Hudson-Webber Foundation

Financial Report
December 31, 2018

Contents

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Independent Auditor's Report

To the Board of Trustees
Hudson-Webber Foundation

We have audited the accompanying financial statements of Hudson-Webber Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2018 and 2017 and the related statements of activities and changes in net assets 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 audits 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 Hudson-Webber Foundation as of December 31, 2018 and 2017 and the results of its changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, the Foundation adopted the provisions of Accounting Standards Update No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, for the year ended December 31, 2018, applied retrospectively to all years presented except for the disclosure on liquidity, as permitted by the standard. Our opinion is not modified with respect to this matter.

To the Board of Trustees
Hudson-Webber Foundation

As explained in Notes 3 and 8, the financial statements include certain investments whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or partnership general partners. These investments are valued at $141,907,001 and $158,225,237 (89 and 88 percent of net assets) at December 31, 2018 and 2017, respectively. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

June 3, 2019

Statement of Financial Position

December 31, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 1,050,797	$ 1,347,334
Investments (Notes 3 and 8)	160,438,130	177,132,153
Unsettled trade receivables	-	3,989,517
Interest and dividend receivable	76,045	130,797
Cash value of life insurance policies	74,736	74,736
Other assets:		
Prepaid expenses	39,871	60,000
Prepaid federal excise tax	99,473	-
Total other assets	139,344	60,000
Total assets	**$ 161,779,052**	**$ 182,734,537**
Liabilities and Net Assets without Donor Restrictions		
Liabilities		
Accounts payable	$ 2,054	$ 1,159
Grants payable (Note 4)	3,565,590	3,071,290
Accrued expenses	123,963	197,010
Accrued federal excise tax payable	-	341,681
Total liabilities	3,691,607	3,611,140
Net Assets without Donor Restrictions	158,087,445	179,123,397
Total liabilities and net assets without donor restrictions	**$ 161,779,052**	**$ 182,734,537**

Statement of Activities and Changes in Net Assets

Years Ended December 31, 2018 and 2017

	2018	2017
Changes in Net Assets without Donor Restrictions		
Revenue, gains (losses), and other support:		
Contributions	$ 100,000	$ 150,000
Interest	26,851	22,854
Dividends	1,311,581	1,660,496
Net realized and unrealized (losses) gains on investments - Net of investment management fees	(13,175,424)	24,275,275
Total revenue, gains (losses), and other support	(11,736,992)	26,108,625
Expenses:		
Grants awarded (Notes 4 and 7)	7,815,775	4,640,882
Support services:		
Grantmaking (Note 7)	637,063	655,068
Operational support expenses (Note 7)	846,122	1,217,139
Total support services	1,483,185	1,872,207
Total expenses	9,298,960	6,513,089
Change in Net Assets without Donor Restrictions	(21,035,952)	19,595,536
Net Assets without Donor Restrictions - Beginning of year	179,123,397	159,527,861
Net Assets without Donor Restrictions - End of year	**$ 158,087,445**	**$ 179,123,397**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (21,035,952)	$ 19,595,536
Adjustments to reconcile (decrease) increase in net assets to net cash and cash equivalents from operating activities:		
Net realized and unrealized losses (gains) on investments	12,842,888	(24,721,968)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable from sale of investments	3,989,517	(3,989,517)
Interest and dividends receivable	54,752	47,210
Prepaid expenses	20,129	(5,209)
Accrued federal excise tax payable	(441,154)	363,683
Accounts payable	895	(753)
Grants payable	494,300	42,500
Accrued expenses	(73,047)	52,097
Net cash and cash equivalents used in operating activities	(4,147,672)	(8,616,421)
Cash Flows from Investing Activities		
Purchases of investments	(22,137,737)	(76,336,571)
Proceeds from sales of investments	25,988,872	84,610,379
Net cash and cash equivalents provided by investing activities	3,851,135	8,273,808
Net Decrease in Cash and Cash Equivalents	(296,537)	(342,613)
Cash and Cash Equivalents - Beginning of year	1,347,334	1,689,947
Cash and Cash Equivalents - End of year	**$ 1,050,797**	**$ 1,347,334**
Supplemental Cash Flow Information - Cash paid for excise tax	$ 366,026	$ -

See notes to financial statements.

Note 1 - Nature of Business

Hudson-Webber Foundation (the "Foundation"), located in Detroit, Michigan and established in 1943, is a private foundation. The Foundation concentrates its efforts and resources in support of projects primarily within four program missions, each of which impacts the vitality and quality of life in the metropolitan Detroit community. The four mission areas are Built Environment, Arts & Culture, Community & Economic Development, and Safe & Just Communities.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of management and the board of trustees.

