The Wenner-Gren Foundation for Anthropological Research, Inc.

Financial Statements

December 31, 2022 and 2021

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Trustees
The Wenner-Gren Foundation for
Anthropological Research, Inc.

Opinion

We have audited the accompanying financial statements of The Wenner-Gren Foundation for Anthropological Research, Inc., 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 Wenner-Gren Foundation for Anthropological Research, Inc. 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 the Financial Statements section of our report. We are required to be independent of The Wenner-Gren Foundation for Anthropological Research, Inc. 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.

Change in Accounting Policy

As discussed in Note 2 to the financial statements, the Foundation adopted the Financial Accounting Standards Board ("FASB") Topic 842, *Leases,* using the effective date method with January 1, 2022, as the initial adoption. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wenner-Gren Foundation for Anthropological Research, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Wenner-Gren Foundation for Anthropological Research, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wenner-Gren Foundation for Anthropological Research, Inc.'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

May 1, 2023

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statements of Financial Position

	December 31	
	2022	2021
ASSETS		
Cash and cash equivalents	$ 446,983	$ 404,629
Accrued investment income receivable	2,840	1,806
Due from broker and other receivables	162,844	4,216,279
Prepaid expense and deposits	234,621	385,924
Investments	194,218,402	223,027,948
Furniture, equipment and leasehold improvements, net	357,880	378,679
Right of use asset, operating lease, net	2,392,284	-
	$ 197,815,854	$ 228,415,265
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	$ 2,409,093	$ 2,751,621
Accounts payable and accrued expenses	350,645	324,658
Refundable advance	267,917	-
Post-retirement medical benefits obligation	826,841	1,134,739
Lease liability	2,413,253	-
Total Liabilities	6,267,749	4,211,018
Net assets without donor restrictions	191,548,105	224,204,247
	$ 197,815,854	$ 228,415,265

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statements of Activities

	Year Ended December 31	
	2022	2021
INVESTMENT RETURN AND OTHER INCOME		
Interest and dividends	$ 291,509	$ 435,045
Realized and unrealized (loss) gain on investments	(22,294,469)	34,810,104
	(22,002,960)	35,245,149
Investment expenses	496,040	413,928
Investment Return	(22,499,000)	34,831,221
Other income	28,385	31,872
Reversal of retirement benefit	307,898	-
Total Investment Return and Other Income	(22,162,717)	34,863,093
EXPENSES		
Program Expenses		
Individual research grants	3,560,246	2,796,769
Capacity building and outreach	2,873,257	2,987,297
Program support, planning and development	2,757,561	2,524,771
Total Program Expenses	9,191,064	8,308,837
Operations and governance	1,302,361	1,193,072
Total Expenses	10,493,425	9,501,909
Change in Net Assets	(32,656,142)	25,361,184
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	224,204,247	198,843,063
End of year	$ 191,548,105	$ 224,204,247

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statement of Functional Expenses
Year Ended December 31, 2022

	Program Expenses					
	Individual Research Grants	Capacity Building and Outreach	Program Support, Planning and Development	Total Program Expenses	Operations and Governance	Total
Research						
Dissertation fieldwork and PhD research grants	$ 3,033,265	$ -	$ -	$ 3,033,265	$ -	$ 3,033,265
Engaged research grants	526,981	-	-	526,981	-	526,981
Fellowships						
Hunt postdoctoral fellowships	-	884,433	-	884,433	-	884,433
Fejos postdoctoral fellowships in ethnographic film	-	160,000	-	160,000	-	160,000
Wadsworth fellowships	-	446,629	-	446,629	-	446,629
SAPIENS public fellowships	-	67,250	-	67,250	-	67,250
Conferences						
Symposia	-	152,488	-	152,488	-	152,488
Conference and workshop grants	-	526,020	-	526,020	-	526,020
Publications						
SAPIENS	-	448,669	-	448,669	-	448,669
Current Anthropology/WG symposia supplements	-	22,208	-	22,208	-	22,208
Other grant programs	-	165,560	-	165,560	-	165,560
Salaries	-	-	1,355,914	1,355,914	638,077	1,993,991
Payroll taxes	-	-	87,670	87,670	41,257	128,927
Employee benefits	-	-	458,633	458,633	215,827	674,460
General office	-	-	87,598	87,598	41,223	128,821
Equipment and software	-	-	100,497	100,497	47,293	147,790
Warehouse and storage	-	-	36,859	36,859	17,346	54,205
Board of trustees and advisory council meetings	-	-	53,422	53,422	20,186	73,608
Program consultants	-	-	182,085	182,085	-	182,085
Travel and meetings	-	-	26,472	26,472	12,457	38,929
Rent and occupancy	-	-	271,909	271,909	127,957	399,866
Depreciation and amortization	-	-	75,889	75,889	35,713	111,602
Insurance	-	-	20,613	20,613	9,700	30,313
Legal and accounting	-	-	-	-	95,325	95,325
Total	$ 3,560,246	$ 2,873,257	$ 2,757,561	$ 9,191,064	$ 1,302,361	$ 10,493,425

