

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

Financial Statements

December 31, 2020 and 2019



## 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, 2020 and 2019, 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.

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

*PKF O'Connor Davies, LLP*

April 26, 2021

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

Statements of Financial Position

|  | December 31     |                 |
|--|-----------------|-----------------|
|  | 2020            | 2019            |
| <b>ASSETS</b>  |                 |                 |
| Cash and cash equivalents                            | \$ 441,393      | \$ 433,517      |
| Accrued investment income receivable                 | 2,352           | 9,484           |
| Due from broker and other receivables                | 1,226,850       | 3,071,950       |
| Prepaid expense and deposits                         | 188,850         | 235,890         |
| Investments  | 199,824,851     | 180,508,109     |
| Furniture, equipment and leasehold improvements, net | 315,080         | 399,453         |
|  | \$ 201,999,376  | \$ 184,658,403  |
| <br><b>LIABILITIES AND NET ASSETS</b>                |                 |                 |
| Liabilities  |                 |                 |
| Grants payable                                       | \$ 1,665,458    | \$ 1,660,539    |
| Accounts payable and accrued expenses                | 332,550         | 245,994         |
| Post-retirement medical benefits obligation          | 1,158,305       | 874,764         |
| Total Liabilities                                    | 3,156,313       | 2,781,297       |
| <br>Net assets without donor restrictions            | <br>198,843,063 | <br>181,877,106 |
|  | \$ 201,999,376  | \$ 184,658,403  |

See notes to financial statements

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

Statements of Activities

|  | Year Ended     |                |
|--|----------------|----------------|
|  | December 31    |                |
|  | 2020           | 2019           |
| <b>INVESTMENT RETURN AND OTHER INCOME</b>    |                |                |
| Interest and dividends                       | \$ 401,493     | \$ 719,568     |
| Realized and unrealized gain on investments  | 24,503,816     | 23,863,570     |
|  | 24,905,309     | 24,583,138     |
| Investment expenses                          | 393,703        | 423,125        |
| Investment Return                            | 24,511,606     | 24,160,013     |
| Other  | 33,562         | 23,037         |
| Total Investment Return and Other Income     | 24,545,168     | 24,183,050     |
| <b>EXPENSES</b>                              |                |                |
| Program Expenses                             |                |                |
| Individual research grants                   | 1,381,093      | 2,828,700      |
| Capacity building and outreach               | 2,329,440      | 2,253,708      |
| Program support, planning and development    | 2,655,643      | 2,386,890      |
| Total Program Expenses                       | 6,366,176      | 7,469,298      |
| Operations and governance                    | 1,213,035      | 1,174,211      |
| Total Expenses                               | 7,579,211      | 8,643,509      |
| Change in Net Assets                         | 16,965,957     | 15,539,541     |
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b> |                |                |
| Beginning of year                            | 181,877,106    | 166,337,565    |
| End of year                                  | \$ 198,843,063 | \$ 181,877,106 |

