The Charles A. Dana Foundation, Incorporated and Subsidiary

Consolidated Financial Statements

December 31, 2023 and 2022

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

The Board of Directors
The Charles A. Dana Foundation, Incorporated

Opinion

We have audited the accompanying consolidated financial statements of The Charles A. Dana Foundation, Incorporated and Subsidiary (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundation as of December 31, 2023 and 2022, and the consolidated 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 Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

PKF O'Connor Davies, LLP

August 12, 2024

The Charles A. Dana Foundation,
Incorporated and Subsidiary

Consolidated Statements of Financial Position

	December 31	
	2023	2022
ASSETS		
Cash and cash equivalents	$ 13,693,050	$ 5,232,551
Accounts and interest receivable	-	1,822
Prepaid federal excise tax and federal and state unrelated business income taxes	393,587	393,587
Investments	243,542,917	228,525,916
Prepaid expenses	491	457
Security deposits	31,471	66,660
Right of use assets - operating lease, net	975,996	1,226,058
	$ 258,637,512	$ 235,447,051
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 299,389	$ 131,842
Unpaid grant awards	7,999,916	1,269,206
Deferred federal excise tax	730,000	400,000
Postretirement benefit obligation	2,481,316	2,538,815
Lease payable	1,238,498	1,348,152
Total Liabilities	12,749,119	5,688,015
Net assets, without donor restrictions	245,888,393	229,759,036
	$ 258,637,512	$ 235,447,051

See notes to consolidated financial statements

The Charles A. Dana Foundation, Incorporated and Subsidiary

Consolidated Statements of Activities

	Year Ended December 31	
	2023	2022
INCOME		
Investment Return		
Dividends and interest	$ 627,004	$ 2,337,883
Net realized gain from sales and redemptions of securities and limited partnership interests	4,592,222	2,159,568
Unrealized appreciation (depreciation) of investments	27,338,904	(37,388,903)
	32,558,130	(32,891,452)
Less investment expenses	473,144	564,814
Total Investment Return	32,084,986	(33,456,266)
Other income	26,688	560
Total Income, Net of Investment Return	32,111,674	(33,455,706)
EXPENSES		
Grant awards	9,288,827	5,544,974
Direct charitable activities	3,922,677	4,101,337
Operations and governance	2,469,417	2,298,280
Federal excise and unrelated business tax provision (benefit)	102,395	(26,950)
Deferred federal excise tax provision (benefit)	330,000	(500,000)
Total Expenses	16,113,317	11,417,641
Change in Net Assets Before Postretirement Benefit Obligation Adjustment	15,998,357	(44,873,347)
Postretirement benefit obligation adjustment	131,000	1,194,061
Change in Net Assets	16,129,357	(43,679,286)
NET ASSETS		
Beginning of year	229,759,036	273,438,322
End of year	$ 245,888,393	$ 229,759,036

See notes to consolidated financial statements

The Charles A. Dana Foundation, Incorporated and Subsidiary

Consolidated Statements of Cash Flows

	Year Ended December 31 2023	Year Ended December 31 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 16,129,357	$ (43,679,286)
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization of right of use assets - operating lease	250,062	104,262
Net realized and unrealized (gain) loss on investments	(31,931,126)	35,229,335
Postretirement benefit obligation adjustment	(131,000)	(1,194,061)
Deferred federal excise tax	330,000	(500,000)
Net changes in operating assets and liabilities		
Accounts and interest receivable	1,822	(593)
Prepaid federal excise tax and federal and state unrelated business income taxes	-	(393,587)
Prepaid expenses	(34)	10,695
Security deposit	35,189	(35,189)
Accounts payable and accrued expenses	167,547	(194,678)
Unpaid grant awards	6,730,710	(140,900)
Federal excise tax and federal and state unrelated business income taxes payable	-	(45,000)
Postretirement benefit obligation	73,501	145,431
Lease payable	(109,654)	17,832
Net Cash From Operating Activities	(8,453,626)	(10,675,739)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(50,763,111)	(29,226,757)
Proceeds from sale of investments	67,677,236	38,729,254
Net Cash From Investing Activities	16,914,125	9,502,497
Net Change in Cash and Cash Equivalents	8,460,499	(1,173,242)
CASH AND CASH EQUIVALENTS		
Beginning of year	5,232,551	6,405,793
End of year	$ 13,693,050	$ 5,232,551
SUPPLEMENTAL DISCLOSURE CASH FLOW INFORMATION		
Federal excise and unrelated business income taxes paid	$ 100,000	$ 475,000

See notes to consolidated financial statements

1. Organization

The Charles A. Dana Foundation, Incorporated (the "Dana Foundation") is a private philanthropic organization chartered in 1950 with a particular interest in neuroscience. The Dana Foundation is a nonprofit organization exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the "Code"), and is a private foundation as defined in Section 509(a) of the Code.

