

**The Wenner-Gren Foundation for
Anthropological Research, Inc.**

Financial Statements

December 31, 2019 and 2018



Independent Auditors' Report

Board of Trustees The Wenner-Gren Foundation for Anthropological Research, Inc.

We have audited the accompanying financial statements of The Wenner-Gren Foundation for Anthropological Research, Inc. which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wenner-Gren Foundation for Anthropological Research, Inc. as of December 31, 2019 and 2018, 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.

PKF O'Connor Davies, LLP

November 5, 2020

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statements of Financial Position

	December 31	
	2019	2018
ASSETS		
Cash and cash equivalents	\$ 433,517	\$ 437,521
Accrued investment income receivable	9,484	9,298
Due from broker and other receivables	3,071,950	1,093,989
Prepaid expense and deposits	235,890	500,682
Investments	180,508,109	166,805,046
Furniture, equipment and leasehold improvements, net	399,453	9,707
	\$ 184,658,403	\$ 168,856,243
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	\$ 1,660,539	\$ 1,656,579
Accounts payable and accrued expenses	245,994	209,473
Post-retirement medical benefits obligation	874,764	652,626
Total Liabilities	2,781,297	2,518,678
Net assets without donor restrictions	181,877,106	166,337,565
	\$ 184,658,403	\$ 168,856,243

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statements of Activities

	Year Ended	
	December 31	
	2019	2018
INVESTMENT RETURN AND OTHER INCOME		
Interest and dividends	\$ 719,568	\$ 2,221,101
Realized and unrealized gain (loss) on investments	23,863,570	(6,776,298)
	24,583,138	(4,555,197)
Investment expenses	423,125	656,703
Investment Return	24,160,013	(5,211,900)
Other	23,037	28,120
Reversal of retirement benefit	-	253,673
Total Investment Return and Other Income	24,183,050	(4,930,107)
 EXPENSES		
Program Expenses		
Individual research grants	2,828,700	2,861,834
Capacity building and outreach	2,253,708	2,126,836
Program support, planning and development	2,386,890	2,394,578
Total Program Expenses	7,469,298	7,383,248
Operations and governance	1,174,211	1,157,010
Total Expenses	8,643,509	8,540,258
Change in Net Assets	15,539,541	(13,470,365)
 NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	166,337,565	179,807,930
End of year	\$ 181,877,106	\$ 166,337,565

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statement of Functional Expenses
Year Ended December 31, 2019

	Program Expenses			Total Program Expenses	Operations and Governance	Total
	Individual Research Grants	Capacity Building and Outreach	Program Support, Planning and Development			
Research						
Dissertation fieldwork and PPhD research grants	\$ 2,750,687	\$ -	\$ -	\$ 2,750,687	\$ -	\$ 2,750,687
Engaged anthropology grant	78,013	-	-	78,013	-	78,013
Fellowships						
Hunt postdoctoral fellowships	-	342,772	-	342,772	-	342,772
Fejos postdoctoral fellowships in ethnographic film	-	156,667	-	156,667	-	156,667
Wadsworth fellowships	-	304,782	-	304,782	-	304,782
Conferences						
Symposia	-	228,210	-	228,210	-	228,210
Conference and workshop grants	-	556,564	-	556,564	-	556,564
Publications						
SAPIENS	-	503,435	-	503,435	-	503,435
Current anthropolgy/WG symposia supplements	-	45,206	-	45,206	-	45,206
Other programs	-	116,072	-	116,072	-	116,072
Salaries	-	-	1,117,726	1,117,726	540,621	1,658,347
Payroll taxes	-	-	71,708	71,708	34,683	106,391
Employee benefits	-	-	501,230	501,230	242,434	743,664
General office	-	-	214,228	214,228	138,315	352,543
Board of trustees and advisory council	-	-	39,394	39,394	13,892	53,286
Program consultants	-	-	156,550	156,550	-	156,550
Travel and meetings	-	-	29,980	29,980	14,501	44,481
Rent and occupancy	-	-	174,950	174,950	84,620	259,570
Depreciation and amortization	-	-	59,917	59,917	28,980	88,897
Insurance	-	-	21,207	21,207	10,257	31,464
Legal and accounting	-	-	-	-	65,908	65,908
Total	<u>\$ 2,828,700</u>	<u>\$ 2,253,708</u>	<u>\$ 2,386,890</u>	<u>\$ 7,469,298</u>	<u>\$ 1,174,211</u>	<u>\$ 8,643,509</u>

