Thomas Jefferson Foundation, Inc.

Financial Statements
For the Years Ended December 31, 2019 and 2018

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

Thomas Jefferson Foundation, Inc.

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Contents

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Independent Auditor's Report

The Board of Trustees
Thomas Jefferson Foundation, Inc.
Charlottesville, Virginia

We have audited the accompanying financial statements of the Thomas Jefferson Foundation, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 the Thomas Jefferson Foundation, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP

May 8, 2020

Financial Statements

Thomas Jefferson Foundation, Inc.

Statements of Financial Position

December 31,	**2019**	2018
Assets		
Current assets		
Cash and cash equivalents	**$ 4,106,895**	$ 4,010,050
Accounts receivable	**134,053**	452,561
Contributions receivable, net of allowance	**901,737**	1,900,364
Inventory	**2,299,239**	2,359,604
Prepaid expenses	**785,319**	647,056
Total current assets	**8,227,243**	9,369,635
Long-term assets		
Investments	**229,769,563**	212,934,638
Investments receivable	**34,230,935**	-
Assets under split-interest agreements	**392,419**	364,050
Contributions receivable, net of discount and allowance	**1,494,852**	2,179,836
Property and equipment, net	**70,086,094**	73,599,356
Historic properties and collections (Note 1)	**-**	-
Total long-term assets	**335,973,863**	289,077,880
Total assets	**$344,201,106**	$ 298,447,515
Liabilities and net assets		
Current liabilities		
Accounts payable	**$ 1,505,479**	$ 1,470,218
Accrued expenses	**1,686,780**	1,426,887
Total current liabilities	**3,192,259**	2,897,105
Long-term liabilities		
Annuity and split-interest liabilities	**681,975**	675,085
Interest rate swap liability	**3,395,388**	2,135,979
Long-term debt	**29,638,295**	29,632,141
Total long-term liabilities	**33,715,658**	32,443,205
Total liabilities	**36,907,917**	35,340,310
Contingencies and commitments		
Net assets		
Without donor restrictions:		
Board-designated endowment	**146,342,837**	118,044,017
Board-designated reserve	**4,218,675**	4,120,129
Undesignated	**38,216,195**	42,286,252
Total net assets without donor restrictions	**188,777,707**	164,450,398
With donor restrictions:		
Subject to expenditures for specified purpose	**25,270,150**	22,714,790
Subject to passage of time	**414,842**	1,117,617
Endowments	**92,830,490**	74,824,400
Total net assets with donor restrictions	**118,515,482**	98,656,807
Total net assets	**307,293,189**	263,107,205
Total liabilities and net assets	**$344,201,106**	$ 298,447,515

See accompanying notes to the financial statements.

Thomas Jefferson Foundation, Inc.

