

Eugene and Agnes E. Meyer Foundation

Financial Statements

December 31, 2020 and 2019

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, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Eugene and Agnes E. Meyer Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

September 9, 2021

Eugene and Agnes E. Meyer Foundation

Statements of Financial Position

	December 31	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 8,006,479	\$ 1,993,697
Accounts and interest receivable	3,304	34,405
Prepaid expenses and deposits	58,945	103,424
Prepaid federal excise tax	204,172	381,408
Investments - deferred compensation	376,787	259,835
Due from investment manager	72,741	72,741
Investments	235,425,348	221,746,017
Furniture, equipment, and leasehold improvements, net	<u>131,211</u>	<u>289,988</u>
	<u>\$ 244,278,987</u>	<u>\$ 224,881,515</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 202,786	\$ 391,891
Grants payable, net	645,000	2,344,426
Deferred federal excise tax payable	1,238,370	689,893
Deferred rent	30,601	178,928
Deferred compensation	<u>376,787</u>	<u>259,835</u>
Total Liabilities	2,493,544	3,864,973
Net assets without donor restrictions	<u>241,785,443</u>	<u>221,016,542</u>
	<u>\$ 244,278,987</u>	<u>\$ 224,881,515</u>

See notes to financial statements

Eugene and Agnes E. Meyer Foundation

Statements of Activities

	Year Ended December 31	
	2020	2019
INVESTMENT RETURN AND OTHER INCOME		
Investment Return		
Dividends and interest	\$ 680,302	\$ 1,167,129
Net realized gain on sale of investments	1,278,282	3,079,422
Unrealized gain on investments	32,024,112	35,111,153
	33,982,696	39,357,704
Less direct investment expenses	764,601	686,834
Total Investment Return, net	33,218,095	38,670,870
Other income	52,482	48,979
Total Investment Return and Other Income	33,270,577	38,719,849
EXPENSES		
Grant awards	7,537,330	8,923,826
Direct charitable activities	3,012,067	3,053,857
Operations and governance	1,159,046	971,708
Tax provision	793,233	366,966
Total Expenses	12,501,676	13,316,357
 Change in Net Assets	 20,768,901	 25,403,492
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	221,016,542	195,613,050
End of year	\$ 241,785,443	\$ 221,016,542

See notes to financial statements

Eugene and Agnes E. Meyer Foundation

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Expenses					Total
	Grant Awards	Direct Charitable Activities	Total Program Expenses	Operations and Governance	Tax Provision	
Grants	\$ 7,537,330	\$ -	\$ 7,537,330	\$ -	\$ -	\$ 7,537,330
Salaries and wages	-	1,414,024	1,414,024	530,484	-	1,944,508
Employee benefits and payroll taxes	-	370,658	370,658	140,124	-	510,782
Board/committee expenses	-	1,881	1,881	1,060	-	2,941
Consulting services	-	263,389	263,389	98,807	-	362,196
Travel	-	6,652	6,652	2,847	-	9,499
Meeting expense-program	-	4,500	4,500	-	-	4,500
Communications and postage	-	83,410	83,410	1	-	83,411
Insurance	-	26,222	26,222	9,837	-	36,059
Depreciation and amortization	-	126,206	126,206	47,347	-	173,553
Rent and utilities	-	480,384	480,384	180,220	-	660,604
Professional fees	-	111,430	111,430	41,804	-	153,234
Federal excise tax	-	-	-	-	244,756	244,756
Deferred excise tax	-	-	-	-	548,477	548,477
Other office expenses	-	123,311	123,311	106,515	-	229,826
Total	\$ 7,537,330	\$ 3,012,067	\$ 10,549,397	\$ 1,159,046	\$ 793,233	\$ 12,501,676