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statement of Functional Expenses
Year Ended December 31, 2018

	Program Expenses			Total Program Expenses	Operations and Governance	Total
	Individual Research Grants	Capacity Building and Outreach	Program Support, Planning and Development			
Research						
Dissertation fieldwork and PPhD research grants	\$ 2,798,217	\$ -	\$ -	\$ 2,798,217	\$ -	\$ 2,798,217
Engaged anthropology grant	63,617	-	-	63,617	-	63,617
Fellowships						
Hunt postdoctoral fellowships	-	319,933	-	319,933	-	319,933
Fejos postdoctoral fellowships in ethnographic film	-	176,666	-	176,666	-	176,666
Wadsworth fellowships	-	381,704	-	381,704	-	381,704
Conferences						
Symposia	-	222,550	-	222,550	-	222,550
Conference and workshop grants	-	491,163	-	491,163	-	491,163
Publications						
SAPIENS	-	487,032	-	487,032	-	487,032
Current anthropolgy/WG symposia supplements	-	20,385	-	20,385	-	20,385
Other programs	-	27,403	-	27,403	-	27,403
Salaries	-	-	1,064,593	1,064,593	546,184	1,610,777
Payroll taxes	-	-	77,346	77,346	36,733	114,079
Employee benefits	-	-	362,186	362,186	172,011	534,197
General office	-	-	162,176	162,176	77,021	239,197
Board of trustees and advisory council	-	-	75,289	75,289	35,757	111,046
Program consultants	-	-	189,817	189,817	-	189,817
Travel and meetings	-	-	21,499	21,499	10,210	31,709
Rent and occupancy	-	-	364,175	364,175	172,957	537,132
Depreciation and amortization	-	-	54,359	54,359	25,816	80,175
Insurance	-	-	23,138	23,138	10,989	34,127
Legal and accounting	-	-	-	-	69,332	69,332
Total	<u>\$ 2,861,834</u>	<u>\$ 2,126,836</u>	<u>\$ 2,394,578</u>	<u>\$ 7,383,248</u>	<u>\$ 1,157,010</u>	<u>\$ 8,540,258</u>

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Statements of Cash Flows

	Year Ended	
	December 31	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 15,539,541	\$ (13,470,365)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	88,897	80,175
Realized and unrealized (gain) loss on investments	(23,863,570)	6,776,298
Post-retirement medical benefits obligation	222,138	(253,673)
Changes in operating assets and liabilities		
Accrued investment income receivable	(186)	(1,574)
Other receivables	(1,977,961)	(738,782)
Prepaid expenses and deposits	264,792	(215,815)
Grants payable	3,960	(33,989)
Accounts payable and accrued expenses	36,521	(90,059)
Net Cash from Operating Activities	(9,685,868)	(7,947,784)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture, equipment and leasehold improvements	(483,824)	-
Loss on disposal of furniture, equipment and leasehold improvements	5,181	-
Purchase of investments	(10,932,962)	(32,488,147)
Proceeds from sales of investments and return of capital distributions	18,210,166	26,402,335
Cash pending investment	-	12,175,000
Change in short term investments	2,883,303	1,763,499
Net Cash from Investing Activities	9,681,864	7,852,687
Net Change in Cash and Cash Equivalents	(4,004)	(95,097)
CASH AND CASH EQUIVALENTS		
Beginning of year	437,521	532,618
End of year	\$ 433,517	\$ 437,521
SUPPLEMENTAL CASH FLOW INFORMATION		
Unrelated business income taxes paid	\$ 34,981	\$ 570

See notes to financial statements

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

1. Organization

The Wenner-Gren Foundation for Anthropological Research, Inc. (the "Foundation") supports research in all branches of anthropology throughout the world.

