PHILADELPHIA HEALTH PARTNERSHIP

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Philadelphia Health Partnership
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Philadelphia Health Partnership, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philadelphia Health Partnership as of December 31, 2022 and 2021, and the change 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Philadelphia Health Partnership 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, management adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842).* Our opinion is not modified with respect to this matter.

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 Philadelphia Health Partnership's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Philadelphia Health Partnership'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 Philadelphia Health Partnership'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
June 1, 2023

PHILADELPHIA HEALTH PARTNERSHIP
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and Cash Equivalents	$ 198,825	$ 52,182
Prepaid Federal Tax	44,000	10,000
Prepaid Expenses	9,852	12,715
Investments	44,647,856	56,673,929
Deposits	20,000	20,000
Operating Right of Use Asset	116,606	-
Total Assets	$ 45,037,139	$ 56,768,826
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 108,298	$ 82,060
Grants Payable	308,176	258,307
Rent Payable	-	20,868
Deferred Federal Excise Tax Liability	-	112,000
Operating Lease Liability	131,545	-
Total Liabilities	548,019	473,235
NET ASSETS		
Without Donor Restrictions	44,489,120	56,295,591
Total Liabilities and Net Assets	$ 45,037,139	$ 56,768,826

See accompanying Notes to Financial Statements.

PHILADELPHIA HEALTH PARTNERSHIP
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
REVENUE		
Interest, Dividends, and Capital Gains Distributions	$ 466,488	$ 1,122,563
Net Realized Gain on Investments	1,105,779	6,989,152
Net Earnings from Investments in Partnerships	201,828	1,459,118
Subtotal	1,774,095	9,570,833
Less: Investment Advisory Fees	92,158	91,973
Total Revenue	1,681,937	9,478,860
EXPENSES		
Program Grants	1,628,263	1,136,828
Other Program Activities	659,706	555,506
Total Program Expenses	2,287,969	1,692,334
Operations and Governance	243,728	186,808
Federal Excise Tax Expense	10,837	77,264
Total Expenses	2,542,534	1,956,406
CHANGE IN NET ASSETS BEFORE UNREALIZED GAIN (LOSS) ON INVESTMENTS	(860,597)	7,522,454
Unrealized (Loss) on Investments, Net of Deferred Federal Excise Tax (Expense) of $112,000 in 2022 and ($29,000) in 2021	(10,945,874)	(3,793,684)
CHANGE IN NET ASSETS	(11,806,471)	3,728,770
Net Assets Without Donor Restrictions - Beginning of Year	56,295,591	52,566,821
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	$ 44,489,120	$ 56,295,591

See accompanying Notes to Financial Statements.

PHILADELPHIA HEALTH PARTNERSHIP
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (11,806,471)	$ 3,728,770
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Net Realized Gain on Investments	(1,105,779)	(6,989,152)
Net Unrealized Loss on Investments	11,057,874	3,822,684
Net Earnings from Investments in Partnerships	(201,828)	(1,459,118)
Amortization of Operating Right of Use Asset	55,303	-
Impact of ASC 842 on Operating Lease Liability	(54,712)	-
(Increase) Decrease in Assets:		
Prepaid Federal Tax	(34,000)	1,000
Prepaid Expenses	2,864	(4,194)
Operating Right of Use Asset	(171,909)	-
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	26,238	(6,802)
Rent Payable	(20,868)	(1,691)
Deferred Federal Excise Tax	(112,000)	(29,000)
Operating Lease Liability	186,257	-
Grants Payable	49,869	(201,993)
Net Cash Used by Operating Activities	(2,129,162)	(1,139,496)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(3,684,311)	(25,271,989)
Proceeds from Sale of Investments	4,475,018	17,144,179
Proceeds from Distribution of Investments	1,485,098	9,296,316
Net Cash Provided by Investing Activities	2,275,805	1,168,506
INCREASE IN CASH AND CASH EQUIVALENTS	146,643	29,010
Cash and Cash Equivalents - Beginning of Year	52,182	23,172
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 198,825	$ 52,182
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for Federal Excise Tax on Investment Income	$ 58,000	$ 118,100

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Philadelphia Health Partnership (the Foundation) is a Pennsylvania nonprofit, nonstock corporation that was incorporated on May 9, 1997. The Foundation is governed by a self-perpetuating board of directors composed of citizens of the greater Philadelphia region. The Foundation's mission is to advocate for and resource equitable, quality care and services that improve the health and well-being of people in Philadelphia.

