# Eugene and Agnes E. Meyer Foundation

Financial Statements

December 31, 2017 and 2016

## Independent Auditors' Report

**The Board of Directors**
**Eugene and Agnes E. Meyer Foundation**

We have audited the accompanying financial statements of the Eugene and Agnes E. Meyer Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### 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 Eugene and Agnes E. Meyer Foundation as of December 31, 2017 and 2016, 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.

PKF O'Connor Davies, LLP

May 21, 2018

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**Eugene and Agnes E. Meyer Foundation**

Statements of Financial Position

| | December 31 | |
|---|---|---|
| | 2017 | 2016 |
| **ASSETS** | | |
| Cash and cash equivalents | $ 3,158,535 | $ 1,085,850 |
| Accounts and interest receivable | 152,462 | 165,670 |
| Prepaid expenses and deposits | 170,163 | 180,488 |
| Prepaid federal excise tax | 38,183 | 189,824 |
| Investments/cash - deferred compensation | 134,329 | 154,110 |
| Due from investment manager | 262,012 | 3,517,046 |
| Investments | 222,112,535 | 198,072,068 |
| Program related investment | 1,000,000 | - |
| Property and equipment, net | 423,066 | 569,960 |
| | $ 227,451,285 | $ 203,935,016 |
| **LIABILITIES AND NET ASSETS** | | |
| Liabilities | | |
| Accounts payable and accrued expenses | $ 157,902 | $ 109,100 |
| Grants payable, net | 1,470,500 | 3,069,709 |
| Deferred revenue | - | 66,343 |
| Deferred federal excise tax | 1,238,047 | 826,487 |
| Deferred rent | 433,391 | 535,693 |
| Deferred compensation | 134,329 | 154,110 |
| Total Liabilities | 3,434,169 | 4,761,442 |
| Net Assets | | |
| Unrestricted | 224,017,116 | 199,146,474 |
| Temporarily restricted | - | 27,100 |
| | 224,017,116 | 199,173,574 |
| | $ 227,451,285 | $ 203,935,016 |

See notes to financial statements

## Eugene and Agnes E. Meyer Foundation

Statements of Activities

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2017 | | | 2016 | | |
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| **SUPPORT AND REVENUE** | | | | | | |
| Investment Return | | | | | | |
| Dividends and interest | $ 2,754,396 | $ - | $ 2,754,396 | $ 3,072,202 | $ - | $ 3,072,202 |
| Net realized gain on sale of investments | 12,978,192 | - | 12,978,192 | 4,957,967 | - | 4,957,967 |
| Unrealized gain on investments | 20,578,015 | - | 20,578,015 | 4,669,187 | - | 4,669,187 |
| | 36,310,603 | - | 36,310,603 | 12,699,356 | - | 12,699,356 |
| Less investment expenses | 1,472,748 | - | 1,472,748 | 1,158,891 | - | 1,158,891 |
| Net Investment Return | 34,837,855 | - | 34,837,855 | 11,540,465 | - | 11,540,465 |
| Other income | 105,425 | - | 105,425 | 43,544 | - | 43,544 |
| Net assets released from restrictions | 27,100 | (27,100) | - | 143,500 | (143,500) | - |
| Total Support and Revenue | 34,970,380 | (27,100) | 34,943,280 | 11,727,509 | (143,500) | 11,584,009 |
| **EXPENSES** | | | | | | |
| Grant awards | 5,893,226 | - | 5,893,226 | 8,445,375 | - | 8,445,375 |
| Direct charitable activities | 2,812,302 | - | 2,812,302 | 2,780,131 | - | 2,780,131 |
| Operations and governance | 831,009 | - | 831,009 | 772,752 | - | 772,752 |
| Federal excise tax | 151,641 | - | 151,641 | 59,676 | - | 59,676 |
| Provision for deferred federal excise tax | 411,560 | - | 411,560 | 93,384 | - | 93,384 |
| Total Expenses | 10,099,738 | - | 10,099,738 | 12,151,318 | - | 12,151,318 |
| Change in Net Assets | 24,870,642 | (27,100) | 24,843,542 | (423,809) | (143,500) | (567,309) |
| **NET ASSETS** | | | | | | |
| Beginning of year | 199,146,474 | 27,100 | 199,173,574 | 199,570,283 | 170,600 | 199,740,883 |
| End of year | $ 224,017,116 | $ - | $ 224,017,116 | $ 199,146,474 | $ 27,100 | $ 199,173,574 |