The Foundation has qualified as a charitable organization which is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 as amended; however, it pays unrelated business income tax on the income from certain limited partnerships. It is an exempt operating foundation as defined in Sections 509(a) and 4940(d)(2) of the Code. Its primary source of revenue is income from its investments.

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 ("US GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities 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.

Change in Accounting Principle

Effective January 1, 2019, the Foundation adopted new US GAAP revenue recognition guidance which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition guidance does not apply to how contributions and pledges are recognized, as they are specifically scoped out of the new guidance. Adoption of the ASU had no impact on the Foundation's financial statements.

Cash and Cash Equivalents

Cash and cash equivalents includes cash balances held in bank accounts and short-term investments with maturities of three months or less at the time of purchase, except for the short-term investments held by the Foundation as part of its long-term investment strategy.

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.

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

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

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

Investments Valuation

Investments are carried at fair value. The fair value of alternative investments has been estimated using NAV as reported by the management of the respective alternative investment. US GAAP provides for the use of NAV as a “Practical Expedient” for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation’s interest therein.

Investment Income Recognition

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

Investment Expenses

Investment expenses on the statements of activities include those fees paid directly to the Foundation’s investment managers and custodians as well as partnership interest expenses, consulting fees, taxes and legal fees associated with investments.

Investment Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees’ financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Investment Risks and Uncertainties

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

Furniture, Equipment, and Leasehold Improvements

The Foundation follows the practice of capitalizing all expenditures for furniture, equipment, and leasehold improvements with a cost in excess of \$5,000. Furniture, equipment, and leasehold improvements are stated at cost. Furniture, equipment and website development costs are depreciated on the straight-line method over their estimated useful lives of 3 to 10 years and leasehold improvements are amortized over the life of the lease or asset, whichever is shorter.

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

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

Grants

Grants are recorded as an expense when approved by the President of the Foundation and the recipient is notified.

Net Asset Presentation

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use is limited by donors to a specific time period or purpose or are limited by donors for investments perpetual in nature. As of December 31, 2019 and 2018 all net assets were without donor restrictions.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one programmatic activity or operations and governance of the Foundation. These expenses include depreciation, occupancy, communications, information technology and other miscellaneous expenses and are allocated based on the assessment of where a Foundation's employee's time and effort are spent.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2016.

Subsequent Events

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 date is November 5, 2020

3. Pension Plan

The Foundation has a defined contribution 401(k) retirement plan covering all full-time employees. Contributions are 10% of each participant's salary within the social security earnings base and 15.7% for salaries above the base subject to ceilings. Pension expense was \$172,879 in 2019 and \$189,035 in 2018.

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

4. Fair Value Measurements

The following are the classes and major categories of investments grouped by the fair value hierarchy for those investments measured at fair value on a recurring basis at December 31:

	2019		
	Level 1	Investments Values Using NAV (*)	Total
Marketable Equities			
Consumer	\$ 1,868,846	\$ -	\$ 1,868,846
Healthcare	2,175,985	-	2,175,985
Information technology	5,556,477	-	5,556,477
Communication	1,990,133	-	1,990,133
International	1,676,195	-	1,676,195
Mutual Funds			
Emerging markets	13,340,358	-	13,340,358
Hedge funds	-	75,990,894	75,990,894
Commingled funds	-	18,408,620	18,408,620
Venture capital/fund of funds	-	21,232,647	21,232,647
Private equities	-	11,810,741	11,810,741
Distressed securities funds	-	2,380,459	2,380,459
Natural resources funds	-	9,920,980	9,920,980
Real estate funds	-	1,933,444	1,933,444
Total Investments at Fair Value	\$ 26,607,994	\$ 141,677,785	168,285,779
Short-term cash investments			12,222,330
Total Investments			\$ 180,508,109