See notes to financial statements

Eugene and Agnes E. Meyer Foundation

Statement of Functional Expenses
Year Ended December 31, 2019

	Program Expenses					
	Grant Awards	Direct Charitable Activities	Total Program Expenses	Operations and Governance	Tax Provision	Total
Grants	\$ 8,923,826	\$ -	\$ 8,923,826	\$ -	\$ -	\$ 8,923,826
Salaries and wages	-	1,439,535	1,439,535	467,510	-	1,907,045
Employee benefits and payroll taxes	-	349,801	349,801	113,312	-	463,113
Board/committee expenses	-	6,645	6,645	1,765	-	8,410
Consulting services	-	252,450	252,450	81,987	-	334,437
Travel	-	36,414	36,414	5,659	-	42,073
Meeting expense-program	-	40,202	40,202	-	-	40,202
Communications and postage	-	41,537	41,537	-	-	41,537
Insurance	-	18,486	18,486	6,162	-	24,648
Depreciation and amortization	-	101,622	101,622	33,002	-	134,624
Rent and utilities	-	501,136	501,136	162,752	-	663,888
Professional fees	-	121,155	121,155	40,385	-	161,540
Federal excise tax	-	-	-	-	105,480	105,480
Deferred excise tax	-	-	-	-	261,486	261,486
Other office expenses	-	144,874	144,874	59,174	-	204,048
Total	\$ 8,923,826	\$ 3,053,857	\$ 11,977,683	\$ 971,708	\$ 366,966	\$ 13,316,357

See notes to financial statements

Eugene and Agnes E. Meyer Foundation

Statements of Cash Flows

	Year Ended December 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 20,768,901	\$ 25,403,492
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	173,553	134,624
Grant discount	10,574	(5,374)
Realized gains on sale of investments	(1,278,282)	(3,079,422)
Deferred rent	(148,327)	(135,645)
Unrealized gain on investments	(32,024,112)	(35,111,153)
Deferred federal excise tax	548,477	261,486
Net changes in operating assets and liabilities		
Accounts and interest receivable	31,101	151,891
Prepaid expenses and deposits	44,479	(3,149)
Prepaid federal excise tax	177,236	(381,408)
Accounts payable and accrued expenses	(189,105)	(104,325)
Grants payable	(1,710,000)	1,232,500
Federal excise tax payable	-	(58,968)
Net Cash From Operating Activities	(13,595,505)	(11,695,451)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(14,776)	(149,354)
Due from investment manager	-	5,082,963
Purchase of investments	(14,920,790)	(17,250,751)
Proceeds from sale of investments	34,543,853	21,976,991
Net Cash From Investing Activities	19,608,287	9,659,849
Net Change in Cash and Cash Equivalents	6,012,782	(2,035,602)
 CASH AND CASH EQUIVALENTS		
Beginning of year	1,993,697	4,029,299
End of year	\$ 8,006,479	\$ 1,993,697
 SUPPLEMENTAL CASH FLOW INFORMATION		
Federal excise taxes paid	\$ 117,520	\$ 453,371

See notes to financial statements

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

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 Federal Deposit Insurance Corporation ("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 categorized within the fair value hierarchy.

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

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.

Investment Expenses

Investment expenses on the statements of activities include those fees paid directly to the Foundation's investment advisors, custodians and direct internal expenses generated from the generation of investment income.

Investments Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as hedge funds and private equity 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 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.

Furniture, Equipment, and Leasehold Improvements

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

Grants

The Foundation recognizes grant expense upon award of the grant. Grant pledges for future years are recorded at fair value using a present value technique.

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

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

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 elected to segregate the assets related to deferred compensation on the statements of financial position. At December 31, 2020 and 2019, the assets are comprised of mutual funds and are based on level 1 inputs.

Presentation of Net Assets

Net assets are categorized as without donor restrictions and with donor restrictions.

Without donor restrictions - Resources that are fully available at the discretion of management and the Board of Directors (the Board), for use in activities within the Foundation's mission.

With donor restrictions - Funds that the Foundation may use in accordance with donor's restrictions for specific purposes or upon the passage of time or require the Foundation to maintain them in perpetuity.

All of the Foundation's net assets were without donor restriction as of December 31, 2020 and 2019.

Functional Allocation of Expenses

The costs of providing various programs and related supporting services have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among programs and supporting services. The allocation of cost to the Foundation's activities is based on the percentage of time spent by employees on the various activities. Cost is calculated by applying the percentage of an employee's time spent on an activity to compensation, benefits and certain operating expenses.

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, 2017.

