THE JOYCE FOUNDATION

FINANCIAL STATEMENTS
December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Joyce Foundation
Chicago, Illinois

Opinion

We have audited the financial statements of The Joyce Foundation ("the Foundation"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Joyce Foundation as of December 31, 2022 and 2021, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Foundation's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 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 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.

Crowe LLP

Crowe LLP

Chicago, Illinois
June 30, 2023

THE JOYCE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash	$ 1,136,462	$ 1,203,792
Due from brokers for sales of securities	1,279,549	4,055,996
Investments at fair value (Note 2)	1,161,555,795	1,402,094,501
Federal excise tax receivable	727,326	-
Other assets	3,147,259	1,440,593
Total assets	$ 1,167,846,391	$ 1,408,794,882
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 73,825	$ 67,891
Due to brokers for purchases of securities	1,807,017	324,253
Grants payable	16,376,572	22,910,547
Federal excise tax payable	-	984,500
Deferred federal excise tax payable	1,117,700	5,086,000
Other liabilities	1,707,319	238,244
Total liabilities	21,082,433	29,611,435
Commitments (Notes 2, 5, 7)	-	-
Net assets without donor restrictions	1,146,763,958	1,379,183,447
Total liabilities and net assets	$ 1,167,846,391	$ 1,408,794,882

See notes to financial statements.

	2022	2021
Investment return, net	$ (173,960,371)	$ 217,606,087
Expenses		
Grants awarded, net of grants returned of $10,169 and $37,818 in 2022 and 2021, respectively	49,723,444	64,934,672
General and administrative expenses	10,161,226	8,859,742
Federal tax expense	2,542,748	2,418,492
Deferred federal excise tax (benefit) expense	(3,968,300)	983,000
Total expenses (Note 3)	58,459,118	77,195,906
(Decrease) increase in net assets without donor restrictions	(232,419,489)	140,410,181
Net assets, beginning of year	1,379,183,447	1,238,773,266
Net assets, end of year	$ 1,146,763,958	$ 1,379,183,447

See notes to financial statements.

THE JOYCE FOUNDATION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Cash paid to employees and suppliers	$ (10,732,181)	$ (9,129,637)
Taxes paid	(4,379,338)	(1,626,590)
Grants paid	(56,267,588)	(49,088,176)
Grants returned	10,169	37,818
Net cash used in operating activities	(71,368,938)	(59,806,585)
Cash flows from investing activities		
Proceeds from sales of investments	196,955,960	163,319,806
Purchase of investments	(124,438,133)	(103,507,585)
Purchase of property and equipment	(270,924)	(81,828)
Other investment expense	(945,295)	(1,164,513)
Net cash provided by investing activities	71,301,608	58,565,880
Net decrease in cash	(67,330)	(1,240,705)
Cash, beginning of the year	1,203,792	2,444,497
Cash, end of year	$ 1,136,462	$ 1,203,792

See notes to financial statements.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: The Joyce Foundation (the Foundation) is a nonprofit organization that invests in policies to advance racial equity and economic mobility for the next generation in the Great Lakes region.

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting policies applicable to nonprofit organizations.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Income Taxes: The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable state law. However, as a private charitable foundation, it is subject to a federal excise tax based on net investment income. Deferred federal excise tax represents a provision for taxes on the net unrealized appreciation on investments. For the years ended December 31, 2022 and 2021, the federal excise tax rate utilized was 1.39%. The Foundation is subject to income tax at corporate rates on certain income that is considered unrelated business income under the IRC.

Tax positions for open tax years were reviewed by management and it was determined that no provision for uncertain tax positions is required to be recorded. The Foundation would recognize any corresponding interest or penalties associated with this income tax position in income tax expense. Any associated interest or penalties are expected to be minimal for 2022 or 2021.

Investment Valuation: The investments of the Foundation are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). The fair value is generally based on year-end published quotations or the net asset value (NAV) of investment funds. The Foundation is permitted to measure the fair value of an investment that does not have a readily determinable fair value, based on the NAV of the investment as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a value significantly different from the NAV. If the practical expedient NAV is not as of the reporting entity's measurement date, then the NAV is adjusted to reflect any significant events that may change the valuation. These prices are only used for financial reporting purposes and do not necessarily represent the ultimate realizable values of such securities.

Cash, securities transactions receivable, and obligations are carried at cost which approximates fair value because of the short maturity of these instruments.

