Altman Foundation

Financial Statements

December 31, 2020 and 2019

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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, 2020 and 2019, 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, 2020 and 2019 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 28, 2021

Altman Foundation

Statements of Financial Position

	December 31	
	2020	2019
ASSETS		
Cash in operating account	$ 334,724	$ 9,729
Prepaid taxes	61,124	3,004
Prepaid expenses and other assets	348,202	392,859
Investments (Note 4)	290,546,497	267,116,309
Program related investments (Note 5)	1,685,906	1,181,390
Furniture, equipment and leasehold improvements, net (Note 8)	720,986	827,961
	$ 293,697,439	$ 269,531,252
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable (Note 9)	$ 2,964,850	$ 2,575,000
Accounts payable and accrued expenses	177,622	206,109
Investment payable	350,848	1,510,304
Current federal excise tax liability (Note 3)	-	92,834
Deferred federal excise tax liability (Note 3)	867,054	581,661
Deferred rent and landlord incentive (Note 7)	567,058	573,362
Total Liabilities	4,927,432	5,539,270
Net assets without donor restrictions	288,770,007	263,991,982
	$ 293,697,439	$ 269,531,252

See notes to financial statements

Altman Foundation

Statements of Activities

	Year Ended December 31	
	2020	2019
INVESTMENT RETURN		
Interest and dividends	$ 3,063,952	$ 3,396,029
Net partnership income	1,830,397	1,553,644
Net realized gain on sale of investments	19,185,158	17,621,464
Change in net unrealized appreciation on investments	20,531,823	14,701,233
Other gain (loss)	4,516	(16,891)
Gross Investment Income	44,615,846	37,255,479
Less: external investment expenses	(3,766,828)	(3,732,516)
Less: direct internal investment expenses	(27,048)	(30,525)
Investment Return	40,821,970	33,492,438
EXPENSES		
Program services		
Program grants	13,026,535	10,933,226
Other program	1,580,895	1,507,845
Total Program Services	14,607,430	12,441,071
Supporting Services		
General and administration	686,379	640,894
Investment related taxes	484,439	434,347
Other investment	265,697	227,089
Total Expenses	16,043,945	13,743,401
Change in Net Assets	24,778,025	19,749,037
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	263,991,982	244,242,945
End of year	$ 288,770,007	$ 263,991,982

See notes to financial statements

Altman Foundation

Statements of Functional Expenses
For the Year Ended December 31,

	2020						
	Program Services			Supporting Services			
	Program Grants	Other Program	Total Program Services	General and Administration	Investment Related Taxes	Other Investment	Total
Grants authorized	$ 13,026,535	$ -	$ 13,026,535	$ -	$ -	$ -	$ 13,026,535
Salary and wages	-	827,555	827,555	351,479	-	138,951	1,317,985
Payroll taxes and employee benefits	-	259,745	259,745	100,391	-	50,801	410,937
Occupancy	-	285,488	285,488	98,758	-	44,191	428,437
Depreciation and amortization	-	70,623	70,623	24,430	-	10,932	105,985
Technology and computer related	-	54,293	54,293	20,984	-	10,619	85,896
Professional fees	-	20,000	20,000	48,759	-	-	68,759
Office expense	-	24,005	24,005	8,304	-	3,716	36,025
Dues, memberships and subscriptions	-	33,980	33,980	4,958	-	5,878	44,816
Travel, conferences and meetings	-	5,206	5,206	4,749	-	609	10,564
Insurance	-	-	-	20,749	-	-	20,749
Miscellaneous	-	-	-	2,818	-	-	2,818
Total Before Investment Related Taxes	13,026,535	1,580,895	14,607,430	686,379	-	265,697	15,559,506
Federal excise tax-current	-	-	-	-	198,796	-	198,796
Federal excise tax-deferred	-	-	-	-	285,393	-	285,393
Unrelated business income tax	-	-	-	-	250	-	250
	$ 13,026,535	$ 1,580,895	$ 14,607,430	$ 686,379	$ 484,439	$ 265,697	$ 16,043,945

