WEINGART FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

WEINGART FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Weingart Foundation

Opinion

We have audited the financial statements of Weingart Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Weingart Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Weingart Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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 Weingart Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 Weingart Foundation'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 Weingart Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information
We have previously audited Weingart Foundation's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Green Hasson & Janks LLP

November 20, 2023
Los Angeles, California

WEINGART FOUNDATION

STATEMENT OF FINANCIAL POSITION
June 30, 2023
With Summarized Totals at June 30, 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 9,960,459	$ 3,242,448
Interest and Dividends Receivable	1,189,231	486,765
Investment Sales Receivable	6,000,000	10,000,000
Prepaid Expenses and Other Assets	156,899	235,185
Investments	803,748,191	780,743,917
Program-Related Investments	15,786,259	16,542,557
Right-of-Use Asset	2,999,291	-
Property and Equipment (Net)	1,640,330	1,963,503
TOTAL ASSETS	$ 841,480,660	$ 813,214,375
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 598,580	$ 1,895,735
Investment Purchases Payable	4,205,539	-
Grants Payable	13,868,099	8,736,388
Lease Liability	4,320,335	-
Deferred Excise Taxes	1,669,273	1,220,640
TOTAL LIABILITIES	24,661,826	11,852,763
NET ASSETS		
Net Assets Without Donor Restrictions	816,818,834	801,361,612
TOTAL LIABILITIES AND NET ASSETS	$ 841,480,660	$ 813,214,375

The Accompanying Notes are an Integral Part of These Financial Statements

WEINGART FOUNDATION

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022

	2023	2022
REVENUE AND GAINS (LOSSES):		
Investment Return (Net)	$ 62,713,706	$ (74,504,709)
Other Income (Net)	3,144	2,328
TOTAL REVENUE AND GAINS (LOSSES)	62,716,850	(74,502,381)
EXPENSES:		
Program Services:		
Grants	39,748,116	41,323,477
Grant Expenses	3,688,121	3,318,752
Total Program Services	43,436,237	44,642,229
General and Administrative Expenses	3,823,391	3,124,860
TOTAL EXPENSES	47,259,628	47,767,089
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	15,457,222	(122,269,470)
Net Assets Without Donor Restrictions - Beginning of Year	801,361,612	923,631,082
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	$ 816,818,834	$ 801,361,612

The Accompanying Notes are an Integral Part of These Financial Statements

WEINGART FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022

	Program Services - Grantmaking	General and Administrative	Total 2023	Total 2022
Grants	$ 39,748,116	$ -	$ 39,748,116	$ 41,323,477
Personnel Costs:				
Salaries	2,059,531	976,684	3,036,215	2,552,684
Payroll Taxes	128,537	81,173	209,710	169,124
Employee Benefits	745,229	395,833	1,141,062	942,171
Professional Fees	514,216	772,492	1,286,708	1,135,605
Rent	-	561,615	561,615	545,394
Depreciation	-	353,567	353,567	348,849
Travel and Meetings	88,328	226,660	314,988	139,492
Office Expenses	1,590	290,743	292,333	290,634
Directors Fees	150,600	-	150,600	106,850
Insurance	-	125,706	125,706	113,222
Other Expenses	90	38,918	39,008	99,587
TOTAL FUNCTIONAL EXPENSES - 2023	$ 43,436,237	$ 3,823,391	$ 47,259,628	
	92%	8%	100%	
TOTAL FUNCTIONAL EXPENSES - 2022	$ 44,642,229	$ 3,124,860		$ 47,767,089
	93%	7%		100%