Marketable securities, including cash equivalents, U.S. and non-U.S. equities, and fixed income are reflected at market values based on quoted prices. Common stock, preferred stock, and fixed income securities, including U.S. government and corporate obligations, traded in active markets on national and international securities exchanges are valued at closing prices on the last business day of each period presented. Securities traded in markets that are not considered active are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the Foundation’s investment managers’ best estimates.

(Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Limited liquidity investments (primarily categorized as alternative investments – see Note 2) are stated at their NAV, which approximates its estimated fair value. Limited liquidity investments are primarily made under agreements to participate in limited partnerships and commingled funds and are generally subject to certain withdrawal restrictions. These interests are valued on the basis of the Foundation’s equity in the net assets of such investments. Values for these investments, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner or administrator and may be based on appraisals, market values discounted for concentration of ownership, or other estimates. Because of inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnerships and commingled funds, the Foundation’s estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the limited liquidity investments in which the Foundation invests are audited annually by independent public accounting firms.

Some of the Foundation’s assets are held in various limited partnerships that invest in the securities of companies that may not be immediately liquid. The partnerships’ general partners, who must follow the valuation guidelines stipulated in their respective limited partnership agreements, determine the value of such investments. Given the inherent risks associated with this type of investment, there can be no guarantee that there will not be widely varying gains or losses on these limited partnership investments in future periods.

The Foundation has systems and procedures in place to monitor the fair value of its investments measured at the NAV. Generally, management evaluates the fair value of these assets by using the NAV provided by the investment managers or general partners through the quarterly statements and the respective fund's annual audited financial statements as well as discussions with management.

Investment Income Recognition: Investment sales and purchases are recorded on a trade-date basis, which results in both investment receivables and payables on unsettled investment trades. Dividend income is recorded based upon the ex-dividend date and interest income is recorded as earned on an accrual basis. Realized and unrealized gains and losses from changes in market values are reflected in the Statements of Activities.

Other Assets: The Foundation capitalizes the cost of leasehold improvements, furniture and equipment, and website development/redesign costs and is depreciating/amortizing the assets using the straight-line method. Leasehold improvements are amortized over the lesser of the estimated useful life of the improvements or the term of the lease; furniture and equipment are depreciated over five to seven years, the estimated useful life; and website development/redesign costs are amortized over three years, the estimated useful life.

Fixed assets are included in other assets on the statements of financial position. Depreciation and amortization expense was $200,124 and $188,439 for the years ended December 31, 2022 and 2021, respectively.

Operating leases are also included within other assets and other liabilities in the statement of financial position. The right-of-use asset balance was $1,524,084 at December 31, 2022 and the right-of-use liability balance was $1,707,319 at December 31, 2022, $289,981 of which is the current portion.

(Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants: Unconditional grants are recorded as expense in the period the grant is approved. Conditional grants, with a barrier and a right of return, are recorded as expense during the year in which the conditions are substantially met or waived by the Foundation. Grants payable within one year are recorded at their fair value at the date of authorization. Future minimum grant disbursements are $14,781,572 and $1,595,000 for the years ended December 31, 2023 and 2024, respectively.

Concentration of Credit Risk: The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

Net Assets: The net assets of the Foundation are reported in the following class: net assets without donor restrictions.

Net assets without donor restrictions include resources which are not subject to donor-imposed restrictions plus those resources for which donor-imposed restrictions have been satisfied. Contributions are reported as increases in the appropriate category of net assets. Contributions of assets other than cash are recorded at their estimated fair value. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. The Foundation does not have any net assets with donor restrictions or Board-designated net assets at December 31, 2022 or 2021.

Adoption of New Accounting Standard: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This ASU affects any entity that enters into a lease, with some specified scope exceptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The Foundation has implemented this ASU effective January 1, 2022 using the effective date method. The Foundation elected the optional practical expedient package which, among other things, includes the historical classification of leases and the risk-free rate discount rate. As a result of adopting this standard, the Foundation recorded a right-of-use lease asset and a liability of $1,814,138 and $2,016,064, respectively, as of January 1, 2022. Adoption of this standard did not have a material impact on the Foundation's results of operations or cash flows. Refer to Note 5 for more information.

Subsequent Events: The Foundation has evaluated subsequent events through June 30, 2023, the date the financial statements were available to be issued. No material subsequent events have occurred through this date that required recognition or disclosure in these financial statements.