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

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

4. Fair Value Measurements (continued)

	2018		
	Level 1	Investments Values Using NAV (*)	Total
Marketable Equities			
Industrials	\$ 1,338,298	\$ -	\$ 1,338,298
Consumer	1,744,818	-	1,744,818
Healthcare	3,191,770	-	3,191,770
Information technology	553,851	-	553,851
Financials	1,210,926	-	1,210,926
International	1,596,461	-	1,596,461
Mutual Funds			
Emerging markets	11,557,123	-	11,557,123
Hedge funds	-	73,514,038	73,514,038
Commingled funds	-	14,419,102	14,419,102
Venture capital/fund of funds	-	19,079,123	19,079,123
Private equities	-	8,328,639	8,328,639
Distressed securities funds	-	2,516,663	2,516,663
Natural resources funds	-	10,304,871	10,304,871
Real estate funds	-	2,343,730	2,343,730
Total Investments at Fair Value	<u>\$ 21,193,247</u>	<u>\$ 130,506,166</u>	151,699,413
Short-term cash investments			15,105,633
Total Investments			<u>\$ 166,805,046</u>

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

Information regarding investments valued at NAV using the practical expedient at December 31, 2019 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds see "a" below	\$ 75,990,894	\$ -	Quarterly - Annually	20 - 90 days
Commingled funds see "b" below	18,408,620	-	Weekly - Monthly	3-30 days
Venture capital/fund of funds see "c" below	21,232,647	15,063,128	N/A *	N/A *
Private equities see "d" below	11,810,741	8,712,816	N/A *	N/A *
Distressed securities funds see "e" below	2,380,459	63,107	N/A *	N/A *
Natural resources funds see "f" below	9,920,980	530,914	N/A *	N/A *
Real estate funds see "g" below	1,933,444	3,128,273	N/A *	N/A *
Total	<u>\$ 141,677,785</u>	<u>\$ 27,498,238</u>		

* These investments are illiquid investments.

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

4. Fair Value Measurements *(continued)*

- a. This category includes hedge fund investments in long/short strategies in a variety of areas such as US and global equities, event-driven situations and distressed securities. Most investments in this category can be redeemed on a quarterly basis. Investments representing approximately 30% of this category provide liquidity on an annual basis or are subject to acquisition lock-ups in excess of 12-months.
- b. This category includes long-only investments in commingled funds with an investment strategy in global equity funds. Investments in this category can be redeemed on a weekly to monthly basis.
- c. This category includes venture capital/fund of funds investments primarily in early stage growth startup companies. 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 over 5 to 10 years.
- d. This category includes private equity investments in domestic and international equity securities, leveraged buy-outs and growth capital situations. 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 over 5 to 10 years.
- e. This category includes private investments in credit and distressed securities and other special situations. 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 over 5 to 10 years.
- f. This category includes private investments in the energy and natural resources sector. 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 over 5 to 10 years.
- g. This category includes private real estate investments in land and commercial real estate properties throughout the United States. 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 over 5 to 15 years.

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

5. Liquidity and Availability of Financial Assets

The following reflect the Foundation's financial assets and resources available as of December 31, 2019 and 2018, to meet cash needs for expenditures within one year of the date of the Statement of Financial Position:

	<u>2019</u>	<u>2018</u>
Financial Assets:		
Cash and cash equivalents	\$ 433,517	\$ 437,521
Accrued investment income receivable	9,484	9,298
Other receivables	3,071,950	1,093,989
Investments	<u>180,508,109</u>	<u>166,805,046</u>
Total financial assets	<u>184,023,060</u>	<u>168,345,854</u>
Less: Contractual restrictions		
Hedge Funds with redemption frequencies greater than one year	-	6,877,218
Illiquid investments	<u>47,278,271</u>	<u>42,573,026</u>
	<u>47,278,271</u>	<u>49,450,244</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 136,744,789</u>	<u>\$ 118,895,610</u>