Net Assets with Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. For the years ended December 31, 2018 and 2017, the Foundation has not received donor-restricted contributions that would be reported as increases donor restricted net assets, nor does it hold donor restricted net assets.

Cash Equivalents

For the purpose of the accompanying financial statements, the Foundation considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The carrying amount reported in the statement of financial position for cash and cash equivalents approximates fair value due to the short-term nature of these investments.

Investments

Investments in marketable securities are carried at quoted fair market value whenever available. Fair value is determined based on the fair value measurement principles described in Note 8. The alternative investments (see Note 8), composed primarily of trust funds (which include domestic and foreign equities and domestic and foreign fixed income), hedge funds, and private equities, which are not readily marketable, are measured at estimated fair values. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Realized and unrealized gains and losses on investments represent the difference between the original cost of the investments and sales proceeds (realized) or the fair market value at the end of the year (unrealized). Cost is determined on a first-in, first-out basis.

Life Insurance Cash Surrender Value

The Foundation is the owner and beneficiary of life insurance policies originated by a donor. These policies are valued at their cash surrender value. The cash surrender value is based on the amount paid less any surrender charges and outstanding loans or interest.

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk Arising from Deposit Accounts

The Foundation maintains cash balances in multiple bank accounts. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. The Foundation evaluates the financial institutions with which it deposits funds; however, it is not practical to insure all cash deposits.

Excise Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. As a private foundation, the Foundation is subject to an excise tax on net investment income, including realized gains, as defined in the Tax Reform Act of 1969.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that, as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Foundation's excise tax expense as of December 31, 2018 and 2017 was $24,345 and $508,883, respectively.

In addition, the Internal Revenue Code requires that certain minimum distributions be made in accordance with a specified formula. The Foundation will have paid or set aside approximately $2,500,000 and $300,000 as qualifying distributions for 2018 and 2017, respectively.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are both reported as contributions without donor restrictions. Contributions of $100,000 and $150,000 from a related party are reported on the statement of activities and changes in net assets for the years ended December 31, 2018 and 2017, respectively.

Note 2 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement

For the year ended December 31, 2018, the Foundation adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities*. The standard has been applied retrospectively to all years presented, except for the disclosure on liquidity as permitted by the standard. This standard requires net assets to be classified in two categories, net assets without donor restrictions and net assets with donor restrictions, rather than the three previous classifications. In addition, the standard requires changes in the way certain information is aggregated and reported by the Foundation, including disclosures of quantitative and qualitative information about the liquidity and availability of resources and the presentation of expenses by both functional and natural classification. The standard also clarifies the definition of management and general and prohibits certain expenses from being allocated out of management and general and requires the netting of investment manager fees against investment income. As a result of the adoption of this standard, the financial information for the year ended December 31, 2017 has been restated, as follows: total operational support services has decreased by $446,693 from the amount previously reported, and the investment fees are now reported net of realized and unrealized gains and losses on investments on the statement of activities and changes in net assets. Approximately $20,000 of expenses previously reported within program services are now reported as operational support. Additionally, net assets of $179,123,397 previously reported as unrestricted net assets have been reclassified as net assets without donor restrictions.

Upcoming Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Foundation's year ending December 31, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. Upon adoption, the Foundation will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments for the lease disclosed in Note 6. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. As a resource provider, the new guidance will be effective for the Foundation’s year ending December 31, 2020 and will be applied on a modified prospective basis. The Foundation is in the process of evaluating the impact the standard will have on the timing of grant expense recognition related to its grant awards, discussed in further detail in Note 4.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including June 3, 2019, which is the date the financial statements were available to be issued.

Note 3 - Investments

Investments consisted of the following at December 31:

	2018	
	Cost	Fair Value
Traditional asset class securities:		
Domestic equity securities	$ 21,181,855	$ 23,097,330
Foreign equity securities	60,894,484	58,719,909
Domestic fixed-income securities	7,549,110	7,454,092
Foreign fixed-income securities	15,350,457	14,368,774
Total traditional asset class securities	104,975,906	103,640,105
Alternative investments:		
Hedge funds and multistrategy	24,228,920	21,832,258
Private equity and venture capital	29,203,493	34,965,767
Total alternative investments	53,432,413	56,798,025
Total investments	$ 158,408,319	$ 160,438,130

