Altman Foundation

Financial Statements

December 31, 2022 and 2021

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Trustees
Altman Foundation

Opinion

We have audited the accompanying financial statements of the Altman Foundation, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Altman 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.

Responsibility of Management 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; 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 Altman Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 the 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 Altman Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Altman 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.

PKF O'Connor Davies, LLP

September 19, 2023

Altman Foundation

Statements of Financial Position

	December 31	
	2022	2021
ASSETS		
Cash in operating account	$ 276,070	$ 185,408
Prepaid taxes	123,487	2,504
Prepaid expenses and other assets	233,008	203,321
Investments (Note 4)	272,832,576	319,485,927
Program related investments (Note 5)	1,031,555	1,718,137
Furniture, equipment and leasehold improvements, net (Note 8)	523,246	614,266
Right of Use Asset- operating lease (Note 7)	2,335,075	-
	$ 277,355,017	$ 322,209,563
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable (Note 9)	$ 4,680,620	$ 2,924,575
Accounts payable and accrued expenses	117,766	116,141
Current federal excise tax liability (Note 3)	-	9,101
Deferred federal excise tax liability (Note 3)	567,926	1,140,539
Deferred rent and landlord incentive	-	525,731
Lease liability - operating lease (Note 7)	2,820,910	-
Total Liabilities	8,187,222	4,716,087
Net assets without donor restrictions	269,167,795	317,493,476
	$ 277,355,017	$ 322,209,563

See notes to financial statements

Altman Foundation

Statements of Activities

	Year Ended December 31	
	2022	2021
INVESTMENT RETURN		
Interest and dividends	$ 3,689,523	$ 3,135,195
Net partnership income	1,258,494	1,311,813
Net realized gain on sale of investments	8,656,532	25,212,746
Change in net unrealized (depreciation) appreciation on investments	(42,285,611)	19,675,150
Other gain	5,595	4,383
Gross Investment Income	(28,675,467)	49,339,287
Less: external investment expenses	(3,090,559)	(4,806,458)
Less: direct internal investment expenses	(32,088)	(25,098)
Investment Return	(31,798,114)	44,507,731
EXPENSES		
Program Services		
Program grants	14,242,002	12,575,473
Other program	1,648,621	1,591,482
Total Program Services	15,890,623	14,166,955
Supporting Services		
General and administration	786,249	744,343
Investment related taxes	(422,034)	609,354
Other investment	272,729	263,610
Total Expenses	16,527,567	15,784,262
Change in Net Assets	(48,325,681)	28,723,469
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	317,493,476	288,770,007
End of year	$ 269,167,795	$ 317,493,476

See notes to financial statements

Altman Foundation

Statements of Functional Expenses
For the Year Ended December 31,

	2022						
	Program Services			Supporting Services			
	Program Grants	Other Program	Total Program Services	General and Administration	Investment Related Taxes	Other Investment	Total
Grants authorized	$ 14,242,002	$ -	$ 14,242,002	$ -	$ -	$ -	$ 14,242,002
Salary and wages	-	896,749	896,749	381,992	-	143,947	1,422,688
Payroll taxes and employee benefits	-	269,434	269,434	104,136	-	52,696	426,266
Operating lease	-	224,543	224,543	77,675		34,757	336,975
Occupancy	-	38,983	38,983	13,485	-	6,034	58,502
Depreciation and amortization	-	58,043	58,043	21,670	-	10,584	90,297
Technology and computer related	-	58,485	58,485	22,604	-	11,439	92,528
Professional fees	-	650	650	114,014	-	2,730	117,394
Office expense	-	39,742	39,742	13,748	-	6,152	59,642
Dues, memberships and subscriptions	-	57,412	57,412	3,836	-	6,021	67,269
Travel, conferences and meetings	-	4,580	4,580	5,567	-	512	10,659
Insurance	-	-	-	21,433	-	-	21,433
Miscellaneous	-	-	-	6,089	-	(2,143)	3,946
Total Before Investment Related Taxes	14,242,002	1,648,621	15,890,623	786,249	-	272,729	16,949,601
Federal excise tax-current	-	-	-	-	150,329	-	150,329
Federal excise tax-deferred	-	-	-	-	(572,613)	-	(572,613)
Unrelated business income tax	-	-	-	-	250	-	250
	$ 14,242,002	$ 1,648,621	$ 15,890,623	$ 786,249	$ (422,034)	$ 272,729	$ 16,527,567