See notes to financial statements

**Eugene and Agnes E. Meyer Foundation**

Statements of Cash Flows

| | Year Ended December 31 | |
|---|---|---|
| | 2017 | 2016 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Change in net assets | $ 24,843,542 | $ (567,309) |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 156,539 | 172,025 |
| Grant discount | 2,791 | (3,625) |
| Net realized gains on sale of investments | (12,978,192) | (4,957,967) |
| Deferred rent | (102,302) | (86,134) |
| Unrealized gain on investments | (20,578,015) | (4,669,187) |
| Deferred federal excise tax | 411,560 | 93,384 |
| Net changes in operating assets and liabilities | | |
| Accounts and interest receivable | 13,208 | 247,582 |
| Prepaid expenses and deposits | 10,325 | (72,649) |
| Prepaid federal excise tax | 151,641 | (16,824) |
| Accounts payable and accrued expenses | 48,802 | (49,104) |
| Grants payable | (1,602,000) | 234,000 |
| Deferred revenue | (66,343) | (9,053) |
| Federal excise tax | - | - |
| Net Cash From Operating Activities | (9,688,444) | (9,684,861) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property and equipment | (9,645) | (10,185) |
| Due to investment manager | 3,255,034 | (3,177,600) |
| Purchase of investments | (22,004,767) | (19,548,883) |
| Proceeds from sale of investments | 31,520,507 | 33,443,521 |
| Disbursement of program related investment | (1,000,000) | - |
| Net Cash From Investing Activities | 11,761,129 | 10,706,853 |
| Net Change in Cash and Cash Equivalents | 2,072,685 | 1,021,992 |
| **CASH AND CASH EQUIVALENTS** | | |
| Beginning of year | 1,085,850 | 63,858 |
| End of year | $ 3,158,535 | $ 1,085,850 |
| **SUPPLEMENTAL CASH FLOW INFORMATION** | | |
| Federal excise taxes paid | $ - | $ 76,500 |

See notes to financial statements

## 1. Organization

The Eugene and Agnes E. Meyer Foundation (the "Foundation") was established in 1944. It is a private foundation engaged in making grants for charitable and educational purposes in response to the changing needs of the Washington, D.C. metropolitan community. The Foundation's capital was originally provided, and was later substantially augmented, by contributions from Mr. and Mrs. Eugene Meyer, from whom the Foundation takes its name.

The Foundation is exempt from federal income taxes under Section 501(c)(3) and 509(a) of the Internal Revenue Code and has been further classified as a "private foundation." The Foundation is subject to an excise tax on its net investment income. Excise taxes consist of two components: current taxes based upon net investment income and deferred taxes which arise from the difference between the tax cost of the investments and the fair value of the investments.

## 2. Summary of Significant Accounting Policies

### *Basis of Presentation and Use of Estimates*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly actual results could differ from those estimates.

### *Cash and Cash Equivalents*

Cash and cash equivalents represent short-term investments with maturities of 90 days or less at the time of purchase. Cash and cash equivalents residing within the Foundation's investment portfolio are reported as investments. At times, cash balances may be in excess of FDIC insurance limits.

### *Fair Value Measurements*

The Foundation follows U.S. 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 U.S. GAAP guidance, alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient are not categorize within the fair value hierarchy.

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

### *Investment and Income Recognition*

Investments, other than temporary cash investments, are carried at fair value. Temporary cash investments are valued at cost plus accrued interest. 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.

### *Investments 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.

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.