Basis of Presentation

The accompanying financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amounts of 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.

Net assets and support, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the board of directors (the board) and/or management for general operating purposes. The board may designate a portion of these net assets for a specific purpose which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions, or which may be perpetual.

At December 31, 2022 and 2021, there were no net assets with donor restrictions or board designations.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term investments with initial maturities of three months or less at the time of purchase, except for those short-term investments managed in accordance with the Foundation's long-term investment strategy.

Investments

Investments are carried at fair value. Investments in equities and bonds are valued using dealer or exchange-quoted market prices. Shares of mutual funds are valued at the net asset value of the shares held by the Foundation at year-end. Investments in money market funds are valued at cost which approximates fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

The fair value of alternative investments has been estimated using the net asset value (NAV) as reported by the management of the respective alternative investment fund. Financial Accounting Standards Board (FASB) guidance provides for the use of NAV as a Practical Expedient for estimating fair value of alternative investments.

In accordance with Internal Revenue Service regulations, the Foundation is generally required to distribute an amount no less than 5% of its investable assets each year. After considering the long-term expected return on its investment assets and the possible effect of inflation, the Foundation's board of directors has established stable long-term policies that increase the likelihood of achieving its investment objectives to maintain purchasing power of the investment assets as well as to provide additional real growth through investment return. The Foundation expects that spending policy to allow its investments to grow at least equivalent to the rate of inflation plus the spending rate.

In 2021, the Foundation hired a third-party to serve as its Outsourced Chief Investment Officer (OCIO). Exclusive of investments in Private Assets, the OCIO has discretionary authority to make investment decisions in accordance with the Foundation's investment guidelines. With respect to investments in Private Assets, the Foundation retains discretionary authority with the OCIO acting as an advisor.

The Foundation's investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Funds are invested in a well-diversified asset mix, which includes primarily equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Foundation expects its investment assets, over time, to produce an average rate of return of the consumer price index plus 5% over a period of 7 to 10 years. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total investment portfolio; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Investment Risks and Uncertainties

Alternative investments consist of nontraditional, not readily marketable investments, some of which may be structured as limited partnerships, venture capital funds, hedge funds, private equity funds, and real estate 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Risks and Uncertainties (Continued)

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 investment liquidated, and those differences could be material.

Grants

Grant expense is recorded when approved by the board of directors, provided the grant is not subject to future conditions. Conditional grants are recognized when the conditions on which they depend are substantially met. Grants that are payable over future periods are recorded in the period the grant is first awarded when the recipient is subject only to routine performance requirements.

Grants awarded are evaluated using the decision tree in Accounting Standards Codification (ASC) 958-605-55-1A to determine the applicable accounting model. A decision tree is also used to determine whether grants are conditional or unconditional. Both barriers and rights of return/release, need to exist in order to designate a grant as conditional. Conditional grants are recognized when the conditions on which they depend are substantially met. There were no conditional grants as of December 31, 2022 and 2021.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial recognition. The Foundation recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for the years ended December 31, 2022 and 2021.

Adoption of New Accounting Standard

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842).* This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard (Continued)

The Foundation adopted the requirements of this guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. The Foundation has also elected to adopt the package of practical expedients available in the year adoption.

Subsequent Events

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 1, 2023, the date the financial statements were available to be issued.

NOTE 2 FAIR VALUE MEASUREMENTS

FASB standards provide the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants.

In determining fair value, the Foundation uses various valuation approaches, including market, income, and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities. The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices for identical assets or liabilities in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable. There were no Level 2 investments as of December 31, 2022 and 2021.

Level 3 – Significant inputs to the valuation model are unobservable. There were no Level 3 investments as of December 31, 2022 and 2021.

Following is a description of the Foundation's valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2022 and 2021.

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Quoted market prices, when available, are used by the Foundation to determine the fair value of investment securities. Such investments are included in Level 1.