	2021						
	Program Services			Supporting Services			
	Program Grants	Other Program	Total Program Services	General and Administration	Investment Related Taxes	Other Investment	Total
Grants authorized	$ 12,575,473	$ -	$ 12,575,473	$ -	$ -	$ -	$ 12,575,473
Salary and wages	-	848,969	848,969	365,044	-	134,279	1,348,292
Payroll taxes and employee benefits	-	261,585	261,585	101,102	-	51,161	413,848
Occupancy	-	279,139	279,139	96,561	-	43,209	418,909
Depreciation and amortization	-	70,454	70,454	24,372	-	10,906	105,732
Technology and computer related	-	57,890	57,890	22,374	-	11,322	91,586
Professional fees	-	-	-	89,470	-	-	89,470
Office expense	-	33,097	33,097	11,449	-	5,123	49,669
Dues, memberships and subscriptions	-	38,278	38,278	2,948	-	5,832	47,058
Travel, conferences and meetings	-	2,070	2,070	4,552	-	1,778	8,400
Insurance	-	-	-	21,044	-	-	21,044
Miscellaneous	-	-	-	5,427	-	-	5,427
Total Before Investment Related Taxes	12,575,473	1,591,482	14,166,955	744,343	-	263,610	15,174,908
Federal excise tax-current	-	-	-	-	335,619	-	335,619
Federal excise tax-deferred	-	-	-	-	273,485	-	273,485
Unrelated business income tax	-	-	-	-	250	-	250
	$ 12,575,473	$ 1,591,482	$ 14,166,955	$ 744,343	$ 609,354	$ 263,610	$ 15,784,262

See notes to financial statements

Altman Foundation

Statements of Cash Flows

	Year Ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and dividends received	$ 66,127	$ 22,497
Other receipts	73,156	180,876
Payments for federal excise taxes	(280,663)	(269,054)
Payments to vendors	(961,607)	(1,061,906)
Payments for compensation and benefits	(1,832,175)	(1,784,208)
Payments for grants and matching gifts	(12,658,473)	(12,663,823)
Net Cash from Operating Activities	(15,593,635)	(15,575,618)
CASH FLOWS FROM INVESTING ACTIVITIES		
Partnership distributions	20,534,795	20,041,556
Partnership capital calls	(10,052,912)	(22,230,375)
Repayment of program related investment	723,058	-
Purchases of investments	(1,500,000)	(10,000,000)
Proceeds from redemptions of investments	5,979,356	27,615,121
Net Cash from Investing Activities	15,684,297	15,426,302
Net Change in Cash	90,662	(149,316)
CASH		
Beginning of year	185,408	334,724
End of year	$ 276,070	$ 185,408

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

Change in Accounting Policy

The Foundation adopted Financial Accounting Standards Board Topic 842, *Leases*, using the effective date method with January 1, 2022 as the date of initial adoption, with certain practical expedients available. The Foundation elected the available practical expedients to account for its existing operating lease as an operating lease, under the new guidance, without reassessing (a) whether the contracts contain a lease under the new standard, (b) whether the classification of finance leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, on January 1, 2022, the Foundation recognized an initial operating lease right-of-use asset of $2,579,518 and corresponding lease liability of $3,105,249 on the statement of financial position, which represents the present value of the remaining operating lease payments of $3,586,846, discounted using the Foundation’s borrowing interest rate of 3.25%. The difference between the initial right-of-use asset and lease liability is due to the write-off of deferred rent in the amount of $294,703 and landlord incentive of $231,028. The standard did not materially impact operating results or liquidity.

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, 2022 and 2021, 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.

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

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.

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.

Certificates of Deposit

Certificates of deposit are carried at cost plus accrued interest.

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 either direct loans or via participation in a PRI loan portfolio as part of a limited partnership interest.

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

Program Related Investments (continued)

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 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

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.

Grants

Grants are recorded when authorized by the Board of Trustees.

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash, cash equivalents, and securities held at financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to $250,000. Securities holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to $500,000. At times, cash balances may exceed the FDIC and/or the SIPC limit. As of December 31, 2022 and 2021, there were no uninsured cash balances.