### *Program-Related Investments*

In accordance with Internal Revenue Code Section 4944, the Foundation is permitted to make program related investments ("PRI's") in furtherance of its charitable purpose and in which the production of income or capital appreciation is not a significant purpose of the investment. In the year of the investment, the PRI is treated as a qualifying distribution for tax reporting purposes. At maturity, if the Foundation does not renew the PRI, invest in another PRI, or redistribute as grants, the principal repayment will be added to the minimum distribution requirement. PRI's will be monitored to determine if there is a significant difference between cost and fair value that may require adjustments to terms when deemed appropriate (see note 5).

### *Property and Equipment*

Property and equipment are carried at cost. Leasehold improvements are depreciated over the lesser of the life of the asset or the term of the lease. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years. Physical assets acquired with costs in excess of $1,000 and having a period of benefit in excess of one year are capitalized.

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

### *Grants*

The Foundation recognizes grant expense upon award of the grant. Grant pledges for future years are recorded net of discounts to present value.

### *Deferred Compensation Plan*

Funds held for the Foundation's Section 457(b) deferred compensation plan were previously included in the Foundation's investment accounts. Beginning in 2016, the Foundation has elected to segregate the assets related to deferred compensation on the statements of financial position. At December 31, 2017 and 2016, the assets are comprised of mutual funds and are based on level 1 inputs.

### *Presentation of Net Assets*

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Foundation's net assets and changes therein are classified as permanently restricted, temporarily restricted or unrestricted. Unrestricted net assets do not have donor-imposed restrictions. Temporarily restricted net assets are subject to donor restrictions that are expected to be satisfied by passage of time or actions of the Foundation. Permanently restricted net assets contain donor-imposed restrictions that stipulate that resources be maintained permanently, but permit the Foundation to use or expend part or all of the income derived from the donated amounts for a specified purpose. The Foundation does not have any permanently restricted net assets.

### *Contributions*

Contributions are recorded when received and as temporarily restricted support if they are received with donor stipulations that limit the use of the contribution or that have time restrictions. When a temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is received.

### *Functional Allocation of Expenses*

The costs of providing various programs and related supporting services have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the appropriate programs and supporting services benefited.

### *Accounting for Uncertainty in Income Taxes*

The Foundation's accounting policy is to provide liabilities for uncertain income tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as a foundation exempt from income taxes. The Foundation is no longer subject to examinations by applicable taxing jurisdictions for periods prior to December 31, 2014.

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

### *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 date is May 21, 2018.

## 3. Concentration of Credit Risk

The Foundation's cash, cash equivalents and investments are potentially exposed to concentrations of credit risk. The Foundation invests its cash and equivalents with quality financial institutions. The Foundation invests in common stocks, mutual funds, limited partnerships, bonds and notes issued by financially strong entities, the United States, and foreign governments. The Foundation routinely assesses the diversification and financial strength of its cash and investment portfolio. As a consequence, concentrations of credit risk are limited.

## 4. Investments

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:

| | 2017 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Investments Measured at NAV (*) | Total |
| Equities | $ 10,204,811 | $ - | $ - | $ 10,204,811 |
| Preferred stocks | - | 27,446 | - | 27,446 |
| Government Securities | | | | |
| U.S. government | 1,723,766 | - | - | 1,723,766 |
| Foreign government | - | 566,094 | - | 566,094 |
| Corporate obligations | - | 7,412,569 | - | 7,412,569 |
| Mutual Funds | | | | |
| Global long/short | 3,203,966 | - | - | 3,203,966 |
| Real assets | 10,831,592 | - | - | 10,831,592 |
| Equity | 13,053,242 | - | - | 13,053,242 |
| Hedge Funds | | | | |
| Equities | - | - | 61,361,193 | 61,361,193 |
| Event driven | - | - | 13,973,885 | 13,973,885 |
| Open mandate | - | - | 8,047,652 | 8,047,652 |
| Global long/short | - | - | 60,178,849 | 60,178,849 |
| Fixed income | - | - | 15,978,914 | 15,978,914 |
| Real asset | - | - | 5,816,167 | 5,816,167 |
| Global emerging markets | - | - | 8,352,881 | 8,352,881 |
| Total Investments at Fair Value | $ 39,017,377 | $ 8,006,109 | $ 173,709,541 | 220,733,027 |
| Certificates of deposit, at cost plus interest | | | | 263,748 |
| Cash held for investment, at cost | | | | 1,115,760 |
| Total Investments | | | | $ 222,112,535 |

