Consolidated Financial Statements and
Supplementary Information Together with
Report of Independent Certified Public Accountants

ALFRED P. SLOAN FOUNDATION

December 31, 2018 and 2017

ALFRED P. SLOAN FOUNDATION

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Alfred P. Sloan Foundation:

We have audited the accompanying consolidated financial statements of the Alfred P. Sloan Foundation (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the consolidated 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 Foundation'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Alfred P. Sloan Foundation as of December 31, 2018 and 2017, 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.

Other matters

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the 2018 consolidated financial statements as a whole. The schedule of grants and appropriations for the year ended December 31, 2018 on pages 20 through 25 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

New York, New York
July 16, 2019

ALFRED P. SLOAN FOUNDATION
Consolidated Statements of Financial Position
As of December 31, 2018 and 2017

	2018	2017
ASSETS		
Cash	$ 1,554,235	$ 1,563,174
Redemption receivable	24,232,502	46,433,963
Investments (Note 3)		
Direct investments - equities	46,427,936	95,433,925
Direct investments - fixed income	19,706,744	24,080,791
Direct investments - mutual and exchange traded funds	176,840,197	172,086,786
Alternative investments	1,485,523,029	1,569,617,263
Total investments	1,728,497,906	1,861,218,765
Total assets	$ 1,754,284,643	$ 1,909,215,902
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants payable (Note 8)	$ 71,847,209	$ 68,385,938
Federal excise tax payable (Note 5)	13,449,834	11,689,871
Accrued compensation	1,391,126	1,573,500
Accrued postretirement health benefit obligation (Note 7)	4,797,647	8,238,465
Other liabilities	-	245,726
Total liabilities	91,485,816	90,133,500
Commitments (Notes 3, 4, and 9)		
NET ASSETS - without donor restrictions	1,662,798,827	1,819,082,402
Total liabilities and net assets	$ 1,754,284,643	$ 1,909,215,902

The accompanying notes are an integral part of these consolidated financial statements.

ALFRED P. SLOAN FOUNDATION
Consolidated Statements of Activities
For the years ended December 31, 2018 and 2017

	2018	2017
INVESTMENT RETURN		
Interest and dividends	$ 8,704,661	$ 7,230,016
Net realized gain on disposal of investments	125,514,983	94,320,461
Unrealized (loss) gain on investments, net of deferred federal excise tax expense of $7,023,219 in 2018 and $5,391,894 in 2017	(189,659,737)	119,717,482
Investment expenses	(8,816,634)	(7,344,401)
Provision for taxes (Note 5)	-	(1,850,000)
Net investment return	(64,256,727)	212,073,558
Other income	4,010	5,850
Net total income	(64,252,717)	212,079,408
EXPENSES		
Grants and program expenses	90,485,368	103,860,762
Management expenses	5,784,859	5,807,228
Total expenses	96,270,227	109,667,990
(Decrease) increase in net assets before postretirement benefit adjustments	(160,522,944)	102,411,418
Amounts not yet recognized as a component of net periodic benefit cost	4,239,369	1,888,807
(Decrease) increase in net assets	(156,283,575)	104,300,225
Net assets at beginning of year	1,819,082,402	1,714,782,177
Net assets at end of year	$ 1,662,798,827	$ 1,819,082,402

The accompanying notes are an integral part of these consolidated financial statements.

ALFRED P. SLOAN FOUNDATION
Consolidated Statement of Functional Expenses
For the year ended December 31, 2018
(with comparative totals for the year ended December 31, 2017)

	2018			2017
	Grants and Program	Management and General	Total	Total
Salaries	$ 4,306,139	$ 1,654,661	$ 5,960,800	$ 5,170,824
Employee benefits	706,967	2,213,682	2,920,649	2,857,382
	5,013,106	3,868,343	8,881,449	8,028,206
Grants, net of refunds of $435,821 in 2018 and $467,561 in 2017	82,697,469	-	82,697,469	97,077,333
Occupancy	856,794	734,396	1,591,190	1,518,357
Office expenses	576,056	489,521	1,065,577	888,849
Professional fees	657,761	124,784	782,545	860,592
Travel	382,068	117,266	499,334	547,258
Board of Trustees	-	331,883	331,883	360,674
Communications	110,793	118,666	229,459	206,019
Conferences and events	191,321	-	191,321	180,702
Total expenses	$ 90,485,368	$ 5,784,859	$ 96,270,227	$ 109,667,990

The accompanying notes are an integral part of this consolidated financial statement.