Statements of Activities and Change in Net Assets

Years Ended December 31,	2019			2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenues						
Charitable contributions	**$ 2,938,365**	**$ 2,965,961**	**$ 5,904,326**	$ 2,312,535	$ 4,259,877	$ 6,572,412
Admissions	**9,365,369**	**-**	**9,365,369**	9,320,351	-	9,320,351
Retail operations	**10,300,675**	**-**	**10,300,675**	8,934,211	-	8,934,211
Events	**270,945**	**-**	**270,945**	286,001	-	286,001
Other	**108,632**	**4,041**	**112,673**	239,104	1,259	240,363
Net assets released from restrictions	**6,411,503**	**(6,411,503)**	**-**	9,494,692	(9,494,692)	-
Total operating support and revenues	**29,395,489**	**(3,441,501)**	**25,953,988**	30,586,894	(5,233,556)	25,353,338
Operating expenses						
Program services:						
Collection acquisitions	**183,212**	**-**	**183,212**	471,244	-	471,244
Curatorial and restoration	**1,800,684**	**-**	**1,800,684**	2,330,430	-	2,330,430
Gardens and grounds	**2,662,386**	**-**	**2,662,386**	2,398,084	-	2,398,084
Guest services	**4,300,143**	**-**	**4,300,143**	4,613,310	-	4,613,310
Interpretation	**3,027,788**	**-**	**3,027,788**	3,050,654	-	3,050,654
Robert H. Smith International Center for Jefferson Studies	**4,795,263**	**-**	**4,795,263**	5,343,170	-	5,343,170
Retail operations	**10,889,949**	**-**	**10,889,949**	9,732,061	-	9,732,061
Marketing and communications	**2,424,199**	**-**	**2,424,199**	2,841,949	-	2,841,949
Support services:						
Administration	**4,028,143**	**-**	**4,028,143**	4,148,114	-	4,148,114
Development	**1,568,431**	**-**	**1,568,431**	1,797,536	-	1,797,536
Total operating expenses	**35,680,198**	**-**	**35,680,198**	36,726,552	-	36,726,552
Change in net assets from operations	**(6,284,709)**	**(3,441,501)**	**(9,726,210)**	(6,139,658)	(5,233,556)	(11,373,214)
Non-operating activities						
Investment return, net	**31,868,577**	**23,300,176**	**55,168,753**	(3,103,471)	(2,579,738)	(5,683,209)
Changes in pension assets and liabilities	**-**	**-**	**-**	20,751	-	20,751
Gain / (loss) on sale of assets	**2,850**	**-**	**2,850**	9,064	-	9,064
Unrealized (loss) gain on interest rate swap	**(1,259,409)**	**-**	**(1,259,409)**	785,528	-	785,528
Total non-operating activities	**30,612,018**	**23,300,176**	**53,912,194**	(2,288,128)	(2,579,738)	(4,867,866)
Total change in net assets	**24,327,309**	**19,858,675**	**44,185,984**	(8,427,786)	(7,813,294)	(16,241,080)
Net assets, beginning of the year	**164,450,398**	**98,656,807**	**263,107,205**	172,878,184	106,470,101	279,348,285
Net assets, end of the year	**$ 188,777,707**	**$ 118,515,482**	**$ 307,293,189**	$ 164,450,398	$ 98,656,807	$ 263,107,205

See accompanying notes to the financial statements.

Thomas Jefferson Foundation, Inc.

Statements of Cash Flows

Years ended December 31,	**2019**	2018
Cash flows from operating activities:		
Change in net assets	**$ 44,185,984**	$ (16,241,080)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	**3,678,501**	3,532,404
Amortization of bond issuance costs and discount	**6,154**	6,155
Provision (recovery) for bad debts	**31,631**	(95,500)
Amortization of discount to present value on multi-year contributions receivable	**(146,853)**	(151,089)
Change in interest rate swap liability	**1,259,409**	(785,528)
Net realized and unrealized (gain) loss on investments	**(55,052,226)**	6,338,972
Pension-related changes	**-**	(3,411,750)
Gain on disposal of property and equipment	**(2,850)**	(9,064)
Proceeds from donated stocks	**631,530**	501,554
Permanently restricted contributions	**(1,929,705)**	(1,562,607)
Decrease (increase) in:		
Accounts receivable	**318,508**	275,763
Contributions receivable	**1,798,833**	2,125,942
Inventory	**60,365**	321,483
Assets under split-interest agreements	**(28,369)**	55,551
Prepaid expenses	**(138,263)**	(47,211)
Increase (decrease) in:		
Accounts payable	**35,261**	(26,716)
Accrued expenses	**259,893**	(93,869)
Annuity and split-interest liabilities	**6,890**	(28,078)
Net cash used in operating activities	**(5,025,307)**	(9,294,668)
Cash flows from investing activities:		
Purchases of property and equipment	**(165,239)**	(2,216,661)
Proceeds from sales of property and equipment	**2,850**	9,064
Proceeds from sales of investments	**154,377,448**	55,004,498
Purchase of investments	**(151,022,612)**	(47,304,180)
Net cash provided by investing activities	**3,192,447**	5,492,721
Cash flows from financing activities:		
Draw on line-of-credit	**-**	3,000,000
Repayment on the line-of-credit	**-**	(3,000,000)
Permanently restricted contributions	**1,929,705**	1,562,607
Net cash provided by financing activities	**1,929,705**	1,562,607
Net change in cash and cash equivalents	**96,845**	(2,239,340)
Cash and cash equivalents at the beginning of the year	**4,010,050**	6,249,390
Cash and cash equivalents at the end of the year	**$ 4,106,895**	$ 4,010,050
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 1,221,320**	$ 1,197,517

See accompanying notes to the financial statements.