The Foundation holds alternative investments which have no active markets for these funds and the Foundation is unable to obtain independent valuations from market sources. Therefore, the alternative investments are primarily valued at management's estimated fair value based on amounts provided by the management of the investment entities. Since the fair value for these investments is measured using the NAV per share practical expedient, they are not categorized within the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Foundation's investments measured at fair value on a recurring basis as of December 31:

	2022	2021
Level 1 Investments:		
Fixed Income Funds:		
Bonds	$ 3,629,453	$ 4,390,033
Equity Funds:		
U.S. Small Cap Equity	1,744,302	2,498,723
U.S. Large Cap Equity	5,689,098	6,210,925
International Equity	2,186,972	4,464,849
Total Level 1 Investments	13,249,825	17,564,530
Investments Measured at Fair Value using Net Asset Value per Share	30,651,607	37,212,017
Cash Equivalents	746,424	1,897,382
Total Investments	$ 44,647,856	$ 56,673,929

Information regarding the nature and risk for each major category of Investments Measured at Fair Value using Net Asset Value per Share as a practical expedient as of December 31, 2022 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Funds (a)	$ 1,611,025	$ -	Bi-monthly	5 days
Equity Funds (a)	6,317,689	-	Monthly to Quarterly	10-90 days
Hedge Funds (b)	17,196,648	-	Quarterly to Semiannually	45 days-6 mos
Private Equities (c)	4,964,841	2,442,732	*	*
Real Estate Funds (d)	561,404	302,393	*	*
Total	$ 30,651,607	$ 2,745,125		

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

*The private equity and real estate funds are illiquid assets.

a) This category includes hedge funds investments in securities, commodity interest, other financial assets, and small and mid-cap materials. Investments occur either directly or indirectly through investment in other pooled investment vehicles, including common stock and derivative stock index instruments such as options on stock indexes, stock index futures and option thereon, and stock index swap agreements. Investments in this category provide liquidity on a monthly basis.

b) This category includes hedge fund investments with an objective of investing to provide investors with maximum appreciation of capital while incurring reasonable risk by investing primarily in a diversified group of investment funds. The investments in this category can be redeemed on an annual basis and are subject to acquisition lock-ups from two to three years.

c) This category includes private equity investments in domestic and international partnerships. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated in approximately 10 years.

d) This category includes real estate funds that invest indirectly in partnerships that primarily invest in real estate investments acquired in secondary market transactions. The partnerships may also originate investments by contributing capital into existing ownership entities holding real property or engaging in privately negotiated transactions or other means of pursuing an investment, and may engage in investments directly or indirectly, through subsidiaries, partnership interest, joint ventures or otherwise. These are long-term investments that cannot be redeemed at the discretion of the Foundation. Instead, distributions are received through the liquidation of the underlying assets of the funds. Management has estimated that the underlying assets of the funds will be liquidated in approximately seven years.

Investment advisory fees amounted to $92,158 and $91,973 for the years ended December 31, 2022 and 2021, respectively, and are not included with professional fees in the statements of activities and changes in net assets.

Net realized gain on investments, net earnings from investments in partnerships, and unrealized gain on investments are reduced by the management and performance fee charged by the respective individual funds.

NOTE 3 FEDERAL EXCISE TAXES

The Foundation is a nonoperating private foundation as defined under Section 509(a) of the Internal Revenue Code (IRC). The Foundation is exempt from federal income taxes under Section 501(c)(3) of the IRC, and is subject to a federal excise tax of 1.39% on its net investment income.

NOTE 3 FEDERAL EXCISE TAXES (CONTINUED)

Deferred excise taxes principally arise from difference between the cost and fair value of investments at year-end.

NOTE 4 UNRELATED BUSINESS INCOME TAX

The Foundation may be subject to tax on unrelated business income generated from the business activities of alternative investments.

NOTE 5 GRANTS PAYABLE

The following summarizes changes in grants payable as of December 31:

	2022	2021
Balance at Beginning of Year	$ 258,307	$ 460,300
Grants Authorized	1,628,263	1,136,828
Grants Paid	(1,578,394)	(1,338,821)
Balance at End of Year	$ 308,176	$ 258,307

NOTE 6 FUNCTIONAL CLASSIFICATION OF EXPENSES

The tables below present expenses by both their nature and their function for the years ended December 31.