ALFRED P. SLOAN FOUNDATION
Consolidated Statements of Cash Flows
For the years ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	$ (156,283,575)	$ 104,300,225
Adjustments to reconcile increase in net assets to net cash used in operating activities		
Net realized gain on disposal of investments	(125,514,983)	(94,320,461)
Unrealized loss (gain) on investments	188,028,412	(116,658,764)
Decrease (increase) in redemption receivable	22,201,461	(46,433,963)
Increase (decrease) in federal excise tax payable	1,759,963	(2,750,532)
Increase in grants payable	3,461,271	13,898,744
Decrease in accrued postretirement health benefit obligation	(3,440,818)	(974,039)
(Decrease) increase in accrued compensation	(182,374)	532,500
(Decrease) increase in other liabilities	(245,726)	151,293
Net cash used in operating activities	(70,216,369)	(142,254,997)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	78,912,607	149,784,663
Purchases of investments	(8,705,177)	(7,230,017)
Net cash provided by investing activities	70,207,430	142,554,646
Net (decrease) increase in cash	(8,939)	299,649
Cash at beginning of year	1,563,174	1,263,525
Cash at end of year	$ 1,554,235	$ 1,563,174

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION

The Alfred P. Sloan Foundation (the "Foundation") is a not-for-profit grantmaking institution that supports high quality, impartial scientific research; fosters a robust, diverse scientific workforce; strengthens public understanding and engagement with science; and promotes the health of the institutions of scientific endeavor. The Foundation funds research and education in science, technology, engineering, mathematics and economics. The Foundation believes that these fields, and the scholars and practitioners who work in them are chief drivers of the nation's health and prosperity. The Foundation also believes that a reasoned, systematic understanding of the forces of nature and society, when applied inventively and wisely, can lead to a better world for all. In selecting projects for funding, the Foundation seeks proposals for original initiatives led by outstanding individuals or teams. The Foundation is interested in projects that have a high expected return to society, exhibit a high degree of methodological rigor, and for which funding from the private sector, the government, or other foundations is not yet widely available. The Foundation's investment portfolio provides the financial resources to support its activities. The investment strategy for the investment portfolio is to invest prudently in a diversified portfolio of assets with the goal of maintaining or growing the real value of the portfolio over long-term periods.

In June 2009, Sloan Projects LLC was established under the Delaware Limited Liability Company Act. The Foundation and Sloan Projects LLC share the common charitable and educational purpose of supporting, among other projects, film, theatrical, and television projects that promote education about science, technology, economics, and the scholars who do research in these areas. Sloan Projects LLC is a single member limited liability company ("LLC") with the sole member being the Foundation. Sloan Projects LLC is consolidated with the Foundation for financial statement and tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and include the assets, liabilities, net assets, and financial activities of Alfred P. Sloan Foundation and Sloan Projects LLC (collectively, the "Foundation"). All significant inter-organization balances and transactions have been eliminated in consolidation.

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring that all not-for-profits present an analysis of expenses by function and nature in a separate statement or in the notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses;
- Requiring the presentation of two net asset classes classified as "net assets without donor restrictions" and "net assets with donor restrictions";

- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise; and
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

As required by the standard, the Foundation adopted ASU No. 2016-14 as of and for the year ended December 31, 2018.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is a private foundation as defined in Section 509(a) of the Code. Sloan Projects LLC is a single member LLC and is a disregarded entity for tax purposes. The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. The Foundation discloses fair value measurements by level within that hierarchy. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Foundation as of the reporting date. Unobservable inputs reflect the Foundation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available. Since valuations are based on quoted prices that are readily available and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation's perceived risk of that instrument. As permitted by ASU 2015-07, the Foundation has excluded investments that are measured at fair value using the net asset value ("NAV") per share practical expedient from the fair value hierarchy.

The Foundation follows the accounting standards of the FASB Accounting Standards Codification ("ASC") Subtopic, 820-10-35-59, *Fair Value Measurement and Disclosures – Fair Value Measurements of Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*. This allows for the estimation of the fair value of investments in investment companies, for which the investment does not have a readily determinable fair value, using net asset value per share or its equivalent, as provided by the investment managers. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the net asset values of these investments as of the measurement date. These estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Investments

Investments in equity securities with readily determinable fair values are reported at fair value based on quoted market prices. Investments in debt securities are measured using quoted market prices where available. If quoted market prices for debt securities are not available, the fair value is determined using an income approach valuation technique that considers, among other things, rates currently observed in publicly traded markets for debt with similar terms to companies with comparable credit risk, the issuer's credit spread, and illiquidity by sector and maturity.

Gains and losses on disposal of investments are determined on the first-in, first-out basis on a trade date basis.

Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents, equity and fixed-income securities and alternative investments. The Foundation maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The Foundation's cash accounts were placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts. The Foundation has a significant investment in equities, fixed income securities, mutual and exchange-traded funds and alternative investments, both marketable and non-marketable, and is therefore subject to concentrations of credit risk.

Grants

Grants are recorded as an expense of the Foundation when authorized by the Board of Trustees and the grantee has been selected and notified. In certain instances (e.g., Sloan research fellowships), grants are recorded as an expense and liability when the Board of Trustees appropriates amounts for selected projects. Refunded grants are recorded as a reduction to grant expense. Conditional grants are not recorded until the conditions are substantially met.

Expenses

Expenses are recognized by the Foundation as incurred. The costs of grant making and management and general activities have been summarized on a functional basis on the statement of activities. The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported within that functional area. Indirect expenses that benefit multiple functional areas have been allocated based upon either time spent on each function or full-time equivalent units within each department.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as reflected in the fiscal 2017 consolidated financial statements.

Subsequent Events

The Foundation evaluated its December 31, 2018 consolidated financial statements for subsequent events through July 16, 2019, the date the consolidated financial statements were available to be issued.