Thomas Jefferson Foundation, Inc.

Statements of Functional Expenses

Year ended December 31, 2019	Program Services									Support Services			
	Collections acquisitions	Curatorial and restoration	Gardens and grounds	Guest services	Interpretation	Robert H. Smith International Center for Jefferson Studies	Retail operations	Marketing and commun-ications	Total Program Services	Administration	Development	Total Support Services	Total Expenses
Compensation and benefits	$ -	$ 1,125,760	$ 1,381,046	$ 2,694,540	$ 2,022,312	$ 2,899,817	$ 2,181,421	$ 830,712	$ 13,135,608	$ 1,803,155	$ 746,875	$ 2,550,030	$ 15,685,638
Cost of sales	-	1,309	77,011	162,849	13	603	4,857,156	838	5,099,779	26,355	10,057	36,412	5,136,191
Maintenance and supplies	-	174,471	398,760	313,915	169,308	349,810	378,546	146,179	1,930,989	434,412	111,953	546,365	2,477,354
Shipping and handling	-	7,957	5	-	-	-	571,583	-	579,545	-	-	-	579,545
Postage	-	124	538	537	890	2,513	316,286	44,403	365,291	6,285	42,933	49,218	414,509
Utilities	-	43,340	45,019	62,301	49,177	85,915	124,579	26,653	436,984	120,336	14,683	135,019	572,003
Depreciation	-	226,472	592,945	390,447	281,437	777,419	598,764	91,449	2,958,933	688,318	31,250	719,568	3,678,501
Professional fees and insurance	-	143,113	100,144	37,369	26,214	92,143	291,884	596,767	1,287,634	592,906	150,983	743,889	2,031,523
Advertising	-	2,452	31,347	9,918	4,055	6,485	993,843	388,625	1,436,725	885	47,254	48,139	1,484,864
Collections and exhibits	183,212	-	-	-	-	-	-	-	183,212	-	-	-	183,212
Conservation	-	40,051	-	-	-	-	-	-	40,051	-	-	-	40,051
Dues, subscriptions and publications	-	1,782	2,312	8,046	2,624	105,667	1,192	4,696	126,319	29,335	1,194	30,529	156,848
Rent (including equipment rental)	-	174	6,234	12,080	222	1,082	205,007	176,959	401,758	9,052	152,367	161,419	563,177
Fellowships and scholarships	-	-	1,050	42,052	-	169,210	-	30,000	242,312	-	-	-	242,312
Travel, lodging and meals	-	29,438	19,077	126,183	22,239	253,919	22,729	75,726	549,311	63,578	237,080	300,658	849,969
Other	-	4,241	6,898	439,906	449,297	50,680	346,959	11,192	1,309,173	253,526	21,802	275,328	1,584,501
Total	$ 183,212	$ 1,800,684	$ 2,662,386	$ 4,300,143	$ 3,027,788	$ 4,795,263	$ 10,889,949	$ 2,424,199	$ 30,083,624	$ 4,028,143	$ 1,568,431	$ 5,596,574	$ 35,680,198

See accompanying notes to the financial statements.

Thomas Jefferson Foundation, Inc.

