

JOSIAH MACY JR. FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Josiah Macy Jr. Foundation

Opinion

We have audited the accompanying financial statements of Josiah Macy Jr. Foundation (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Josiah Macy Jr. Foundation as of June 30, 2023 and 2022, 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 Josiah Macy Jr. 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, 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 Josiah Macy Jr. Foundation'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 Josiah Macy Jr. 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 Josiah Macy Jr. 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.

Lutz + Carr, LLP

New York, New York
April 26, 2024

JOSIAH MACY JR. FOUNDATION
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents (Notes 1b and 8)	\$ 505,198	\$ 812,121
Investments, at fair value (Notes 1c, 1d and 4)	136,076,842	135,303,465
Accrued interest and dividends receivable	62,096	53,108
Prepaid expenses and other assets (Note 7b)	1,238,118	825,254
Property and equipment, at cost, less accumulated depreciation (Notes 1e and 5)	3,461,687	3,772,521
Total Assets	\$141,343,941	\$140,766,469
Liabilities and Net Assets		
Liabilities		
Grants payable (Notes 1f and 6)	\$ 75,000	\$ 50,000
Other accrued liabilities (Note 7b)	1,086,063	1,421,111
Deferred federal excise tax (Note 2)	314,437	284,459
Total Liabilities	1,475,500	1,755,570
Commitments and Contingency (Notes 4, 6 and 7)		
Net Assets		
Without donor restrictions	139,868,441	139,010,899
Total Liabilities and Net Assets	\$141,343,941	\$140,766,469

See notes to financial statements.

JOSIAH MACY JR. FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Changes in Net Assets Without Donor Restrictions		
Revenue (Loss)		
Dividends, interest and other income on investments, net of investment counsel and custodian fees of \$591,980 (2023) and \$989,074 (2022)	\$ 3,669,949	\$ 2,543,980
Net realized and unrealized gain (loss) on investments	<u>4,712,064</u>	<u>(12,985,427)</u>
Total Revenue (Loss)	<u>8,382,013</u>	<u>(10,441,447)</u>
Expenses		
Program services	6,473,762	5,872,725
Supporting services - management and general	<u>1,050,709</u>	<u>898,810</u>
Total Expenses	<u>7,524,471</u>	<u>6,771,535</u>
Increase (decrease) in net assets without donor restrictions	857,542	(17,212,982)
Net assets without donor restrictions, beginning of year	<u>139,010,899</u>	<u>156,223,881</u>
 Net Assets Without Donor Restrictions, End of Year	 <u><u>\$139,868,441</u></u>	 <u><u>\$139,010,899</u></u>

See notes to financial statements.

JOSIAH MACY JR. FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Program Services	Management and General	Total Expenses	Program Services	Management and General	Total Expenses
Salaries	\$1,786,235	\$ 489,944	\$2,276,179	\$1,754,889	\$ 478,305	\$2,233,194
Employee benefits (Note 7)	382,020	104,784	486,804	378,792	103,242	482,034
Professional services	164,619	165,779	330,398	129,132	130,068	259,200
Equipment and maintenance	804	21,630	22,434	3,629	34,321	37,950
Utilities, insurance and building maintenance	70,597	19,364	89,961	63,690	17,359	81,049
Travel	72,116	-	72,116	21,891	-	21,891
Director meetings expense	15,155	15,155	30,310	3,352	3,352	6,704
Other administrative expenses	121,385	24,729	146,114	81,724	17,029	98,753
Grants, Conferences and Publications						
Health professional education grants	1,050,511	-	1,050,511	1,442,853	-	1,442,853
President's discretionary grants	381,577	-	381,577	328,621	-	328,621
Matching gift grants	82,700	-	82,700	126,175	-	126,175
Macy faculty scholars grants and related expenses	1,773,368	-	1,773,368	1,113,909	-	1,113,909
Conference expenses	286,700	-	286,700	1,635	-	1,635
Publications	5,025	-	5,025	138,189	-	138,189
Organizational dues	24,100	-	24,100	26,100	-	26,100
Provision for taxes (Note 2)						
Current excise and unrelated business income taxes	-	108,895	108,895	-	376,945	376,945
Deferred excise tax liability (benefit)	-	29,978	29,978	-	(332,170)	(332,170)
Depreciation	256,850	70,451	327,301	258,144	70,359	328,503
Total Expenses	<u>\$6,473,762</u>	<u>\$ 1,050,709</u>	<u>\$7,524,471</u>	<u>\$5,872,725</u>	<u>\$ 898,810</u>	<u>\$6,771,535</u>

See notes to financial statements.