See notes to financial statements

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

Statement of Functional Expenses  
Year Ended December 31, 2020

|   | Program Expenses                 |                                      |  |                              | Operations<br>and<br>Governance | Total        |
|---|----------------------------------|--------------------------------------|--|------------------------------|---------------------------------|--------------|
|   | Individual<br>Research<br>Grants | Capacity<br>Building<br>and Outreach | Program<br>Support,<br>Planning and<br>Development | Total<br>Program<br>Expenses |                                 |              |
| Research  |                                  |                                      |  |                              |                                 |              |
| Dissertation fieldwork and PhD research grants      | \$ 1,367,394                     | \$ -                                 | \$ -   | \$ 1,367,394                 | \$ -                            | \$ 1,367,394 |
| Engaged anthropology grant                          | 13,699                           | -                                    | -  | 13,699                       | -                               | 13,699       |
| Fellowships   |                                  |                                      |  |                              |                                 |              |
| Hunt postdoctoral fellowships                       | -                                | 850,000                              | -  | 850,000                      | -                               | 850,000      |
| Fejos postdoctoral fellowships in ethnographic film | -                                | 120,000                              | -  | 120,000                      | -                               | 120,000      |
| Wadsworth fellowships                               | -                                | 422,769                              | -  | 422,769                      | -                               | 422,769      |
| SAPIENS public fellowships                          | -                                | 58,167                               | -  | 58,167                       | -                               | 58,167       |
| Conferences   |                                  |                                      |  |                              |                                 |              |
| Symposia  | -                                | 2,623                                | -  | 2,623                        | -                               | 2,623        |
| Conference and workshop grants                      | -                                | 285,953                              | -  | 285,953                      | -                               | 285,953      |
| Publications  |                                  |                                      |  |                              |                                 |              |
| SAPIENS   | -                                | 375,883                              | -  | 375,883                      | -                               | 375,883      |
| Current Anthropology/WG symposia supplements        | -                                | 46,716                               | -  | 46,716                       | -                               | 46,716       |
| Other programs                                      | -                                | 167,329                              | -  | 167,329                      | -                               | 167,329      |
| Salaries  | -                                | -                                    | 1,287,102  | 1,287,102                    | 578,264                         | 1,865,366    |
| Payroll taxes                                       | -                                | -                                    | 83,503   | 83,503                       | 37,516                          | 121,019      |
| Employee benefits                                   | -                                | -                                    | 631,972  | 631,972                      | 283,930                         | 915,902      |
| General office                                      | -                                | -                                    | 186,749  | 186,749                      | 83,902                          | 270,651      |
| Board of trustees and advisory council              | -                                | -                                    | 371  | 371                          | 98                              | 469          |
| Program consultants                                 | -                                | -                                    | 119,495  | 119,495                      | -                               | 119,495      |
| Travel and meetings                                 | -                                | -                                    | 5,851  | 5,851                        | 2,628                           | 8,479        |
| Rent and occupancy                                  | -                                | -                                    | 262,855  | 262,855                      | 118,095                         | 380,950      |
| Depreciation and amortization                       | -                                | -                                    | 58,217   | 58,217                       | 26,156                          | 84,373       |
| Insurance   | -                                | -                                    | 19,528   | 19,528                       | 8,774                           | 28,302       |
| Legal and accounting                                | -                                | -                                    | -  | -                            | 73,672                          | 73,672       |
| Total   | \$ 1,381,093                     | \$ 2,329,440                         | \$ 2,655,643                                       | \$ 6,366,176                 | \$ 1,213,035                    | \$ 7,579,211 |

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<br>Program<br>Expenses | Operations<br>and<br>Governance | Total               |
|---|----------------------------------|--------------------------------------|--|------------------------------|---------------------------------|---------------------|
|   | Individual<br>Research<br>Grants | Capacity<br>Building<br>and Outreach | Program<br>Support,<br>Planning and<br>Development |                              |                                 |                     |
| Research  |                                  |                                      |  |                              |                                 |                     |
| Dissertation fieldwork and PhD 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 Anthropology/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.

### Statements of Cash Flows

|  | Year Ended    |               |
|--|---------------|---------------|
|  | December 31   |               |
|  | 2020          | 2019          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |               |               |
| Change in net assets   | \$ 16,965,957 | \$ 15,539,541 |
| Adjustments to reconcile change in net assets<br>to net cash from operating activities |               |               |
| Depreciation and amortization  | 84,373        | 88,897        |
| Realized and unrealized gain on investments  | (24,503,816)  | (23,863,570)  |
| Loss on disposal of furniture, equipment and leasehold improvements                    | -             | 5,181         |
| Post-retirement medical benefits obligation  | 283,541       | 222,138       |
| Changes in operating assets and liabilities  |               |               |
| Accrued investment income receivable   | 7,132         | (186)         |
| Due from broker and other receivables  | 1,845,100     | (1,977,961)   |
| Prepaid expenses and deposits  | 47,040        | 264,792       |
| Grants payable   | 4,919         | 3,960         |
| Accounts payable and accrued expenses  | 86,556        | 36,521        |
| Net Cash from Operating Activities   | (5,179,198)   | (9,680,687)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |               |               |
| Purchase of furniture, equipment and leasehold improvements                            | -             | (483,824)     |
| Purchase of investments  | (33,311,840)  | (10,932,962)  |
| Proceeds from sales of investments and return of<br>capital distributions              | 43,909,465    | 18,210,166    |
| Change in short term investments   | (5,410,551)   | 2,883,303     |
| Net Cash from Investing Activities   | 5,187,074     | 9,676,683     |
| Net Change in Cash and Cash Equivalents  | 7,876         | (4,004)       |
| <b>CASH AND CASH EQUIVALENTS</b>   |               |               |
| Beginning of year  | 433,517       | 437,521       |
| End of year  | \$ 441,393    | \$ 433,517    |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>  |               |               |
| Unrelated business income taxes paid   | \$ 4,913      | \$ 34,981     |