3. INVESTMENTS

The following tables present the fair value hierarchy of investments, the only financial instruments of the Foundation that are measured at fair value on a recurring basis, at December 31, 2018 and 2017:

	Fair Value Measurements at December 31, 2018				
	Total	**Level 1**	**Level 2**	**Level 3**	**NAV***
Direct investments:					
Equities:					
Domestic	$ 46,427,936	$ 46,427,936	$ -	$ -	$ -
Fixed income:					
U.S. government	19,706,744	19,706,744	-	-	-
Mutual and exchange-traded funds:					
Equities	50,541,533	50,541,533	-	-	-
Fixed income	126,298,664	126,298,664	-	-	-
	176,840,197	176,840,197	-	-	-
Alternative investments:					
Equities:					
Domestic	299,064,318	-	-	-	299,064,318
International	423,524,840	-	-	-	423,524,840
Absolute return	358,170,854	20,617,127	-	-	337,553,727
Hybrid	159,642,668	-	-	-	159,642,668
Real estate	22,605,270	-	-	5,180	22,600,090
Private equity	222,515,079	-	-	-	222,515,079
	1,485,523,029	20,617,127	-	5,180	1,464,900,722
	$ 1,728,497,906	$ 263,592,004	$ -	$ 5,180	$ 1,464,900,722

* In accordance with ASC Subtopic 820-10, investments measured at fair valuing using NAV per share as a practical expedient have not been categorized in the fair value hierarchy as permitted by ASU 2015-07.

	Fair Value Measurements at December 31, 2017				
	Total	Level 1	Level 2	Level 3	NAV*
Direct investments:					
Equities:					
Domestic	$ 95,433,925	$ 95,433,925	$ -	$ -	$ -
Fixed income:					
U.S. government	24,080,791	24,080,791	-	-	-
Mutual and exchange-traded funds:					
Equities	23,128,503	23,128,503	-	-	-
Fixed income	148,958,283	148,958,283	-	-	-
	172,086,786	172,086,786	-	-	-
Alternative investments:					
Equities:					
Domestic	335,936,569	-	-	-	335,936,569
International	455,307,684	-	-	-	455,307,684
Absolute return	346,247,209	3,549,627	-	-	342,697,582
Hybrid	211,634,443	-	-	-	211,634,443
Real estate	18,000,369	-	-	1,601,312	16,399,057
Private equity	202,490,989	-	-	-	202,490,989
	1,569,617,263	3,549,627	-	1,601,312	1,564,466,324
	$ 1,861,218,765	$ 295,151,129	$ -	$ 1,601,312	$ 1,564,466,324

* In accordance with ASC Subtopic 820-10, investments measured at fair valuing using NAV per share as a practical expedient have not been categorized in the fair value hierarchy as permitted by ASU 2015-07.

The following table presents a reconciliation for all Level 3 assets measured at fair value at December 31, 2018:

	Beginning Balance	Purchases	Settlements/ Redemptions	Total Net Realized and Unrealized Losses	Transfers In/ (Out)	Ending Balance
Alternative investments:						
Real estate	$ 1,601,312	$ -	$ (950,370)	$ (645,762)	$ -	$ 5,180

The following table presents the reconciliation for all Level 3 assets measured at fair value at December 31, 2017:

	Beginning Balance	Purchases	Settlements/ Redemptions	Total Net Realized and Unrealized Gains	Transfers In/ (Out)	Ending Balance
Alternative investments:						
Real estate	$ 1,774,257	$ -	$ (243,685)	$ 70,740	$ -	$ 1,601,312

The following tables list the redemption terms and unfunded commitments for the alternative investments as of December 31, 2018 and 2017:

	2018					
	# of Funds	Fair Value	Unfunded Commitments ($ in millions)	Redemption Frequency	Redemption Notice Period	Lock-up Period
Alternative investments:						
Equities:						
Domestic	13	$ 299,064,318	$ -	monthly, quarterly, other	30-90 days	None
International	11	423,524,840	-	monthly, quarterly, other	10-60 days	None
Absolute return	15	337,553,727	-	daily, monthly, quarterly, annually, other	30-90 days	rolling 2-year
Hybrid	14	159,642,668	93	monthly, quarterly, other	45-180 days	none, rolling 2-year
Real estate	4	22,600,090	38	None	N/A	N/A
Private equity	25	222,515,079	243	None	N/A	N/A
Total		$ 1,464,900,722	$ 374			

	2017					
	# of Funds	Fair Value	Unfunded Commitments ($ in millions)	Redemption Frequency	Redemption Notice Period	Lock-up Period
Alternative investments:						
Equities:						
Domestic	13	$ 335,936,569	$ -	monthly, quarterly, other	30-60 days	None
International	9	455,307,684	-	monthly, quarterly, other	10-60 days	None
Absolute return	13	342,697,582	-	daily, monthly, quarterly, annually, other	30-60 days	rolling 2-year
Hybrid	15	211,634,443	82	monthly, quarterly, other	45-180 days	none, rolling 2-year
Real estate	5	16,399,057	8	None	N/A	N/A
Private equity	40	202,490,989	151	None	N/A	N/A
Total		$ 1,564,466,324	$ 241			

Equities: Alternative investments in this category invest predominantly in equity securities including U.S., international developed and emerging markets, benchmarked against MSCI All Country World Index. Equity funds range from no lock-up provisions to no more than 3 years.