JOSIAH MACY JR. FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 857,542	\$(17,212,982)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Depreciation	327,301	328,503
Net realized and unrealized (gain) loss on investments	(4,712,064)	12,985,427
Provision for deferred federal excise tax liability (benefit)	29,978	(332,170)
Changes in operating assets and liabilities:		
Accrued interest and dividends receivable	(8,988)	(2,197)
Prepaid expenses and other assets	(412,864)	203,044
Grants payable	25,000	(584,559)
Other accrued liabilities	(335,048)	265,100
Net Cash Used By Operating Activities	(4,229,143)	(4,349,834)
 Cash Flows From Investing Activities		
Purchases of investments	(11,671,033)	(15,640,460)
Proceeds from sales of investments	15,609,720	19,902,016
Payment for property and equipment additions	(16,467)	(10,840)
Net Cash Provided By Investing Activities	3,922,220	4,250,716
 Net decrease in cash and cash equivalents	(306,923)	(99,118)
Cash and cash equivalents, beginning of year	812,121	911,239
 Cash and Cash Equivalents, End of Year	\$ 505,198	\$ 812,121
 Supplemental Disclosure of Cash Flow Information		
Federal excise tax paid	\$ 270,000	\$ 25,000
Unrelated business income tax paid	\$ 330,000	\$ 60,000

See notes to financial statements.

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Josiah Macy Jr. Foundation (the "Foundation") is a private foundation which provides grants to colleges, universities and other professional associations relating primarily to health professional education.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for cash and short-term investments managed by the Foundation's investment managers as part of their long-term investment strategies.

c - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset based on market data obtained from sources independent of the Foundation. Unobservable inputs reflect the Foundation's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances. Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities. Reporting entities that measure the fair value of an investment using the net asset value per share or its equivalent as a practical expedient are not required to be categorized within the fair value hierarchy.

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Investments

The Foundation reflects investments with determinable fair values at their fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

The Foundation's alternative investments, which do not have readily determinable fair values, are reported based upon the underlying net asset value per share or its equivalent as a practical expedient and are not required to be categorized within the fair value hierarchy. Net asset value per share is estimated at fair value by the fund manager or general partner in a manner consistent with accounting principles generally accepted in the United States for investment companies. The Foundation reviewed and evaluated the values provided by the fund managers and general partners and accepts the valuation methods and assumptions used in determining the net asset values of these investments. These estimated fair values may differ from the values that would have been used had a ready market for these investments existed.

e - Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets ranging from five to forty years.

f - Grants

The Foundation normally provides grants to colleges, universities and other professional associations for a period of one to three years. These grants are recorded as expenses at the time they become unconditional. Conditional or revocable grants are disclosed as future commitments.

g - Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Financial Statement Presentation (continued)

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

All of the Foundation's net assets at June 30, 2023 and 2022 are classified as net assets without donor restrictions.

h - Expense Allocations

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting service benefited. Expenses are allocated directly to programs and supporting services, where applicable, on a reasonable and consistent basis. A substantial portion of the Foundation's expenses are directly related to program activities. Certain expenses are attributable to more than one program or supporting service and require allocation. Salaries, payroll taxes and benefits, are allocated based on estimates of employee time and effort, while utilities, insurance and building maintenance and depreciation are allocated on overall salary percentages.

i - Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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. Actual results could differ from those estimates.

j - Subsequent Events

The Foundation has evaluated subsequent events through April 26, 2024, the date that the financial statements are considered available to be issued.

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 2 - Income Tax Status

The Foundation qualifies as a tax-exempt organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly, is not subject to federal income taxes under Internal Revenue Code Section 501(a). In addition, New York State (the "State") and New York City (the "City") have classified the Foundation as nonprofit in character and, as such, it is exempt from payment of income taxes to the State and City. However, as a private foundation, a federal excise tax of 1.39% is imposed on the net investment income of the Foundation. Also, certain investments held by the Foundation generate unrelated business income. This income is taxed at regular corporate tax rates.

Deferred federal excise tax (benefit) arises from temporary differences between financial and tax reporting related to the difference between the cost basis and the fair value of marketable securities.

In addition, as a private foundation, qualifying distributions are required to be made for charitable, educational, or religious and scientific purposes equal to approximately 5% of the average fair value of the Foundation's cash and investments. All such required qualifying distributions have been made through June 30, 2023.