The Accompanying Notes are an Integral Part of These Financial Statements

WEINGART FOUNDATION

STATEMENT OF CASH FLOWS
Year Ended June 30, 2023
With Summarized Totals for the Year Ended June 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets Without Donor Restrictions	$ 15,457,222	$ (122,269,470)
Adjustments to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Used in Operating Activities:		
Depreciation	353,567	348,849
Net Realized and Unrealized (Gains) Losses on Investments	(62,112,382)	78,963,095
Reinvested Interest and Dividends	(3,490,761)	(2,456,249)
Deferred Excise Tax Expense (Benefit)	448,633	(1,919,454)
Change in Present Value Discount on Grants Payable	(39,955)	(229,350)
Change in Present Value Discount on Program Related Investments	(669,283)	2,267,530
Amortization of Right-of-Use Asset	429,544	-
Decrease (Increase) in:		
Interest and Dividends Receivable	(702,466)	84,479
Prepaid Expenses and Other Assets	78,286	539,095
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	166,150	(427,714)
Grants Payable	5,171,666	(968,333)
Lease Liability	(571,805)	-
NET CASH USED IN OPERATING ACTIVITIES	(45,481,584)	(46,067,522)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on Sale of Investments	90,593,401	175,411,344
Purchases of Investments	(39,788,993)	(124,339,438)
Purchases of Property and Equipment	(30,394)	(480,114)
Advances on Program Related Investments	(610,000)	(6,150,000)
Collections of Program Related Investments	2,035,581	2,050,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	52,199,595	46,491,792
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,718,011	424,270
Cash and Cash Equivalents - Beginning of Year	3,242,448	2,818,178
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,960,459	$ 3,242,448
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid During the Year for Excise Taxes and Unrelated Business Income Taxes	$ 1,302,722	$ 1,419,835
NONCASH OPERATING ACTIVITIES:		
Non-cash Impact of Implementation of Accounting Standards Update No. 2016-02, *Leases*		
Establishment of Right-of-Use Asset	$ 3,428,835	$ -
Decrease in Deferred Rent Liability included in Accounts Payable and Accrued Expenses	1,463,305	-
Establishment of Lease Liability	4,892,140	-

The Accompanying Notes are an Integral Part of These Financial Statements

NOTE 1 - ORGANIZATION

Weingart Foundation (the Foundation) is a private foundation that was established as a tax-exempt, nonprofit corporation pursuant to the Corporation Code of the State of California on June 29, 1951. The Foundation makes grants to nonprofit agencies and charitable organizations located primarily in Southern California.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) NET ASSETS

The presentation of net assets represents the absence of donor-imposed restrictions.

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

(d) CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Foundation considers cash on hand, deposits in banks, money market accounts, and certificates of deposit with an original maturity of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents at June 30, 2023 approximates its fair value.

The Foundation maintains its cash and cash equivalents in bank deposits and other investment accounts, which may, at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

(e) INVESTMENTS

Investments are reported at fair value. Sales and purchases of securities were recorded on the trade date, which may result in receivables and payables on trades that had not yet settled at the financial statement date. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based on the ex-dividend date. Realized gains and losses are calculated based on the underlying cost of the securities traded. Unrealized gains and losses are included in investment return (net) in the statement of activities and represent the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) INVESTMENTS (continued)

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Investments are made according to the investment policies, guidelines, and objectives adopted by the Foundation's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. The investments are generally managed and reviewed by outside investment managers contracted by the Foundation.

(f) PROGRAM-RELATED INVESTMENTS

In accordance with Internal Revenue Code (IRC) Section 4944, the Foundation is permitted to make investments in furtherance of its charitable purpose. Program-related investments are anticipated to have lower-than-market returns on a risk-adjusted basis. Similar to grants, program-related investments count toward the Foundation's payout requirement in the year of distribution. Program-related investments in the form of below-market-rate loans which are expected to be paid beyond one year are discounted to their present value at an appropriate rate, which management has determined to be 4%. The present value discount net of amortization is recorded as additional grants expense.

