

The Century Foundation, Inc.

Financial Statements

June 30, 2020 and 2019

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Independent Auditors' Report

Board of Trustees The Century Foundation, Inc.

We have audited the accompanying financial statements of The Century Foundation, Inc., which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Century Foundation, Inc. as of June 30, 2020 and 2019, 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.

Date xx, 2020

The Century Foundation, Inc.

Statements of Financial Position

	June 30	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 732,488	\$ 43,453
Restricted cash	390,146	389,878
Prepaid expenses	6,676	69,946
Investment income and other receivable	820,630	1,602,146
Contributions and grants receivable	627,023	387,400
Investments	52,994,091	53,961,432
Property, equipment and leasehold improvements, net	264,914	278,762
Total Assets	\$ 55,835,968	\$ 56,733,017
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 126,797	\$ 277,737
Deferred revenue	-	30,000
Deferred rent	317,064	346,169
Total Liabilities	443,861	653,906
Net Assets		
Without Donor Restrictions		
Net investment in property and equipment	264,914	278,762
Available for investment and future projects	52,202,162	54,219,376
Total Net Assets Without Donor Restrictions	52,467,076	54,498,138
With donor restrictions	2,925,031	1,580,973
Total Net Assets	55,392,107	56,079,111
Total Liabilities and Net Assets	\$ 55,835,968	\$ 56,733,017

See notes to financial statements

The Century Foundation, Inc.

Statements of Activities

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants, contributions and other	\$ 76,961	\$ 4,524,636	\$ 4,601,597	\$ 54,211	\$ 2,757,191	\$ 2,811,402
Special events revenue	<u>251,017</u>	<u>-</u>	<u>251,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment Return						
Interest, dividends and partnership revenue	1,029,041	-	1,029,041	1,772,514	-	1,772,514
Net realized (loss) gain on sale of investments	(444,541)	-	(444,541)	535,346	-	535,346
Unrealized appreciation (depreciation) on investments	2,423,251	-	2,423,251	(50,980)	-	(50,980)
Investment expense	<u>(244,200)</u>	<u>-</u>	<u>(244,200)</u>	<u>(302,596)</u>	<u>-</u>	<u>(302,596)</u>
Investment Return	<u>2,763,551</u>	<u>-</u>	<u>2,763,551</u>	<u>1,954,284</u>	<u>-</u>	<u>1,954,284</u>
Royalties and publication sales	<u>7,231</u>	<u>-</u>	<u>7,231</u>	<u>9,427</u>	<u>-</u>	<u>9,427</u>
Net assets released from restrictions	<u>3,180,578</u>	<u>(3,180,578)</u>	<u>-</u>	<u>2,847,114</u>	<u>(2,847,114)</u>	<u>-</u>
Total Support and Revenue	<u>6,279,338</u>	<u>1,344,058</u>	<u>7,623,396</u>	<u>4,865,036</u>	<u>(89,923)</u>	<u>4,775,113</u>
EXPENSES						
Program						
Education policy	3,819,543	-	3,819,543	3,108,202	-	3,108,202
Economy and jobs policy	724,996	-	724,996	886,368	-	886,368
Healthcare policy	395,646	-	395,646	422,056	-	422,056
Rights and justice policy	100,000	-	100,000	248,687	-	248,687
World policy	711,326	-	711,326	737,715	-	737,715
Next 100	973,877	-	973,877	-	-	-
Communication and editorial	274,246	-	274,246	577,942	-	577,942
Support	<u>135,300</u>	<u>-</u>	<u>135,300</u>	<u>153,911</u>	<u>-</u>	<u>153,911</u>
Total Program	<u>7,134,934</u>	<u>-</u>	<u>7,134,934</u>	<u>6,134,881</u>	<u>-</u>	<u>6,134,881</u>
Fundraising	417,351	-	417,351	281,396	-	281,396
Administration	<u>758,115</u>	<u>-</u>	<u>758,115</u>	<u>756,568</u>	<u>-</u>	<u>756,568</u>
Total Expenses	<u>8,310,400</u>	<u>-</u>	<u>8,310,400</u>	<u>7,172,845</u>	<u>-</u>	<u>7,172,845</u>
Change in Net Assets	(2,031,062)	1,344,058	(687,004)	(2,307,809)	(89,923)	(2,397,732)
NET ASSETS						
Beginning of year	<u>54,498,138</u>	<u>1,580,973</u>	<u>56,079,111</u>	<u>56,805,947</u>	<u>1,670,896</u>	<u>58,476,843</u>
End of year	<u>\$ 52,467,076</u>	<u>\$ 2,925,031</u>	<u>\$ 55,392,107</u>	<u>\$ 54,498,138</u>	<u>\$ 1,580,973</u>	<u>\$ 56,079,111</u>

See notes to financial statements

The Century Foundation, Inc.