See notes to financial statements



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

Notes to Financial Statements  
December 31, 2020 and 2019

### 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.

#### ***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.

#### ***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.

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

Notes to Financial Statements  
December 31, 2020 and 2019

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

#### ***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 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.

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.

#### ***Grants***

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

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

Notes to Financial Statements  
December 31, 2020 and 2019

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

#### ***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, 2020 and 2019 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, 2017.

#### ***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 April 26, 2021.

### 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 \$196,709 in 2020 and \$172,879 in 2019.

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

Notes to Financial Statements  
December 31, 2020 and 2019

### 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:

|                                      | 2020          |  |                |
|--------------------------------------|---------------|--|----------------|
|                                      | Level 1       | Investments<br>Values Using<br>NAV (*) | Total          |
| Marketable Equities                  |               |  |                |
| Consumer                             | \$ 1,240,015  | \$ -                                   | \$ 1,240,015   |
| Healthcare                           | 753,538       | -                                      | 753,538        |
| Information technology               | 4,885,783     | -                                      | 4,885,783      |
| Financials                           | 216,552       | -                                      | 216,552        |
| Communication                        | 1,996,206     | -                                      | 1,996,206      |
| International                        | 1,453,267     | -                                      | 1,453,267      |
| Mutual Funds                         |               |  |                |
| Emerging markets                     | 8,979,949     | -                                      | 8,979,949      |
| Hedge funds                          | -             | 78,176,329                             | 78,176,329     |
| Commingled funds                     | -             | 11,323,110                             | 11,323,110     |
| Venture capital/fund of funds        | -             | 30,794,658                             | 30,794,658     |
| Private equities                     | -             | 24,832,066                             | 24,832,066     |
| Distressed securities funds          | -             | 1,858,223                              | 1,858,223      |
| Natural resources funds              | -             | 13,830,853                             | 13,830,853     |
| Real estate funds                    | -             | 1,851,421                              | 1,851,421      |
| Total Investments at Fair Value      | \$ 19,525,310 | \$ 162,666,660                         | 182,191,970    |
| Short-term cash investments, at cost |               |  | 17,632,881     |
| Total Investments                    |               |  | \$ 199,824,851 |

(\*) 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, 2020 and 2019

**4. Fair Value Measurements (continued)**

|                                      | 2019                 |  |                       |
|--------------------------------------|----------------------|--|-----------------------|
|                                      | Level 1              | Investments<br>Values Using<br>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      | <u>\$ 26,607,994</u> | <u>\$ 141,677,785</u>                  | 168,285,779           |
| Short-term cash investments, at cost |                      |  | <u>12,222,330</u>     |
| Total Investments                    |                      |  | <u>\$ 180,508,109</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, 2020 is as follows:

|   | Fair Value            | Unfunded<br>Commitments | Redemption<br>Frequency | Redemption<br>Notice Period |
|---|-----------------------|-------------------------|-------------------------|-----------------------------|
| Hedge funds see "a" below                   | \$ 78,176,329         | \$ -                    | Quarterly - Annually    | 20 - 90 days                |
| Commingled funds see "b" below              | 11,323,110            | -                       | Weekly - Monthly        | 3-30 days                   |
| Venture capital/fund of funds see "c" below | 30,794,658            | 19,431,447              | N/A *                   | N/A *                       |
| Private equities see "d" below              | 24,832,066            | 8,919,020               | N/A *                   | N/A *                       |
| Distressed securities funds see "e" below   | 1,858,223             | 64,936                  | N/A *                   | N/A *                       |
| Natural resources funds see "f" below       | 13,830,853            | 430,676                 | N/A *                   | N/A *                       |
| Real estate funds see "g" below             | 1,851,421             | 3,065,908               | N/A *                   | N/A *                       |
| Total                                       | <u>\$ 162,666,660</u> | <u>\$ 31,911,987</u>    |                         |                             |

\* These investments are illiquid investments.

