration of credit risk.

Deferred Rent and Landlord Incentive

Rent expense is being recognized on a straight-line basis over the life of the lease. The difference between rent expense recognized and rental payments, as stipulated in the lease, is included in deferred rent and landlord incentive on the statements of financial position. In addition, deferred rent and landlord incentive includes a period of free rent provided by the lease and landlord incentive on a portion of the leasehold improvement cost, both of which are being amortized over the life of the lease.

Functional Expenses

The financial statements report expenses by function as either program or supporting activities. This requires expenses to be allocated on a reasonable basis that is consistently applied. The majority of expenses can be identified and charged directly to either program or supporting activities. Other natural expense categories have been allocated to functions on the basis of either office square footage or management's estimate of time and effort.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2016.

2. Summary of Significant Accounting Policies *(continued)*

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842). Under this ASU, a lessee should report at present value a right-of-use asset and a liability for the obligation to make payments under such leases. (For leases with a term of 12 months or less, the lessee has an option not to record such leases as assets and liabilities). A single lease expense, consisting of interest on the obligation and amortization of the asset, will be calculated so that the lease cost is allocated over the lease term on a straight-line basis. For the Foundation, the effective implementation date is for the 2022 fiscal year, with early application permitted. Although the Foundation has several small equipment leases, the most significant effect will be recording an asset and liability relating to its office space (Note 7).

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958-605). This ASU addresses diversity in practice among nonprofits in two key areas: (i) characterizing grants and similar contracts with government agencies and others as either an exchange transaction or a contribution, and (ii) distinguishing between conditional and unconditional contributions. The new guidance also attempts to clarify and simplify the determination of when a contribution is conditional, establishing that, for a donor-imposed condition to exist, it must have both: (i) a right of return of the gift to the donor or a release from the donor's promise to give, and (ii) a measurable performance barrier or other barrier that must be overcome. ASU 2018-08 also eliminates the need to consider whether the likelihood of not satisfying a donor-imposed condition is remote. The Foundation, as a donor/resource provider, will need to consider whether stipulations in its grant agreements, such as objectives and milestones, are measurable performance barriers or simply guidelines and mutually-agreed-upon goals. In addition, it will need to review its grant agreements and address any issues over the right of return of a grant payment or a release from any future payment obligation. The effective date for this ASU for the Foundation will be for the year ending December 31, 2020.

In May 2014, the FASB issued ASU 2014-09, Revenue for Contracts with Customers (Topic 606), which is effective for calendar year 2019. This standard establishes criteria that an entity must meet or follow before recognizing revenue. This ASU is not applicable to the Foundation's revenue sources.

3. Federal Excise Taxes

The Foundation is a nonprofit organization exempt from Federal income taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code (the Code) and is a private foundation as defined in Section 509(a) of the Code. The Foundation is subject to a Federal excise tax of 2% on its net investment income, as defined, for tax purposes. However, the excise tax is reduced to 1% if certain conditions are met. For 2019 and 2018 the Foundation's rate was 2%. The Foundation has met its minimum distribution requirement for both years.

3. Federal Excise Taxes *(continued)*

Deferred taxes arise from unrealized appreciation of investments held at year end. At December 31, 2018, the Foundation used the 2% rate. Effective in 2020, the federal excise tax rate will be 1.39%. Accordingly, the deferred tax liability at December 31, 2019 has been calculated at the 1.39% rate.

4. Assets Measured at Fair Value

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2019			
Description	Level 1	Level 2	Investments measured at net asset value per share (*)	Total
Investments				
Directional hedge	$ -	$ -	$ 16,166,228	$ 16,166,228
Diversifying hedge	-	-	25,402,968	25,402,968
Domestic equity	38,300,738	-	-	38,300,738
Fixed income	12,798,242	-	12,794,546	25,592,788
Global equity	-	-	15,566,327	15,566,327
International equity	-	-	37,666,800	37,666,800
Money market	6,779,312	-	-	6,779,312
Private credit	-	-	10,736,885	10,736,885
Private equity	-	-	50,796,205	50,796,205
Real assets	15,088,272	-	11,684,677	26,772,949
Real estate	-	-	11,522,867	11,522,867
Total Investments at fair value	$ 72,966,564	$ -	$ 192,337,503	265,304,067
Certificate of deposits, at cost				1,031,657
Unsettled security trades, net				780,585
Total Investments				$ 267,116,309