## 4. Investments *(continued)*

| | 2016 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Investments Measured at NAV (*) | Total |
| Equities | $ 8,680,159 | $ - | $ - | $ 8,680,159 |
| Preferred stocks | - | 66,609 | - | 66,609 |
| Government Securities | | | | |
| U.S. government | 799,568 | - | - | 799,568 |
| Foreign government | - | 687,035 | - | 687,035 |
| Corporate obligations | - | 8,385,677 | - | 8,385,677 |
| Mutual Funds | | | | |
| Global long/short | 2,859,582 | - | - | 2,859,582 |
| Real assets | 9,814,851 | - | - | 9,814,851 |
| Equity | 18,789,326 | - | - | 18,789,326 |
| Hedge Funds | | | | |
| Equities | - | - | 51,065,890 | 51,065,890 |
| Event driven | - | - | 13,139,421 | 13,139,421 |
| Credit driven/distressed | - | - | 853,229 | 853,229 |
| Open mandate | - | - | 8,022,001 | 8,022,001 |
| Global long/short | - | - | 52,042,668 | 52,042,668 |
| Fixed income | - | - | 15,640,307 | 15,640,307 |
| Real asset | - | - | 6,218,928 | 6,218,928 |
| Total Investments at Fair Value | $ 40,943,486 | $ 9,139,321 | $ 146,982,444 | 197,065,251 |
| Certificates of deposit, at cost plus interest | | | | 262,829 |
| Cash held for investment, at cost | | | | 743,988 |
| Total Investments | | | | $ 198,072,068 |

(*) 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, 2017 are as follows:

| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
|---|---|---|---|---|
| Equities (see "a" below) | $ 61,361,193 | $ - | Daily, Quarterly | 30 - 60 Days |
| Event driven (see "b" below) | 13,973,885 | - | Quarterly, Annually | 44 - 60 Days |
| Open mandate (see "c" below) | 8,047,652 | - | Monthly, Semi-Annually | 90 Days |
| Global long/short (see "d" below) | 60,178,849 | - | Quarterly, Annually | 30 Days |
| Fixed income (see "e" below) | 15,978,914 | - | Daily | 15 Days |
| Real assets (see "f" below) | 5,816,167 | - | Monthly | 30 Days |
| Global emerging markets (see "g" below) | 8,352,881 | - | Monthly | 31 Days |
| | $ 173,709,541 | $ - | | |

## 4. Investments *(continued)*

(a) This class includes funds that invest predominantly in long-only, diversified equity securities seeking to outperform reference equity market benchmarks in the US and overseas.

(b) This category includes funds that invest in a broad array of strategies seeking to exploit security mispricing caused by mergers and acquisitions, spin-offs, tracking stocks, accounting write-offs, reorganizations, bankruptcies, share buybacks and special dividends.

(c) This category includes funds that invest in multi-strategy portfolios that have a broad mandate and employ an opportunistic investment approach, shifting capital across asset classes and strategies depending on their profitability. These funds may vary their allocations dramatically across strategies over time and may invest heavily in a certain strategy or not at all depending on the opportunity set at that time.

(d) This class includes funds with portfolios consisting of a core group of long stock positions with short sales of stock and stock indices in global equity markets. These funds vary in their use of short-selling and leverage.

(e) This category consists of one fund that invests in a portfolio of intermediate duration, US government bonds – seeking to replicate the returns of the Barclays Intermediate Government Bond Index.

(f) This category consists of one fund that invests in a diversified, long-only portfolio of US Master Limited Partnerships.

(g) This category consists of one fund who invests in global emerging markets. The fund pursues its investment objective by investing all of its investible assets in the master fund. The master fund employees a thematic investment strategy that combines top down and bottom-up approaches to investing in emerging and, to a limited extent, frontier markets.

## 5. Program-Related Investments

During 2017, the Foundation funded a $1,000,000 PRI, in the form of a loan, to a charitable organization in support of affordable housing in the Washington, D.C. region. The loan will mature on January 31, 2020 and bears interest, at 2.0% per annum, paid quarterly.