Dana Publications LLC ("Publications") was organized in 2006 as a wholly-owned subsidiary of the Dana Foundation to support the charitable activities of the Dana Foundation and is treated as a disregarded entity for tax purposes. In 2022, the Dana Foundation chose to allocate remaining assets, less expenses of Publications to the Dana Foundation. Publications was dissolved as of January 2023. The Dana Foundation and Publications are collectively referred to as the Foundation.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of The Charles A. Dana Foundation, Incorporated and its wholly-owned subsidiary Dana Publications LLC. All intercompany balances and transactions have been eliminated.

Basis of Presentation and Use of Estimates

The accompanying consolidated 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 at the time of purchase of three months or less.

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

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

Investments Valuation

Investments, other than cash, are carried at fair value. The fair value of alternative investments has been estimated using NAV as reported by the management of the respective alternative investment fund. U.S. GAAP guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation's interest.

Leases

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease payable in the statements of financial position. The right-of-use (ROU) assets represent the Foundation's right to use underlying assets for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from these leases. The ROU assets and lease payable, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Foundation has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and leases payable for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Foundation has lease agreements with lease and non-lease components, which are generally accounted for separately. Variable lease components in these leases are recognized in operating expenses in the period in which obligation is incurred.

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

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Investment Expense

Investment expense on the consolidated statements of activities consist of fees paid directly to the Foundation's investment advisors.

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.

Grant Expense

The Foundation recognizes grant expense upon award of the grant.

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

Postretirement Benefit Plan

The Foundation follows U.S. GAAP guidance on defined benefit plans, which requires the Foundation to recognize the funded status of the Foundation's postretirement medical and health benefits as an asset or liability in its consolidated statements of financial position with a corresponding adjustment to change in net assets in the consolidated statements of activities. The adjustment to change in net assets represents the balance of unrecognized actuarial gains/(losses) that will be subsequently recognized within net periodic cost in the future.

Net Asset Presentation

Net assets and revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. At December 31, 2023 and 2022, all the Foundation's net assets are without donor restrictions.

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, 2020.

Functional Allocation of Expenses

The consolidated statements of activities present the expenses of the Foundation by operational classification. Refer to Note 5 for the classification of expenses by their functional allocation and policy for allocating such expenses.

Reclassifications

Certain amounts contained in the 2022 consolidated financial statements have been reclassified to conform to the 2023 presentation. These reclassifications had no impact on the change in net assets.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is August 12, 2024.

3. Investments

The following tables summarize the fair value of investments valued 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:

	2023		
Description	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Commodities (Gold)	$ 13,277,713	-	$ 13,277,713
Fixed income securities	16,348,672	-	16,348,672
Mutual funds	1,108,324	-	1,108,324
Hedge Funds			
Equity long/short	-	50,660,209	50,660,209
Global opportunities	-	49,808,470	49,808,470
Digital assets	-	1,433,735	1,433,735
Absolute returns (a)	-	60,909,063	60,909,063
Private equity investments (a)	-	27,608,801	27,608,801
Venture capital investments (a)	-	19,963,913	19,963,913
Real assets (a)	-	2,424,017	2,424,017
Total Investments at Fair Value	$ 30,734,709	$ 212,808,208	$ 243,542,917

	2022		
Description	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Commodities (Gold)	$ 11,587,015	-	$ 11,587,015
Marketable Securities			
Consumer	1,624,960	-	1,624,960
Financial	1,820,228	-	1,820,228
Technology	1,784,824	-	1,784,824
Other industries	1,712,399	-	1,712,399
Mutual funds	16,707,851	-	16,707,851
Hedge Funds			
Equity long/short	-	39,077,066	39,077,066
Global opportunities	-	55,521,236	55,521,236
Digital assets	-	574,073	574,073
Absolute returns (a)	-	51,909,946	51,909,946
Private equity investments (a)	-	24,943,410	24,943,410
Venture capital investments (a)	-	18,611,128	18,611,128
Real assets (a)	-	2,651,780	2,651,780
Total Investments at Fair Value	$ 35,237,277	$ 193,288,639	$ 228,525,916

3. Investments *(continued)*

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

(a) Based on its analysis of the nature and risks of these investments, the Foundation has determined that presenting them as a single class is appropriate.

As of December 31, 2023 and 2022, one individual investment represented approximately 21% and 17% of total investments.