Statements of Cash Flows

	Year Ended	
	June 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (687,004)	\$ (2,397,732)
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized loss (gain) on sale of investments	444,541	(535,346)
Change in unrealized (appreciation) depreciation	(2,423,251)	50,980
Depreciation and amortization	46,063	38,549
Deferred rent	(29,105)	(23,351)
Net change in operating assets and liabilities		
Prepaid expenses	63,270	(2,222)
Investment income and other receivable	781,516	(1,550,457)
Contributions and grants receivable	(239,623)	547,254
Accounts payable	(150,940)	219,313
Deferred revenue	(30,000)	30,000
Net Cash from Operating Activities	(2,224,533)	(3,623,012)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(32,215)	(37,457)
Proceeds from sale of investments	27,982,234	16,458,781
Purchase of investments	(21,361,664)	(11,140,420)
Net change in investment cash and cash equivalents	(3,674,519)	(1,667,544)
Net Cash from Investing Activities	2,913,836	3,613,360
 Net Change in Cash and Cash Equivalents	689,303	(9,652)
CASH AND CASH EQUIVALENTS (INCLUDES RESTRICTED CASH)		
Beginning of year	433,331	442,983
End of year	\$ 1,122,634	\$ 433,331

See notes to financial statements

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

1. Organization and Tax Status

The Century Foundation, Inc. (the "Foundation") is a non-partisan progressive think tank, founded in 1919 and initially funded by Edward Filene, a man best known for his store's Basement which was established as a way to make goods affordable to working people. At the time of Mr. Filene's death in 1937, he was a close associate of President Franklin Roosevelt, one of the leading liberal businessmen in the country. Along the way, he was a champion of fair workplace and employee ownership strategies, all with an eye to ensuring that economic opportunity is available to all.

Until the end of the last century, the Foundation was known as the Twentieth Century Fund. Trustees over the years have included Theodore Sorensen, Arthur Schlesinger, Jr., John Kenneth Galbraith, Justice Robert Jackson and J. Robert Oppenheimer.

The Foundation has been determined by the Internal Revenue Service (the "IRS") to be a charitable and educational organization as defined in the Internal Revenue Code (the "Code") Sections 501(c)3. During fiscal year ended June 30, 2018, the Foundation notified the IRS of its intent to terminate its private foundation status under Section 507(b)(1)(B) of the Code effective July 1, 2017. The IRS has held that the Foundation will be treated as a public charity under Section 501(a) and 170(b)(1)(A)(vi) of the Code. Grantors and donors may rely on the public charity status during the ruling period and are entitled to the maximum charitable contribution deduction under the Code. Additionally, under Code Section 4940(d)(2), the Foundation is exempt from paying excise tax.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

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

Adoption of New Accounting Principle

Effective July 1, 2019, the Foundation adopted ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made ("ASU 2018-08"). This guidance provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes contributions.

Additionally, Effective July 1, 2019, the Foundation adopted accounting standard update ASU 2016-18 "Statement of Cash Flows (Topic 230): Restricted Cash" for all periods presented. ASU 2016-18 requires inclusion of restricted cash with cash when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows to the statement of financial position. Previously, changes in restricted cash were reported on the statement of cash flows as operating, investing or financing activities based on the nature of the underlying activity.

Presentation of Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are not externally restricted for identified purposes. Net assets with donor restrictions represent amounts that are restricted by donors that are to be held until the donor or time restriction has been satisfied.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with maturities of three months or less at time of purchase, except for those short-term investments managed by the Foundation's investment managers as part of their long-term investment strategies.

Restricted Cash

In connection with the Foundation's lease agreement, the Foundation maintains a letter of credit as collateral in a separate bank account. The following is a reconciliation of cash, cash equivalents and restricted cash reported on the statement of cash flows at June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 732,488	\$ 43,453
Restricted cash	390,146	389,878
	<u>\$ 1,122,634</u>	<u>\$ 433,331</u>

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

The Foundation follows US 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.