	2018			
Description	Level 1	Level 2	Investments measured at net asset value per share (*)	Total
Investments				
Directional hedge	$ -	$ -	$ 23,559,320	$ 23,559,320
Diversifying hedge	-	-	23,691,752	23,691,752
Domestic equity	36,806,587	-	-	36,806,587
Fixed income	11,645,951	-	11,688,879	23,334,830
Global equity	-	-	14,408,128	14,408,128
International equity	164,498	-	31,399,616	31,564,114
Money market	10,850,698	-	-	10,850,698
Private credit	-	-	3,528,470	3,528,470
Private equity	-	-	44,791,695	44,791,695
Real assets	8,652,862	-	11,727,569	20,380,431
Real estate	-	-	13,254,901	13,254,901
Total Investments at fair value	$ 68,120,596	$ -	$ 178,050,330	246,170,926
Certificate of deposits, at cost				1,017,400
Total Investments				$ 247,188,326

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

4. Assets Measured at Fair Value *(continued)*

At December 31, 2019 and 2018 approximately 69% and 64%, respectively, of the Foundation's investment portfolio was invested with certain managers that provided equity or equity-like exposure. Management does not anticipate that losses, if any, resulting from such market concentration would materially affect the financial position and operations of the Foundation.

Information regarding investments valued at NAV using the practical expedient at December 31, 2019 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity (see "a" below)	$ 15,566,327	$ -	Quarterly	60 days
Directional hedge funds (see "b" below)	16,166,228	-	Quarterly	45-60 days
Fixed income (see "c" below)	12,794,546	-	Monthly	5 days
Diversifying hedge funds (see "d" below)	25,402,968	-	Weekly/Monthly/Quarterly	3-60 days
International equity (see "e" below)	37,666,800	-	Monthly	5-10 days
Private equity (see "f" below)	50,796,205	31,296,684	Locked	Not applicable
Real assets (see "g" below)	11,684,677	988,573	Locked	Not applicable
Real estate (see "h" below)	11,522,867	6,447,696	Quarterly / Locked	45 days / Not applicable
Private credit (see "i" below)	10,736,885	15,608,315	Locked	Not applicable
	$ 192,337,503	$ 54,341,268		

a.) This fund's objective is to provide annual long-term returns exceeding the MSCI World Index, investing in primarily equity and equity-related securities of companies with minimum average daily trading volumes of at least approximately $20 million. Investments may also include over the counter and exchange-traded instruments (including derivative instruments such as options, swaps and futures on equities and equity indices, and other derivatives). This investment is in a commingled fund.

b.) Two managers are represented in this asset class: (i) One manager invests in a combination of long/short funds, with a combination of multi-sector and sector specific funds. This strategy seeks to maintain pace with long only public strategies while offering better protection in down-markets and is implemented through a limited partnership structure. Although this manager has a one-year lockup, currently none of the Foundation's balances are subject to lockup. (ii) The second manager is a long/short credit fund investing throughout the capital structure of U.S. and international leveraged companies. Its primary strategies include long/short high yield, distressed, capital structure arbitrage and long/short leveraged equities.

c.) This category includes a manager who seeks to add 60 basis points over the Bloomberg Barclays Capital Aggregate Index, with a strategy that maintains a consistent duration, no non-dollar emerging markets exposure, and limited high yield exposure. The strategy is implemented seeking modest value from small bets on multiple sources; such as sector allocation, security selection and modest duration/yield curve positioning.

4. Assets Measured at Fair Value *(continued)*

d.) This category includes investments with three hedge fund managers: (i) the first manager is a multi-strategy fund with an event-driven focus, seeking to exploit situations in which announced or anticipated events create opportunities to invest in securities and other financial instruments at a discount to their exit values. The Fund also invests in a long/short equities portfolio of securities that can be readily valued and trade at a discount or premium to the fair value of the underlying assets; (ii) the second manager deploys a liquid and transparent market neutral strategy with underlying risk premia including momentum, carry, equity value, equity size and low beta, and (iii) the third manager is a diversified fund, focused on liquid strategies in global equity, futures and foreign exchange markets. It aims to deliver uncorrelated alpha, with controlled volatility, across a wide range of market conditions through the systematic application of fundamental, technical, event and alpha capture strategies.

e.) This category includes two fund managers who invest in international, non-United States equities. The strategy of the predominantly developed markets manager aims to deliver long-term capital gains and income from a diversified portfolio of equity securities using a value-oriented style. The strategy of the emerging markets manager is to invest in equities of all capitalizations, with a bias towards small and mid-cap stocks. Both strategies are implemented through a commingled fund vehicle.