NOTE 2 - INVESTMENTS

The Board has delegated certain responsibilities for portfolio oversight to the Investment Committee, the Foundation President, professional staff, namely the Chief Investment Officer (the "CIO"), and the investment advisor (the "Advisor"). The Investment Committee oversees the implementation of the portfolio's investment strategy allocation in accordance with the Investment Policy Statement including:

- Approve the hiring and termination of investment managers.
- Monitor portfolio performance, positioning, and relevant risk metrics, on a periodic basis.
- Evaluate progress against performance benchmarks and other success metrics for the portfolio.

(Continued)

NOTE 2 - INVESTMENTS (Continued)

Foundation investments consist of the following at December 31:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	$ 15,829,414	$ 15,823,644	$ 37,964,739	$ 37,937,260
U.S. equity:				
Large cap	283,952,471	265,512,549	292,268,053	358,195,745
Mid/small cap	44,420,522	37,671,909	50,390,243	81,366,082
Non-U.S. equity:				
Developed markets	197,658,378	196,027,226	193,232,499	238,325,859
Emerging markets	60,193,821	77,163,945	60,176,861	97,186,074
Fixed income	217,609,957	190,180,600	148,268,633	149,740,167
Alternative investments:				
Absolute return hedge funds	29,207,082	35,356,318	29,803,105	36,354,357
Hedged equity hedge funds	6,355,428	16,538,873	18,516,931	49,176,744
Private investments	182,563,462	280,427,314	167,785,025	310,029,700
Real assets	39,126,459	46,853,417	37,835,690	43,782,513
Total	$ 1,076,916,994	$ 1,161,555,795	$ 1,036,241,779	$ 1,402,094,501

Fair Value Measurements: Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements*, established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based upon market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions of what market participants would use in pricing the asset or liability based upon the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 – This level consists of quoted prices in active markets for identical investments.

Level 2 – This level consists of other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.).

Level 3 – This level consists of significant unobservable inputs (including assumptions in determining the fair value of investments).

Cash equivalents consist primarily of cash and short-term investments with initial maturities of three months or less. Such investments are reflected at cost, plus accrued interest, if applicable. U.S. and non-U.S. equities consist primarily of direct or indirect investments in U.S. and international common stock. Fixed income consists primarily of indirect investments in U.S. government agency and treasury securities, mortgage-backed securities, collateralized mortgage obligations, corporate securities, non-U.S. corporate securities, and government securities. Absolute return and hedged equity hedge funds consist primarily of commingled vehicles that invest in both nonmarketable and market-traded securities. Fund investments may include both long and short positions, as well as leveraged positions. Private investments consist of limited partnerships, including venture capital funds, buyout funds, and funds that invest in private debt securities. Real assets consist of limited partnerships investing in equity real estate and energy related investments.

(Continued)

NOTE 2 - INVESTMENTS (Continued)

The following is a summary of the inputs used as of December 31, 2022 in valuing the Foundation's investments:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2022				
Cash equivalents	$ 15,823,644	$ 15,823,644	$ -	$ -
U.S. equity:				
Large cap	265,512,549	131,140,790	134,371,759	-
Mid/small cap	37,671,909	3,063	37,668,846	-
Non-U.S. equity:				
Developed markets	196,027,226	57,210,031	138,817,195	-
Emerging markets	77,163,945	-	77,163,945	-
Fixed income	190,180,600	190,180,600	-	-
Total	$ 782,379,873	$ 394,358,128	$ 388,021,745	$ -
Investments valued at net asset value: *				
Alternative investments:				
Absolute return hedge funds	35,356,318			
Hedged equity hedge funds	16,538,873			
Private investments	280,427,314			
Real assets	46,853,417			
Total	$ 1,161,555,795			

The following is a summary of the inputs used as of December 31, 2021 in valuing the Foundation's investments:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2021				
Cash equivalents	$ 37,937,260	$ 37,937,260	$ -	$ -
U.S. equity:				
Large cap	358,195,745	190,285,951	167,909,794	-
Mid/small cap	81,366,082	5,954,544	75,411,538	-
Non-U.S. equity:				
Developed markets	238,325,859	74,851,525	163,474,334	-
Emerging markets	97,186,074	-	97,186,074	-
Fixed income	149,740,167	120,510,917	29,229,250	-
Total	$ 962,751,187	$ 429,540,197	$ 533,210,990	$ -
Investments valued at net asset value: *				
Alternative investments:				
Absolute return hedge funds	36,354,357			
Hedged equity hedge funds	49,176,744			
Private investments	310,029,700			
Real assets	43,782,513			
Total	$ 1,402,094,501			

(Continued)

NOTE 2 - INVESTMENTS (Continued)

* The investments, which are measured at fair value using the NAV per share (or its equivalent) practical expedient, have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the statements of financial position.