	2019						
	Program Services			Supporting Services			
	Program Grants	Other Program	Total Program Services	General and Administration	Investment Related Taxes	Other Investment	Total
Grants authorized	$ 10,933,226	$ -	$ 10,933,226	$ -	$ -	$ -	$ 10,933,226
Salary and wages	-	810,877	810,877	322,706	-	110,374	1,243,957
Payroll taxes and employee benefits	-	227,192	227,192	86,960	-	38,558	352,710
Occupancy	-	270,506	270,506	86,739	-	40,438	397,683
Depreciation and amortization	-	75,611	75,611	24,245	-	11,303	111,159
Technology and computer related	-	49,341	49,341	18,886	-	8,374	76,601
Professional fees	-	-	-	52,494	-	-	52,494
Office expense	-	25,194	25,194	8,079	-	3,766	37,039
Dues, memberships and subscriptions	-	36,401	36,401	4,174	-	878	41,453
Travel, conferences and meetings	-	12,723	12,723	12,563	-	605	25,891
Insurance	-	-	-	19,724	-	-	19,724
Miscellaneous	-	-	-	4,324	-	12,793	17,117
Total Before Investment Related Taxes	10,933,226	1,507,845	12,441,071	640,894	-	227,089	13,309,054
Federal excise tax-current	-	-	-	-	395,333	-	395,333
Federal excise tax-deferred	-	-	-	-	38,764	-	38,764
Unrelated business income tax	-	-	-	-	250	-	250
	$ 10,933,226	$ 1,507,845	$ 12,441,071	$ 640,894	$ 434,347	$ 227,089	$ 13,743,401

See notes to financial statements

Altman Foundation

Statements of Cash Flows

	Year Ended December 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and dividends received	$ 30,758	$ 237,532
Other receipts	161	4,960
Payments for federal excise taxes	(350,000)	(421,000)
Payments to vendors	(945,329)	(906,135)
Payments for compensation and benefits	(1,712,169)	(1,637,663)
Payments for grants and matching gifts	(12,637,360)	(10,933,873)
Net Cash from Operating Activities	(15,613,939)	(13,656,179)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(35,255)
Partnership distributions	11,164,152	14,237,752
Partnership capital calls	(20,407,911)	(18,221,430)
Net change in money market mutual funds	(979,334)	5,443,494
Disbursement of program related investment	(500,000)	(531,250)
Purchases of investments	(24,800,000)	(23,000,999)
Proceeds from redemptions of investments	51,462,027	35,734,298
Net Cash from Investing Activities	15,938,934	13,626,610
Net Change in Cash	324,995	(29,569)
CASH		
Beginning of year	9,729	39,298
End of year	$ 334,724	$ 9,729

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, 2020 and 2019, 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.

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.

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, 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 quality financial institutions. 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. 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 2017.

Reclassifications

Certain accounts in the 2019 financial statements have been reclassified to conform to the current year financial statement presentation. The reclassification did not result in a change to net assets or ending net assets as of December 31, 2019.

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 2021 fiscal year. The Foundation is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU provides a framework for evaluating whether grants and contributions should be accounted for as exchange or nonexchange transactions. This ASU also requires determination as to whether a contribution is conditional based on barriers that must be overcome and a right of return of assets transferred or a right of release from an obligation to transfer assets.

The effective date for a resource recipient was for the Foundation's 2019 fiscal year; this portion of the ASU is not applicable as the Foundation is not a resource recipient. The effective date for a resource provider would be for the Foundation's 2020 fiscal year; this portion of the ASU has no impact on the Foundation's financials statements as its grant agreements do not contain performance barriers nor do such agreements contain stipulations surrounding the right of return of a grant payment nor a release from any future payment obligation.

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, and such tax rates were 1.39% and 2.00% for 2020 and 2019, respectively. For 2020 and 2019, the Foundation has met its minimum distribution requirement.

The Foundation also records deferred taxes which arise from unrealized appreciation of investments held at year end, At December 31,2020 and 2019, 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:

	2020			
Description	Level 1	Level 2	Investments measured at net asset value per share (*)	Total
Investments				
Directional hedge	$ -	$ -	$ 6,767,011	$ 6,767,011
Diversifying hedge	-	-	23,344,626	23,344,626
Domestic equity	36,843,578	-	6,385,821	43,229,399
Fixed income	12,271,592	-	12,639,204	24,910,796
Global equity	11,014,412	-	16,672,964	27,687,376
International equity	10,952,278	-	20,218,251	31,170,529
Money market mutual funds	6,832,109	-	-	6,832,109
Private credit	-	-	19,897,150	19,897,150
Private equity	-	-	62,899,784	62,899,784
Real assets	12,834,553	-	9,722,955	22,557,508
Real estate	-	-	13,818,082	13,818,082
Total Investments at fair value	$ 90,748,522	$ -	$ 192,365,848	283,114,370
Certificate of deposits				1,044,692
Unsettled security trades, net				6,387,435
Total Investments				$ 290,546,497

	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 mutual funds	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				1,031,657
Unsettled security trades, net				780,585
Total Investments				$ 267,116,309