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 September 9, 2021.

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

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, hedge funds, private equities, bonds and notes issued by financially strong entities 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.

Description	2020			Total
	Level 1	Level 2	Investments Measured at NAV (*)	
Equities	\$ 9,591,002	\$ -	\$ -	\$ 9,591,002
Government Securities				
Foreign government	-	451	-	451
Corporate obligations	-	6,873	-	6,873
Mutual Funds				
Real assets	11,204,608	-	-	11,204,608
Equity	10,362,056	-	-	10,362,056
Intermediate	8,264,329	-	-	8,264,329
Hedge Funds				
Equities	-	-	81,866,737	81,866,737
Event driven	-	-	5,284,910	5,284,910
Open mandate	-	-	2,895,141	2,895,141
Global long/short	-	-	70,047,657	70,047,657
Fixed income	-	-	17,576,317	17,576,317
Real asset	-	-	3,424,756	3,424,756
Global emerging markets	-	-	7,703,960	7,703,960
Private equities	-	-	6,253,230	6,253,230
Total Investments at Fair Value	<u>\$ 39,421,995</u>	<u>\$ 7,324</u>	<u>\$ 195,052,708</u>	234,482,027
Certificates of deposit, at cost plus interest				265,619
Cash held for investment, at cost				677,702
Total Investments				<u>\$ 235,425,348</u>

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

4. Investments (continued)

Description	2019			Total
	Level 1	Level 2	Investments Measured at NAV (*)	
Equities	\$ 10,704,329	\$ -	\$ -	\$ 10,704,329
Government Securities				
Foreign government	-	852	-	852
Corporate obligations	-	6,873	-	6,873
Mutual Funds				
Global long/short	2,578,424	-	-	2,578,424
Real assets	11,082,522	-	-	11,082,522
Equity	12,900,138	-	-	12,900,138
Intermediate	9,061,208	-	-	9,061,208
Hedge Funds				
Equities	-	-	69,196,962	69,196,962
Event driven	-	-	8,470,337	8,470,337
Open mandate	-	-	2,796,500	2,796,500
Global long/short	-	-	58,581,931	58,581,931
Fixed income	-	-	20,415,047	20,415,047
Real asset	-	-	4,619,686	4,619,686
Global emerging markets	-	-	7,724,901	7,724,901
Private equities	-	-	1,962,682	1,962,682
Total Investments at Fair Value	<u>\$ 46,326,621</u>	<u>\$ 7,725</u>	<u>\$ 173,768,046</u>	220,102,392
Certificates of deposit, at cost plus interest				265,620
Cash held for investment, at cost				1,378,005
Total Investments				<u>\$ 221,746,017</u>

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

One of the investments held at December 31, 2020 made up 26% of the Foundation's investment portfolio.

Information regarding investments valued at NAV using the practical expedient at December 31, 2020 are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds				
Equities (see "a" below)	\$ 81,866,737	\$ -	Daily-Quarterly	30 - 60 Days
Event driven (see "b" below)	5,284,910	-	Quarterly-N/A	44 Days - N/A
Open mandate (see "c" below)	2,895,141	-	Monthly-N/A	90 Days - N/A
Global long/short (see "d" below)	70,047,657	-	Quarterly-Annually	30 Days
Fixed income (see "e" below)	17,576,317	-	Daily	15 Days
Real assets (see "f" below)	3,424,756	-	Monthly	30 Days
Global emerging markets (see "g" below)	7,703,960	-	Monthly	31 Days
Private equities (see "h" below)	6,253,230	12,301,370	N/A	N/A
	<u>\$ 195,052,708</u>	<u>\$ 12,301,370</u>		

(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.

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

4. Investments (*continued*)

- (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. Certain investments in this category cannot be redeemed at the Foundation's discretion.
- (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. Certain investments in this category cannot be redeemed at the Foundation's discretion.
- (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 employs a thematic investment strategy that combines top down and bottom-up approaches to investing in emerging and, to a limited extent, frontier markets.
- (h) This category includes private equity investments. 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.