Fixed Income: Alternative investments in this category invest in domestic and international fixed income securities, benchmarked against Barclays Intermediate US Aggregate.

Absolute Return: Absolute return funds include investments such as low net exposure equity hedge funds, relative value, merger arbitrage, and diversifying funds. Such strategies are expected to generate steady risk-adjusted returns, but with low correlation to the equity markets.

Hybrid: Hybrid investments sits within Global Equities and will provide equity-like returns over a full market cycle. Strategies include public and private debt, direct lending and other opportunistic credit investing. The hybrid portfolio contains 4 and 8 funds in a drawdown structure for 2018 and 2017, respectively.

Real Estate: Includes funds that invest primarily in commercial real estate, all of which are illiquid investments.

Private Equity: Includes buyout, venture capital, real estate and natural resources funds, all of which are illiquid investments.

Private foundations are required by the Internal Revenue Service ("IRS") to distribute 5% of average assets during the year. In order to plan and budget in an orderly manner, the Foundation implements the 5% rule by using a 12-quarter rolling average of the fair value of its investment portfolio to determine the distribution level for the year. The last quarter on the 12-quarter rolling average is September 30th.

4. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET CREDIT OR MARKET RISK

The Foundation's investment strategy has the ability to incorporate certain financial instruments that involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the consolidated financial statements.

During 2018, the Foundation bought S&P 500 Index put options valued at approximately $17 million at December 31, 2018. During 2017, the Foundation sold S&P 500 Index put options valued at approximately $17.2 million at December 31, 2017. The Foundation does not anticipate that losses, if any, resulting from its market or credit risks would materially affect its consolidated financial statements.

5. TAXES

The Foundation is liable for a federal excise tax of 2% of its net investment income, which includes realized capital gains. However, this tax is reduced to 1% if certain conditions are met. The Foundation did not meet the requirements for the 1% tax for the year ended December 31, 2018, therefore, taxes are estimated at 2% of net investment income for 2018. The Foundation did meet the requirements for the 1% tax for the year ended December 31, 2017, therefore, taxes were estimated at 1% of net investment income for 2017. Additionally, certain of the Foundation's investments give rise to unrelated business income tax liabilities. Such tax liabilities for 2018 and 2017 are not material to the accompanying consolidated financial statements; however, the provision for taxes, as of December 31, 2018 and 2017, includes an estimate of tax liabilities for unrelated business income.

Deferred taxes principally arise from differences between the cost value and fair value of investments. Deferred taxes represent 2% and 1% of unrealized gains at December 31, 2018 and 2017, respectively.

As a result of the 2017 Tax Cuts and Jobs Act, the Foundation is subject to a new excise tax under Section 4960 for 2018. The amount is not material to the accompanying consolidated financial statements.

6. RETIREMENT PLAN

The Foundation has a defined contribution retirement plan covering substantially all employees under arrangements with Teachers Insurance and Annuity Association of America and College Retirement Equities Fund and Fidelity Investments. Beginning in July 2018, contributions are made to Fidelity only with, previous legacy funds remaining with TIAA. Retirement plan expense was $906,804 and $879,709 in 2018 and 2017, respectively.

7. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Foundation provides healthcare benefits for qualified retirees. The Foundation records annual amounts relating to the plan based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, turnover rates, and healthcare cost trend rates.

The Foundation reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends as appropriate. The effect of modifications to those assumptions is recorded as a charge to net assets and amortized to net periodic cost over future periods using the corridor method. The net periodic costs are recognized as employees render the services necessary to earn the postretirement benefits.

The following table sets forth the financial information for the plan for 2018 and 2017:

	2018	2017
Change in accrued postretirement benefit obligation:		
Benefit obligation at beginning of year	$ 8,238,465	$ 9,212,504
Service cost	433,307	384,124
Interest cost	287,896	369,941
Actuarial gain	(1,465,314)	(1,412,746)
Benefits paid	(299,078)	(315,358)
Plan amendments	(2,397,629)	-
Benefit obligation at end of year	$ 4,797,647	$ 8,238,465
Fair value of plan assets	$ -	$ -
Funded status of plan	$ (4,797,647)	$ (8,238,465)
Components of net periodic postretirement benefit cost:		
Service cost	$ 433,307	$ 384,124
Interest cost	287,896	369,941
Amortization of transition obligation	476,061	476,061
Amortization of gain	(99,635)	(9,451)
Net periodic postretirement benefit cost	$ 1,097,629	$ 1,220,675
Benefit obligation weighted average assumptions at December 31, 2018 and 2017:		
Discount rate	4.22 %	3.57 %
Periodic benefit cost weighted average assumptions for the years ended December 31, 2018 and 2017:		
Discount rate	4.22 %	3.57 %

In October 2018, the Foundation amended its postretirement benefits plan changing the eligibility requirements and implemented cost sharing. The amendment became effective January 1, 2019, and resulted in a decrease in the benefit obligation totaling $2,397,629.