	2017	
	Cost	Fair Value
Traditional asset class securities:		
Domestic equity securities	$ 24,141,192	$ 30,325,233
Foreign equity securities	53,911,387	60,463,940
Domestic fixed-income securities	7,000,000	7,065,109
Foreign fixed-income securities	17,248,686	16,566,379
Total traditional asset class securities	102,301,265	114,420,661
Alternative investments:		
Hedge funds and multistrategy	25,024,600	26,186,112
Private equity and venture capital	27,931,926	36,525,380
Total alternative investments	52,956,526	62,711,492
Total investments	$ 155,257,791	$ 177,132,153

Note 4 - Grants Payable

Unconditional grants are recognized as an expense at the time of formal approval by trustees of the Foundation. At times, the trustees may approve multiyear grants that are contingent upon the occurrence of an event or after certain requirements have been satisfied. When these requirements are substantial and the likelihood of the requirement not being met by the grantee is more than remote, the grants are approved on a conditional basis. Conditional grants, if any, are expensed when such conditions are substantially met.

The following summarizes the changes in grants payable as of December 31:

	2018	2017
Grants payable - Beginning of year	$ 3,071,290	$ 3,028,790
Grants approved	7,815,775	4,640,882
Payments made	(7,321,475)	(4,598,382)
Grants payable - End of year	$ 3,565,590	$ 3,071,290

Note 4 - Grants Payable (Continued)

Grant commitments outstanding at December 31, 2018 are scheduled for payment, as shown below:

	2018	2017
Amounts due in:		
2019	$ 1,590,590	$ 2,121,290
2020	925,000	700,000
2021	650,000	250,000
2022	400,000	-
Total	$ 3,565,590	$ 3,071,290

Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee substantially meets the terms of the conditions. Conditional grants approved for future payment totaled $10,133,000 and $10,550,000 as of December 31, 2018 and 2017, respectively. These grant awards have not been recognized as expense in the respective years. At December 31, 2018, conditional grants included $7,500,000 to the Foundation for Detroit's Future (FDF), payable in $500,000 installments over a 15-year period, subject to fulfillment of the conditions as monitored by the FDF. The remaining conditional grants are expected to be fulfilled in the next four years.

Note 5 - Defined Contribution Plan

The Foundation established a defined contribution pension plan as of January 1, 2000. The plan covers eligible employees with at least one year of service. The Foundation makes contributions to the plan based upon each eligible employee's base salary. Contributions to the plan for the years ended December 31, 2018 and 2017 totaled $62,924 and $44,959, respectively.

Note 6 - Lease Commitments

The Foundation leases its office space under a lease agreement that expires in February 2021. The lease agreement provides for a base rental and electricity amount, plus a pro rata share of increases in property taxes and operating expenses relating to the building. Rent expense was $73,853 for 2018 and $71,158 for 2017.

The future minimum lease payments are as follows:

Years Ending December 31	Amount
2019	$ 75,005
2020	76,936
2021	12,876
Total	$ 164,817

Note 7 - Expenses

A portion of the Foundation's expenses have been allocated between grantmaking and operational support activities. Grantmaking expenses pertain to comprehensive grantmaking activities, such as formulating mission and program strategy, reviewing proposals, and awarding, monitoring and evaluating grants. Operational support expenses include costs related to managing the Foundation. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Compensation is allocated based on estimates made by the Foundation's management of time spent by employees on direct conduct or supervision of grantmaking or support activities. Rent expense is based on estimates of employee time spent per square footage of space used by those employees.

The Foundation's functional expenses, displayed by natural expense classification, for the years ended December 31, 2018 and 2017 are as follows:

	2018		
	Grantmaking	Operational Support	Total
Grants awarded	$ 7,815,775	$ -	$ 7,815,775
Support services:			
Compensation	392,643	511,047	903,690
Legal fees	3,916	2,017	5,933
Accounting fees	-	40,550	40,550
Other professional fees	38,961	9,532	48,493
Rent	14,771	59,082	73,853
Travel, conferences, and meetings	38,164	25,501	63,665
Convenings	82,167	-	82,167
Federal excise tax	-	24,345	24,345
Other expenses	66,445	174,048	240,493
Total support services	637,067	846,122	1,483,189
Total	$ 8,452,842	$ 846,122	$ 9,298,964

	2017		
	Grantmaking	Operational Support	Total
Grants awarded	$ 4,640,882	$ -	$ 4,640,882
Support services:			
Compensation	402,766	481,783	884,549
Legal fees	-	9,968	9,968
Accounting fees	-	38,600	38,600
Other professional fees	149,505	9,430	158,935
Rent	14,232	56,926	71,158
Travel, conferences, and meetings	43,172	27,791	70,963
Federal excise tax	-	508,883	508,883
Other expenses	45,393	83,758	129,151
Total support services	655,068	1,217,139	1,872,207
Total	$ 5,295,950	$ 1,217,139	$ 6,513,089

Note 8 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation’s assets measured at fair value on a recurring basis at December 31, 2018 and 2017 and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Foundation's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. There were no transfers between levels during the years ended December 31, 2018 or 2017.