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

5. Liquidity and Availability of Financial Assets

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows for December 31:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 8,006,479	\$ 1,993,697
Accounts and interest receivable	3,304	34,405
Due from investment manager	72,741	72,741
Investments	<u>235,425,348</u>	<u>221,746,017</u>
Total financial assets	243,507,872	223,846,860
Less: Illiquid investments	<u>6,545,263</u>	<u>2,473,036</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 236,962,609</u>	<u>\$ 221,373,824</u>

As part of the Foundation's liquidity management strategy, the Foundation structures its financial assets to be available as its grant payments and other general liabilities come due. The withdrawals are adjusted based on the grants to be disbursed and other factors affecting available cash such as capital calls on investments, investment income and capital distributions, general operating expenses, program costs and other factors affecting available cash. The Foundation also maintains a line of credit of \$1,500,000 with a bank that can be drawn upon as needed during the year. It is the Foundation's policy to repay any borrowings in full by the end of the year.

6. Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements consists of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Leasehold improvements and furniture	\$ 563,932	\$ 1,668,663
Computer equipment	<u>1,669,828</u>	<u>550,321</u>
	2,233,760	2,218,984
Less: accumulated depreciation and amortization	<u>2,102,549</u>	<u>1,928,996</u>
	<u>\$ 131,211</u>	<u>\$ 289,988</u>

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

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:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 645,000	\$ 1,690,000
One to three years	<u>-</u>	<u>665,000</u>
	645,000	2,355,000
Less: present value discount	<u>-</u>	<u>10,574</u>
Grants Payable, net	<u>\$ 645,000</u>	<u>\$ 2,344,426</u>

To reflect the time value of money, grants payable beyond one year as of December 31, 2020 and 2019 were discounted to the present value at rates ranging from 0.13% to 2.60%.

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. On December 20, 2019, the Further Consolidated Appropriations Act of 2020 (the "Act") was signed into law, simplifying the federal excise tax on private foundations. The Act eliminated the two tiered system of excise tax and replaced it with a flat tax of 1.39%. The flat tax is effective January 1, 2020. In addition, the Foundation provides for deferred federal excise tax. Deferred taxes principally arise from differences between the cost and fair value of investments where aggregate fair value exceeds cost and are calculated using a 1.39% rate at December 31, 2020 and 2019.

9. Related Party Transactions

Grants were paid to certain organizations with which certain Foundation directors are associated. During 2020 and 2019 grants paid to such organizations were \$638,305 and \$550,680. In keeping with Foundation policy, directors associated with applicant organizations recuse themselves from the related grant making decisions.

10. 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 \$192,228 and \$178,774 in 2020 and 2019.

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 \$49,500 and \$39,000 in 2020 and 2019. As of December 31, 2020 and 2019, the 457(b) plan liability was \$376,787 and \$259,835, which is reflected in the statements of financial position. The Foundation has set aside certain investments to fund this obligation.

Eugene and Agnes E. Meyer Foundation

Notes to Financial Statements
December 31, 2020 and 2019

11. 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, 2020 future minimum annual rental payments are as follows:

2021	\$ 131,077
------	------------

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 which includes related utilities was \$695,373 and \$698,829 for the years ended December 31, 2020 and 2019. Rent expense totaling \$34,769 and \$34,941 for the years ended December 31, 2020 and 2019 were included in direct investment expenses on the statements of activities. Subsequent to year end, the foundation entered into a 25-month lease agreement for a new office space which is anticipated to expire on April 1, 2024 unless otherwise extended.

12. Line of Credit

On December 19, 2018 the Foundation obtained an unsecured line of credit of \$1,500,000. The line expired on December 18, 2020. The line of credit has been extended and will expire on December 18, 2021 and has an interest rate of 1 month LIBOR plus 1.70%. There were no amounts drawn upon or outstanding under the line as of December 31, 2020 and 2019.

13. Contingencies

From time to time, the Foundation is involved in legal actions. The Foundation believes the liabilities, if any, that may result from such actions will not have a materially adverse effect on the Foundation's position.

14. COVID-19

The COVID-19 pandemic continues to impact global events and markets. While the Foundation's overall portfolio has not suffered declines to date, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

Given the uncertainty around the extent and timing of the potential future spread and mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

* * * * *