The Foundation follows US GAAP guidance which removed the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

Investments Valuation

Investments are carried at fair value.

Allowances for Accounts Doubtful for Collection

The Foundation determines whether an allowance for uncollectible balances should be provided for receivables. Such estimates are based on management's assessment of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents, investments, grants and other receivables. The Foundation invests its cash and cash equivalents with a quality financial institution. Throughout the year, balances in this account exceeded the Federal insured limits. The Foundation has a diversified portfolio of investments across multiple asset classes, and routinely assesses the diversification and financial strength of its cash and investment portfolio to limit concentration of credit risk. The Foundation believes no significant concentration of credit risk exist with respect to its grants and other receivables due to the historical collection rate.

Property, Equipment and Leasehold Improvements

Property and equipment are recorded at cost and depreciated using the straight-line method over periods ranging from three to seven years. Leasehold improvements are recorded at cost and amortized over the term of the lease.

Deferred Revenue

Deferred revenue represents amounts received but not yet earned.

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Deferred Rent

Rent expense is being recognized on a straight-line basis over the life of the lease. The difference between rent expense recognized and rental payments, as stipulated in the lease, is included in deferred rent on the statements of financial position. In addition, deferred rent also includes a period of free rent provided by the lease and is being amortized over the life of the lease.

Contributions and Grants

Contributions and grants are recorded as with donor restrictions if they are received with donor stipulations that limit the use of the contribution or that have time restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Management expects contributions receivable at June 30, to be collected in the following periods:

	<u>2020</u>	<u>2019</u>
Due within one year	\$ 539,523	\$ 387,400
Due within two to five years	<u>87,500</u>	<u>-</u>
Total	<u>\$ 627,023</u>	<u>\$ 387,400</u>

In-Kind Contributions

The Foundation recognizes the fair value of donated services which create or enhance nonfinancial assets, or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation.

The Foundation received pro-bono legal services valued at \$17,710 and \$4,959 in 2020 and 2019. Such services have been reflected as both in-kind contribution support and as an expense within program expenses.

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

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

Investment Income Recognition and Investment Expenses

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 and unrealized gains and losses are included in the determination of the change in net assets.

Investment expenses included in the statements of activities consist of fees paid directly to the Foundation's investment advisors and managers, partnership expenses and foreign taxes withheld.

Functional Allocation of Expenses

The costs of providing various programs and related supporting services have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the appropriate programs and supporting services benefited. Refer to Note 8 for the classification of expenses by their functional allocation and policy for allocating such expenses.

Research Projects

The cost of research projects is recognized as incurred. Funds received on behalf of specific projects or programs are classified as net assets with donor restrictions.

Significant Concentrations

For the years ended June 30, 2020 and 2019, approximately 21% and 29% of the Foundation's workforce was covered by a collective bargaining agreement which expires on June 30, 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 statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2017.

Reclassifications

Certain 2019 amounts have been reclassified to conform to the current year presentation.

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is , 2020.

3. Investments

The following are major categories of investments measured at fair value on a recurring basis at June 30, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2020		
	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Mutual Funds			
Fixed income	\$ 3,195,320	\$ -	\$ 3,195,320
Equities	27,074,742	-	27,074,742
Hedge funds	-	10,493,617	10,493,617
Private equity	-	4,590,479	4,590,479
Limited partnerships	-	2,159,046	2,159,046
Total at Fair Value	<u>\$ 30,270,062</u>	<u>\$ 17,243,142</u>	47,513,204
Invested cash and cash equivalents, at cost			5,480,887
Total Investments			<u>\$ 52,994,091</u>
	2019		
	Level 1	Other Investments Measured at Net Asset Value (*)	Total
Mutual Funds			
Fixed income	\$ 11,233,314	\$ -	\$ 11,233,314
Equities	26,982,442	-	26,982,442
Hedge funds	-	8,239,331	8,239,331
Private equity	-	2,866,653	2,866,653
Limited partnerships	-	2,833,324	2,833,324
Total at Fair Value	<u>\$ 38,215,756</u>	<u>\$ 13,939,308</u>	52,155,064
Invested cash and cash equivalents, at cost			1,806,368
Total Investments			<u>\$ 53,961,432</u>

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

The Century Foundation, Inc.