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

Notes to Financial Statements  
December 31, 2020 and 2019

### 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 15% 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, 2020 and 2019

**5. Liquidity and Availability of Financial Assets**

The following reflect the Foundation's financial assets available as of December 31, 2020 and 2019, to meet cash needs for expenditures within one year of the date of the statements of financial position:

|   | <u>2020</u>           | <u>2019</u>           |
|---|-----------------------|-----------------------|
| Financial Assets:   |                       |                       |
| Cash and cash equivalents   | \$ 441,393            | \$ 433,517            |
| Accrued investment income receivable  | 2,352                 | 9,484                 |
| Other receivables   | 1,226,850             | 3,071,950             |
| Investments   | <u>199,824,851</u>    | <u>180,508,109</u>    |
| Total financial assets  | 201,495,446           | 184,023,060           |
| Less: Contractual restrictions  |                       |                       |
| Letter of credit - money market account   | 100,010               | 100,074               |
| Illiquid investments  | <u>73,167,221</u>     | <u>47,278,271</u>     |
|   | <u>73,267,231</u>     | <u>47,378,345</u>     |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 128,228,215</u> | <u>\$ 136,644,715</u> |

The Foundation's working capital and cash flows are driven by its investment portfolio and investment return. As part of the Foundation's liquidity management strategy, the Foundation seeks to maintain adequate liquidity to meet its obligations, including 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>2020</u>       | <u>2019</u>       |
|---|-------------------|-------------------|
| Furniture and office equipment                  | \$ 344,475        | \$ 344,475        |
| Leasehold improvements                          | 139,350           | 139,350           |
| Website development costs                       | <u>188,595</u>    | <u>188,595</u>    |
|   | 672,420           | 672,420           |
| Less: accumulated depreciation and amortization | <u>357,340</u>    | <u>272,967</u>    |
|   | <u>\$ 315,080</u> | <u>\$ 399,453</u> |

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

Notes to Financial Statements  
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### 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>2020</u>         | <u>2019</u>       |
|------------------|---------------------|-------------------|
| Retirees         | \$ 122,304          | \$ 102,877        |
| Active employees | <u>1,036,001</u>    | <u>771,887</u>    |
|                  | <u>\$ 1,158,305</u> | <u>\$ 874,764</u> |

A 2.41% and 3.23% discount rate was used to determine benefit obligations at December 31, 2020 and 2019.

During 2020 and 2019, the Foundation paid \$8,155 and \$9,037 for post-retirement medical benefits. The expected payments to be made over the next ten years are as follows:

|              |                   |
|--------------|-------------------|
| 2021         | \$ 11,236         |
| 2022         | 11,943            |
| 2023         | 11,500            |
| 2024         | 10,977            |
| 2025         | 33,550            |
| 2026 to 2030 | <u>291,849</u>    |
|              | <u>\$ 371,055</u> |



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

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### 8. Lease Commitment

The Foundation entered into a 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.

Future minimum lease payments are as follows:

|                     |                    |
|---------------------|--------------------|
| 2021                | \$ 366,016         |
| 2022                | 366,016            |
| 2023                | 366,016            |
| 2024                | 394,611            |
| 2025                | 394,611            |
| 2026 and thereafter | <u>1,381,139</u>   |
|                     | <u>\$3,268,409</u> |

The Foundation incurred rent expense of \$366,016 in 2020 and \$259,570 in 2019.

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 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. COVID-19

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. As a result, the Foundation's investments have incurred fluctuation in their value during the year ended December 31, 2020. 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. Therefore, the full extent of any adverse impact on the results of operations, assets and cash flows in 2021 and beyond cannot be reasonably estimated at this time.

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