The Foundation's policy is to evaluate the classification of Level 1, 2, and 3 assets at the end of each reporting period. The Foundation's policy is to record transfers in or out of the levels at the fair value of the investment at the date of transfer. There were no transfers for 2022 or 2021.

The Foundation follows the concept of the "practical expedient" under U.S. GAAP. The practical expedient is an acceptable method to determine the fair value of certain NAV investments which (1) do not have readily determinable fair value and (2) have financial statements prepared consistent with the measurement principles of an investment company or have attributes of an investment company.

The following tables describe such investments by major category and redemption frequency:

December 31, 2022	Redemption Frequency				Fair Value	Unfunded Commitments
	90 Days or Less	91 to 365 Days	>365 Days	Liquidated		
Cash and cash equivalents	$ 15,823,644	$ -	$ -	$ -	$ 15,823,644	$ -
Public equities (a)	576,364,246	-	-	11,383	576,375,629	-
Public fixed income (a)	190,180,600	-	-	-	190,180,600	-
Absolute return hedge funds (b)	35,295,818	-	-	60,500	35,356,318	-
Hedged equity hedge funds (b)	-	16,538,873	-	-	16,538,873	-
Private investments (c)	-	-	280,427,314	-	280,427,314	92,821,231
Real assets (c)	-	-	46,853,417	-	46,853,417	19,703,063
Total	$ 817,664,308	$ 16,538,873	$ 327,280,731	$ 71,883	$ 1,161,555,795	$ 112,524,294

December 31, 2021	Redemption Frequency				Fair Value	Unfunded Commitments
	90 Days or Less	91 to 365 Days	>365 Days	Liquidated		
Cash and cash equivalents	$ 37,937,260	$ -	$ -	$ -	$ 37,937,260	$ -
Public equities (a)	755,159,482	-	19,914,278	-	775,073,760	-
Public fixed income (a)	149,740,167	-	-	-	149,740,167	-
Absolute return hedge funds (b)	36,259,181	-	-	95,176	36,354,357	-
Hedged equity hedge funds (b)	-	49,176,744	-	-	49,176,744	-
Private investments (c)	-	-	310,029,700	-	310,029,700	90,579,632
Real assets (c)	-	-	43,782,513	-	43,782,513	26,360,469
Total	$ 979,096,090	$ 49,176,744	$ 373,726,491	$ 95,176	$ 1,402,094,501	$ 116,940,101

(a) Public investments – This category includes transactions associated with marketable equity and fixed income securities that are regularly traded on public exchanges, and public securities held by funds structured as commingled or separate accounts or as partnerships in which the Foundation is a limited partner.

(b) Hedge funds and absolute return strategies – This category includes multiple strategies to diversify risk and reduce volatility that are delegated to investment managers who have authority to invest in various asset classes on a discretionary basis. These strategies may include distressed and non-distressed bond strategies, long/short equity strategies, event-oriented strategies, real assets, and private equity.

(Continued)

NOTE 2 - INVESTMENTS (Continued)

(c) Private investments – This category includes equity, fixed income, and real asset investments that are not regularly traded and private securities or entities in which the Foundation may own shares, or investments held by partnerships in which the Foundation is a limited partner.

Investment Partnerships Open Commitments: The Foundation had open commitments to make additional partnership investments of $106,639,218 and $116,940,101 at December 31, 2022 and 2021, respectively. Returned unused capital contributions may be recalled and all distributions are subject to repayment to cover liabilities of the partnerships. The amount of this contingency cannot be determined.

NOTE 3 - FUNCTIONAL EXPENSES

This Note presents expenses by function and natural classification. Natural expenses are defined by their nature, such as compensation, depreciation, and occupancy. Functional expenses are classified by type of activity for which the expenses were incurred. Expenses were allocated using a reasonable and consistent approach based on staffing attributable to each function. Costs which are associated with grant making are applied directly.