Statements of Functional Expenses

	Program Services									Support Services			
Year ended December 31, 2018	Collections acquisition	Curatorial and restoration	Gardens and grounds	Guest services	Interpretation	Robert H. Smith International Center for Jefferson Studies	Retail operations	Marketing and commun-ications	Total Program Services	Administration	Development	Total Support Services	Total Expenses
Compensation and benefits	$ -	$ 1,072,102	$ 1,206,538	$ 2,718,372	$ 2,052,138	$ 2,928,612	$ 2,152,143	$ 951,982	$ 13,081,887	$ 1,807,031	$ 854,962	$ 2,661,993	$ 15,743,880
Cost of sales	-	1,301	82,791	173,787	3	117	4,009,838	457	4,268,294	28,754	7,462	36,216	4,304,510
Maintenance and supplies	-	271,955	313,465	366,309	134,331	307,282	346,379	213,637	1,953,358	363,955	115,021	478,976	2,432,334
Shipping and handling	-	15,515	201	100	48	129	569,761	39	585,793	115	20	135	585,928
Postage	-	294	290	1,580	1,617	1,892	302,982	78,374	387,029	7,255	44,442	51,697	438,726
Utilities	-	31,522	39,098	65,758	43,055	79,186	119,317	26,051	403,987	115,603	20,187	135,790	539,777
Depreciation	-	157,805	575,489	383,321	261,836	760,589	571,388	85,376	2,795,804	658,035	78,565	736,600	3,532,404
Professional fees and insurance	-	417,456	140,073	172,418	72,146	208,532	319,732	396,568	1,726,925	737,328	188,206	925,534	2,652,459
Advertising	-	5,587	16,053	19,337	5,983	13,869	772,947	463,051	1,296,827	5,082	64,227	69,309	1,366,136
Collections and exhibits	471,244	-	-	-	-	-	-	-	471,244	-	-	-	471,244
Conservation	-	304,159	-	-	-	-	-	-	304,159	-	-	-	304,159
Dues, subscriptions and publications	-	1,522	1,367	18,069	1,666	363,973	1,037	9,648	397,282	20,044	2,217	22,261	419,543
Rent (including equipment rental)	-	690	1,923	31,114	1,215	9,294	203,009	295,172	542,417	7,914	108,918	116,832	659,249
Fellowships and scholarships	-	-	-	53,114	-	237,804	-	22,000	312,918	-	-	-	312,918
Travel, lodging and meals	-	45,288	14,219	172,721	18,932	408,156	18,151	293,733	971,200	88,583	234,872	323,455	1,294,655
Other	-	5,234	6,577	437,310	457,684	23,735	345,377	5,861	1,281,778	308,415	78,437	386,852	1,668,630
Total	**$ 471,244**	**$ 2,330,430**	**$ 2,398,084**	**$ 4,613,310**	**$ 3,050,654**	**$ 5,343,170**	**$ 9,732,061**	**$ 2,841,949**	**$ 30,780,902**	**$ 4,148,114**	**$ 1,797,536**	**$ 5,945,650**	**$ 36,726,552**

See accompanying notes to the financial statements.

1. Organization and Summary of Significant Accounting Policies

The Thomas Jefferson Foundation, Inc. (the "Foundation") is formed under the laws of the Commonwealth of Virginia and is the private nonprofit organization that owns and operates Monticello, the mountaintop home and plantation of Thomas Jefferson. A museum and research institute, Monticello is a national and international treasure – designated as a United States National Historic Landmark and a United Nations World Heritage site, the only American residence on this prestigious list. Since its founding in 1923, the Foundation has dedicated itself to a two-fold mission of preservation and education. The Foundation's twenty-first century vision is to bring history forward into national and global dialogues – inviting engagement with Jefferson's world and ideas through programming on and off the mountain.

Completed in 2018, The Mountaintop Project is the latest chapter in Monticello's preservation; a multi-year initiative to restore the house and landscape to their Jefferson-era appearance and tell the stories of the people, free and enslaved, who lived and labored on the 5,000-acre plantation. Guided by archaeological research and discovery, this undertaking consolidates an ambitious list of complex, interdependent construction and restoration projects.

As a private, nonprofit 501(c)(3) corporation, the Foundation receives no ongoing federal, state, or local government funding in support of its mission. Approximately 389,000 people visited Monticello in 2019 and average attendance over the past ten years has averaged approximately 434,000 people per year. The Foundation's main sources of revenue are gifts and grants, admissions to Monticello, and sales from the retail operations of the museum shops, catalog, and online store. The Foundation has more than 145 volunteers and employs approximately 373 full-time, part-time, and seasonal staff.

Basis of accounting

The accompanying financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of presentation

The Foundation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) ASC 950-205, *Not-for-Profit Entities*. As required by the Not-for-Profit Entities Topic of the Codification, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management of the Foundation to make estimates and assumptions related to 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 revenues and expenses during the reporting period. Actual results could differ from those estimates under different assumptions and conditions.