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2023 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global Public Equities and Digital Assets (see "a" below)	$ 101,902,414	$ -	Daily/Weekly/Monthly/Quarterly/Annual	10 to 60 days
Absolute Return Investments (see "b" below)	60,909,063	700,155	Quarterly/Annual/Biennial	45 to 95 days
Private Equity Investments (see "c" below)	27,608,801	12,931,039	Locked 2024 to 2031	N/A
Venture Capital Funds (see "d" below)	19,963,913	11,873,662	Locked 2024 to 2033	N/A
Real Asset Investments (see "e" below)	2,424,017	432,966	Locked until 2024 and 2027	N/A
	$ 212,808,208	$ 25,937,822		

(a) This class includes investment managers that take a bottoms-up approach to their investment methodology, seeking long-term capital appreciation by investing primarily in publicly traded securities. Most of the funds place a focus on meeting company management expectations, analyzing market positions and financial metrics. Other funds in the category utilize quantitative models for their portfolio construction. There are twelve active investments in this class.

(b) This class includes hedge fund strategies that have flexible mandates providing portfolio diversification. One fund is designed to deliver bitcoin’s performance to institutional investors. There are ten active investments in this class.

(c) This category is represented by managers that take several different approaches including directly investing in companies, committing to other private equity funds as part of fund-of-funds approach, or acquiring limited partnership interests in funds or companies as part of a secondary strategy. This category is highly diversified and is represented by twenty-four active private equity partnerships in this class.

(d) This class is represented by eight investments. These investments focus on investing in Venture Partnerships that invest in technology-based and healthcare companies, at the seed and early-stage levels. There are thirteen active investments in this class.

(e) This category is invested in Private Equity Funds which invest in various natural resource opportunities. These investments represent a diversified group of “real assets.” There are three active investments in this class.

4. Liquidity and Availability of Financial Assets

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

	2023	2022
Financial Assets:		
Cash and cash equivalents	$ 13,693,050	$ 5,232,551
Accounts and interest receivable	-	1,822
Investments	243,542,917	228,525,916
Total Financial Assets	257,235,967	233,760,289
Less illiquid investments	(63,857,584)	(62,738,236)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 193,378,383	$ 171,022,053

The Foundation's working capital and cash flows are driven by its investment portfolio and investment return. As part of the Foundation's liquidity management strategy, the Foundation seeks to maintain adequate liquidity to meet its obligations, including planned expenditures as approved by the Board. The Foundation structures its financial assets to be available as its grant payments and other general liabilities come due. The Foundation will inform their investment advisor of any anticipated needs for liquidity, as such needs become known, and the investment advisor will make recommendations as to which investments should be sold. These sales will normally coincide with the Foundation's grant disbursement cycle and/or the need to rebalance the portfolio and other factors affecting available cash, including investment income, net capital calls and general operating expenses. None of the Foundation's financial assets, after reduction for illiquid investments, are subject to donor or other contractual restrictions that make them unavailable for funding cash flow requirements.

5. Expenses by Functional and Natural Classification

Expenses are presented by functional classification in alignment with the overall mission of the Foundation. Salary costs are allocated on the basis of time and effort. All other costs are allocated either by percentage of overall salary allocation or by square footage.

	2023		
	Direct Charitable Activities	Operations and Governance	Total
Grants authorized	$ 9,288,827	$ -	$ 9,288,827
Salaries and wages	2,145,998	905,922	3,051,920
Payroll taxes and employee benefits	883,498	565,500	1,448,999
Net periodic pension benefit	(4,874)	(5,958)	(10,832)
Legal and accounting fees	55,737	89,824	145,561
Other professional fees	160,946	303,420	464,366
Occupancy	132,865	199,298	332,163
Travel and meetings	85,337	48,882	134,219
Printing and design	69,575	-	69,575
Office expenses	20,937	105,595	126,532
Information technology	266,406	155,131	421,537
Insurance	41,170	65,574	106,744
Outreach and public events	54,465	21,729	76,194
Miscellaneous	10,617	14,500	25,117
	3,922,677	2,469,417	6,392,095
Total	$ 13,211,504	$ 2,469,417	$ 15,680,922

5. Expenses by Functional and Natural Classification (*continued*)

	2022		
	Direct Charitable Activities	Operations and Governance	Total
Grants authorized	$ 5,544,974	$ -	$ 5,544,974
Salaries and wages	1,695,828	1,271,262	2,967,090
Payroll taxes and employee benefits	936,474	600,484	1,536,958
Net periodic pension benefit	(4,294)	(1,431)	(5,725)
Legal and accounting fees	70,685	23,561	94,246
Other professional fees	606,304	186,601	792,905
Occupancy	286,638	95,546	382,184
Travel and meetings	53,082	7,717	60,799
Printing and design	17,678	-	17,678
Office expenses	100,089	32,608	132,697
Information technology	224,669	51,102	275,771
Insurance	74,428	22,457	96,885
Outreach and public events	25,628	-	25,628
Miscellaneous	14,128	8,373	22,501
	4,101,337	2,298,280	6,399,617
Total	$ 9,646,311	$ 2,298,280	$ 11,944,591

6. Taxes

The Foundation is subject to a federal excise tax of 1.39% of its net investment income. The Foundation provides for deferred federal excise tax on the net unrealized appreciation of the fair value of investments at the rate applicable for the following year. In addition, the Foundation's investment in certain alternative investments gives rise to unrelated business income taxed at general corporate rates.