The medical trend and inflation rate is 7.10% grading down to 4.40% in 2029 pre-65 and 5.50% grading down to 4.10% in 2026 post-65.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the postretirement health benefit plan. The effects of a 1% increase (decrease) in trend rates on total service and interest cost and the postretirement health benefit obligation are as follows:

	2018		2017	
	1% Increase	**1% Decrease**	**1% Increase**	**1% Decrease**
Effect on total service and interest cost	$ 248,062	$ (171,472)	$ 248,062	$ (171,472)
Effect on postretirement benefit obligation	664,356	(532,501)	1,582,952	(1,203,031)

Projected premium payments for each of the next five fiscal years and thereafter are as follows:

Year ending December 31:	
2019	$ 270,108
2020	279,591
2021	266,245
2022	274,308
2023	280,004
Thereafter through 2028	1,328,172
	$ 2,698,428

The accumulated amount not yet recognized as a component of net periodic benefit cost was $(5,683,120) and $(1,443,751) at December 31, 2018 and 2017, respectively. The components are as follows:

	2018	**2017**
Transition obligation	$ 558,979	$ 1,035,040
Prior service credit	(2,397,629)	-
Net actuarial gain	(3,844,470)	(2,478,791)
	$ (5,683,120)	$ (1,443,751)

The transition obligation, actuarial gain and prior service credit that will be amortized into net periodic benefit cost in 2019 will be $476,061, $221,800 and $104,472, respectively.

8. GRANTS PAYABLE

The Foundation estimates that the grants payable balance as of December 31, 2018 will be paid as follows:

Year:	
2019	$ 48,801,955
2020	14,110,581
2021	4,625,673
2022	2,559,000
2023	1,750,000
	$ 71,847,209

The Foundation awards multi-year grants for certain programs with continued annual funding contingent upon the respective grantee satisfying certain performance criteria as outlined in the executed grant agreement; accordingly, the Foundation has not recorded a liability for these conditional awards which are subject to annual review. There were no conditional grant commitments at December 31, 2018 and 2017, respectively.

9. LEASE

Rent expense for 2018 and 2017, including escalations, was $1,877,704 and $1,848,933, respectively. On November 21, 2013, the Foundation modified the original lease. As a result of the lease modification, rent commencement on the substitute premises began on February 27, 2015 for a period of fifteen years ending on February 28, 2030. The fixed rent payable under the lease is an amount equal to (a) $1,740,492 per annum for the period commencing on February 27, 2015 and ending on February 26, 2020, (b) $1,874,376 per annum for the period commencing on February 27, 2020 and ending on February 26, 2025, and (c) $2,008,260 per annum for the period commencing on February 27, 2025 and ending on February 28, 2030.

10. LINE OF CREDIT

The Foundation established a $40,000,000 line of credit with Bank of New York Mellon to provide bridge funding of grants and to finance short-term working capital needs of the Foundation. The Foundation had not yet used the line of credit and closed the line in August of 2018. The interest rate was calculated using the Mellon Monthly LIBOR plus 75 basis points, with a fallback rate of Wall Street Journal Prime minus 125 basis points and floor rate of 2%.

11. LIQUIDITY

The Foundation's investment portfolio provides the financial resources to support its operating needs. Operating needs include management and program expenses and grant commitments expected to be paid in the subsequent year. The Foundation regularly monitors the liquidity required to meet its operating needs as they become due. The portfolio is managed with a prudent level of risk given the Foundation's long-term investment horizon, which is designed to exist in perpetuity. The portfolio can tolerate considerable volatility in short- and intermediate-term performance, provided the long-term performance meets the return objective. The Foundation's return objective and risk tolerance necessitates a meaningful allocation to asset classes with high expected returns and risk across all asset classes. Approximately 82% of the portfolio is held in assets that can be liquidated within one year or less to meet operating needs and a cash position is maintained to support immediate operating needs. In addition, the Foundation must annually pay out a minimum of 5% of the average fair value of its investment assets from the preceding year for charitable and administrative purposes in accordance with IRS requirements imposed on private foundations

The table below presents financial assets available for operating needs within one year at December 31, 2018:

Financial assets at year-end:	
Cash	$ 1,554,235
Redemption receivable	24,232,502
Investments	1,728,497,906
Total	1,754,284,643
Less amounts not available to be used within one year	
Alternative investments	(320,572,367)
Financial assets available to meet operating needs within one year	$ 1,433,712,276

SUPPLEMENTARY INFORMATION

ALFRED P. SLOAN FOUNDATION
Schedule of Grants and Appropriations
For the year ended December 31, 2018