(g) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets, as follows:

Artwork	10 Years
Leasehold Improvements	Shorter of useful life or lease term
Furniture and Equipment	3-5 Years

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2023.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) GRANTS

Unconditional grants are expensed when approved by the Foundation's Board of Directors. Conditional grants - that is, those with a measurable performance or other barrier and a right of return or release - are not recognized until the conditions on which they depend have been met by the grantee. The actual payment of the grant may not necessarily occur in the year of authorization. Grants which are expected to be paid beyond one year are discounted at an appropriate rate, which management has determined to be 4.2%. Amortization of the present value discount is recorded as additional grants expense.

(i) LEASES

The Foundation recognizes and measures its leases in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*. The Foundation is a lessee in an operating lease for its office. See Note 7. The Foundation determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Foundation recognizes a lease liability and a right-of-use (ROU) asset at July 1, 2022, upon adoption of ASC 842. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Foundation uses its risk-free rate. For its office lease, the implicit rate is not readily determinable and accordingly, the Foundation uses the risk-free rate at July 1, 2022.

The ROU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Foundation has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Foundation is reasonably certain to exercise. The Foundation recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) TAX EXEMPT STATUS AND TAXES

The Foundation is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). However, the Foundation is classified under IRC Section 509(a) as a private foundation and, as such, for the year ended June 30, 2023, was subject to a 1.39% federal excise tax on net investment income. Deferred excise taxes arise from the net unrealized appreciation in the fair value of investments and have been calculated using the 1.39% excise tax rate at June 30, 2023.

The Foundation is subject to income taxes for unrelated business income, if any, realized in connection with certain investment holdings.

Excise and unrelated business income tax expense, which is included in investment return (net) in the statement of activities, consists of the following for the year ended June 30, 2023:

Current Excise Tax Expense	$	508,028
Deferred Excise Tax Expense		448,633
Unrelated Business Income Tax Expense		1,002,722
TOTAL EXCISE AND UNRELATED BUSINESS INCOME TAX EXPENSE	$	1,959,383

In accordance with FASB ASC Topic 740, *Uncertainty in Income Taxes*, the Foundation recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2023, the Foundation performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

(k) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Foundation's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Foundation uses proportional salary dollars to allocate indirect costs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

(m) NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting about leasing transactions. The new standard requires entities that lease assets with terms of more than 12 months to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The ASU also requires disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the combined financial statements. The Foundation adopted ASC 842 with a date of the initial application of July 1, 2022 using the optional transition method which allows entities to continue to apply historical accounting guidance in the comparative periods presented in the year of adoption. The Foundation elected to apply the following package of practical expedients on a consistent basis permitting entities not to reassess: (i) whether any expired or existing contracts are or contain a lease; (ii) lease classification for any expired or existing leases and (iii) whether initial direct costs for any expired or existing leases qualify for capitalization under the amended guidance. In addition, the Foundation applied the practical expedient to include both the lease and non-lease components as a single component and account for it as a lease.

The impact of adopting the amended guidance primarily relates to the recognition of lease assets and lease liabilities on the statement of financial position for a lease previously classified as an operating lease. The Foundation recognized a $3,428,835 right-of-use asset with a $4,892,140 related lease liability as of July 1, 2022. Leases with an initial term of 12 months or less have not been recorded on the statement of financial position. Refer to Notes 7 for disclosures related to the Foundation's accounting for leases.

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaced the incurred loss impairment methodology previously used for certain financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates in their measurements. The guidance has subsequently been amended through a series of targeted ASUs. For the Foundation, the ASU and subsequent amendments will be effective for the year ending June 30, 2024, and is expected to be adopted using the modified-retrospective approach.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2023, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through November 20, 2023, the date these financial statements were available to be issued. The Foundation is not aware of any subsequent events which would require recording or disclosure in the financial statements.