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Expenses					
	Individual Research Grants	Capacity Building and Outreach	Program Support, Planning and Development	Total Program Expenses	Operations and Governance	Total
Research						
Dissertation fieldwork and PhD research grants	$ 2,801,769	$ -	$ -	$ 2,801,769	$ -	$ 2,801,769
Engaged anthropology grant returned	(5,000)	-	-	(5,000)	-	(5,000)
Fellowships						
Hunt postdoctoral fellowships	-	792,223	-	792,223	-	792,223
Fejos postdoctoral fellowships in ethnographic film	-	200,000	-	200,000	-	200,000
Wadsworth fellowships	-	447,991	-	447,991	-	447,991
SAPIENS public fellowships	-	62,250	-	62,250	-	62,250
Fellowship in anthropology and black experiences	-	213,000	-	213,000	-	213,000
Conferences						
Symposia	-	22,079	-	22,079	-	22,079
Conference and workshop grants	-	520,083	-	520,083	-	520,083
Publications						
SAPIENS	-	394,700	-	394,700	-	394,700
Current Anthropology/WG symposia supplements	-	49,341	-	49,341	-	49,341
Other grant programs	-	285,630	-	285,630	-	285,630
Salaries	-	-	1,293,418	1,293,418	608,668	1,902,086
Payroll taxes	-	-	84,039	84,039	39,548	123,587
Employee benefits	-	-	430,984	430,984	202,816	633,800
General office	-	-	86,428	86,428	40,672	127,100
Equipment and software	-	-	85,381	85,381	40,180	125,561
Warehouse and storage	-	-	27,613	27,613	12,994	40,607
Program consultants	-	-	174,695	174,695	-	174,695
Travel and meetings	-	-	8,947	8,947	4,210	13,157
Rent and occupancy	-	-	258,350	258,350	121,576	379,926
Depreciation and amortization	-	-	57,373	57,373	26,999	84,372
Insurance	-	-	17,543	17,543	8,255	25,798
Legal and accounting	-	-	-	-	87,154	87,154
Total	$ 2,796,769	$ 2,987,297	$ 2,524,771	$ 8,308,837	$ 1,193,072	$ 9,501,909

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statements of Cash Flows

	Year Ended December 31 2022	Year Ended December 31 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (32,656,142)	$ 25,361,184
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	111,602	84,372
Realized and unrealized loss (gain) on investments	22,294,469	(34,810,104)
Change in post-retirement medical benefits obligation	(307,898)	(23,566)
Amortization of right of use asset - operating lease	347,306	-
Changes in operating assets and liabilities		
Accrued investment income receivable	(1,034)	546
Due from broker and other receivables	4,053,435	(2,989,429)
Prepaid expenses and deposits	151,303	(197,074)
Grants payable	(342,528)	1,086,163
Accounts payable and accrued expenses	25,987	(7,892)
Refundable advance	267,917	-
Lease liability	(326,337)	-
Net Cash from Operating Activities	(6,381,920)	(11,495,800)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture, equipment and leasehold improvements	(90,803)	(147,971)
Purchase of investments	(18,854,918)	(19,997,021)
Proceeds from sales of investments and return of capital distributions	23,416,307	28,712,106
Net proceeds from sales of short-term investments	1,953,688	2,891,922
Net Cash from Investing Activities	6,424,274	11,459,036
Net Change in Cash and Cash Equivalents	42,354	(36,764)
CASH AND CASH EQUIVALENTS		
Beginning of year	404,629	441,393
End of year	$ 446,983	$ 404,629
SUPPLEMENTAL CASH FLOW INFORMATION		
Unrelated business income taxes paid	$ 18,379	$ 11,054

See notes to financial statements

1. Organization and Tax Status

The Wenner-Gren Foundation for Anthropological Research, Inc. (the "Foundation") supports research in all branches of anthropology throughout the world.