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

Disclosures concerning assets measured at fair value on a recurring basis are as follows:

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2018				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at December 31, 2018
Assets					
Domestic equities	$ -	$ -	$ -	$ 23,097,330	$ 23,097,330
Foreign equities	-	-	-	58,719,909	58,719,909
Domestic fixed income	-	-	-	7,454,092	7,454,092
Foreign fixed income	8,619,876	-	-	5,748,898	14,368,774
Hedge funds and multistrategy	9,911,253	-	-	11,921,005	21,832,258
Private equity and venture capital	-	-	-	34,965,767	34,965,767
Total assets	$ 18,531,129	$ -	$ -	$ 141,907,001	$ 160,438,130

Note 8 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2017				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at December 31, 2017
Assets					
Domestic equities	$ -	$ -	$ -	$ 30,325,233	$ 30,325,233
Foreign equities	-	-	-	60,463,940	60,463,940
Domestic fixed income	-	-	-	7,065,109	7,065,109
Foreign fixed income	10,553,781	-	-	6,012,598	16,566,379
Hedge funds and multistrategy	8,353,135	-	-	17,832,977	26,186,112
Private equity and venture capital	-	-	-	36,525,380	36,525,380
Total assets	$ 18,906,916	$ -	$ -	$ 158,225,237	$ 177,132,153

The fair value of the domestic and foreign equities, certain hedge funds, and multistrategy funds at December 31, 2018 was determined primarily based on net asset value. The Foundation estimates the fair value of these investments based on its proportionate ownership interest in the fair value of the net assets of the fund, which is based on actual underlying securities using quoted market prices in active and nonactive markets or prices based on market-corroborated inputs where applicable. For other funds, the Foundation estimates the fair value of investments based on reports received by the investment's general partners and/or fund managers based on quoted market prices, where available, audited financial statements, tax reports, or other methods of reported fair value, as disclosed by the general partners and/or fund managers. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Investments Held at December 31, 2018			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Multistrategy funds	$ 11,921,005	$ -	Monthly, Daily	30 Days
Equity funds	81,817,239	-	Monthly, Daily	0 to 30 Days
Fixed-income funds	13,202,990	-	Semimonthly, Daily	0 to 5 Days
Private equity and venture capital funds	34,965,767	17,853,173	Quarterly	N/A
Total	$ 141,907,001	$ 17,853,173		

Note 8 - Fair Value Measurements (Continued)

	Investments Held at December 31, 2017			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Multistrategy funds	$ 17,832,977	$ -	Monthly, Daily	30 Days
Equity funds	90,789,173	-	Monthly, Daily, Semimonthly	0 to 15 Days
Fixed-income funds	13,077,707	-	Daily	0 to 5 Days
Private equity and venture capital funds	36,525,380	15,364,679	Quarterly	N/A
Total	$ 158,225,237	$ 15,364,679		

The multistrategy hedge funds category invests in hedge funds that range from a manager that invests only in long/short categories to managers that also invest in event-driven, relative value, and global macro strategies.

The multistrategy funds invest across multiple asset class categories to diversify risks and reduce volatility.

Equity funds invest in publicly traded domestic and international common stocks.

The private equity funds category consists of investments typically made through limited partnership structures and are illiquid in nature. Private equity encompasses a broad array of strategies and securities. Venture capital strategies purchase equity in technology, financial and business services, health care, and consumer/retail companies. Other strategies will invest in senior structured credit securities and debt and equity securities issued by banks, as well as bank portfolio assets that may be disposed. Distributions from each fund will be received only as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the fund will be liquidated over the next two to six years.

Note 9 - Liquidity

The Foundation’s financial assets available within one year of December 31, 2018 for general expenditure are as follows:

Cash and cash equivalents	$ 1,050,797
Interest and dividend receivable	76,045
Equity securities	81,817,239
Fixed-income securities	21,822,866
Hedge funds and multistrategy	21,832,258
Total	$ 126,599,205

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for grants and general expenditure within one year of the statement of financial position date.

The Foundation endeavors to structure its financial assets to be available to support the operations and programs of the Foundation to satisfy its share of liquidity obligations. The Foundation also realizes there could be unanticipated liquidity needs. In addition to the available financial assets listed above, there are likely to be additional components of the Foundation's investments that may be available and liquid within one year. These components include certain portions of private company investments.