Altman Foundation

Financial Statements

December 31, 2013 and 2012

O'CONNOR DAVIES

PKF

Independent Auditors' Report

Board of Trustees
Altman Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the Altman Foundation, which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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, 2013 and 2012 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.

O'Connor Davies, LLP

September 16, 2014

O'CONNOR DAVIES, LLP
665 Fifth Avenue, New York, NY 10022 I Tel: 212.286.2600 I Fax: 212.286.4080 I www.odpkf.com

Altman Foundation

Statements of Financial Position

	December 31	
	2013	2012
ASSETS		
Cash in operating account	$ 196,488	$ 7,418,096
Prepaid taxes	4,504	14,754
Prepaid expenses	14,995	71,072
Investments	255,323,763	232,367,663
Program related investments	2,452,218	2,300,000
Investments restricted for pension	619,930	589,400
Furniture, equipment and leasehold improvements, net	29,899	47,440
	$ 258,641,797	$ 242,808,425
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	$ 2,535,000	$ 2,553,700
Accounts payable and accrued expenses	227,340	205,864
Current excise tax payable	92,003	1,985
Deferred federal excise tax liability	1,127,747	778,534
Deferred pension liability	344,019	458,529
	4,326,109	3,998,612
Unrestricted net assets	254,315,688	238,809,813
	$ 258,641,797	$ 242,808,425

See notes to financial statements

Altman Foundation

Statements of Activities

	Year Ended December 31	
	2013	2012
REVENUE		
Interest, dividends and partnership revenue	$ 2,729,309	$ 2,904,932
Net realized gain on sale of investments	11,810,581	6,211,306
Net unrealized gain on investments	17,460,688	16,883,579
Other income	38,928	17,515
Total Revenue	32,039,506	26,017,332
Direct investment expenses	(2,363,559)	(2,484,231)
Current Federal excise tax and state taxes	(263,324)	(62,636)
Deferred excise tax expense	(349,213)	(321,034)
Net Revenue	29,063,410	23,149,431
EXPENSES		
Grants authorized	11,112,194	10,680,323
Grant administration	1,810,959	1,503,426
Investment administration	634,382	424,425
Total Expenses	13,557,535	12,608,174
Change in Net Assets	15,505,875	10,541,257
NET ASSETS		
Beginning of year	238,809,813	228,268,556
End of year	$ 254,315,688	$ 238,809,813

See notes to financial statements

Altman Foundation

Statements of Cash Flows

	Year Ended December 31	
	2013	2012
CASH FLOWS USED IN OPERATING ACTIVITIES		
Interest received from cash in banks	$ 69,393	$ 73,595
Other receipts	115,467	25,659
Payments for Federal excise taxes	(220,961)	(219,905)
Payments to vendors	(1,059,852)	(1,001,178)
Payments for non-qualified retirement benefits	-	(664,859)
Payments for compensation and benefits	(1,549,119)	(1,353,442)
Payments for grants and matching gifts	(11,094,389)	(11,563,153)
Net Cash used in Operating Activities	(13,739,461)	(14,703,283)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments restricted for pension	-	382,127
Partnership distributions	11,623,158	7,771,766
Partnership capital calls	(2,199,615)	(5,798,375)
Proceeds from life insurance	-	282,732
Net change in money market funds	(44,334)	(2,693,057)
Disbursement of program related investment	(500,000)	(1,000,000)
Repayment of program related investment	347,782	-
Purchases of investments	(14,335,000)	(10,000,000)
Proceeds from redemptions of investments	11,625,862	33,079,545
Net Cash from Investing Activities	6,517,853	22,024,738
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit drawdown	189,000	-
Repayment of line of credit drawdown	(189,000)	-
Net Cash used in Financing Activities	-	-
Net Change in Cash and Cash Equivalents	(7,221,608)	7,321,455
CASH AND CASH EQUIVALENTS		
Beginning of year	7,418,096	96,641
End of year	$ 196,488	$ 7,418,096
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for federal excise tax on net investment income	$ 220,961	$ 219,905