f.) This category includes 18 funds that make control investments in private, non-listed small and medium-sized companies primarily in North America, Europe and Asia. The stage allocations of these funds are spread predominantly among buyout (38%), venture (25%), and growth (28%). Vintage years range from 2004 to 2019. These investments cannot be redeemed. Distributions from investments in this category are received through the liquidation of the underlying assets of the fund. For ten funds, management has estimated that the underlying assets will be liquidated within 15-185 months. The other eight investment funds, representing 22% of this category's total fair value, are currently in the final stages of asset liquidation and either have no set liquidation date or have reached the partnership termination date and are continuing until the last investment has been disposed of.

g.) This category includes four partnerships that invest in the energy markets. Two of these partnerships invest primarily in other investment funds, which in turn, make oil, gas and other natural resource related investments with the objective of long-term growth of capital. These two partnerships also may invest in operating companies as direct investment or co-investment opportunities. A third partnership's investment objective is to capitalize on investment opportunities specifically in oil and gas, oilfield service, midstream, transportation and other energy-related assets and companies. This partnership makes investments in senior and junior secured debt investments and may also invest in unsecured debt and equity structures. The fourth partnership was established to focus on energy sector credit opportunities, purchases of secondary market first lien and second lien debt, stressed and distressed loans and bonds, and conveyances of oil and gas real property interests.

4. Assets Measured at Fair Value *(continued)*

Distributions from investments in this category are received through the liquidation of the underlying assets of the funds. These funds have estimated that the underlying assets of will be liquidated within 22 and 48 months.

h.) This category includes six real estate funds, of which three invest primarily in U.S. commercial real estate. A fourth fund seeks to purchase portfolios of non-performing loans and non-core assets sold by European financial institutions. A fifth fund makes equity investments in workforce, affordable and mixed income multi-family assets located in the New York City metropolitan area. The sixth manager's strategy is to structure and purchase net lease real estate of primarily non-investment grade tenants with a focus on companies with potential to improve credit. This sixth manager, a real estate investment trust representing 53% of this category's total fair value, permits redemptions with 45 days advance notice prior to the end of a quarter. The other five managers are partnerships which return invested capital as distributions resulting from liquidation of the underlying assets. Two of these partnerships have surpassed the expected dissolution dates and will operate until all assets are liquidated and the other three expect to dissolve within 31 and 78 months.

i.) This category includes three funds that invest primarily in senior secured corporate debt instruments, mainly in companies based in North America. These managers return invested capital as distributions resulting from liquidation of the underlying assets. These partnerships are expected to dissolve within 35 and 94 months.

Investment Risks and Uncertainties

Investments consist of non-traditional, not readily marketable investments. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

5. Program Related Investments (PRIs)

PRIs, defined in IRC 4944(c), have a primary purpose of advancing the mission of the Foundation without a significant purpose of the production of income or appreciation of investment. PRIs are treated as charitable distributions on Internal Revenue Service form 990-PF, the tax and information return filed by private foundations for minimum-distribution requirement purposes.

5. Program Related Investments (PRIs) *(continued)*

At December 31, 2019, the Foundation did not have any direct PRI loans outstanding. Direct PRI loans are individually monitored and allowances for collectability are recorded if necessary.

At December 31, 2019, the Foundation maintained an interest in a PRI loan portfolio that contained six investments as part of a limited partnership interest. These investments are expected to be redeemed between 2022 and 2026. There is an unfunded commitment of $1,237,728 to the partnership at December 31, 2019. Allowances for collectability of this PRI loan portfolio are performed at the partnership level and the Foundation's interest is adjusted accordingly.

Expected repayments are as follows:

2022	$ 725,000
2023	140,625
2024	100,000
2025	-
2026	215,765
	$ 1,181,390

6. Retirement Plans

The Foundation provides a defined contribution plan to eligible employees. Under the 401(k) provisions, employee contributions are permitted with the Foundation matching 100% of basic contributions up to a maximum of 5% of salary per employee in 2019 and 2018. Employer matching was $58,310 and $62,804 for 2019 and 2018, respectively.

Under the profit sharing provisions, discretionary employer contributions are also permitted and are determined by the managing body of the Foundation. For 2019 and 2018, the Foundation's contribution amounted to $85,210 and $97,179, respectively.

The Foundation has a non-qualified Section 457(b) retirement plan for a select group of employees. Employee contributions are on a pre-tax basis in amounts not to exceed Internal Revenue Code limits. The Foundation may make contributions on behalf of participants. In 2019 and 2018 there were no employer contributions.