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. Although the Foundation's securities held by its custodian bank exceeded $500,000 as of December 31, 2022 and 2021, there were no uninsured amounts as its custodian bank provides coverage in excess of SIPC limits from certain underwriters in Lloyd's insurance market and other commercial insurers.

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

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. Most expenses can be identified and charged directly to either program or supporting activities. Depreciation, occupancy and office expenses are allocated using office square footage. Salary and wages, payroll taxes and employee benefits, and technology and computer related expenses are allocated using 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 2019.

Lease Liability and Right-of-Use Asset

The asset, a Right-of-Use Asset ("ROU asset") represents the right to use an underlying asset for the lease term. The related liability, a lease liability, represents the obligation to make lease payments arising from the lease.

ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The present value was calculated using the Foundation's borrowing rate, as lessor's implicit borrowing rate was not available.

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

Lease Liability and Right-of-Use Asset (continued)

Lease expense is recognized on a straight-line basis over the lease term. The Foundation adopted the requirements of Accounting Standards Update 2016-02 using the modified retrospective transition method, which applies the provisions of the standard at the effective date without any adjustment to the prior periods. It utilized the carry forward of historical lease classifications and accounting treatment and has elected to apply the short-term lease exception to all leases with a term of one year or less.

The Foundation's office space lease agreement does not contain any residual value guarantees or material restrictive covenants. This lease agreement has lease and non-lease components, the latter are accounted for separately as incurred.

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 incurs current federal excise taxes on its net investment income at a rate of 1.39%. In addition, it is required to make certain minimum distributions in accordance with a formula specified by the Internal Revenue Service. For 2022, the Foundation met its minimum distribution amounts. For 2021, the Foundation had an undistributed amount of approximately $590,000 which was distributed by February 2022.

The Foundation also records deferred taxes which arise from unrealized appreciation of investments held at year end, At December 31, 2022 and 2021, a deferred tax liability was calculated at an excise tax rate of 1.39%.

The Foundation is also subject to income tax at corporate rates on certain income that is considered unrelated business income under the Internal Revenue Code.

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:

	2022			
Description	Level 1	Level 2	Investments measured at net asset value per share (*)	Total
Investments				
Directional hedge	$ -	$ -	$ 3,848,968	$ 3,848,968
Diversifying hedge	-	-	36,040,055	36,040,055
Domestic equity	18,969,346	-	4,150,735	23,120,081
Fixed income	14,573,839	-	10,745,709	25,319,548
Global equity	8,620,846	-	7,777,913	16,398,759
International equity	7,246,977	-	16,530,038	23,777,015
Money market mutual funds	1,500,016	-	-	1,500,016
Private credit	-	-	25,287,502	25,287,502
Private equity	-	-	75,971,053	75,971,053
Real assets	13,635,004	-	7,422,379	21,057,383
Real estate	-	-	19,459,654	19,459,654
Total Investments at fair value	$ 64,546,028	$ -	$ 207,234,006	271,780,034
Certificate of deposits				1,052,542
Total Investments				$ 272,832,576

	2021			
Description	Level 1	Level 2	Investments measured at net asset value per share (*)	Total
Investments				
Directional hedge	$ -	$ -	$ 7,320,924	$ 7,320,924
Diversifying hedge	-	-	34,451,248	34,451,248
Domestic equity	30,156,473	-	4,849,423	35,005,896
Fixed income	12,644,678	-	12,476,346	25,121,024
Global equity	12,598,191	-	13,682,857	26,281,048
International equity	10,532,007	-	19,508,708	30,040,715
Money market mutual funds	4,121,355	-	-	4,121,355
Private credit	-	-	27,859,561	27,859,561
Private equity	-	-	85,382,580	85,382,580
Real assets	15,172,951	-	10,579,563	25,752,514
Real estate	-	-	17,102,789	17,102,789
Total Investments at fair value	$ 85,225,655	$ -	$ 233,213,999	318,439,654
Certificate of deposits				1,046,273
Total Investments				$ 319,485,927

