

# **Nina Mason Pulliam Charitable Trust**

Independent Auditor's Report and Financial Statements

December 31, 2020 and 2019

# Nina Mason Pulliam Charitable Trust

December 31, 2020 and 2019

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## Independent Auditor's Report

Board of Trustees  
Nina Mason Pulliam Charitable Trust  
Indianapolis, Indiana

We have audited the accompanying financial statements of Nina Mason Pulliam Charitable Trust, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nina Mason Pulliam Charitable Trust 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.

*BKD, LLP*

Indianapolis, Indiana  
June 24, 2021

**Nina Mason Pulliam Charitable Trust**  
**Statements of Financial Position**  
**December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 23,182,537	\$ 18,861,726
Receivables - investments	898,223	409,422
Investments	415,946,896	380,085,756
Equipment and leasehold improvements - net	382,536	461,958
Other	744,389	716,476
Total assets	\$ 441,154,581	\$ 400,535,338
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 649,363	\$ 749,651
Deferred excise tax - federal	1,631,633	1,076,203
Grant and scholarship commitments	9,796,718	8,584,537
Total liabilities	12,077,714	10,410,391
<b>Net Assets</b> - without donor restrictions	429,076,867	390,124,947
Total liabilities and net assets	\$ 441,154,581	\$ 400,535,338

**Nina Mason Pulliam Charitable Trust**  
**Statements of Activities**  
**Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Investment Income and Fees</b>		
Interest and dividends	\$ 952,013	\$ 1,132,529
Net realized and unrealized gains on investments	62,511,569	63,541,101
Total investment income	63,463,582	64,673,630
Investment management fees and expenses	(1,430,234)	(1,355,984)
Net investment income and fees	62,033,348	63,317,646
<b>Expenses</b>		
Employees' salaries and benefits	3,007,645	2,922,842
Trustees' fees	196,000	209,000
Legal and audit expense	71,428	54,792
Occupancy expense	353,089	362,748
Depreciation expense	91,847	34,758
Other expenses	352,953	547,650
Total expenses	4,072,962	4,131,790
<b>Excess of Investment Income Over Expenses Before Grants and Scholarships and Excise Tax</b>	57,960,386	59,185,856
<b>Grants, Scholarships and Direct Charitable Activities</b>	18,228,036	13,670,979
<b>Federal Excise Tax Expense</b>	780,430	737,072
<b>Change in Net Assets Without Donor Restrictions</b>	38,951,920	44,777,805
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	390,124,947	345,347,142
<b>Net Assets Without Donor Restrictions, End of Year</b>	\$ 429,076,867	\$ 390,124,947

**Nina Mason Pulliam Charitable Trust**  
**Statements of Cash Flows**  
**Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Operating Activities</b>		
Cash receipts from interest and dividends	\$ 952,013	\$ 1,132,529
Cash paid for grants, scholarships and direct charitable activities	(17,015,855)	(13,848,529)
Cash paid to employees for salaries and benefits	(3,007,645)	(2,798,574)
Cash paid to investment managers and advisors	(1,430,234)	(1,481,984)
Cash paid to vendors	(880,127)	(1,107,453)
Cash paid for excise taxes	(225,000)	(300,000)
Cash paid for trustee fees	(196,000)	(209,000)
Net cash used in operating activities	(21,802,848)	(18,613,011)
<b>Investing Activities</b>		
Purchase of equipment	(12,425)	(191,948)
Purchase of investments	(65,656,990)	(37,477,436)
Proceeds from sales and maturities of investments	91,793,074	62,748,725
Net cash provided by investing activities	26,123,659	25,079,341
<b>Net Increase in Cash and Cash Equivalents</b>	4,320,811	6,466,330
<b>Cash and Cash Equivalents, Beginning of Year</b>	18,861,726	12,395,396
<b>Cash and Cash Equivalents, End of Year</b>	\$ 23,182,537	\$ 18,861,726

# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements

December 31, 2020 and 2019

### Note 1: Organization

The Nina Mason Pulliam Charitable Trust (Trust) is a continuing trust established under the provisions of Article 5 of the Nina Mason Pulliam Revocable Trust Agreement. The term of the Trust shall be for 50 years after the date of death of Nina Mason Pulliam, which was March 26, 1997. During the Trust's term, the Trustees are directed to distribute from the Trust property to qualified organizations, at a minimum annually, the amount necessary to comply with federal tax laws. Upon the expiration of the Trust term, the principal and remaining income shall be distributed to qualified organizations.