Grantee	Unpaid December 31, 2017	2018 Authorized	2018 Payments	Unpaid December 31, 2018
American Assembly	$ 374,399	$ -	$ 374,399	$ -
American Association for the Advancement of Science	250,251	762,693	145,375	867,569
American Film Institute	-	345,000	115,000	230,000
American Friends of Toulouse School of Economics	-	300,000	100,000	200,000
American Institute of Physics	-	646,697	200,000	446,697
American Museum of the Moving Image	128,484	440,000	128,484	440,000
American Statistical Association	-	898,783	-	898,783
Annual Reviews	250,000	800,000	670,000	380,000
Appalachian State University	63,254	-	63,254	-
Arizona State University	159,615	179,788	302,461	36,942
Arizona, University of	-	435,997	300,205	135,792
Art of Problem Solving Foundation	-	330,000	-	330,000
Aspiration	-	448,800	448,800	-
Association of American Universities	20,000	301,550	170,000	151,550
Association of Research Libraries	164,663	-	164,663	-
Astrophysical Research Consortium	11,681,000	530,000	2,806,000	9,405,000
Aspen Institute	150,000	-	150,000	-
ASU Foundation for a New American University	93,648	-	63,648	30,000
Barnard College	-	315,000	15,000	300,000
Boston College	-	699,674	320,971	378,703
Boston University	149,360	245,000	345,000	49,360
Brandeis University	190,703	-	190,703	-
Brookings Institution	100,000	1,690,856	1,060,606	730,250
Brown University	-	98,500	98,500	-
California Institute of Technology	-	503,614	401,057	102,557
California Polytechnic State University, San Luis Obispo	-	1,684,036	547,947	1,136,089
California, University of, Berkeley	849,908	2,784,060	2,305,252	1,328,716
California, University of, Davis	590,003	851,430	1,341,433	100,000
California, University of, Irvine	493,006	65,000	558,006	-
California, University of, Los Angeles	1,300,199	1,365,188	2,292,445	372,942
California, University of, Regents	370,573	20,000	390,573	-
California, University of, Riverside	333,888	65,000	266,145	132,743
California, University of, San Diego	824,760	286,867	786,867	324,760
California, University of, Santa Cruz	-	65,000	65,000	-
Cambridge, University of	-	364,103	364,103	-
Canberra, The University of	-	135,373	-	135,373
Carnegie Institution of Washington	250,000	2,117,670	1,367,670	1,000,000
Carnegie Mellon University	-	1,111,057	796,557	314,500
Catticus Corporation	-	600,000	600,000	-
Cell Motion Laboratories, Inc.	250,000	-	250,000	-
Center for Economic and Policy Research	-	115,750	115,750	-
Center for Open Science	-	499,431	247,243	252,188
Center for Strategic and International Studies	-	124,475	124,475	-
Chicago Public Media, Inc.	-	80,000	50,000	30,000
Chicago, University of	1,263,597	1,899,216	1,550,845	1,611,968
City College of New York - CUNY	-	250,000	125,000	125,000
Code for Science and Society	-	832,820	832,820	-
Cold Spring Harbor Laboratory	-	134,100	134,100	-

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Grantee	Unpaid December 31, 2017	2018 Authorized	2018 Payments	Unpaid December 31, 2018
Colorado School of Mines	$ 170,000	$ 277,334	$ 286,236	$ 161,098
Colorado State University	-	253,684	253,684	-
Colorado, University of, at Boulder	850,000	125,000	975,000	-
Colorado, University of, at Denver	88,239	-	88,239	-
Columbia University	719,466	1,429,832	1,405,791	743,507
Community Initiatives	237,188	279,650	279,650	237,188
Consumer Reports	-	342,079	171,040	171,039
Coolidge Corner Theatre Foundation	471,000	-	280,000	191,000
Cooper Union for the Advancement of Science and Art	-	400,000	275,000	125,000
Cornell University	22,531	383,902	356,433	50,000
Council for Economic Education	90,000	-	90,000	-
Council on Foreign Relations	-	50,000	50,000	-
Council on Foundations, Inc.	-	25,000	25,000	-
Council on Library and Information Resources	600,000	-	300,000	300,000
CUNY Graduate Center Foundation, Inc.	-	330,750	110,250	220,500
Dartmouth College	-	337,206	293,895	43,311
Decision Science Research Institute, Inc.	-	622,549	309,410	313,139
Denworth, Lydia	-	19,000	19,000	-
Digital Public Library of America, Inc.	847,674	1,510,542	847,674	1,510,542
Duke University	77,000	450,631	320,758	206,873
East Carolina University	-	65,000	65,000	-
Ehrlich, Benjamin	-	50,000	45,000	5,000
Ensemble Studio Theatre, Inc.	600,000	-	600,000	-
Environmental Defense Fund Incorporated	475,000	-	325,000	150,000
Environmental Law Institute	-	550,000	300,000	250,000
Fairfield University	-	50,000	25,000	25,000
Farmer, Jared	25,000	-	25,000	-
Film Independent, Inc.	400,000	-	200,000	200,000
Fletcher, Seth	10,000	-	10,000	-
Flint Cultural Center Corporation	-	500,000	300,000	200,000
Florida, University of	-	124,998	-	124,998
Food & Environment Reporting Network	-	63,587	33,587	30,000
FORCE11	-	20,000	20,000	-
Fordham University	-	7,500	-	7,500
Foundation Center	-	75,000	75,000	-
Fractured Atlas	-	30,000	30,000	-
FPF Education and Innovation Foundation	-	508,343	178,463	329,880
Fund for the City of New York	-	1,335,000	620,000	715,000
Georgia Institute of Technology	-	195,000	195,000	-
Georgia, University of	-	65,000	65,000	-
George Mason University	100,227	-	100,227	-
George Washington University	-	50,000	-	50,000
Georgetown University	149,940	1,691,657	865,670	975,927
Greater Washington Educational Telecommunications Association Inc.	-	2,035,000	1,535,000	500,000
Georgia State University Research Foundation	-	232,931	232,931	-
GuideStar USA, Inc.	-	10,000	10,000	-
HackNY	-	397,900	198,950	198,950
Harvard University	1,280,257	2,818,781	1,987,912	2,111,126