Notes to Financial Statements June 30, 2020 and 2019

3. Investments (continued)

Information regarding alternative investments valued at NAV using the practical expedient at June 30, 2020 is as follows:

Type/fund	Strategy	Fair Value	Commitments	Terms	Restrictions
Hedge funds	Investment in distressed securities- Independent return long/short equities	\$ 1,365,736	\$ -	Annual redemption after the fourth full fiscal quarter following the purchase of the shares	Annually, or quarterly redemptions may be made on the anniversary of the Lock-Up Period. (March of each year), subject to a redemption charge equal to 5% on the NAV of the shares redeemed
Hedge funds	Seeks capital appreciation and current income by investing in a diversified portfolio of structured credit products in the United States and European credit markets	2,559,920	-	Quarterly with 60 days notice	Subject to a 1 year lock-up period
Hedge funds	Investment strategy focuses on identifying and investing behind disruptive technology themes	1,670,745	-	Quarterly with 45 days notice	Subject to a 1 year lock-up period
Hedge funds	Invest in quantitative and fundamental equity	2,631,290	-	Quarterly with 50 days notice	Subject to a 1 year lock-up period, all redemptions are subject to a 10% holdback
Hedge funds	Invests in public and private healthcare and life science companies	2,265,926	-	Quarterly with 90 days notice	Subject to a 1 year soft lock-up period (3% penalty if within 1 year)
Private equity	Acquires interest in U.S. growth capital, small and middle market buyout investments, primarily through secondary market purchases in established funds that are less than 50% invested	460,277	1,688,224	Illiquid	Illiquid
Private equity	Invest in hard asset lending strategy	2,175,000	-	Illiquid	Illiquid
Private equity	Large-scale investments in the technology, technology enabled and related growth industries	1,266,926	546,867	Illiquid	Illiquid
Private equity	Large-cap, mature private equity strategies	233,755	2,332,952	Illiquid	Illiquid
Private equity	Invests in public and private healthcare and life science companies	6,890	319,468	Illiquid	Illiquid
Private equity	Middle market lending	447,631	550,000	Illiquid	Illiquid
Limited partnership	Concentrated portfolio of listed equity securities of European companies	2,159,046	-	Members may redeem all or a portion of their interests on any day in which the New York Stock Exchange is open for business	A member may not make a partial redemption when that redemption would leave the member's capital with account less than \$100,000. The request would be treated as redemption of the entire capital account
		<u>\$ 17,243,142</u>	<u>\$ 5,437,511</u>		

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

4. Property, Equipment and Leasehold Improvements

As of June 30, property, equipment and leasehold improvements at the Foundation consisted of the following:

	<u>2020</u>	<u>2019</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	\$ 417,495	\$ 417,495	15 years
Equipment	<u>380,794</u>	<u>357,906</u>	3 to 7 years
	798,289	775,401	
Less accumulated depreciation and amortization	<u>(533,375)</u>	<u>(496,639)</u>	
	<u>\$ 264,914</u>	<u>\$ 278,762</u>	

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 were \$46,063 and \$38,549. During fiscal year 2020, the Foundation disposed of fully depreciated assets with a cost basis of \$9,327.

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The Century Foundation, Inc.

Notes to Financial Statements June 30, 2020 and 2019

5. Net Assets With Donor Restrictions

The following is a summary of the activity of the net assets with time or purpose restrictions for the years ended June 30, 2020 and 2019:

Program/Purpose	Balance June 30, 2019	Contributions and Grants	Net Assets Released from Restrictions	Balance June 30, 2020
Kresge Foundation - National Student Defense Network	\$ 135,300	\$ -	\$ 135,300	\$ -
Bernard L. Schwartz - Conferences - Pittsburgh, Cleveland and Chicago	50,000	250,000	217,372	82,628
Anonymous - Supporting Secrecy	-	50,000	50,000	-
William & Lydia Addy - Supporting Secrecy	-	50,000	50,000	-
Silicon Valley Community Foundation - NEXT 100	-	100,000	-	100,000
R.W. Johnson Foundation - Making UI Technology System Work for People	22,882	-	22,882	-
Action Now Initiative (ANI) - Curbing Predatory Student Lending Practices	365,688	881,233	874,770	372,151
National Domestic Workers Alliance - Women's Economic Agenda	8,581	-	8,581	-
R.S. Clark Foundation - Next 100 - Training	55,000	-	-	55,000
Lumina Foundation - State Financial Aid Policy	597,058	-	420,248	176,810
Lumina Foundation - Connecting Diverse Communities to Opportunities in Manufacturing	-	400,000	144,277	255,723
The Carnegie Corporation of NY - Consequence of Conflict in the Arab Region	246,559	-	226,196	20,363
The Walton Family Foundation - Creating Thriving Diverse Schools	-	1,072,880	559,319	513,561
The Walton Family Foundation - NEXT 100	-	100,000	-	100,000
The Walton Family Foundation - English Learners and School Choice	-	237,500	152,317	85,183
Henry Luce Foundation - Initiative on Religion in International Affairs	55,476	-	55,476	-
Henry Luce Foundation - Foreign Affairs	-	350,000	-	350,000
The Rockefeller Brothers Fund - Nature and National Security in the U.S. Middle East Policy	-	75,000	-	75,000
The City Fund - Educational Equity in American Cities	-	150,970	21,101	129,869
The Guggenheim Foundation - Insurgent Fragmentation & State Attachment in Syrian Civil War	44,429	-	44,429	-
The Joyce Foundation - College Affordability in Michigan and the Great Lakes Region	-	45,000	45,000	-
The Joyce Foundation - Education	-	200,000	-	200,000
The Bill & Melinda Gates Foundation - Expand and Disseminate Research on Charter Schools	-	407,053	129,910	277,143
New American Foundation - Unemployment Insurance Data Tracking	-	75,000	-	75,000
The Commonwealth Fund - Promoting Better Maternal Health Outcomes	-	80,000	23,400	56,600
Total	<u>\$ 1,580,973</u>	<u>\$ 4,524,636</u>	<u>\$ 3,180,578</u>	<u>\$ 2,925,031</u>

The Century Foundation, Inc.

Notes to Financial Statements June 30, 2020 and 2019

5. Net Assets With Donor Restrictions *(continued)*

Program/Purpose	Balance June 30, 2018	Contributions and Grants	Net Assets Released from Restrictions	Balance June 30, 2019
R. White Foundation - Research for the "Invisible Americans" book	\$ -	\$ 10,000	\$ 10,000	\$ -
Kresge Foundation - National Student Defense Network	135,000	130,000	129,700	135,300
Bernard L. Schwartz - Conferences - Pittsburgh, Cleveland and Chicago	39,195	98,000	87,195	50,000
Bernard L. Schwartz -Revitalizing Government Initiative	25,875	250,000	275,875	-
Anonymous - Supporting Secrecy	-	50,000	50,000	-
The Walton Family Foundation - Supporting English Learners and School Choice	-	125,000	125,000	-
R.W. Johnson Foundation - Making UI Technology System Work for People	-	70,000	47,118	22,882
Action Now Initiative (ANI) - Curbing Predatory Student Lending Practices	-	606,840	241,152	365,688
William T. Grant Foundation - Community College Engines for Social Mobility	157,652	-	157,652	-
National Domestic Workers Alliance - Women's Economic Agenda	-	51,335	42,754	8,581
R.S. Clark Foundation - Next 100 - Training	-	55,000	-	55,000
Lumina Foundation - State Financial Aid Policy	-	841,400	244,342	597,058
The Carnegie Corporation of NY - Consequence of Conflict in the Arab Region	365,262	-	118,703	246,559
The Walton Family Foundation - Supporting Growth of Charter Schools	248,305	-	248,305	-
Henry Luce Foundation - Initiative on Religion in International Affairs	195,712	-	140,236	55,476
Laura and John Arnold Foundation - Curbing Predatory Student Lending Practices	352,545	424,616	777,161	-
The Guggenheim Foundation - Insurgent Fragmentation & State Attachment in Syrian Civil War	27,375	45,000	27,946	44,429
The Commonwealth Fund - Getting Ready for Health Reform 2020	123,975	-	123,975	-
Total	<u>\$ 1,670,896</u>	<u>\$ 2,757,191</u>	<u>\$ 2,847,114</u>	<u>\$ 1,580,973</u>

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

6. Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets and resources without donor restrictions available as of June 30, 2020 and 2019, to meet cash needs for general expenditures within one year of the date of the statement of financial position:

	2020	2019
Financial assets:		
Cash and cash equivalents and restricted cash	\$ 1,122,634	\$ 433,331
Investment income receivable and other receivable	820,630	1,602,146
Contributions and grants receivable	627,023	387,400
Investments	<u>52,994,091</u>	<u>53,961,432</u>
Total Financial Assets	<u>55,564,378</u>	<u>56,384,309</u>
Less contractual or donor imposed restricted amount:		
Restricted cash	(390,146)	(389,878)
Illiquid investments	(4,590,479)	(2,866,653)
Donor-imposed restrictions	<u>(2,925,031)</u>	<u>(1,580,973)</u>
	<u>(7,905,656)</u>	<u>(4,837,504)</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 47,658,722</u>	<u>\$ 51,546,805</u>

7. Retirement Plans

Retirement benefits for substantially all employees are provided through defined contributions by the Foundation and employees to individual annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. The Foundation matches employee contributions up to 5%. Employees are eligible for participation in the plan upon the completion of six months of service. The cost of the plan for the years ended June 30, 2020 and 2019 was \$160,561 and \$113,608. Additionally, employees have the option to contribute before-tax amounts to a separate annuity plan subject to limits determined by IRC guidelines. The Foundation does not contribute to this separate annuity plan.

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

8. Functional Expenses

Expenses are presented by functional classification in alignment with the overall mission of the Foundation. The allocation percentages are determined based upon a time analysis for all employees and functional classification of program (grant) expenses. The following tables present expenses by both their natural and functional classification for the years ended June 30, 2020 and 2019.

	2020			
	Program	Administration	Fundraising	Total
Payroll and related	\$ 4,713,225	\$ 562,625	\$ 273,666	\$ 5,549,516
Professional fees	285,993	15,052	-	301,045
Depreciation and amortization	-	46,063	-	46,063
Occupancy	335,383	76,659	-	412,042
Travel	9,976	39,910	-	49,886
Direct project expenses	1,481,754	-	-	1,481,754
Printing and publications	13,856	17,807	-	31,663
Special events expenses	-	-	143,685	143,685
Other	294,746	-	-	294,746
Total Expenses	\$ 7,134,933	\$ 758,116	\$ 417,351	\$ 8,310,400

	2019			
	Program	Administration	Fundraising	Total
Payroll and related	\$ 3,598,211	\$ 517,544	\$ 246,889	\$ 4,362,644
Professional fees	285,527	15,358	-	300,885
Depreciation and amortization	-	38,549	-	38,549
Occupancy	329,677	93,500	-	423,177
Travel	5,673	69,577	-	75,250
Direct project expenses	1,430,311	-	-	1,430,311
Printing and publications	11,887	22,040	-	33,927
Other	473,595	-	34,507	508,102
Total Expenses	\$ 6,134,881	\$ 756,568	\$ 281,396	\$ 7,172,845

9. Commitments

During 2012, the Foundation entered into a lease for office space in New York City expiring July 2028. The lease contains a ten month rent concession, which is being amortized using the straight-line method over the term of the lease. The lease contains a provision for security whereby the Foundation executed an irrevocable standby letter of credit ("LOC") for \$386,460. The LOC is collateralized by a separate bank account.

The Century Foundation, Inc.

Notes to Financial Statements
June 30, 2020 and 2019

9. Commitments (*continued*)

During fiscal year 2017, the Foundation entered into a lease agreement to rent office space in Washington, DC, which expires April 2022. The lease calls for an \$8,239 security deposit and contains a three month rent concession, which is being amortized using the straight-line method over the term of the lease.

During fiscal year 2018, the Foundation entered into an agreement to rent office space in Berkeley, California. The lease was terminated in July 2020.

In fiscal year 2019, the Foundation entered into an agreement to rent additional office space in New York City. The agreement expires in November 2020.

Minimum lease payments by fiscal year are as follows:

	New York City	Washington, DC	Total
2021	\$ 386,460	\$ 108,569	\$ 495,029
2022	386,460	92,725	479,185
2023	386,460	-	386,460
2024	406,141	-	406,141
2025	407,930	-	407,930
Thereafter	1,257,784	-	1,257,784
	<u>\$ 3,231,235</u>	<u>\$ 201,294</u>	<u>\$ 3,432,529</u>

Rent expense for the years ended June 30, 2020 and 2019 amounted to \$369,632 and \$374,825.

10. COVID-19

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. Because the value of the Foundation's individual investments has and will fluctuate in response to changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods cannot be determined.

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