7. Related Party Transaction

The Dana Alliance for Brain Initiatives, Inc. (the "Alliance"), an affiliate of the Foundation, received grants from the Foundation aggregating $0 and $1,402,004 for 2023 and 2022. During 2022, the Foundation and the Alliance shared certain expenses, including administrative services and office occupancy. There were no shared expenses in 2023.

8. Retirement Plan

Retirement benefits under a defined contribution plan are provided to full-time employees who have completed six months of continuous service. The Foundation makes contributions to the plan equal to 15% of employee compensation, as defined in the plan document, subject to statutory limitations. Retirement plan expense was $359,812 and $230,890 for 2023 and 2022.

9. Postretirement Healthcare Benefits

In addition to the retirement plan, the Foundation sponsors an unfunded plan to provide certain health care benefits for retirees of the Foundation. The Foundation funds its postretirement benefits costs on a pay as you go basis.

Information as of and for the years ended December 31, for the plan is as follows:

	2023	2022
Benefit obligation		
at end of year	$ 2,481,316	$ 2,538,815
Net postretirement benefit costs	201,782	245,678
Unrecognized actuarial gain	(131,000)	(1,194,061)
Benefits paid	128,281	100,247
Discount rate used	4.78%	4.98%
Components of Net Periodic Expense for the Year		
Service cost	$ 84,333	$ 151,156
Interest cost	117,449	94,522
	$ 201,782	$ 245,678

	2023	2022
Effect of a one-percent point increase in HCCTR* on		
Year end benefit obligation	$ 399,730	$ 405,988
Total of service and interest cost component	54,986	3,994
Effect of a one-percent point decrease in HCCTR* on		
Year end benefit obligation	321,212	327,969
Total of service and interest cost component	(29,929)	(75,324)

* Health Care Cost Trend Rate

9. Postretirement Healthcare Benefits *(continued)*

Measurements used to determine the postretirement benefit obligation for 2023 and 2022 were computed as of December 31. For measurement purposes, a 6.13% annual rate of increase in per capita cost of covered health benefits was assumed for 2024, decreasing to 5% in 2026 and thereafter.

Net benefits expected to be paid in each of the next five years and the following five years in the aggregate are as follows:

2024	$ 163,000
2025	172,000
2026	172,000
2027	136,000
2028	144,000
5 years thereafter	781,000

10. Lease Commitments

On February 17, 2022, the Foundation signed a license agreement with the Markle Foundation, for a portion of the space leased by the Markle Foundation at 1270 Avenue of the Americas, New York, NY, which expires in July 2027.

The non-variable rent expense component for the years ended December 31, 2023 and 2022 amounted to $293,026 and $451,637. The variable rent expense component amounted to $30,420 and $77,278 for the years ended December 31, 2023 and 2022. Total cash paid for the years ended December 31, 2023 and 2022 amounted to $185,919 and $364,732.

For the years ended December 31, 2023 and 2022 $0 and $67,289 of rent expense was allocated to the Alliance, which amounts have been included within grant expense.

At December 31, 2023 and 2022, the right-of-use asset balance was net of accumulated amortization of $354,324 and $104,262.

10. Lease Commitments *(continued)*

The weighted-average discount rate as of December 31, 2023 and 2022, was 3.20%.

The future minimum annual rental commitment under this lease as of December 31, 2023 are:

2024	$ 366,282
2025	366,282
2026	366,282
2027	213,665
Total undiscounted operating lease payments	1,312,511
Less: Present value discount	74,013
Present value of operating lease liabilities	$ 1,238,498

11. Concentrations of Credit Risk

The Foundation's financial instruments that are potentially exposed to concentration of credit risk consist of cash, cash equivalents and investments. The Foundation places its cash and cash equivalents with quality financial institutions. The Foundation invests in commodities, marketable securities, mutual funds, hedge funds and alternative investments including absolute return funds, private equity investments, venture capital investments and real assets. At times, cash balances may be in excess of Federal Deposit Insurance Corporation insurance limits. The Foundation routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. As a consequence, concentrations of credit risk are limited.

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