7. Commitments and Contingencies

Office Leases

The Foundation has a non-cancellable operating lease through December 2030 for office space in New York City. In lieu of a security deposit, the Foundation maintains an open letter of credit in the amount of $346,864, which has automatic annual extensions. This lease requires minimum annual rental payments with escalations through the lease expiration date. In addition, the lease requires payment of utilities, real estate taxes and other expenses. Rent expense for this lease was $376,174 and $382,580 for 2019 and 2018, respectively.

At December 31, 2019, the liability for deferred rent and landlord incentive of $573,362 included unamortized amounts for deferred rent of $290,995 and landlord incentive of $282,367. At December 31, 2018, such liability was $594,996 and consisted of unamortized deferred rent of $286,959 and landlord incentive of $308,037.

Minimum lease payments by fiscal year are as follows:

2020	$	346,684
2021		380,819
2022		380,819
2023		380,819
2024		380,819
Thereafter		2,447,589
	$	4,317,549

Lines of Credit

The Foundation had an unsecured revolving line of credit agreement with a bank for $1,000,000, which expired February 2019 and was not renewed. There were no borrowings against the line during 2019 and 2018. At December 31, 2018, the interest rate on the line was 6.50%.

The Foundation had a secured revolving line of credit agreement with a bank for $10,000,000, which expired on June 24, 2020. The Foundation established a new line of credit with another bank for $15,000,000, expiring July 15, 2021. There were no borrowings against the $10,000,000 line during 2019 and 2018. Both lines bear interest as defined in the agreement. Any borrowings are secured by certain assets of the Foundation.

Unfunded Investment and PRI Commitments

As described in Note 4 to the financial statements, the Foundation has unfunded commitments to certain investment managers of approximately $54.3 million as of December 31, 2019. As described in Note 5 to the financial statements, the Foundation has unfunded PRI commitments of approximately $1.2 million as of December 31, 2019.

8. Furniture, Equipment and Leasehold Improvements, Net

At December 31, 2019 and 2018, furniture, equipment and leasehold improvements, net at the Foundation were as follows:

	2019	2018
Leasehold improvements	$ 973,821	$ 973,821
Furniture and equipment	195,809	195,809
Computer hardware and software	184,109	148,854
	1,353,739	1,318,484
Less accumulated depreciation and amortization	525,778	413,636
	$ 827,961	$ 904,848

Depreciation and amortization expense for 2019 and 2018 was $112,142 and $104,824 respectively.

9. Grants Payable

The Foundation has entered into grant commitments to certain organizations. Payments to these organizations at December 31, 2019 and 2018 are to be made as follows:

	2019	2018
Less than one year	$ 2,400,000	$ 2,447,500
One to two years	175,000	100,000
Total Grants Payable	$ 2,575,000	$ 2,547,500

10. Liquidity and Availability of Financial Assets

The Foundation's financial assets and resources available to meet general operating cash needs within one year of the dates of the statement of financial position of December 31, 2019 were as follows:

Financial Assets	
Cash	$ 9,729
Investments	267,116,309
Program related investments	1,181,390
Total Financial Assets	268,307,428
Less:	
Illiquid investments	79,362,221
Program related investments	1,181,390
Financial Assets Available to Meet General Operating Cash Needs	$ 187,763,817

10. Liquidity and Availability of Financial Assets *(continued)*

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its grants, operating disbursements, program related investment and limited partnership capital calls come due. Sources of liquidity throughout the year include (i) interest and dividends, (ii) proceeds from planned redemption of investments every six months, and (iii) cash distributions from its various limited partnership investments.

In the event of unanticipated liquidity needs, the Foundation can draw upon a committed $15 million line of credit. In addition, the Foundation aims to maintain a balance of cash equivalents and other short-term investments to be used in conjunction with a portion of the committed line of credit to fund one year's worth of grants and operating expenses. Lastly, there is a minimum liquidity requirement to maintain at least three years of grants and operating expenses in investments that can be redeemed within one month.

Included in the 2019 and 2018 general operating cash needs of the Foundation is the Internal Revenue Service regulation to distribute a minimum amount for charitable purposes which approximates 5% of its assets, with certain adjustments, as of December 31, 2019 and 2018.

11. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is September 8, 2020.

In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally. Management is currently evaluating the impact of COVID-19 on the volatility and fair value of the Foundation's investments and the related changes in unrealized appreciation. The ultimate impact of COVID-19 on the performance of the Foundation's investments is not reasonably estimable at this time.

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