NOTE 3 - INVESTMENTS

The Foundation has implemented the fair value accounting standard for those assets that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable, such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at June 30, 2023, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

		Fair Value Measurements Using			
	Year Ended June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value Per Share or its Equivalent (NAV)
Fixed Income	$ 62,499,850	$ 14,079,273	$ -	$ -	$ 48,420,577
Equities	468,733,568	-	-	-	468,733,568
Real Assets	87,585,369	-	-	-	87,585,369
Diversifiers	108,405,748	-	-	-	108,405,748
Private Equity / Venture Capital	76,523,656	-	-	-	76,523,656
TOTAL INVESTMENTS	$ 803,748,191	$ 14,079,273	$ -	$ -	$ 789,668,918

The fair value of investments within Level 1 was obtained based on the quoted market price at the closing of the last business day of the fiscal year.

NOTE 3 - INVESTMENTS (continued)

Investments valued using NAV are comprised of interests in limited partnerships, corporations and trusts. These investments (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

Investments are valued using the NAV provided by the fund managers or general partners. It is probable that the investments will be sold at an amount different from their fair value at June 30, 2023.

The following table summarizes the redemption frequency and notice period for the Foundation's investments using NAV as a practical expedient at June 30, 2023:

	Total Fair Value	Redemption Frequency and Notice Period
Fixed Income	$ 48,420,577	Redeemable Daily to Monthly Upon 1-10 Day Notice
Equities	468,733,568	Redeemable Daily to Quarterly Upon 1-60 Day Notice
Real Assets	87,585,369	$6,313,748 Redeemable Quarterly Upon 90 Day Notice, and $81,271,621 Illiquid
Diversifiers	108,405,748	$66,936,385 Redeemable Monthly to Annually Upon 31 - 90 Day Notice, and $41,469,363 Illiquid
Private Equity/ Venture Capital	76,523,656	Illiquid
TOTAL	$ 789,668,918	

The illiquid investments provide distributions only upon liquidation of the underlying assets by respective fund managers. The fund managers estimate the underlying assets of these funds will be liquidated over one to ten years. As of June 30, 2023, unfunded commitments amounted to $141,495,281.

NOTE 4 - PROGRAM-RELATED INVESTMENTS

Program-related investments represent various below-market-rate loans and equity investments. As of June 30, 2023, the total principal outstanding was $17,384,506. Interest rates on the loans range from 1% to 4% per annum, and loan principals are to be repaid at various dates through January 2031. These loans are individually monitored to determine net realizable value based on an evaluation of recoverability.

NOTE 4 - PROGRAM-RELATED INVESTMENTS (continued)

Program-related investments are scheduled for collection as of June 30, 2023 as follows:

Years Ending June 30	
2024	$ 3,750,000
2025	-
2026	-
2027	9,888,876
2028	1,358,859
Thereafter	2,386,771
TOTAL PROGRAM-RELATED INVESTMENTS	17,384,506
Less: Present Value Discount	(1,598,247)
NET PROGRAM-RELATED INVESTMENTS	$ 15,786,259

As of June 30, 2023, unfunded commitments amounted to $3,340,000.

The Foundation made a guarantee commitment of $5,000,000 to the Community Investment Guarantee Pool (CIGP), a national pool of loan guarantees, to support community development by unrelated third parties over a fifteen-year period ending December 2034. In the event of default by any of the unrelated third parties, the Foundation will share losses with other guarantors on a pro-rata basis. As of June 30, 2023, twelve guarantees were issued totaling $26,077,988, of which the maximum guarantee obligation of CIGP is $8,147,576, and the estimated total projected loss is $1,981,360. The Foundation's share of the maximum guarantee obligation and projected loss is $865,272 and $210,420, respectively. As a result, the Foundation evaluated the need to record a contingent liability and concluded that the recording of a contingent liability was not material to the financial statements at June 30, 2023.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Leasehold Improvements	$ 2,296,817
Furniture and Equipment	1,001,067
Artwork	67,072
TOTAL	3,364,956
Less: Accumulated Depreciation	(1,724,626)
PROPERTY AND EQUIPMENT (NET)	$ 1,640,330

Depreciation expense for the year ended June 30, 2023 was $353,567.