See notes to financial statements

Altman Foundation

Statements of Cash Flows *(continued)*

	Year Ended December 31	
	2013	2012
Reconciliation of Change in Net Assets to Net Cash Used in Operating Activities		
Change in net assets	$ 15,505,875	$ 10,541,257
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	19,194	20,292
Net realized gain on investments	(11,810,581)	(6,211,306)
Change in unrealized appreciation of investments	(17,460,688)	(16,883,579)
Investment management fees	(388,220)	(425,955)
Actuarial adjustment related to pension	(114,510)	(310,785)
Deferred federal excise tax expense	349,213	321,034
Change in cash surrender value of life insurance	1,135	(10,085)
Net change in operating assets and liabilities		
Prepaid taxes	10,250	(7,926)
Prepaid expenses	56,077	(14,696)
Accounts payable and accrued expenses	21,476	(106,032)
Grants payable	(18,700)	(801,300)
Current excise tax payable	90,018	(149,343)
Deferred pension liability	-	(664,859)
Net Cash used in Operating Activities	$ (13,739,461)	$ (14,703,283)

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 concentrates its support to educational institutions, hospitals and health centers, artistic and cultural institutions, and social welfare programs, primarily in the metropolitan New York City area.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared in conformity with generally accepted accounting principles in the United States. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. At December 31, 2013 and 2012, the net assets of the Foundation were unrestricted.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Foundation follows Financial Accounting Standards Board (FASB) 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.

Cash and Cash Equivalents

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

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

Investments Valuation

Investments are carried at fair value. The fair value of alternative investments, including private equity, hedge funds and real asset funds, has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment fund. FASB guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation's interest therein and their classification within Level 2 or 3 is based on the Foundation's ability to redeem its interest in the near term.

Because some of these investments are not readily marketable their estimated value is subject to uncertainty and therefore may be different from the value that would have been used had a ready market for such investments existed.

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

Program related investments (PRIs) consist of loans and are reflected at cost less an allowance for potential impairment in value. Whether a valuation allowance is necessary due to impairment is determined based on various factors, including the debtor's payment performance and other pertinent factors related to the debtor's operations and ability to repay its debts. PRIs are individually monitored to determine net realizable value based on an evaluation of recovery. The Foundation assesses the risk of its financing receivables internally as either performing or monitoring. Performing receivables are investments that meet repayment benchmarks on a timely basis. Monitoring receivables are investments that are either behind in their repayment schedules or the overall health of the investee organization is lessened based upon an assessment of the investee. The Foundation considers a PRI past due if an interest or principal payment is more than 30 days overdue. Loans for which interest has not been paid for six months after due date are put into non-accrual status. Interest will no longer be accrued. The discount on PRI loans and the related contribution expense and interest income are not recorded in the financial statements as such amounts are not material.

Furniture, Equipment and Leasehold Improvements

Furniture and equipment are recorded at cost and depreciated using the straight-line method. Leasehold improvements are depreciated over a fifteen-year period. Furniture and fixtures purchases are being depreciated over five years. Computer hardware and software is being depreciated over a five-year period. The Foundation capitalizes all property and equipment items over $10,000.

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

Grants

Grants expense is reported 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.

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 disclosure. The Foundation is no longer subject to audits by the applicable taxing jurisdictions for periods prior to 2010.

Reclassification

Certain reclassifications have been made to the 2012 balances to conform to the 2013 presentation.

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 2013 and 2012 the Foundation’s rate was 2% and 1%, respectively. The Foundation has met its minimum distribution requirement.

Deferred taxes arise from unrealized appreciation of investments held at year end.

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 fair value hierarchy:

	2013			
Description	Level 1	Level 2	Level 3	Total
Investments				
Short term money market funds	$ 12,439,824	$ -	$ -	$ 12,439,824
Domestic equity	30,328,166	-	11,723,848	42,052,014
Equity oriented hedge	-	17,177,025	16,928,060	34,105,085
Fixed income	-	13,015,518	-	13,015,518
Fixed Income substitute	-	23,402,677	18,348,749	41,751,426
International equity	-	33,313,608	-	33,313,608
Private equity	-	-	48,201,590	48,201,590
Real assets	4,614,475	-	7,315,009	11,929,484
Real estate	-	-	10,465,214	10,465,214
	47,382,465	86,908,828	112,982,470	247,273,763
Unsettled security trades, net				8,050,000
Total Investments				$ 255,323,763
Investments Restricted For Pension				
Money market funds	$ 523,621	$ -	$ -	$ 523,621
Cash surrender value of life insurance policy	-	96,309	-	96,309
Total Investments Restricted For Pension	$ 523,621	$ 96,309	$ -	$ 619,930