Note 3 - Information Regarding Liquidity and Availability

The Foundation operates with a budget that is based on 5.25% of a five-year rolling average of the Foundation's investment portfolio. The budget is reviewed at the midpoint of the year and adjustments are made if the investment portfolio's current performance is not aligned with the five-year rolling average. Revenue to fund the annual budget expenditures comes from interest income, dividends and realized gains on the redemption of portfolio assets. The Foundation considers annual budget expenditures to consist of all expenses related to its ongoing program activities and expenses related to general and administrative activities.

The Foundation regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and along with the Foundation's Investment Committee reviews its liquidity profile on a regular basis to ensure it has sufficient cash to cover no less than ninety days of expenditures. Financial assets in excess of daily cash requirements are invested in short-term Treasury and government agency instruments.

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 3 - Information Regarding Liquidity and Availability (continued)

The Foundation's financial assets as of June 30, 2023 and 2022 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 505,198	\$ 812,121
Investments, at fair value	136,076,842	135,303,465
Accrued interest and dividends receivable	<u>62,096</u>	<u>53,108</u>
Total Financial Assets	136,644,136	136,168,694
Less: Amounts not available to be used within one year:		
Alternative investments redeemable in more than one year	<u>(49,843,086)</u>	<u>(47,425,333)</u>
Total Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 86,801,050</u>	<u>\$ 88,743,361</u>

Note 4 - Investments

The cost and fair value of investments were as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Fixed income	\$ 15,407,528	\$ 14,027,123	\$ 19,323,674	\$ 17,986,345
Equities - including investments measured at net asset value	42,562,457	52,229,834	44,961,325	50,452,123
Alternative assets - measured at net asset value	16,680,402	19,829,311	16,341,060	19,318,174
Liquidating investments - measured at net asset value	4,019,564	4,956,783	4,462,595	5,424,679
Hybrid investments - measured at net asset value	9,318,295	8,054,587	8,631,376	8,459,761
Private investments - measured at net asset value	18,574,850	26,816,722	15,624,143	24,701,115
Real assets - including investments measured at net asset value	<u>6,866,517</u>	<u>10,162,482</u>	<u>5,496,067</u>	<u>8,961,268</u>
Total	<u>\$113,429,613</u>	<u>\$136,076,842</u>	<u>\$114,840,240</u>	<u>\$135,303,465</u>

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 4 - Investments (continued)

The Foundation has investments in alternative investments that include limited partnerships, limited liability corporations and offshore corporations. While these investments contain varying degrees of risk, the Foundation's risk is limited to its capital investment in each investment.

In fiscal years 2023 and 2022, the Foundation committed to invest \$1,000,000 and \$11,000,000, respectively, in private investment funds that make periodic capital calls. Investment in these funds cannot be withdrawn, except upon consent of the private investment funds. As of June 30, 2023, the Foundation committed to invest a total of \$51,000,000 in private investment funds, of which approximately \$21,200,000 of these commitments remain outstanding.

Investment fees of approximately \$614,000 related to the alternative investments were netted against the unrealized appreciation in 2023. Such fees approximated \$684,000 in 2022.

The following summarizes the Foundation's investments that are measured on a recurring basis at June 30:

	2023			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 14,027,123	\$14,027,123	\$ -	\$ -
Equities	<u>13,581,123</u>	<u>13,581,123</u>	<u>-</u>	<u>-</u>
Total Assets in Fair Value Hierarchy	27,608,246	<u>\$27,608,246</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value	<u>108,468,596</u>			
Total Investments	<u>\$136,076,842</u>			
	2022			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income	\$ 17,986,345	\$17,986,345	\$ -	\$ -
Equities	<u>13,280,799</u>	<u>13,280,799</u>	<u>-</u>	<u>-</u>
Total Assets in Fair Value Hierarchy	31,267,144	<u>\$31,267,144</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value	<u>104,036,321</u>			
Total Investments	<u>\$135,303,465</u>			

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 4 - Investments (continued)

The alternative investments included in the Foundation's investment portfolio at June 30, 2023 and 2022 are redeemable based on the following terms and conditions:

	<u>2023</u>	<u>2022</u>
Monthly with 5 - 30 days' notice	\$ 12,975,664	\$ 12,837,349
Quarterly with 30 - 45 days' notice	17,044,838	14,278,081
Quarterly with 60 - 65 days' notice	14,543,638	13,310,830
Annually with 45 - 90 days' notice	14,061,370	16,184,728
Every two years	4,809,295	4,085,233
Every three years at anniversary of purchase	-	1,217,957
No opportunity for redemption: distributions made at fund's discretion	<u>45,033,791</u>	<u>42,122,143</u>
Total	<u>\$108,468,596</u>	<u>\$104,036,321</u>

The following are descriptions of the investment strategies of the Foundation's investments:

Fixed Income

Invests in fixed income securities which provide current income to support operating cash flow, liquidity to take advantage of unforeseen market opportunities, and creates some measure of diversification. As a result, both credit quality and preservation of principal are a core emphasis of this allocation.

Equities

Invests in public equities with the objective of building a portfolio that is diversified by geographic region, economic sector, industry, and market capitalization which provides long-term capital appreciation.

Alternative Assets

Invests in investments commonly characterized as long/short "equity hedge" and "absolute return strategies" strategies. Equity long/short managers typically make both long and short investments and produce returns that can be expected to correlate more closely with the performance of the equity markets. Absolute return strategies typically involve event-driven, stressed and distressed credit and equity, macro, and spread-based arbitrage investments.

Liquidating Investments

Invests in non-liquid positions that will be realized over time.

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 4 - Investments (continued)

Hybrid Investments

Invests in investments that tend to be heavily long biased and often have less liquidity than public equity funds or hedge funds, but exhibit shorter duration than traditional private equity and real assets funds.

Private Investments

Invests in investments that encompass diverse strategies including buyout, growth, venture capital and control-oriented distressed. These illiquid investments generally have four to six-year investment periods and approximately ten-year fund lives.

Real Assets

Invests in investments that encompass real estate, energy, timber, and commodities; these investments are expected to be in private strategies but may also include managers that invest in publicly traded securities.

Note 5 - Property and Equipment

Fixed assets at June 30 consist of the following:

	<u>Life</u>	<u>2023</u>	<u>2022</u>
Land		\$1,922,700	\$1,922,700
Buildings	40 years	1,291,072	1,291,072
Improvements	5 - 20 years	4,329,965	4,329,965
Furniture and fixtures	5 years	574,981	569,514
Website and grant management software	5 years	<u>175,661</u>	<u>164,661</u>
		8,294,379	8,277,912
Less: Accumulated depreciation		<u>(4,832,692)</u>	<u>(4,505,391)</u>
Net Book Value		<u>\$3,461,687</u>	<u>\$3,772,521</u>

Note 6 - Grants Payable

Grants payable as of June 30, 2023 (\$75,000) and 2022 (\$50,000) are payable within one year.

JOSIAH MACY JR. FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 6 - Grants Payable (continued)

During the year ended June 30, 2023, the Foundation's Board of Directors had authorized grants of \$1,469,154. Of this amount, \$770,998 is to be paid in future years and is conditional upon the grantees making satisfactory progress toward stated objectives and is revocable by the Board of Directors if certain conditions are not met. Cumulative conditional grants to be paid in future years total \$2,284,141.

Note 7 - Retirement Plans

a - The Foundation has a noncontributory employee retirement plan with Teachers Insurance and Annuity Association (TIAA-CREF) covering employees who meet specified service and age tests. The plan is funded by the purchase of individual annuity contracts with an insurance company. Premium payments of \$185,445 and \$175,388 were charged to operating expense for the years ended June 30, 2023 and 2022, respectively.

In addition, the Foundation's employees have the option to participate in supplemental retirement plans with TIAA-CREF through payroll deductions.

b - The Foundation maintains 457(b) and 457(f) deferred compensation plans for its eligible officers. As nonqualified plans, the benefits due under these plans are general obligations of the Foundation. To accumulate the funds needed for distribution to the employee upon retirement or severance from employment, the Foundation makes regular contributions to separate accounts maintained by a third party plan administrator. For the years ended June 30, 2023 and 2022, expense under these plans totaled \$70,558 and \$69,962, respectively. As of June 30, 2023 and 2022, assets of \$971,736 (2023) and \$761,052 (2022) are included in prepaid expenses and other assets, and a liability in the same amount is included in other accrued liabilities in the accompanying statements of financial position.

Note 8 - Concentration of Credit Risk

The Foundation maintains its cash and cash equivalent balances in The Bank of New York Mellon, which at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation or the Securities Investors Protection Corporation up to certain limits.