The table below presents expenses by both their nature and function for fiscal year 2022:

December 31, 2022	General and Administrative	Grant Making	Total
Compensation and benefits	$ 2,171,660	$ 4,087,749	$ 6,259,409
Legal fees	20,432	40,090	60,522
Accounting fees	32,405	63,575	95,980
Other professional	304,021	596,459	900,480
Tax benefit	(481,296)	(944,256)	(1,425,552)
Depreciation and amortization	67,566	132,558	200,124
Occupancy	236,640	464,264	700,904
Travel, conferences and meetings	229,744	450,735	680,479
Printing and publications	20,789	40,785	61,574
Other	405,737	796,017	1,201,754
Grants awarded (net of grants returned)	-	49,723,444	49,723,444
Total expenses by nature and function	$ 3,007,698	$ 55,451,420	$ 58,459,118

(Continued)

NOTE 3 - FUNCTIONAL EXPENSES (Continued)

The table below presents expenses by both their nature and function for fiscal year 2021:

December 31, 2021	General and Administrative	Grant Making	Total
Compensation and benefits	$ 1,962,085	$ 3,771,313	$ 5,733,398
Legal fees	23,305	47,157	70,462
Accounting fees	22,643	45,817	68,460
Other professional	-	592,393	592,393
Tax expense	1,125,021	2,276,471	3,401,492
Depreciation and amortization	62,325	126,114	188,439
Occupancy	242,581	490,861	733,442
Travel, conferences and meetings	49,415	99,992	149,407
Printing and publications	21,359	43,221	64,580
Other	416,460	842,701	1,259,161
Grants awarded (net of grants returned)	-	64,934,672	64,934,672
Total expenses by nature and function	$ 3,925,194	$ 73,270,712	$ 77,195,906

NOTE 4 - DEFINED CONTRIBUTION PENSION PLAN

The Foundation maintains a defined contribution pension plan for eligible employees. Employer contributions are discretionary and are calculated as a percentage of salaries as determined by the Board of Directors. Total employer and employee contributions may not exceed the lesser of 100% of salaries or $61,000 per employee. Pension expense was $667,483 and $553,314 for 2022 and 2021, respectively.

NOTE 5 - LEASES

On May 17, 2012, the Foundation entered into a 15-year lease agreement with a lease commencement date of February 1, 2013. The noncancelable operating lease for the office space provides for minimum monthly payments through January 31, 2028 plus additional amounts to cover the proportionate share of the cost of operating the property. Fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term and right-of-use assets are periodically evaluated for impairment. Rent expense, including related operating expenses, totaled $700,904 in 2022 and $733,442 in 2021.

(Continued)

NOTE 5 - LEASES (Continued)

At December 31, 2022, future undiscounted minimum payments under the lease are as follows:

2023	$	316,444
2024		356,184
2025		364,279
2026		372,374
2027		380,469
2028 and thereafter		-
Total		1,789,749
Less imputed interest		(82,430)
Right-of-use liability balance	$	1,707,319

Supplemental Lease Information

Operating lease remaining term: 6 years
Discount rate: 1.55%

Cash paid for amounts included in measurement of lease liabilities (operating cash flows):	$	339,994

(Continued)

NOTE 6 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available within one year of the statements of financial position date for general expenditures and grant obligations are as follows:

	2022	2021
Total assets	$ 1,167,846,391	$ 1,408,794,882
Less: leased assets	(1,524,084)	-
Less: fixed assets	(1,005,682)	(965,739)
Total financial assets available to management	1,165,316,625	1,407,829,143
Within One Year		
Less:		
Amounts unavailable for general expenditures and grant obligations within one year, due to:		
Redemption restrictions:		
US equity	-	(19,914,278)
Alternative investments:		
Hedged equity funds	(16,538,873)	(49,176,744)
Private investments	(280,427,314)	(310,029,700)
Real assets	(46,853,417)	(43,782,513)
Total amounts unavailable for general expenditures and grant obligations within one year	(343,819,604)	(422,903,235)
Total financial assets available to management for general expenditures and grant obligations within one year	$ 821,497,021	$ 984,925,908

The Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Foundation maintains a line of credit that can be drawn upon as needed during the year to manage cash flows.

NOTE 7 - LINE OF CREDIT

The Foundation holds an uncommitted revolving line of credit. Borrowings on the revolver are subject to an interest rate at either the prime rate, daily simple SOFR-based rate, or term SOFR-based rate. There was no outstanding balance on the line of credit at December 31, 2022 and 2021, and the agreement matures on August 14, 2023.