	2012			
Description	Level 1	Level 2	Level 3	Total
Investments				
Short term money market funds	$ 12,344,902	$ -	$ -	$ 12,344,902
Domestic equity	21,567,121	-	8,905,872	30,472,993
Equity oriented hedge	-	13,982,219	14,203,873	28,186,092
Fixed income	-	7,028,419	-	7,028,419
Fixed income substitute	-	25,528,364	26,018,398	51,546,762
International equity	-	28,525,314	-	28,525,314
Private equity	-	-	46,253,341	46,253,341
Real assets	5,416,647	-	6,711,011	12,127,658
Real estate	-	-	15,707,182	15,707,182
	39,328,670	75,064,316	117,799,677	232,192,663
Unsettled security trades, net				175,000
Total Investments				$ 232,367,663
Investments Restricted For Pension				
Money market funds	$ 523,602	$ -	$ -	$ 523,602
Cash surrender value of life insurance policy	-	65,798	-	65,798
Total Investments Restricted For Pension	$ 523,602	$ 65,798	$ -	$ 589,400

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

At December 31, 2013 and 2012 approximately 62% and 58% 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.

The following is a reconciliation of the beginning and ending balances for assets measured at fair value using significant unobservable inputs (Level 3) during the year ended December 31:

2013	Domestic Equity	Equity Oriented Hedge	Fixed Income Substitute	Private Equity	Real Asset	Real Estate	Total
Balance 1/1/2013	$ 8,905,872	$ 14,203,873	$ 26,018,398	$ 46,253,341	$ 6,711,011	$ 15,707,182	$ 117,799,677
Purchases & other additions	-	410,000	-	3,290,473	1,218,750	125,000	5,044,223
Redemptions/distributions	-	-	(6,388,000)	(8,294,763)	(1,341,918)	(7,053,005)	(23,077,686)
Net realized gains (losses)	1,641,956	-	3,622,262	3,677,232	521,286	(634,558)	8,828,178
Change in unrealized appreciation	1,211,080	2,466,443	(4,746,512)	3,838,042	331,034	1,397,351	4,497,438
Other investment income (expense), net	(35,060)	(152,256)	(157,399)	(562,735)	(125,154)	923,244	(109,360)
Balance 12/31/2013	$ 11,723,848	$ 16,928,060	$ 18,348,749	$ 48,201,590	$ 7,315,009	$ 10,465,214	$ 112,982,470

2012	Domestic Equity	Equity Oriented Hedge	Fixed Income Substitute	Private Equity	Real Asset	Real Estate	Total
Balance 1/1/2012	$ 6,959,058	$ 13,040,144	$ 23,035,101	$ 42,962,026	$ 5,976,371	$ 15,261,181	$ 107,233,881
Purchases & other additions	-	-	2,200,000	5,868,797	787,500	912,500	9,768,797
Redemptions/distributions	-	-	(210,000)	(7,822,858)	(781,377)	(2,499,014)	(11,313,249)
Net realized gains (losses)	572,443	-	-	3,607,491	358,972	(2,843,734)	1,695,172
Change in unrealized appreciation	1,380,237	1,163,729	1,203,672	1,802,453	371,973	4,207,365	10,129,429
Other investment income (expense), net	(5,866)	-	(210,375)	(164,568)	(2,428)	668,884	285,647
Balance 12/31/2012	$ 8,905,872	$ 14,203,873	$ 26,018,398	$ 46,253,341	$ 6,711,011	$ 15,707,182	$ 117,799,677