The Trust seeks to help people in need, especially women, children and families; to protect animals and nature; and to enrich community life through grantmaking in the metropolitan areas of Indianapolis, Indiana and Phoenix, Arizona. The Trust also sponsors the Nina Mason Pulliam Legacy Scholars program, which provides post-secondary educational opportunities for individuals who would not normally receive traditional scholarships, and whose personal commitments and financial circumstances would preclude their attendance without substantial, long-term scholarship support. Nina Scholars are: adults with dependents in their family unit; college-age youth and adults with physical disabilities; or students who have experienced foster care or have been disconnected from their parents or primary caregiver and are responsible for their own financial support.

### Note 2: Summary of Significant Accounting Policies

The Trust maintains its records on the accrual basis of accounting. The more significant accounting policies used by the Trust are as follows:

#### ***Use of Estimates***

Trust management has made estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities, in preparing these financial statements in conformity with accounting principles generally accepted in the United States of America. Estimates also affect the reported amounts of revenues, gains and losses, program grants and operating expenses during the reporting period. Actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

The Trust considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2020 and 2019, cash equivalents consisted primarily of money market funds and bank certificates of deposit. For purposes of the statements of cash flows, uninvested cash and cash equivalents included in investments are not considered to be cash and cash equivalents.

The current FDIC insurance limit for cash accounts is \$250,000. At December 31, 2020, the Trust's interest-bearing cash accounts exceeded federally insured limits by approximately \$22.3 million.



# **Nina Mason Pulliam Charitable Trust**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

### ***Investments***

The Trust's long-term financial objectives are to preserve and enhance the inflation adjusted value of its assets and provide a relatively stable stream of earnings consistent with spending needs. The Trust's primary long-term absolute investment objective is to earn an average annual inflation adjusted total return of at least 5 percent, net of all investment management fees, operating expenses and taxes over long-term periods.

Investments are recorded at fair value in the accompanying financial statements. 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 (that is, an exit price).

Fair value for Level 1 assets is determined based on quoted market prices in active markets for identical assets and liabilities. Where quoted market prices are not available, the Trust uses valuation techniques that place greater reliance on observable inputs and less reliance on unobservable inputs in determining fair value. Investments in commingled funds, trusts and limited partnerships (funds) are valued at net asset value per share (NAV) as provided by the funds' administrator or general partner. When applicable, the Trust uses net assets from the funds' audited financial statements multiplied by the Trust's interest in the funds to record the fair value of its investments. Investments measured at NAV are not classified within the fair value hierarchy. The Trust's policy is to recognize transfers between levels, if any, at the end of each year.

The inputs used in valuing the Trust's investments are not necessarily an indication of investment risks. The Trust's investments are exposed to various risks, such as interest rate, credit, currency and overall market volatility risk. Due to these risks, it is possible that changes in the values of investments could occur in the near term and that such changes could materially affect the net assets recorded in the accompanying financial statements.

Investment receivables represent withdrawals from fund managers that were in-transit at year end.

### ***Excise and Income Taxes***

The Trust is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (Code) and a private foundation under Section 509. Accordingly, the Trust is not subject to federal income tax, except to the extent that it has unrelated business taxable income. In the opinion of management, the Trust did not have material unrelated business taxable income in 2020 or 2019.

Effective for tax years beginning after December 31, 2019, the Trust is subject to a private foundation federal excise tax of 1.39% on net investment income, as defined by the Code, and has recorded excise tax liabilities in the financial statements. Deferred federal excise taxes result from the tax effects associated with unrealized appreciation on the Trust's investments.

Prior to January 1, 2020, the Trust was subject to a private foundation federal excise tax of 1% or 2% on net investment income as defined by the Code in effect at that time.

# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements December 31, 2020 and 2019

### ***Equipment and Leasehold Improvements***

The Trust records equipment, leasehold improvements and automobiles at cost. Depreciation is computed using the straight-line method based upon the estimated useful lives that range from three to ten years.

### ***Net Asset Classification***

All net assets of the Trust are not restricted and may be used at the discretion of the Trustees to support the Trust's purposes and operations.