	2022		
	Program Activities	Supporting Activities	Total
Grants	$ 1,628,263	$ -	$ 1,628,263
Outsourced Employment Services	516,870	43,690	560,560
Insurance	-	9,741	9,741
Professional Services:			
Accounting	17,322	51,967	69,289
Auditing	7,990	23,968	31,958
Consulting	3,800	21,207	25,007
Custodian Fees	-	10,000	10,000
Information Technology	9,742	5,681	15,423
Legal	7,720	7,720	15,440
Office Rent	45,278	15,092	60,370
Dues and Subscriptions	7,514	-	7,514
Online Grants Management Database	4,250	-	4,250
Office Expenses	29,796	3,911	33,707
Miscellaneous Expense	9,424	1,580	11,004
Foreign Tax Expense	-	49,171	49,171
Federal Excise Tax Expense	-	10,837	10,837
Total Expenses	$ 2,287,969	$ 254,565	$ 2,542,534

NOTE 6 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)

	2021		
	Program Activities	Supporting Activities	Total
Grants	$ 1,136,828	$ -	$ 1,136,828
Outsourced Employment Services	440,152	53,717	493,869
Insurance	-	8,756	8,756
Professional Services:			
Accounting	13,437	40,309	53,746
Auditing	8,126	24,379	32,505
Consulting	2,135	-	2,135
Custodian Fees	-	5,000	5,000
Information Technology	11,147	2,850	13,997
Legal	8,643	8,642	17,285
Office Rent	45,580	15,193	60,773
Dues and Subscriptions	5,728	-	5,728
Online Grants Management Database	4,229	-	4,229
Office Expenses	10,261	2,426	12,687
Miscellaneous Expense	6,068	554	6,622
Foreign Tax Expense	-	24,982	24,982
Federal Excise Tax Expense	-	77,264	77,264
Total Expenses	$ 1,692,334	$ 264,072	$ 1,956,406

The financial statements report certain categories of expenses that are attributable to both program and support functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and office rent which are allocated on a square-footage basis, as well as outsourced employment services and professional fees, which are allocated on the basis of time and effort.

NOTE 7 OUTSOURCED EMPLOYMENT SERVICES

The Foundation outsources their employment services to another nonprofit organization. Under the terms of the agreement of services, the Foundation provided a security deposit in the amount of $15,000, which is retained by the organization without the payment of interest. The security deposit is refundable to the Foundation upon the termination of the agreement. Outsourced employment services amounted to $560,560 and $493,869 for the years ended December 31, 2022 and 2021, respectively.

NOTE 8 CONCENTRATION OF CREDIT RISK

The Foundation's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, and investments. The Foundation places its cash and cash equivalents with what it believes to be quality financial institutions. The Foundation invests in equity, fixed income, and alternative investments. The Foundation routinely assesses the diversification and financial strength of its cash and investment portfolio. As a consequence, concentrations of credit risk are limited.

NOTE 9 OPERATING LEASE

As of January 1, 2022, the Foundation adopted ASC 842. The Foundation has an operating lease for office space through January 31, 2025. There is one renewal option to extend the lease for an additional three years. Rent expense is recognized on a straight-line basis and for the years ended December 31, 2022 and 2021 was $60,370 and $60,773, respectively.

The following table provides quantitative information concerning the Foundation's lease:

	2022
Lease Cost:	
Total Operating Lease Cost	$ 58,026
Other Information:	
Operating Cash Flows from Operating Leases	$ 62,339
Noncash Lease Liabilities Arising from Obtaining Right-of-Use Assets	$ 186,257
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 171,909
Weighted-Average Remaining Lease Term - Operating Leases	2.1 Years
Weighted-Average Discount Rate - Operating Leases	1.66%

A maturity analysis of annual undiscounted cash flows for the lease liability as of December 31, 2022 is as follows:

Year Ending December 31,	Amount
2023	$ 67,809
2024	68,748
2025	5,815
Total	142,372
Present Value Discount	(10,827)
Total Operating Lease Liability	$ 131,545

NOTE 10 LIQUIDITY

The Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Foundation invests cash in excess of its monthly requirements in short-term investments.

NOTE 10 LIQUIDITY (CONTINUED)

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

Financial Assets at December 31:	2022	2021
Cash and Cash Equivalents	$ 198,825	$ 52,182
Investments	44,647,856	56,673,929
Total Financial Assets	44,846,681	56,726,111
Less Amounts Not Available to be Used within One Year:		
Investments with Redemption Restrictions:		
Private Equities - Funds of Funds (Note 2)	4,987,398	6,093,121
Real Estate Funds (Note 2)	561,404	1,052,004
Hedge Funds - Fund of Funds	6,691,575	8,487,306
Subtotal	12,240,377	15,632,431
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 32,606,304	$ 41,093,680