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Grantee	Unpaid December 31, 2017	2018 Authorized	2018 Payments	Unpaid December 31, 2018
Haverford College	$ 202,246	$ -	$ 100,000	$ 102,246
Hawaii, University of	60,000	-	60,000	-
Hecht, Jeff	-	33,000	33,000	-
Hopewell Fund	129,429	20,000	149,429	-
Hunter College, CUNY	-	125,000	125,000	-
Hypothesis Project	-	12,000	12,000	-
Idaho, University of, Foundation	-	20,000	20,000	-
Ideas42	-	189,873	189,873	-
IEEE Foundation, Inc.	-	125,000	125,000	-
Illinois, University of, Urbana-Champaign	-	195,000	195,000	-
Indiana, University of	-	743,509	269,843	473,666
Innovations for Poverty Action	260,365	-	120,000	140,365
Institute of International Education Inc.	500,000	-	250,000	250,000
International Documentary Association	25,000	-	25,000	-
Internet Archive, The	-	20,000	20,000	-
Ithaka Harbors Inc	-	20,000	20,000	-
Jacob Burns Film Center, Inc.	-	74,678	44,678	30,000
Johns Hopkins University	-	1,330,643	1,005,643	325,000
Johnson Jr., John M.	38,517	-	38,517	-
Julia Computing	406,206	-	406,206	-
L.A. Theatre Works	250,000	-	250,000	-
Louisville Research Foundation, University of	-	30,700	15,350	15,350
Lyrasis	-	20,000	20,000	-
Manhattan Theatre Club	-	900,000	216,667	683,333
Manufacturing Institute, The	-	125,000	125,000	-
Marine Biological Laboratory	700,000	-	700,000	-
Maryland, University of, Baltimore County	1,109,244	-	-	1,109,244
Maryland, University of, College Park	23,250	566,612	406,682	183,180
Massachusetts Institute of Technology	2,334,822	2,565,182	3,098,536	1,801,468
Mathematical Sciences Research Institute	298,000	500,000	250,000	548,000
Max Planck Institute for Chemistry	-	409,975	-	409,975
Mayor's Fund to Advance New York City	-	56,384	56,384	-
McGill University	-	130,000	130,000	-
Memorial Sloan-Kettering Cancer Center	-	65,000	65,000	-
Michigan State University	-	65,000	65,000	-
Michigan Technological University	-	49,963	49,963	-
Michigan, University of	463,174	1,855,465	1,419,673	898,966
Middlebury College	-	45,522	22,761	22,761
Miller-McCune Center for Research Media and Public Policy	-	50,000	50,000	-
Minnesota, University of	-	591,438	247,737	343,701
Montana State University, Bozeman	48,417	-	28,417	20,000
Mozilla Foundation	250,000	-	250,000	-
Murdomo Institute, Inc.	-	50,000	50,000	-
National Academy of Sciences	550,000	767,166	674,105	643,061
National Action Council for Minorities in Engineering, Inc.	4,884,328	2,870,643	2,850,000	4,904,971
National Bureau of Economic Research, Inc.	2,291,801	2,799,562	2,694,841	2,396,522
National Information Standards Organization	-	197,372	197,372	-
National Federation of Abstracting & Information Services	-	16,000	16,000	-