NOTE 6 - GRANTS PAYABLE

Unconditional grants authorized but unpaid at June 30, 2023 are reported as liabilities. The following is a summary of unconditional grants authorized and payable at June 30, 2023:

To Be Paid in Less than One Year	$ 8,125,000
To Be Paid in Two to Five Years	6,075,000
TOTAL	14,200,000
Less: Present Value Discount	(331,901)
TOTAL GRANTS PAYABLE	$ 13,868,099

Grant activity during the year ended June 30, 2023 is summarized as follows:

Grants Approved in Prior Years Pending Payment	$ 8,736,388
Grants Approved in Current Year	40,457,354
TOTAL GRANTS APPROVED	49,193,742
Less: Grants to be Paid in Subsequent Years	(13,868,099)
Add: Movement in Present Value Discount	(39,955)
GRANTS PAID IN CURRENT YEAR	$ 35,285,688

In addition, the Foundation had a conditional grant outstanding for the amount of $25,000 at June 30, 2023.

The Foundation is required to distribute annually to qualifying charitable organizations, an amount equal to 5% of the average fair market value of the Foundation's assets (the minimum distribution). If the Foundation does not distribute the required minimum distribution, a one-year grace period is granted to distribute the undistributed income. If undistributed income is not distributed by the close of the following tax year, a minimum 30% penalty under Internal Revenue Code (IRC) §4942(a) will apply. The Foundation met the IRC grant distribution requirement for the year ended June 30, 2023.

NOTE 7 - LEASES

The Foundation leases an office space under a non-cancellable lease which is accounted for as an operating lease. The lease has an expiration date in June 2029. As of June 30, 2023, the Foundation recognized $2,999,291 of right-of-use asset and $4,320,335 of related lease liability for the lease.

Lease cost for the year ended June 30, 2023 was $568,574. The remaining lease term was 6 years and a discount rate of 3.04% was used during the year ended June 30, 2023.

Maturities of the lease liability as of June 30, 2023 are as follows:

Years Ending June 30	
2024	$ 731,359
2025	753,428
2026	775,807
2027	799,740
2028	823,984
Thereafter	848,227
Total Lease Payments	4,732,545
Less: Imputed Interest	(412,210)
TOTAL	$ 4,320,335

NOTE 8 - RETIREMENT PLAN

The Foundation sponsors a 403(b) defined contribution pension plan for its full-time employees. Under the provisions of the plan, the Foundation makes annual contributions up to certain limits prescribed by Internal Revenue Service. Contributions vest immediately, and investments are employee-directed. During the year ended June 30, 2023, the Foundation contributed $760,799 to the plan on behalf of its employees.

NOTE 9 - RELATED PARTY TRANSACTIONS

The Foundation's Board of Directors has adopted a conflict of interest policy and re-affirms its belief that its mission is fostered by having on the Board persons active in the community, including those who serve on the boards of organizations who are or may become grant recipients. The conflict of interest policy is intended to assure grantees of the Foundation that decisions of the Foundation are made objectively with full knowledge of the involvement, if any, of the Board and staff and their immediate family members with grant-seeking agencies. Board members with an affiliation with the grantees were not involved in the grant-making decision process.

The Board of Directors was compensated for the performance of Board services during the year ended June 30, 2023.

NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Foundation's financial assets that are available for general expenditures within one year are summarized below:

Financial Assets at June 30, 2023:	
Cash and Cash Equivalents	$ 9,960,459
Interest and Dividends Receivable	1,189,231
Investment Sales Receivable	6,000,000
Investments	604,483,551
Program-Related Investments	3,750,000
TOTAL FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES AT JUNE 30, 2023	$ 625,383,241

The Foundation regularly monitors the liquidity required to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. As part of the Foundation's liquidity management, it has the policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, and investments.