The Foundation's working capital and cash flow are driven by its investment portfolio and investment return. As part of the Foundation's liquidity management strategy, the Foundation seeks to maintain adequate liquidity to meet its obligations, including its operating budget and capital calls relating to the Foundation's private investment portfolio. The Foundation structures its financial assets to maintain an approximate cash balance equivalent to twelve months operating and investment cash flow needs. The Foundation's Investment and Budget Committee oversees the cash management of the Foundation. Other than the illiquid investments, all of the Foundation's other financial assets are available for general expenditure within one year of the date of the statement of financial position.

6. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements of the Foundation were as follows at December 31:

	<u>2019</u>	<u>2018</u>
Furniture and office equipment	\$ 344,475	\$ 449,224
Leasehold improvements	139,350	318,875
Website development costs	<u>188,595</u>	<u>188,595</u>
	672,420	956,694
Less: accumulated depreciation and amortization	<u>272,967</u>	<u>946,987</u>
	<u>\$ 399,453</u>	<u>\$ 9,707</u>

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

7. Post-Retirement Medical Benefits Obligation

The Foundation provides non-contributory post-retirement medical benefits to senior management and long-serving staff. To qualify for post-retirement medical benefits, employees must be eligible for Medicare and meet years of service requirements. The Foundation will pay an annual maximum of \$1,100 towards either the cost of Medicare B coverage or supplemental Medicare coverage. The annual dollar maximum is waived for persons who served as senior management. The Foundation funds its postretirement benefits costs on a pay as you go basis.

The accumulated post-retirement medical benefit obligation at December 31 is as follows:

	<u>2019</u>	<u>2018</u>
Retirees	\$ 102,877	\$ 125,017
Active employees	<u>771,887</u>	<u>527,609</u>
	<u>\$ 874,764</u>	<u>\$ 652,626</u>

A 3.23% and 4.22% discount rate was used to determine benefit obligations at December 31, 2019 and 2018.

During the 2019 and 2018, the Foundation paid \$9,037 and \$12,657 for post-retirement medical benefits. The expected payments to be made over the next ten years are as follows:

2020	\$ 10,846
2021	10,474
2022	11,035
2023	10,501
2024	9,926
2025 to 2029	<u>236,960</u>
	<u>\$ 289,742</u>

8. Lease Commitment

The Foundation leased office space located at 470 Park Avenue South, New York City. The lease expired on February 28, 2019. The Foundation entered a new 10 year lease located at 655 Third Avenue, New York City on July 19, 2018 with a term of January 23, 2019 through July 23, 2029.

The Wenner-Gren Foundation for Anthropological Research, Inc.

Notes to Financial Statements
December 31, 2019 and 2018

8. Lease Commitment (continued)

Future minimum lease payments are as follows:

2020	\$ 366,016
2021	366,016
2022	366,016
2023	366,016
2024	394,611
2025 and thereafter	<u>1,775,750</u>
	<u>\$ 3,634,425</u>

The Foundation incurred rent expense of \$259,570 in 2019 and \$406,404 in 2018.

The Foundation has an outstanding irrevocable standby letter of credit in the amount of \$91,504. The letter of credit earns a .05% interest rate. The balance as of December 31, 2019 is \$100,074. The letter of credit is used to provide a security deposit for the lease of the Foundation's premises at 655 Third Avenue, New York City. The amount is collateralized by a money market account included in investments.

9. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist principally of cash and cash equivalents and investments. At times cash balances held at financial institutions may be in excess of federally insured limits. The Foundation has not experienced any losses on its cash deposits. Investments are managed by professional investment management firms and are monitored by the Investment and Budget Committee and an investment consultant engaged by the Foundation.

10. Subsequent Event

Subsequent to year end, the coronavirus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. As a result, the Foundation's investments may have incurred a decline in their fair value since December 31, 2019. Because the value of the Foundation's 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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