

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Combined Financial Statements

December 31, 2020 and 2019

Independent Auditors' Report

The Board of Directors
The Charles A. Dana Foundation, Incorporated
The Dana Alliance For Brain Initiatives, Inc.

We have audited the accompanying combined financial statements of The Charles A. Dana Foundation, Incorporated and Affiliates (the "Foundation"), which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

The Board of Directors
The Charles A. Dana Foundation, Incorporated
The Dana Alliance For Brain Initiatives, Inc.
Page 2

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Charles A. Dana Foundation, Incorporated and Affiliates as of December 31, 2020 and 2019, and the changes in their net assets and their 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

August 19, 2021

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Combined Statements of Financial Position

	December 31	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 15,033,626	\$ 6,036,017
Accounts and interest receivable	5,692	1,253
Prepaid federal excise tax and federal and state unrelated business income taxes	106,464	275,000
Due from partnership investments	-	3,019,739
Investments	232,953,644	222,788,831
Prepaid expenses	84,464	136,180
Security deposits	198,872	130,405
Leasehold improvements, net of accumulated amortization of \$393,734 and \$353,860 for 2020 and 2019	16,704	56,578
	\$ 248,399,466	\$ 232,444,003
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 282,638	\$ 358,415
Unpaid grant awards	2,183,001	3,331,054
Deferred federal excise tax	675,000	525,000
Other deferred liabilities	28,801	97,923
Postretirement benefit obligation	3,687,917	4,727,895
Total Liabilities	6,857,357	9,040,287
Net assets, without donor restrictions	241,542,109	223,403,716
	\$ 248,399,466	\$ 232,444,003

See notes to combined financial statements

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Combined Statements of Activities

	Year Ended	
	December 31	
	2020	2019
INCOME		
Investment Return		
Dividends and interest	\$ 533,393	\$ 1,260,397
Net income from partnership interests	9,259,384	12,419,095
Net realized gain from sales and redemptions of securities and limited partnership interests	6,904,054	3,024,883
Unrealized appreciation of investments	11,080,374	17,607,981
	27,777,205	34,312,356
Less investment expenses	612,298	662,592
Total Investment Return	27,164,907	33,649,764
Other income	1,458	1,079
Total Income	27,166,365	33,650,843
EXPENSES		
Grant awards	2,750,311	3,661,016
Direct charitable activities	5,340,592	6,095,862
Operations and governance	1,689,763	1,792,076
Federal excise and unrelated business tax provision	377,808	202,995
Deferred federal excise tax provision	150,000	125,000
Total Expenses	10,308,474	11,876,949
Change in Net Assets Before		
Postretirement Benefit Obligation Adjustment	16,857,891	21,773,894
Postretirement benefit obligation adjustment	1,280,502	(518,329)
Change in Net Assets	18,138,393	21,255,565
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	223,403,716	202,148,151
End of year	\$ 241,542,109	\$ 223,403,716

See notes to combined financial statements

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Combined Statements of Cash Flows

	Year Ended December 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 18,138,393	\$ 21,255,565
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization	39,874	39,874
Net realized and unrealized gain on investments	(17,984,428)	(20,632,864)
Postretirement benefit obligation adjustment	(1,280,502)	518,329
Deferred federal excise tax	150,000	125,000
Net changes in operating assets and liabilities		
Accounts and interest receivable	(4,439)	4,439
Prepaid federal excise tax and federal and state unrelated business income taxes	168,536	(275,000)
Prepaid expenses	51,716	(6,589)
Security deposit	(68,467)	-
Accounts payable and accrued expenses	(75,777)	1,826
Unpaid grant awards	(1,148,053)	(793,946)
Federal excise tax and federal and state unrelated business income taxes payable	-	(284,000)
Other deferred liabilities	(69,122)	(68,523)
Postretirement benefit obligation	<u>240,524</u>	<u>263,748</u>
Net Cash From Operating Activities	<u>(1,841,745)</u>	<u>147,859</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Due from partnership investments	3,019,739	(3,019,739)
Purchase of investments	(75,933,362)	(57,211,792)
Proceeds from sale of investments	<u>83,752,977</u>	<u>56,424,652</u>
Net Cash From Investing Activities	<u>10,839,354</u>	<u>(3,806,879)</u>
Net Change in Cash and Cash Equivalents	8,997,609	(3,659,020)
 CASH AND CASH EQUIVALENTS		
Beginning of year	<u>6,036,017</u>	<u>9,695,037</u>
End of year	<u>\$ 15,033,626</u>	<u>\$ 6,036,017</u>
 SUPPLEMENTAL CASH FLOW INFORMATION		
Federal excise and unrelated business income taxes paid	\$ 175,000	\$ 314,000