(*) 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, 2020 and 2019 approximately 67% and 69%, 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, 2020 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equity (see "a" below)	$ 16,672,964	$ -	Quarterly	60 days
Directional hedge funds (see "b" below)	6,767,011	-	Quarterly	45 days
Fixed income (see "c" below)	12,639,204	-	Monthly	5 days
Diversifying hedge funds (see "d" below)	23,344,626	-	Weekly/Monthly/Quarterly	30-60 days
International equity (see "e" below)	20,218,251	-	Monthly	5-10 days
Private equity (see "f" below)	62,899,784	27,309,610	Locked	Not applicable
Real assets (see "g" below)	9,722,955	602,323	Locked	Not applicable
Real estate (see "h" below)	13,818,082	8,685,925	Quarterly / Locked	45 days / Not applicable
Private credit (see "i" below)	19,897,150	10,563,735	Locked	Not applicable
Domestic equity (see "j" below)	6,385,821	-	Monthly	7 days
	$192,365,848	$ 47,161,593		

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.) 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 two 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; and (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.

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 19 funds that make control investments in private, non-listed small and medium-sized companies primarily in the North America, Europe and Asia. 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 eleven funds, management has estimated that the underlying assets of will be liquidated from between 4-120 months. The other eight funds, representing 26% 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. 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 from between 8 and 22 months.

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

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 45% 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 three expect to dissolve from between 7 and 131 months.

i.) This category includes (i) three funds that invest primarily in senior secured corporate debt instruments, mainly in companies based in North America, and (ii) a fourth fund 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 52 and 83 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. Liquidity is monthly with 7 days advance notice.

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.

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.

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

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. Because the value of the Foundation's individual investments has and will fluctuate in response to changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods cannot be determined.

5. Program Related Investments (PRIs)

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, 2020, 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 2021 and 2026. There is an unfunded commitment of $1.2 million to the partnership at December 31, 2020. The Foundation did not have any direct loans at December 31, 2020. 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:

2021	$ 250,000
2022	475,000
2023	140,625
2024	100,000
2025	500,000
Thereafter	220,281
	$ 1,685,906

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 2020 and 2019, employer matching contributions were approximately $61,000 and $53,000, respectively.

(ii) The employer makes a safe harbor nonelective contribution in the amount of 3% of eligible compensation. For 2020 and 2019, such amounts were approximately $39,000 and $40,000, respectively.

6. Retirement Plans *(continued)*

(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 2020 and 2019, these contributions were approximately $64,000 and $51,000, 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 2020 and 2019 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 $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. Rent expense for this lease was approximately $407,000 and $376,000 for 2020 and 2019, respectively.

At December 31, 2020, the liability for deferred rent and landlord incentive of $567,058 included unamortized amounts for deferred rent of $310,361 and landlord incentive of $256,697. At December 31, 2019, such liability was $573,362 and consisted of unamortized deferred rent of $290,995 and landlord incentive of $282,367.

Minimum lease payments by fiscal year are as follows:

2021	$ 380,819
2022	380,819
2023	380,819
2024	380,819
2025	380,819
Thereafter	2,066,770
	$ 3,970,865

Lines of Credit

The Foundation had a secured revolving line of credit agreement with a bank for $10,000,000, which expired on June 24, 2020. Effective September 21, 2020, the Foundation established a new line of credit with another bank for $15,000,000, expiring July 15, 2022. There were no borrowings against either line during 2019 or 2020. 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, Net

At December 31, 2020 and 2019, furniture, equipment and leasehold improvements, net at the Foundation were as follows:

	2020	2019
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	632,753	525,778
	$ 720,986	$ 827,961

Depreciation and amortization expense for 2020 and 2019 was $106,975 and $112,142 respectively.

9. Grants Payable

The Foundation has entered into grant commitments to certain organizations. Payments to these organizations at December 31, 2020 and 2019 are to be made as follows:

	2020	2019
Less than one year	$ 2,739,850	$ 2,400,000
One to two years	225,000	175,000
Total Grants Payable	$ 2,964,850	$ 2,575,000

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:

	At December 31	
	2020	2019
Financial Assets		
Cash	$ 334,724	$ 9,729
Investments	290,546,497	267,116,309
Program related investments	1,685,906	1,181,390
Total Financial Assets	292,567,127	268,307,428
Less:		
Illiquid investments	100,160,402	79,362,221
Program related investments	1,685,906	1,181,390
Financial Assets Available to Meet General Operating Cash Needs	$ 190,720,819	$ 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, (iii) cash distributions from its various limited partnership investments, and (iv) 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 2020 and 2019 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, 2020 and 2019.

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 28, 2021.

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