### ***Functional Allocation of Expenses***

The costs of supporting programs and other activities have been summarized on a natural classification basis on the statements of activities. The functional expense footnote presents the natural classification detail of expenses by function. Certain costs have been allocated among philanthropy program and management and general expense categories based on time expended and other methods.

### ***Subsequent Events***

The Trust has evaluated and disclosed, if any, subsequent events that occurred after December 31, 2020 and through June 24, 2021, which is the date the financial statements were available to be issued.

### **Note 3: Federal Excise Taxes**

Current excise taxes are provided at 1.39% and 1% for the years ended December 31, 2020 and 2019, respectively. Deferred federal excise taxes are provided at 1.39% for the years ended December 31, 2020 and 2019. The following are the Federal excise tax components:

	<u>2020</u>	<u>2019</u>
Current expense	\$ 380,430	\$ 345,072
Deferred expense	<u>400,000</u>	<u>392,000</u>
Federal excise tax expense	<u>\$ 780,430</u>	<u>\$ 737,072</u>

# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements December 31, 2020 and 2019

### Note 4: Investments

As of December 31, 2020 and 2019, the investments of the Trust included:

	<u>2020</u>	<u>2019</u>
Domestic equity funds	\$ 68,031,940	\$ 51,145,203
International equity funds	57,498,272	60,605,329
Global equity funds	23,525,500	11,796,897
Fixed income securities and funds	47,646,337	56,783,857
Alternative investments and hedge funds	68,620,997	70,084,845
Natural resources and commodities funds	8,206,973	14,351,833
Nonmarketable alternative investment funds	142,416,877	115,317,792
	<u>\$ 415,946,896</u>	<u>\$ 380,085,756</u>

### Note 5: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Quoted market prices for similar assets and liabilities in an active market; quoted prices for identical or similar assets or liabilities in an inactive market and calculation techniques utilizing observable market inputs
- Level 3** Valuations derived from techniques in which one or more significant inputs are unobservable

# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements December 31, 2020 and 2019

### Recurring Measurements

Fair value of the Trust's investments has been determined using the valuation hierarchy at December 31, 2020 and 2019:

	Fair Value Measurements Using				Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV <sup>(A)</sup>	
<b>December 31, 2020</b>					
Investments					
Domestic equity funds	\$ 26,034,495	\$ -	\$ -	\$ 41,997,445	\$ 68,031,940
International equity funds	-	-	-	57,498,272	57,498,272
Global equity funds	-	-	-	23,525,500	23,525,500
Fixed income securities and funds	24,646,337	-	-	23,000,000	47,646,337
Alternative investments and hedge funds	-	-	-	68,620,997	68,620,997
Natural resources and commodities funds	8,206,973	-	-	-	8,206,973
Nonmarketable alternative investment funds	-	-	-	142,416,877	142,416,877
	<u>\$ 58,887,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,059,091</u>	<u>\$ 415,946,896</u>
<b>December 31, 2019</b>					
Investments					
Domestic equity funds	\$ 12,999,571	\$ -	\$ -	\$ 38,145,632	\$ 51,145,203
International equity funds	6,890,129	-	-	53,715,200	60,605,329
Global equity funds	-	-	-	11,796,897	11,796,897
Fixed income securities and funds	37,520,579	-	-	19,263,278	56,783,857
Alternative investments and hedge funds	3,814,443	-	-	66,270,402	70,084,845
Natural resources and commodities funds	4,158,507	-	-	10,193,326	14,351,833
Nonmarketable alternative investment funds	-	-	-	115,317,792	115,317,792
	<u>\$ 65,383,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,702,527</u>	<u>\$ 380,085,756</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements

December 31, 2020 and 2019

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2020.

### **Investments**

**Domestic Equity Funds:** Investments include one publicly-traded mutual fund, one actively managed U.S. equity long/short commingled fund, and one separately managed equity account. The underlying assets of all commingled funds are marketable equity securities and the fair values are estimated using the net asset values (NAV) of the Trust's ownership interest in each fund. The publicly-traded mutual fund and separately managed account are included within Level 1 of the valuation hierarchy and the commingled fund is included within the Investments Measured at NAV category of the valuation hierarchy.