The Foundation has qualified as a charitable organization which is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended; however, it pays unrelated business income tax on the income from certain limited partnerships. It is an exempt operating foundation as defined in Sections 509(a) and 4940(d)(2) of the Code. Its primary source of revenue is income from its investments.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("US GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Recently Adopted Accounting Standards

The Foundation adopted FASB 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 leases under the new standard, (b) whether classification of capital 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 a lease liability and a right-of-use asset ("ROU Asset"). On January 1, 2022, the Foundation recognized a lease liability of $2,739,590, that represents the present value of the remaining operating lease payments of $2,902,392, discounted using the Foundation's risk-free interest rate using the treasury rate for 7 years of 1.55% and a ROU asset of $2,739,590.

The standard had a material impact on the Foundation's statements of financial position but did not have a significant impact on its statements of activities and cash flows. The most significant impact was on the recognition of a ROU asset and a lease liability for an operating lease.

Cash and Cash Equivalents

Cash and cash equivalents includes cash balances held in bank accounts and short-term investments with maturities of three months or less at the time of purchase, except for the short-term investments held by the Foundation as part of its long-term investment strategy.

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.

Pursuant to US GAAP guidance, alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient are not categorized within the fair value hierarchy.

Investments Valuation

Investments are carried at fair value. The fair value of alternative investments has been estimated using NAV as reported by the management of the respective alternative investment. US GAAP 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.

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.

Investment Expenses

Investment expenses on the statements of activities include those fees paid directly to the Foundation's investment managers and custodians as well as consulting fees, taxes and legal fees associated with investments.

Investment Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. 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.

2. Summary of Significant Accounting Policies *(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.

Furniture, Equipment, and Leasehold Improvements

The Foundation follows the practice of capitalizing all expenditures for furniture, equipment, and leasehold improvements with a cost in excess of $5,000. Furniture, equipment, and leasehold improvements are stated at cost. Furniture, equipment and website development costs are depreciated on the straight-line method over their estimated useful lives of 3 to 10 years and leasehold improvements are amortized over the life of the lease or asset, whichever is shorter.

Leases

As of January 1, 2022, the Foundation leases office space and determines if an arrangement is or contains a lease at inception. The office lease is reflected as a right-of-use (“ROU”) asset and a lease liability in the statements of financial position. The ROU asset represents the right to use an underlying asset for the lease term and the lease liability represents the obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date on the present value of the future minimum lease payments over the lease term on a straight-line basis. The Foundation does not report the ROU asset and lease liability for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. The Foundation’s lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Grants

Grants are recorded as an expense when approved by the President of the Foundation and the recipient is notified.

Contributions

The Foundation recognizes contributions when cash, a nonfinancial asset, or an unconditional promise to give is received. Revenue from conditional promises to give, which have a measurable performance or other barrier and a right of return, is not recognized until the conditions which they depend on have been met. Amounts received prior to these conditions being met are reported as refundable advances in the statements of financial position. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions and increases net assets with donor restrictions.

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

Net Asset Presentation

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use is limited by donors to a specific time period or purpose or are limited by donors for investments perpetual in nature. As of December 31, 2022 and 2021 all net assets were without donor restrictions.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one programmatic activity or operations and governance of the Foundation. These expenses include depreciation and amortization, salaries and benefits, general office, board of trustees and advisory council, travel and meetings, rent and occupancy, and insurance expenses. These are allocated based on the assessment of where a Foundation's employee's time and effort are spent.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2019.

Reclassifications

Certain amounts contained in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

Subsequent Events

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 date is May 1, 2023.

3. Pension Plan

The Foundation has a defined contribution 401(k) retirement plan covering all full-time employees. Contributions are 10% of each participant's salary within the social security earnings base and 15.7% for salaries above the base subject to ceilings. Contributions to the retirement plan were $203,402 and $200,972 in 2022 and 2021.