See notes to combined financial statements

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

1. Organization

The Charles A. Dana Foundation, Incorporated (“Dana”) is a private philanthropic organization chartered in 1950 with a particular interest in neuroscience. Dana 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 Dana to support the charitable activities of Dana and is treated as a disregarded entity for tax purposes.

The Dana Alliance for Brain Initiatives, Inc. (the “Alliance”) is a private philanthropic organization chartered in 1993. The principal purposes of the Alliance are to educate and inform the general public and interested professionals regarding advancement in research on the human brain, development of new effective treatments for brain diseases and the critical need for such research and development to be vigorously pursued and supported. The Alliance is a nonprofit organization exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Code, and is a private foundation as defined in Section 509(a) of the Code.

European Dana Alliance for the Brain, LLC (“EDAB”), a wholly-owned subsidiary of the Alliance, was formed for the purpose of increasing public awareness in Europe of the latest developments in neuroscience.

2. Summary of Significant Accounting Policies

Principles of Combination

The accompanying combined financial statements include the accounts of Dana and the Alliance. These combined entities have common Boards and share the same mission and are referred to collectively as the “Foundation”, unless otherwise specifically referred to. All intercompany balances and transactions have been eliminated in combination.

Basis of Presentation and Use of Estimates

The accompanying combined 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.

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with maturities at the time of purchase of three months or less.

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 therein.

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 Expenses

Investment expenses on the combined statements of activities consist of fees paid directly to the Foundation’s investment advisors.

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

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.

Leasehold Improvements

Leasehold improvements are stated at cost and amortized over the term of the office lease. Furniture, fixtures and equipment purchased during the course of normal business activities are charged to operations when purchased, as these amounts are not significant.

Grant Expense

The Foundation recognizes grant expense upon award of the grant.

Postretirement Benefit Plan

The Foundation follows U.S. GAAP guidance on defined benefit plans, which requires the Foundation to recognize the funded status of its postretirement medical and health benefits as an asset or liability in its combined statements of financial position with a corresponding adjustment to change in net assets in the combined 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.

Presentation of Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. At December 31, 2020 and 2019, all of the Foundation's net assets are without donor restrictions.

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

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. Dana and the Alliance are no longer subject to examinations by applicable taxing jurisdictions for periods prior to December 31, 2017.

Functional Allocation of Expenses

The combined 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.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the combined financial statements through the date that the combined financial statements were available to be issued, which date is August 19, 2021.

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:

Description	2020		
	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Commodities (Gold)	\$ 14,306,438	\$ -	\$ 14,306,438
Marketable Securities			
Consumer	5,783,311	-	5,783,311
Financial	4,047,367	-	4,047,367
Technology	3,790,935	-	3,790,935
Other industries	3,653,151	-	3,653,151
Mutual funds	12,503,577	-	12,503,577
Hedge Funds			
Equity long/short	-	51,414,283	51,414,283
Global opportunities	-	88,100,295	88,100,295
Absolute returns (a)	-	20,477,589	20,477,589
Private equity investments (a)	-	18,617,350	18,617,350
Venture capital investments (a)	-	7,640,106	7,640,106
Real assets (a)	-	2,619,242	2,619,242
Total Investments at Fair Value	<u>\$ 44,084,779</u>	<u>\$ 188,868,865</u>	<u>\$ 232,953,644</u>