**International and Global Equity Funds:** Investments include seven actively managed global/international commingled equity funds. The underlying assets of all commingled funds are marketable equity securities and the fair value of the commingled investment funds are estimated using the NAV of the Trust's ownership interest in each fund. All commingled funds are included within the Investments Measured at NAV category of the valuation hierarchy.

**Fixed Income Securities and Funds:** Investments include two passively managed separate accounts and one commingled fixed income fund. Fixed income securities owned by the Trust are valued using quoted market prices in active markets and are classified within Level 1 of the valuation hierarchy. The value of the commingled fixed income fund is estimated using the NAV of the Trust's ownership interest in the fund and is included within the Investments Measured at NAV category of the valuation hierarchy.

**Alternative Investments and Hedge Funds:** Investments include eight absolute return and eight long/short hedge funds.

Absolute return funds include diversified, event arbitrage and distressed securities strategies that seek to diversify risk and reduce portfolio volatility. Managers of these funds have significant discretion to allocate resources among several strategies including event arbitrage, convertible bond arbitrage, special situations and distressed securities. Managers may have the flexibility to use limited leverage and to implement strategies on a U.S. or global basis. The fair values of the investments in this category have been estimated using the NAV per share of the absolute return fund as provided by the investment administrators.

Hedge funds invest in both long and short strategies primarily in U.S. and global common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position and can use limited leverage. The fair values of the hedge fund investments in this category have been estimated using the NAV per share of the investments.

# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements December 31, 2020 and 2019

Although the initial liquidity restriction period for investments in this category ranged from one to three years, over 92 percent of these investments can be redeemed within the next twelve months.

**Natural Resources and Commodities Funds:** Investments include two exchange-traded global natural resource funds (ETF's). The ETF's have a quoted market price on active markets and are classified within Level 1 of the valuation hierarchy.

**Nonmarketable Alternative Investment Funds:** Investments include private equity, venture capital, commodities partnerships, real estate and distressed debt investments. These investments cannot be redeemed from the partnerships but the Trust will receive distributions from each fund as they liquidate their underlying investments. Investment managers estimate the funds will liquidate their investments over a 7 to 12 year timeframe from the initial closing date. Because it is improbable that any individual investment will be sold, the Trust has recorded each individual investment's estimate of fair value using the NAV of the Trust's ownership interest in the partnerships capital. However, the Trust may sell its interests in nonmarketable funds in a secondary market, but as of December 31, 2020, it has no plans to sell any nonmarketable alternative investments before they are liquidated. All nonmarketable alternative investment partnerships are included within the Investments Measured at NAV category of the valuation hierarchy.

The following tables present information regarding funds with fair value that is determined using the net asset value (or its equivalent) provided by the fund.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
<b>December 31, 2020</b>				
Investments				
Domestic equity funds	\$ 41,997,445	\$ -	Quarterly, annually	30-60 days
International equity funds	57,498,272	-	Monthly, quarterly	6-15 days
Global equity funds	23,525,500	-	Monthly	6 days
Fixed income securities and funds	23,000,000	-	Monthly, quarterly	10-90 days
Alternative investments and hedge funds	68,620,997	-	Quarterly, annually	5-90 days
Nonmarketable alternative investment funds	<u>142,416,877</u>	<u>49,200,000</u>	Not eligible	n/a
	<u>\$ 357,059,091</u>	<u>\$ 49,200,000</u>		
<b>December 31, 2019</b>				
Investments				
Domestic equity funds	\$ 38,145,632	\$ -	Quarterly, annually	30-60 days
International equity funds	53,715,200	-	Monthly, quarterly	6-15 days
Global equity funds	11,796,897	-	Monthly	6 days
Fixed income securities and funds	19,263,278	-	Monthly, quarterly	10-90 days
Alternative investments and hedge funds	66,270,402	-	Quarterly, annually	5-90 days
Natural resources and commodities funds	10,193,326	-	Monthly	5 days
Nonmarketable alternative investment funds	<u>115,317,792</u>	<u>49,600,000</u>	Not eligible	n/a
	<u>\$ 314,702,527</u>	<u>\$ 49,600,000</u>		

# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements December 31, 2020 and 2019

### Note 6: Operating Leases

The Trust has entered into noncancelable 10-year office space leases in Indianapolis, Indiana and Phoenix, Arizona. Both leases include provisions for inflationary rent increases and require the Trust to pay for its share of building operating costs above the base year amount. The Trust has the option to extend each lease for an additional five years beyond the expiration of the initial term. Rent expense for space in Indianapolis and Phoenix totaled \$353,089 and \$362,748 for the years ended December 31, 2020 and 2019, respectively.