The PRI is measured at cost of $1,000,000 at December 31, 2017. Management does not deem an allowance necessary at December 31, 2017.

## 6. Property and Equipment

Property and equipment consists of the following as of December 31:

| | 2017 | 2016 |
|---|---|---|
| Leasehold improvements and furniture | $ 1,668,663 | $ 1,668,663 |
| Computer equipment | 390,292 | 380,647 |
| | 2,058,955 | 2,049,310 |
| Less: accumulated depreciation | 1,635,889 | 1,479,350 |
| | $ 423,066 | $ 569,960 |

## 7. Grants Payable

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

| | 2017 | 2016 |
|---|---|---|
| Less than one year | $ 1,078,000 | $ 2,135,000 |
| One to three years | 400,000 | 945,000 |
| | 1,478,000 | 3,080,000 |
| Less: present value discount | 7,500 | 10,291 |
| Grants payable, net | $ 1,470,500 | $ 3,069,709 |

To reflect the time value of money, grants payable as of December 31, 2017 and 2016 were discounted to the present value.

## 8. Taxes

The Foundation is subject to a federal excise tax of 2% on its net investment income. This tax is reduced to 1% if certain distribution requirements are met. In addition, the Foundation provides for deferred federal excise tax at 2% on the net unrealized appreciation in the fair value of investments.

## 9. Temporarily Restricted Net Assets

In 2014, the Foundation received two grants from private foundations. One of the grants totaling $5,714,000 was for supporting the Children and Family Capacity-Building Initiative (CFCBI). CFCBI was developed in an effort to assist nonprofit organizations to build capacity to ensure long term sustainability. The second grant totaling $25,000 was for supporting between one and three nonprofit organizations working in the area of education and serving students from low income families. During 2015, the Foundation received an additional grant totaling $40,000, from a private foundation, to support nonprofit organizations working in the area of education and serving students from low income families. The donors' intention was that these grants will be redistributed to charitable organizations. For the years ended December 31, 2017 and 2016, temporarily restricted net assets released from restriction totaled $27,100 and $143,500. At December 31, 2017 and 2016, temporarily restricted net assets totaled $0 and $27,100.

## 10. Related Party Transactions

During 2017 and 2016, grants were paid to certain organizations with which certain Foundation directors are associated. Grants paid to such organizations were $555,000 and $694,000 in 2017 and 2016. As of December 31, 2017 and 2016, the Foundation has committed to make additional payments of $0 and $120,000 to such organizations in the future. In keeping with Foundation policy, directors associated with applicant organizations recuse themselves from the related grant making decisions.

## 11. Retirement Benefits and Deferred Compensation

The Foundation funds a defined contribution pension plan for its eligible full-time employees and qualifying part-time employees. Employees are eligible after six months of employment. From the month of eligibility, the Foundation annually contributes ten percent of employees' earnings to the plan. Plan expense was $146,262 and $143,125 in 2017 and 2016.

In addition, the Foundation provides a 457(b) deferred compensation plan that is limited to key employees. The Foundation adopted the plan as an unfunded, nonqualified deferred compensation plan. The Foundation's contribution to the 457(b) plan was $38,000 annually in 2017 and 2016. As of December 31, 2017 and 2016, the 457(b) plan liability was $134,329 and $154,110, which is reflected in the statements of financial position.

## 12. Lease Commitments

The Foundation leases office space in Washington, D.C. The office space lease is for the period beginning October 15, 2008 and ending February 28, 2021.

As of December 31, 2017 future minimum annual rental payments are as follows:

| | |
|---|---|
| 2018 | $ 749,426 |
| 2019 | 766,253 |
| 2020 | 783,563 |
| 2021 | 131,077 |
| | $ 2,430,319 |

The lease agreement requires additional payments to cover the escalation of maintenance costs and real estate taxes. The Foundation records its rental expense on the straight-line basis. Rental expense was $683,367 and $676,471 for the years ended December 31, 2017 and 2016.

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