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2013 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equity (see "a" below)	$ 11,723,848	$ -	Quarterly	30 days
Equity oriented hedge (see "b" below)	34,105,085	-	Quarterly/Locked	45-90 days
Fixed income (see "c" below)	13,015,518	-	Monthly	10-30 days
Fixed Income substitute (see "d" below)	41,751,426	150,000	Quarterly/Annually/Locked	60-90 days-Not applicable
International equity (see "e" below)	33,313,608	-	Semi-Monthly/ Monthly	5-30 days
Private equity (see "f" below	48,201,590	12,049,266	Locked	Not applicable
Real assets (see "g" below)	7,315,009	7,582,500	Locked	Not applicable
Real estate (see "h" below)	10,465,214	600,000	Quarterly/Locked	45 days-Not applicable
	$ 199,891,298	$ 20,381,766		

a.) This category includes firms who predominantly invest in equity and equity-related securities of U.S. firms and includes investments in hedge funds that invest primarily in U.S. equity securities, on a long only basis, predominantly in the form of limited partnerships and similar pooled investment vehicles. These funds were primarily formed with the purpose of achieving long-term growth of capital. The fair values of investments in this category have been estimated using the net asset value per share of the investments. Investments in this category may be redeemed 30 days prior to the end of a quarter.

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

b.) This category includes firms who predominantly invest in equity and equity-related securities of U.S. firms and includes investments in hedge funds that invest primarily in U.S. equity securities, both long and short, predominantly in the form of limited partnerships and similar pooled investment vehicles. These funds were primarily formed with the purpose of achieving long-term growth of capital with reduced volatility by allocating capital among various money managers or strategies. The managers have the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of investments in this category have been estimated using the net asset value per share of the investments. These managers have lockup periods where investments cannot be redeemed; such lockup periods range from 12-30 months. As of December 31, 2013, approximately $825,000 of these investments were restricted from redemption. In addition, redemptions can be done quarterly with 45-90 days advance notice.

c.) This category includes investments in funds that invest predominantly in U.S. and international fixed income securities, including corporate bonds, government bonds, and mortgage-backed securities, predominantly in separately managed accounts and similar pooled investment vehicles. These funds generate return from the payment of interest and from capital gains from the sale of underlying bonds. The fair values of investments in this category have been estimated using the net asset value per share of the investments. Investments in this category may be redeemed monthly with 10-30 business day prior notice.

d.) This category includes investments in four funds that invest primarily in U.S. and international fixed income securities, derivative instruments (options, forwards and futures, credit default swaps), and assets that are not securities (for example, bank loans, creditor claims, commercial liens, etc). These investments are predominantly in the form of limited partnerships and similar pooled investment vehicles that can go long and short and use derivatives. Three of these funds were primarily formed with the purpose of achieving long-term growth of capital with reduced volatility by allocating capital among various strategies; the fourth fund returns invested capital as distributions resulting from liquidation of the underlying assets. The fair values of investments in this category have been estimated using the net asset value per share of the investments. As of December 31, 2013 three of these funds have no amount subject to a lockup period. Redemptions from these three managers can be done quarterly with 60-90 days advance notice. The fourth fund, which represents 12% of the total fair value of this category, has a lockup thru August 2020.

e.) This category includes investments in equity and equity-linked instruments issued by companies which have their registered offices or which conduct the bulk of their business activities in countries other than the United States, or which exercise a preponderant part of their economic activities in countries other than the United States, including countries classified as emerging or developing markets, which have their registered office in emerging or developing countries. In general, issuers may be

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

a developing country if they are considered such in the international financial community. More specifically, an issuer may be considered a developing country if they are domiciled, maintain a principal place of business and/or substantial assets, or derive significant revenues or profits from a developing country. These funds were primarily formed with the purpose of achieving capital appreciation over the medium to long-term by allocating its capital among various money managers. The fair values of investments in this category have been estimated using the net asset value per share of the investments. Redemptions are permitted on a semi-monthly or monthly basis with 5-30 days advance notice.