(*) 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, 2022 and 2021 approximately 60% and 66%, 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, 2022 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity (see "a" below)	$ 7,777,913	$ 1,500,000	Monthly/Quarterly	5-60 days
Directional hedge funds (see "b" below)	3,848,968	-	Quarterly	45 days
Fixed income (see "c" below)	10,745,709	-	Monthly	5 days
Diversifying hedge funds (see "d" below)	36,040,055	-	Monthly/Quarterly	30-90 days
International equity (see "e" below)	16,530,038	-	Monthly	5-10 days
Private equity (see "f" below)	71,270,026	18,643,237	Locked	Not applicable
Real assets (see "g" below)	7,422,379	940,623	Locked	Not applicable
Real estate (see "h" below)	19,459,654	6,510,920	Quarterly / Locked	45 days / Not applicable
Private credit (see "i" below)	29,988,529	13,308,163	Locked	Not applicable
Domestic equity (see "j" below)	4,150,735	-	Daily	1 day
	$ 207,234,006	$ 40,902,943		

a.) This category includes two commingled funds: (i) the first fund's objective is to outperform 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 include over the counter and exchange-traded instruments and derivatives; (ii) the second fund is a fund of funds and invests with actively managed managers that will provide broad exposure to the global equity markets and seeks to add value above the return of the Morgan Stanley Capital International All Country World Index ("MSCI ACWI"). This fund will use managers whose ownership is at least 33% diverse.

b.) This 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.

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 is a diversified fund, focused on liquid strategies in global equity, futures and foreign exchange markets. It aims to deliver uncorrelated alpha returns, with controlled volatility, across a wide range of market conditions through the systematic application of fundamental, technical, event and alpha capture strategies, and (iii) the third invests in senior secured, asset-based loans that provide growth or bridge financing to lower middle market companies or emerging asset-rich enterprises. It seeks to generate market-leading returns by investing in short duration high yielding assets with low correlation to the general economy and broad equity and bond indices.

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 21 funds that make control investments in private, non-listed small and medium-sized companies primarily in North America, Europe and Asia. Vintage years range from 2004-2022. These investments cannot be redeemed. Distributions from investments in this category are received through the liquidation of the underlying assets of the fund. For 10 funds, management has estimated that the underlying assets of will be liquidated from between 3-165 months. The other 11 funds, representing 32% of this category's total fair value, have reached the partnership termination date and either have no set liquidation date or are continuing until the last investment has been disposed.

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. Three of these funds, whose fair value is 21% of the category total fair value have elected to dissolve and liquidate assets. The fourth fund is estimated to begin liquidating underlying assets in December 2023.

h.) This category includes seven real estate funds, of which four invest primarily in U.S. commercial real estate. A fifth fund seeks to purchase portfolios of non-performing loans and non-core assets sold by European financial institutions. A sixth fund makes equity investments in workforce, affordable and mixed income multi-family assets located in the New York City metropolitan area. The seventh 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 seventh manager, a real estate investment trust representing 42% of this category's total fair value, permits redemptions with 45 days advance notice prior to the end of a quarter. The other six 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, the other four are expected to dissolve from between 4-107 months.

i.) This category includes (i) four funds that invest primarily in senior secured corporate debt instruments, mainly in companies based in North America, and (ii) two funds that invests in less liquid and/or longer duration distressed situations and opportunities resulting from capital dislocations. These managers return invested capital as distributions resulting from liquidation of the underlying assets. These partnerships are expected to dissolve from between 11-17 months.

j.) This United States small cap stock manager utilizes a commingled fund with a strategy to invest in cyclical companies across the growth and value style spectrums. The portfolio holds between 90 - 120 stocks and aims to outperform by at least 2% over a market cycle.

Investment Risks and Uncertainties

A majority of 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.

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

Investment Risks and Uncertainties (continued)

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 and Mission Related Investments

Program Related investments ("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.

At December 31, 2022, the Foundation maintained an interest in a PRI loan portfolio that contained seven investments as part of a limited partnership interest. These investments are expected to be redeemed between 2023 and 2026. There is an unfunded commitment of $1,600,000 to the partnership at December 31, 2022. The Foundation did not have any direct loans at December 31, 2022. 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:

2023	$ 223,010
2024	29,379
2025	266,108
2026	237,500
2027	275,558
	$ 1,031,555

Mission Related Investments ("MRI's") are investments which also advance the Foundation's charitable purpose and mission. However, returns on MRI's are risk adjusted or market-rate. As of December 31, 2022, the Foundation's six mission-related investments totaled approximately $4.3 million and are included in investments on the statements of financial position and consist of four certificates of deposit ($1.1 million), one private equity fund ($1.3 million) and a real estate fund ($1.9 million).