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Grantee	Unpaid December 31, 2017	2018 Authorized	2018 Payments	Unpaid December 31, 2018
National Press Foundation	$ -	$ 5,540	$ 5,540	$ -
National Public Radio, Inc.	200,000	-	200,000	-
National Science Communication Institute	-	20,000	20,000	-
Nebraska, University of, Omaha	-	449,423	223,585	225,838
Nesta	-	20,000	20,000	-
New Jersey Institute of Technology	109,038	-	-	109,038
New Venture Fund	-	175,000	-	175,000
New York Academy of Sciences	-	441,144	191,144	250,000
New York Public Radio	150,000	650,000	400,000	400,000
New York University	1,521,747	466,897	1,134,026	854,618
Nijhuis, Michelle	-	40,000	20,000	20,000
North Carolina State University	209,655	113,002	322,657	-
North Carolina, University of, at Chapel Hill	500,000	604,753	560,113	544,640
Northeastern University	-	437,641	315,000	122,641
NumFOCUS	365,793	40,000	246,608	159,185
O'Connor, Maura R.	32,100	-	32,100	-
Ohio State University	-	130,000	130,000	-
Olson, Stephen E.	50,000	-	50,000	-
Open Knowledge Foundation	-	749,624	249,875	499,749
Open Mind Legacy Project	100,000	-	100,000	-
Open Space Institute	-	50,000	50,000	-
Oregon, University of	150,000	-	150,000	-
Paris School of Economics	600,000	-	300,000	300,000
Pecan Street, Inc.	100,000	1,102,625	558,493	644,132
Pennsylvania State University	-	679,416	629,416	50,000
Pennsylvania, University of	232,457	262,930	262,930	232,457
Pittsburgh, University of	-	582,852	78,094	504,758
Postrel, Virginia	-	50,000	30,000	20,000
Princeton University	223,655	220,802	444,457	-
Private Capital Research Institute	250,000	-	-	250,000
PRX Incorporated	235,000	-	-	235,000
Public Lab	-	50,000	50,000	-
Puerto Rico, University of, Mayaguez	-	498,065	300,000	198,065
Purdue University	233,754	65,000	185,000	113,754
RAND Corporation	-	125,000	125,000	-
Ramirez, Ainissa	17,500	-	-	17,500
Rhizome	-	19,800	19,800	-
Rice University	-	65,000	65,000	-
Rensselaer Polytechnic Institute	400,207	468,737	635,521	233,423
Research Foundation of the City University of NY	-	1,308,345	-	1,308,345
Research Foundation of CUNY o/b/o Advanced Science Research Center	-	30,746	30,746	-
Research Foundation of CUNY o/b/o John Jay College	-	124,991	124,991	-
Resources for the Future, Inc.	450,000	700,034	650,034	500,000
Retro Report	-	65,000	32,500	32,500
Rhode Island, University of	-	899,795	600,000	299,795
Rockefeller University	450,000	65,000	515,000	-
Rochester Institute of Technology	100,000	-	-	100,000
Rutgers, The State University of New Jersey	55,832	130,000	185,832	-

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Grantee	Unpaid December 31, 2017	2018 Authorized	2018 Payments	Unpaid December 31, 2018
San Francisco Film Society	$ 230,000	$ -	$ 230,000	$ -
San Francisco State University	-	124,833	124,833	-
Schillace, Brandy	-	36,000	-	36,000
Schwarzlose, Rebecca	-	39,400	19,700	19,700
Science Friday Initiative, Inc.	228,000	-	228,000	-
Shetterly, Susan Hand	22,500	-	22,500	-
Stevens Institute of Technology	-	19,762	19,762	-
Social Science Research Council	440,976	500,000	940,976	-
South Florida, University	-	65,000	65,000	-
Southern California Institute of Architecture	-	200,000	110,000	90,000
Southern California, University of	100,000	415,654	238,551	277,103
Southern Regional Education Board	99,645	-	99,645	-
Stanford University	1,971,987	1,107,671	1,846,895	1,232,763
Sundance Institute	200,000	-	200,000	-
SUNY Polytechnic Institute	-	197,851	197,851	-
Sydney, University of	-	80,000	80,000	-
Syracuse University	-	729,933	257,226	472,707
Technology Affinity Group	-	5,000	5,000	-
Texas, University of, Austin	204,639	598,539	803,178	-
Texas, University of, El Paso	-	65,000	65,000	-
Texas,University of, MD Anderson Cancer Center	-	65,000	65,000	-
The Brookings Institution	300,000	-	100,000	200,000
The Conversation	100,000	-	100,000	-
Thomas Jefferson University	-	65,000	65,000	-
Toronto, University of	1,002,230	260,000	855,516	406,714
Tribeca Film Institute	500,000	261,636	400,818	360,818
United Hospital Fund of New York	-	60,000	60,000	-
United States Association for Energy Economics	-	10,000	10,000	-
University College London	20,000	-	20,000	-
Urban Institute	1,226,012	376,162	1,426,012	176,162
Vanderbilt University	-	65,000	65,000	-
Vermont, University of	-	683,273	202,451	480,822
Verse Video Education, Inc.	-	300,000	-	300,000
Virginia Polytechnic Institute and State University	-	532,170	502,170	30,000
Washington State University	-	249,785	200,000	49,785
Washington, University of	-	945,808	594,016	351,792
Washington University in St. Louis	-	363,758	363,758	-

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Grantee	Unpaid December 31, 2017	2018 Authorized	2018 Payments	Unpaid December 31, 2018
Western Michigan University	$ -	$ 19,200	$ 19,200	$ -
WGBH Educational Foundation	1,450,000	-	600,000	850,000
Whitney Museum of American Art	-	100,000	50,000	50,000
Wikimedia Foundation	1,250,000	200,000	1,316,667	133,333
William and Mary, College of	-	50,000	50,000	-
WNET.ORG	350,000	750,000	250,000	850,000
Yale University	1,098,477	652,651	980,288	770,840
Yale University Press	30,250	-	30,250	-
York, University of	-	529,488	529,488	-
Zurich, University of	-	19,610	19,610	-
Total	59,901,086	83,421,417	80,357,657	62,964,846
Sloan Research Fellowships to be Granted in Ensuing Year	8,200,000	620,000	-	8,820,000
Other Appropriations Authorized but not committed	284,852	-	222,489	62,363
	68,385,938	84,041,417	80,580,146	71,847,209
Reduction for Grant Transfers	-	(908,127)	(908,127)	-
Refunded Grants	-	(435,821)	(435,821)	-
	$ 68,385,938	$ 82,697,469	$ 79,236,198	$ 71,847,209

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