f.) This category includes 14 funds that make control investments in private, non-listed small and medium–sized companies primarily in the U.S. and Europe. This category includes several private equity funds that invest primarily in international and domestic private equity and venture capital partnerships. These investments can never be redeemed from the funds. The fair values of the investments in this category have been estimated using the net asset value of the Foundation's ownership interest in the respective fund. Distributions from investments in this category are received through the liquidation of the underlying assets of the fund. Management has estimated that the underlying assets of eleven funds will be liquidated over 15 - 61 months, either by sales to strategic buyers -- corporations or other private firms -- or by public offerings, with the proceeds from liquidation, less manager fees, returned to the limited partners. The other three investment funds, representing 23% of this category's total fair value, have no set liquidation date.

g.) This category includes funds that invest in privately held oil and gas partnerships and in commodities that are traded on futures markets. The fair values of the investments in this category have been estimated using the net asset value of the Foundation's ownership interest in the respective fund. These managers return invested capital as distributions resulting from liquidation of the underlying assets. It is estimated that the underlying assets of such funds will be liquidated over the next 57 to 129 months as the underlying properties are sold or refinanced.

h.) This category includes several real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this category have been estimated using the net asset value of the Foundation's ownership interest in the respective fund. One manager, representing 34% of this category's total fair value, permits redemptions with 45 days advance notice prior to the end of a quarter. The other managers return invested capital as distributions resulting from liquidation of the underlying assets. It is estimated that the underlying assets of such funds will be liquidated over the next 12 to 24 months as the underlying properties are sold or refinanced.

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 the appreciation of property. 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. The Foundation's PRI loans bear interest at below-market rates, from 0% to 2%, generally payable on a quarterly basis. PRI loans are individually monitored and at December 31, 2013 and 2012 are deemed performing receivables. Management has reviewed the collectability of all PRI loans and deemed an allowance to be unnecessary. At December 31, 2013 and 2012, there were no PRI loans past due.

Expected repayments are as follows:

2014	$	1,097,009
2015		1,098,966
2016		100,964
2017		103,001
2018		52,278
	$	2,452,218

6. Retirement Plans

The Foundation provides a qualified defined contribution retirement plan for eligible employees under IRC 401(k). Employee contributions are permitted with the Foundation matching one-half of basic contributions up to a maximum of 5% of salary per employee in 2013 and 2012. Employer matching was $60,636 and $41,723 for 2013 and 2012, respectively.

The Foundation also maintains a profit sharing plan for eligible employees. For 2013 and 2012, the Foundation's contribution was 7% of salary for all eligible officers and staff and amounted to $74,264 and $60,609 for 2013 and 2012, respectively.

The Foundation has also established a non-qualified retirement plan for a select group of management determined by the Board of Trustees, to which contributions to qualified retirement plans are limited. Assets associated with this plan are assets of Altman Foundation, and are included in statements of financial position. An amount to represent the funds due to the plan participants is included in the statements of financial position as a liability. Subsequent to the distribution of benefits in February 1, 2012, actuarial evaluations at December 31, 2013 and 2012 resulted in a reduction of pension expense of $114,510 and $310,785, respectively.

7. Lease Commitments

The Foundation's office lease for the 35th floor of 521 Fifth Avenue, New York City expires on July 2015. Under the terms of the lease, remaining minimum lease payments are as follows:

2014	$ 289,644
2015	168,959
Total	$ 458,603

In lieu of a security deposit, the Foundation maintains an open letter of credit in the amount of $68,409. Rent expense under the lease, which includes utilities, office maintenance and real estate taxes was $360,437 and $354,583 for 2013 and 2012.

8. Furniture, Equipment and Leasehold Improvements

At December 31, 2013 and 2012, furniture, equipment and leasehold improvements at the Foundation were as follows:

	2013	2012
Leasehold improvements	$ 282,891	$ 281,238
Furniture and equipment	297,217	297,217
Computer hardware and software	63,603	63,603
	643,711	642,058
Less accumulated depreciation	613,812	594,618
	$ 29,899	$ 47,440

Depreciation expense for 2013 and 2012 was $19,194 and $20,292.

9. Grants Payable

The Foundation has entered into grant commitments to certain organizations. Payments to these organizations at December 31, 2013 and 2012 are to be made as follows:

	2013	2012
Less than one year	$ 2,335,000	$ 2,353,700
One to four years	200,000	200,000
Total grants payable	$ 2,535,000	$ 2,553,700

10. 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 16, 2014.

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