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

3. Investments (continued)

Description	2019		
	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Commodities (Gold)	\$ 11,480,545	\$ -	\$ 11,480,545
Marketable Securities			
Consumer	4,543,762	-	4,543,762
Financial	5,085,040	-	5,085,040
Technology	8,574,317	-	8,574,317
Other industries	2,370,445	-	2,370,445
Mutual funds	31,777,459	-	31,777,459
Hedge Funds			
Equity long/short	-	42,647,185	42,647,185
Global opportunities	-	52,595,351	52,595,351
Absolute returns (a)	-	36,739,041	36,739,041
Private equity investments (a)	-	13,825,035	13,825,035
Venture capital investments (a)	-	6,670,668	6,670,668
Real assets (a)	-	6,479,983	6,479,983
Total Investments at Fair Value	<u>\$ 63,831,568</u>	<u>\$ 158,957,263</u>	<u>\$ 222,788,831</u>

(*) 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, 2020 and 2019, one individual investment represented approximately 22% and 19% of total investments.

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

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Global Public Equities(see "a" below)	\$ 116,767,207	\$ -	Weekly/Monthly/Quarterly/Annual	10 to 60 days
Absolute Return Investments (see "b" below)	41,289,088	10,530,600	Quarterly/Annual	45 to 95 days
Private Equity Investments (see "c" below)	16,492,550	15,600,452	Locked 2021 to 2031	N/A
Venture Capital Funds (see "d" below)	11,682,958	7,294,274	Locked 2021 to 2022	N/A
Real Asset Investments (see "e" below)	2,637,062	943,855	Monthly/Locked until 2020 and 2027	30 days
	<u>\$ 188,868,865</u>	<u>\$ 34,369,181</u>		

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

3. Investments (continued)

- (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 nine active investments in this class.
- (b) This class includes hedge fund strategies that have flexible mandates providing portfolio diversification. There are six 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 fifteen active private investment partnerships in this class.
- (d) This class is represented by six investments. These investments focus on investing in Venture Partnerships that invest in technology-based and healthcare companies, at the seed and early-stage levels.
- (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, 2020 and 2019, to meet cash needs for general expenditures within one year of the date of the combined statements of financial position:

	2020	2019
Financial Assets:		
Cash and cash equivalents	\$ 15,033,626	\$ 6,036,017
Accounts and interest receivable	5,692	1,253
Due from partnership investments	-	3,019,739
Investments	232,953,644	222,788,831
Total Financial Assets	247,992,962	231,845,840
Less illiquid investments	(46,914,292)	(45,171,364)
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	\$ 201,078,670	\$ 186,674,476

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

4. Liquidity and Availability of Financial Assets (continued)

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. These sales are based on the grants to be disbursed, 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 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. Expenses are classified based on the direct impact to the Foundation. Therefore, certain expenses require allocation on a reasonable basis that is consistently applied. 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.

	2020		
	Direct Charitable Activities	Operations and Governance	Total
Grants authorized	\$ 2,750,311	\$ -	\$ 2,750,311
Salaries and wages	2,352,995	788,811	3,141,806
Payroll taxes and employee benefits	1,089,526	381,930	1,471,456
Net periodic pension benefit	93,781	49,299	143,080
Legal and accounting fees	120,820	54,119	174,939
Other professional fees	300,778	88,056	388,834
Amortization	29,906	9,968	39,874
Occupancy	841,610	227,276	1,068,886
Travel and meetings	10,737	2,992	13,729
Printing and design	60,150	-	60,150
Office expenses	109,456	28,042	137,498
Information technology	109,369	21,670	131,039
Insurance	82,098	22,153	104,251
Outreach and public events	128,931	-	128,931
Miscellaneous	10,435	15,447	25,882
	<u>5,340,592</u>	<u>1,689,763</u>	<u>7,030,355</u>
Total	<u>\$ 8,090,903</u>	<u>\$ 1,689,763</u>	<u>\$ 9,780,666</u>