Future minimum rents to be paid under these leases, excluding realizable taxes and building operating expenses, are:

2021	\$ 339,287
2022	201,375
2023	205,403
2024	209,430
2025	213,458
Thereafter	<u>1,010,901</u>
Total	<u>\$ 2,179,854</u>

### Note 7: Employee Benefit Plans

The Trust provides a retirement benefit plan under Section 401(k) of the Internal Revenue Code (Code) that covers all participating employees. The Trust makes 7% contributions to each employee's 401(k) plan account based upon that employee's wages and provides matching funds on a dollar-for-dollar basis up to the first 4% of an employee's discretionary contribution. Total Trust contributions to the plan were \$240,128 in 2020 and \$231,321 in 2019.

The Trust also provides a key employee wage deferral plan under Section 457(b) of the Code. The Trust does not make contributions to the plan, but does accept key employee elective contributions.

# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements December 31, 2020 and 2019

### Note 8: Functional Expenses

The components of program and support services expenses for the years ended December 31, 2020 and 2019, included:

	<b>Direct Philanthropy Program Expenses</b>	<b>General and Administrative Expenses</b>	<b>Total</b>
<b>December 31, 2020</b>			
Employees' salaries and benefits	\$ 2,065,153	\$ 942,492	\$ 3,007,645
Trustees' fees	98,000	98,000	196,000
Legal and audit expense	4,234	67,194	71,428
Occupancy expense	288,796	64,293	353,089
Depreciation expense	64,293	27,554	91,847
Other expenses	256,688	96,265	352,953
	2,777,164	1,295,798	4,072,962
 Grants, scholarships and direct charitable activities	 18,228,036	 -	 18,228,036
	\$ 21,005,200	\$ 1,295,798	\$ 22,300,998
 <b>December 31, 2019</b>			
Employees' salaries and benefits	\$ 1,995,059	\$ 927,783	\$ 2,922,842
Trustees' fees	104,500	104,500	209,000
Legal and audit expense	4,001	50,791	54,792
Occupancy expense	294,291	68,457	362,748
Depreciation expense	24,331	10,427	34,758
Other expenses	383,558	164,092	547,650
	2,805,740	1,326,050	4,131,790
 Grants, scholarships and direct charitable activities	 13,670,979	 -	 13,670,979
	\$ 16,476,719	\$ 1,326,050	\$ 17,802,769

The schedule above does not include an allocation of federal excise tax expense, which totaled \$780,430 and \$737,072 for the years ended December 31, 2020 and 2019 and would otherwise be classified as a general and administrative expense.



# Nina Mason Pulliam Charitable Trust

## Notes to Financial Statements December 31, 2020 and 2019

### Note 9: Liquidity and Availability

Financial assets available for general expenditure within one year of December 31, 2020 and 2019, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 23,182,537	\$ 18,861,726
Receivables - investments	898,223	409,422
Redeemable - investments	<u>273,530,019</u>	<u>264,767,964</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 297,610,779</u>	<u>\$ 284,039,112</u>

The Trust structures its financial assets to be available as its grants, general expenditures, liabilities and other obligations come due. To achieve this, the Trust forecasts its future cash flows and monitors its liquidity on a quarterly and annual basis. In addition, as part of its liquidity management, the Trust invests cash in excess of daily requirements in various short-term investments, including certificates of deposits and short-term treasury instruments.

The Trust's investment policy requires that at least 30 percent of total assets must be liquid within one month and the portfolio generally holds at least two years' worth of anticipated expenditures, including grant disbursements, in highly liquid U.S. Treasury securities and cash. During the years ended December 31, 2020 and 2019, the level of liquidity was managed within the policy requirements.

### Note 10: Grant and Scholarship Commitments

At December 31, 2020, grant and scholarship commitments are expected to be paid to qualifying organizations as follows:

2021	\$ 6,591,596
2022	2,598,354
2023	418,368
2024	125,600
2025	<u>62,800</u>
Total	<u>\$ 9,796,718</u>