6. Retirement Plans

The Foundation maintains a defined contribution 401(k) plan for eligible employees and makes the following contributions:

(i) Employee contributions are permitted with the Foundation matching 100% of basic contributions up to a maximum of 5% of salary per employee. In 2022 and 2021, employer matching contributions were approximately $64,000 and $63,000, respectively.

(ii) The employer makes a safe harbor nonelective contribution in the amount of 3% of eligible compensation. For 2022 and 2021, such amounts were approximately $41,000 and $39,000, respectively.

(iii) Plan provisions permit the employer to make an annual discretionary profit-sharing contribution which is determined by the managing body of the Foundation. For 2022 and 2021, these contributions were approximately $41,000 and $39,000, 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 2022 and 2021 there were no employer contributions. The corresponding asset and liability related to this plan amounted to approximately $308,000 and $322,000 as of December 31, 2022 and 2021, respectively. Such amounts are not presented in the accompanying statements of financial position.

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 $173,432, 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.

Variable lease components in this office lease are the Foundation’s share of building operating expenses, utilities, and real estate taxes and are recognized in operating expenses in the period in which these expenses are incurred. Such amounts were approximately $62,000 and $72,000 for the years ended December 31,2022 and 2021, respectively.

7. Commitments and Contingencies (*continued)*

Office Leases (continued)

Annual minimum remaining lease payments and lease liability as of December 31, 2022 are as follows:

		Total
2023	$	380,819
2024		380,819
2025		380,819
2026		413,354
2027		413,354
Thereafter		1,240,062
Total lease payments	$	3,209,227
Less: imputed interest		388,317
	$	2,820,910

Lease expense for the office lease was $340,124 for the year ended December 31, 2022. Such rent expense under the previous lease standard was $354,349 for the year ended December 31, 2021.

The discount rate applied to calculate lease liability as of January 1, 2022, was 3.25%. The remaining lease team for the operating lease is 8 years. Cash paid for the operating lease amounted to $380,019 for the years ended December 31, 2022 and 2021.

The right-of-use asset is amortized over the lease life, and is as follows:

Balance at January 1, 2022	$ 2,579,518
Accumumated amortization	244,443
Balance at December 31, 2022	$ 2,335,075

Lines of Credit

The Foundation has a secured revolving line of credit agreement with a bank for $15,000,000. This line of credit has automatic one-year renewals with an expiration date of July 15, 2024. There were no borrowings against either line during 2022 or 2021. Both lines bear interest as defined in the agreement. Any borrowings are secured by certain assets of the Foundation.

8. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements, net are as follows at December 31:

	2022	2021
Leasehold improvements	$ 973,821	$ 973,821
Furniture and equipment	195,809	195,809
Computer hardware and software	184,109	184,109
	1,353,739	1,353,739
Less accumulated depreciation and amortization	830,493	739,473
	$ 523,246	$ 614,266

Depreciation and amortization expense for 2022 and 2021 was $91,020 and $106,720 respectively.

9. Grants Payable

The Foundation has entered into grant commitments to certain organizations. Payments to these organizations at December 31, 2022 and 2021 are to be made as follows:

	2022	2021
Less than one year	$ 4,555,620	$ 2,924,575
One to two years	125,000	-
Total Grants Payable	$ 4,680,620	$ 2,924,575

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 were as follows:

	December 31	
	2022	2021
Financial Assets		
Cash	$ 276,070	$ 185,408
Investments	272,832,576	319,485,927
Program related investments	1,031,555	1,718,137
Total Financial Assets	274,140,201	321,389,472
Less:		
Illiquid investments	119,902,180	133,271,674
Program related investments to be collected beyond one year	808,545	1,243,137
Financial Assets Available to Meet General Operating Cash Needs	$ 153,429,476	$ 186,874,661

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) proceeds from planned redemptions of investments as needed, (ii) cash distributions from its various limited partnership investments, and (iii) repayment of program related investments.

In the event of unanticipated liquidity needs, the Foundation can draw upon a committed line of credit (Note 7). 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 2022 and 2021 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, 2022 and 2021.

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 19, 2023.

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