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

5. Expenses by Functional and Natural Classification (continued)

	2019		Total
	Direct Charitable Activities	Operations and Governance	
Grants authorized	\$ 3,661,016	\$ -	\$ 3,661,016
Salaries and wages	2,445,647	1,008,526	3,454,173
Payroll taxes and employee benefits	1,171,766	320,642	1,492,408
Net periodic pension benefit	80,530	36,180	116,710
Legal and accounting fees	77,780	39,977	117,757
Other professional fees	350,836	11,524	362,360
Amortization	29,906	9,969	39,875
Occupancy	860,680	232,422	1,093,102
Travel and meetings	102,281	18,449	120,730
Printing and design	200,374	770	201,144
Office expenses	124,511	29,676	154,187
Information technology	197,682	33,094	230,776
Insurance	81,712	22,440	104,152
Outreach and public events	346,003	-	346,003
Miscellaneous	26,154	28,407	54,561
	<u>6,095,862</u>	<u>1,792,076</u>	<u>7,887,938</u>
Total	<u>\$ 9,756,878</u>	<u>\$ 1,792,076</u>	<u>\$ 11,548,954</u>

6. Taxes

Dana and the Alliance are both subject to a Federal excise tax of 1.39% of their net investment income. Dana provides for deferred federal excise tax of 1.39% on the net unrealized appreciation of the fair value of investments at the rate applicable for the following year. In addition, Dana's investment in certain alternative investments gives rise to unrelated business income taxed at general corporate rates. The Alliance did not have any investments during 2020 and 2019.

7. Retirement Plan

Retirement benefits under a defined contribution plan are provided to full-time employees who have completed six months of continuous service. Dana makes contributions to the plan equal to 15% of employee compensation (which also includes Alliance employees), as defined in the plan document, subject to statutory limitations. Retirement plan expense was \$192,237 and \$360,031 for 2020 and 2019.

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

8. Postretirement Healthcare Benefits

In addition to the retirement plan, Dana sponsors an unfunded plan to provide certain health care benefits for retirees of the Foundation. Dana 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:

	2020	2019
Benefit obligation at end of year	\$ 3,687,917	\$ 4,727,895
Net postretirement benefit costs	293,953	310,986
Unrecognized actuarial gain (loss)	(1,208,502)	518,329
Benefits paid	53,429	47,238
Discount rate used	2.46%	3.17%
 Components of Net Periodic Expense for the Year		
Service cost	\$ 97,444	\$ 147,038
Interest cost	196,509	163,948
	\$ 293,953	\$ 310,986
	2020	2019
Effect of a one-percent point increase in HCCTR* on		
Year end benefit obligation	\$ 723,683	\$ 869,843
Total of service and interest cost component	(4,938)	82,090
Effect of a one-percent point decrease in HCCTR* on		
Year end benefit obligation	563,792	(681,424)
Total of service and interest cost component	(110,113)	(47,916)

* Health Care Cost Trend Rate

**The Charles A. Dana Foundation,
Incorporated and Affiliates**

Notes to Combined Financial Statements
December 31, 2020 and 2019

8. Postretirement Healthcare Benefits (continued)

Measurements used to determine the postretirement benefit obligation for 2020 and 2019 were computed as of December 31. For measurement purposes, a 7.25% annual rate of increase in per capita cost of covered health benefits was assumed for years 2019 through 2024, decreasing to 5% in 2025 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:

2021	\$ 103,504
2022	105,952
2023	111,369
2024	122,083
2025	130,539
5 years thereafter	716,472

9. Lease Commitments

The Foundation leases office space in New York City. The office space lease is for the period beginning February 1, 2011 and ending in May 2021.

The future minimum payments for 2021 is \$355,650.

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 included in the combined statements of activities, amounted to \$1,026,601 in 2020 and \$1,018,107 in 2019.

On October 2, 2020, the Foundation signed a license agreement to use a portion of the space leased by the Markle Foundation at 10 Rockefeller Plaza, New York, NY 10020 at a monthly license fee of \$36,996, commencing on June 1, 2021. The commencement date of the license agreement requires additional payments to cover the escalation of maintenance costs and real estate taxes.

10. 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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