4. Fair Value Measurements

The following are the classes and major categories of investments grouped by the fair value hierarchy for those investments measured at fair value on a recurring basis at December 31:

	2022		
	Level 1	Investments Values Using NAV (*)	Total
Marketable Equities			
Consumer	$ 1,242,427	$ -	$ 1,242,427
Healthcare	950,557	-	950,557
Information technology	5,074,301	-	5,074,301
Financial	623,890	-	623,890
Communcation	742,897	-	742,897
Materials	215,279	-	215,279
International	506,311	-	506,311
Mutual funds			
Domestic equities	7,146,967		7,146,967
Hedge funds	-	71,680,805	71,680,805
Commingled funds	-	11,029,880	11,029,880
Venture capital/fund of funds	-	39,510,164	39,510,164
Private equities	-	27,425,075	27,425,075
Distressed securities funds	-	818,887	818,887
Natural resources funds	-	12,558,633	12,558,633
Real estate funds	-	1,905,058	1,905,058
Total Investments at Fair Value	$ 16,502,629	$ 164,928,502	181,431,131
Short-term cash investments, at cost			12,787,271
Total Investments			$ 194,218,402

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

4. Fair Value Measurements *(continued)*

	2021		
	Level 1	Investments Values Using NAV (*)	Total
Marketable Equities			
Consumer	$ 1,575,974	$ -	$ 1,575,974
Healthcare	1,017,335	-	1,017,335
Information technology	5,591,267	-	5,591,267
Financial	1,014,223	-	1,014,223
Communication	2,910,735	-	2,910,735
Materials	294,466	-	294,466
Industrial	263,639	-	263,639
Mutual Funds			
Emerging markets	9,157,281	-	9,157,281
Hedge funds	-	81,102,105	81,102,105
Commingled funds	-	13,336,078	13,336,078
Venture capital/fund of funds	-	43,648,660	43,648,660
Private equities	-	30,863,968	30,863,968
Distressed securities funds	-	1,532,501	1,532,501
Natural resources funds	-	14,067,347	14,067,347
Real estate funds	-	1,911,410	1,911,410
Total Investments at Fair Value	$ 21,824,920	$ 186,462,069	208,286,989
Short-term cash investments, at cost			14,740,959
Total Investments			$ 223,027,948

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

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
Hedge funds see "a" below	$ 71,680,805	$ -	Quarterly - Annually	20 - 90 days
Commingled funds see "b" below	11,029,880	1,620,000	Weekly - Monthly	3 - 30 days
Venture capital/fund of funds see "c" belov	39,510,164	10,793,423	N/A *	N/A *
Private equities see "d" below	27,425,075	5,991,146	N/A *	N/A *
Distressed securities funds see "e" below	818,887	66,169	N/A *	N/A *
Natural resources funds see "f" below	12,558,633	711,684	N/A *	N/A *
Real estate funds see "g" below	1,905,058	617,448	N/A *	N/A *
Total	$164,928,502	$ 19,799,870		

* These investments are illiquid investments.

4. Fair Value Measurements *(continued)*

a. This category includes hedge fund investments in long/short strategies in a variety of areas such as US and global equities, event-driven situations and distressed securities. 55% of investments in this category can be redeemed on a quarterly basis. 45% of investments is this category have liquidity on an annual basis.

b. This category includes long-only investments in commingled funds. Investments in this category can be redeemed within 30 days.

c. This category includes venture capital/fund of funds investments primarily in early stage growth startup companies. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated over 5 to 10 years.

d. This category includes private equity investments in domestic and international equity securities, leveraged buy-outs and growth capital situations. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated over 5 to 10 years.

e. This category includes private investments in credit and distressed securities and other special situations. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated over 5 to 10 years.

f. This category includes private investments in the energy and natural resources sector. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated over 5 to 10 years.

g. This category includes private real estate investments in land and commercial real estate properties throughout the United States. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated over 5 to 15 years.

The above fair value measurement categories do not include any lock-up provisions relating to investments in 2022.

5. Liquidity and Availability of Financial Assets

The following reflect the Foundation's financial assets available as of December 31, to meet cash needs for expenditures within one year of the date of the statements of financial position:

	2022	2021
Financial Assets:		
Cash and cash equivalents	$ 446,983	$ 404,629
Accrued investment income receivable	2,840	1,806
Due from broker and other receivables	162,844	4,216,279
Investments	194,218,402	223,027,948
Total financial assets	194,831,069	227,650,662
Less: Contractual restrictions		
Letter of credit	91,504	91,504
Illiquid investments	82,217,817	92,023,886
	82,309,321	92,115,390
Financial assets available to meet general expenditures over the next twelve months	$ 112,521,748	$ 135,535,272

The Foundation's working capital and cash flows are driven by its investment portfolio and investment return. As part of the Foundation's liquidity management strategy, the Foundation seeks to maintain adequate liquidity to meet its obligations, including its operating budget and capital calls relating to the Foundation's private investment portfolio. The Foundation also maintains a line of credit of $8,000,000 with a bank that can be drawn upon as needed during the year. The Foundation structures its financial assets to maintain an approximate cash balance equivalent to twelve months operating and investment cash flow needs. The Foundation's Investment and Budget Committee oversees the cash management of the Foundation. Other than the illiquid investments and the letter of credit, all of the Foundation's other financial assets are available for general expenditure within one year of the date of the statement of financial position.

6. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements of the Foundation were as follows at December 31:

	2022	2021
Furniture and office equipment	$ 344,475	$ 344,475
Leasehold improvements	139,350	139,350
Website development costs	238,776	336,566
	722,601	820,391
Less: accumulated depreciation and amortization	364,721	441,712
	$ 357,880	$ 378,679

7. Post-Retirement Medical Benefits Obligation

The Foundation provides non-contributory post-retirement medical benefits to senior management and long-serving staff. To qualify for post-retirement medical benefits, employees must be eligible for Medicare and meet years of service requirements. The Foundation will pay an annual maximum of $1,100 towards either the cost of Medicare B coverage or supplemental Medicare coverage. The annual dollar maximum is waived for persons who served as senior management. The Foundation funds its postretirement benefits costs on a pay as you go basis.

The accumulated post-retirement medical benefit obligation at December 31 is as follows:

	2022	2021
Retirees	$ 89,340	$ 113,142
Active employees	737,501	1,021,597
	$ 826,841	$ 1,134,739

A 5.02% and 2.75% discount rate was used to determine benefit obligations at December 31, 2022 and 2021.

During 2022 and 2021, the Foundation paid $9,412 and $8,607 for post-retirement medical benefits. The expected payments to be made over the next ten years are as follows:

2023	$ 12,128
2024	11,215
2025	31,866
2026	52,508
2027	51,151
2028 to 2032	239,147
	$ 398,015

8. Lease

In 2019, the Foundation entered into a ten-year operating lease agreement expiring in June 2029 for office space. The Foundation has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The discount rate applied to calculate lease liabilities as of January 1, 2022, was 1.55%. As of December 31, 2022, the remaining lease term for the Foundation's operating lease was 6.5 years. Operating cash flows related to the lease was $326,338 for the year ended December 31, 2022.

8. Lease *(continued)*

The Foundation amortizes the operating lease ROU asset over the life of the lease agreement. ROU assets consist of the following at December 31, 2022:

Right of use assets	$2,739,590
Less: Acumulated amortization	(347,306)
Present value of right of use assets	$2,392,284

Future maturities of lease liabilities are presented in the following table for the fiscal year ending December 31:

2023	$ 366,016
2024	394,611
2025	394,611
2026	394,611
2027	394,611
Thereafter	591,917
Total future minimum payments	2,536,377
Less: imputed interest	(123,123)
Total lease liability	$2,413,254

Rent expense for the years ended December 31, 2022 and 2021 was $386,986 and $366,016.

The Foundation has an outstanding irrevocable standby letter of credit in the amount of $91,504. The letter of credit earns a .05% interest rate. The letter of credit is used to provide a security deposit for the lease of the Foundation's premises at 655 Third Avenue, New York City. The letter of credit is collateralized by a money market account included in investments and amounted to $99,932 and $100,022 at December 31, 2022 and 2021.

9. Line of Credit

Effective June 14, 2022, the Foundation established a $8,000,000 line of credit with BNY Mellon, which it can draw upon as needed for general operating purposes. The interest rate is equal to the Federal Funds Target Rate plus 150 basis points. The line of credit shall continue in effect for so long as any of the obligations remain unpaid or any capacity to borrow pursuant to the line of credit remains available to the Foundation. The Foundation pledged investment security accounts as collateral. There was no balance outstanding on the line at December 31, 2022.

10. 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 investments held at financial institutions.

Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) are insured up to $250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation (“SIPC”) are insured up to $500,000 ($250,000 for cash holdings). As of December 31, 2022 and 2021, the Foundation’s uninsured cash and cash equivalents balances on deposit totaled approximately $124,000 and $121,000. As of December 31, 2022 and 2021, the Foundation’s uninsured investment holdings totaled approximately $192,618,000 and $208,485,000.

The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment, investment advisor, investment manager or group investments represents a significant concentration of credit risk.

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