The most sensitive estimates affecting the accompanying financial statements include the valuation of contributions receivable, the allowance for uncollectible contributions receivable, the valuation of alternative investments, the allocation of expenses to operating and support services, the depreciable lives of property and equipment, valuation of annuities and the valuation of the interest rate swap liability.

The investment in private companies consist principally of readily marketable securities, investments in other private investment companies, and certain investments which are not readily marketable. Because the Foundation does not directly invest in the underlying assets of the private investment companies, and due to restrictions on the transferability and timing of withdrawals from the private investment companies, the amounts realized upon liquidation could differ from such reported values and differences could be material.

Revenue recognition

Contribution revenue

Contributions, including unconditional promises to give, are recognized as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year.

Contributions are recorded at fair value, which is net of estimated uncollectible amounts. The Foundation uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, including multi-year pledges and split-interest agreements to be received after one year, are recorded at the present value of the estimated future cash flows. Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years. Revenue under charitable gift annuity arrangements is reduced by the estimated annuities to be paid by the Foundation over the beneficiary's lifetime. Irrevocable split-interest agreements, including charitable remainder trusts, charitable lead trusts and perpetual trusts, are recorded as revenue when the trust agreements become irrevocable.

Conditional promises to give, that is those with a measurable performance or other barrier and right of return, are recognized as revenue when the conditions on which they depend have been substantially met.

Contributed services

Contributed services and in-kind contributions are recognized if they create or enhance non-financial assets or require specialized skills and would need to be purchased if not provided by donation. Contributed time for specialized or professional services meeting certain criteria are reflected as contributions in the accompanying financial statements at fair value. The fair value of these services was approximately $92,000 and $249,000 for the years ended December 31, 2019 and 2018, respectively and recorded as charitable contributions in the statement of activities and change in net assets.

Admissions revenue

Revenue is recognized on the date of tour. A receivable is recorded if tickets were sold on account to a pre-approved customer such as a tour company.

Retail operations revenue

Revenue is recognized at the time of sale as museum shop and catalog sales are all cash transactions. For catalog online sales, the revenue is recognized at the time when the product is shipped and free-on board shipping point to customers.

Event revenue

Deposits for events are recognized upon signing of contracts since there is no right of return and remaining registration and venue fees are recognized upon completion of the related event.

Other revenue

Other revenues are recognized when earned.

Cash and cash equivalents

Cash and cash equivalents include all short-term, highly-liquid instruments purchased with an original maturity of three months or less.

Inventory

Inventory consists of merchandise for the museum shops, catalog, and online store and is valued at the lower of cost and net realizable value, with cost determined on the average cost basis. The Foundation evaluates inventory levels and expected usage on a periodic basis and records adjustments as required.

Investments

The Foundation records investments at fair value. Interest and dividend income is accounted for on the accrual basis. Gains and losses on investments, including changes in market value, net with investment expenses are reported as net of investment return in the statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

Investments in global equity funds, global fixed income funds, absolute return funds, real asset, and private equity funds are valued at net asset value, which estimates fair value. The funds value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the funds, which may include private placements and other securities for which prices are not readily available, are determined by the management of the respective fund and may not reflect amounts that could be realized upon immediate sale nor amounts that could be ultimately realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Foundation's investments in global equity funds, global fixed income funds, absolute return funds, real assets, and private equity funds generally represents the amount the Foundation would expect to receive if it were to liquidate its investments in the funds, excluding any redemption charges that may apply. The Foundation's investments in such private investment companies are also subject to management and performance fees as specified in their agreements.

Contributions receivable

Contributions receivable are carried at the original value less an estimate made for doubtful receivables based on a review of all outstanding pledges on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The allowance for doubtful accounts was $2,791,566 and $2,759,935 at December 31, 2019 and 2018, respectively. Total bad debt expense was $31,631 for the year ended December 31, 2019. Total bad debt recovery was $95,500 for the year ended December 31, 2018.

Property and equipment

Property and equipment used in operations is reported at cost or at the current estimated value at date of gift, if donated. The capitalization threshold for individual purchases is $10,000 or greater. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment is retired, or otherwise disposed of, the cost and accumulated depreciation and amortization is removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Donated property is recorded at estimated fair value at the time of donation. Improvements to property and equipment that extend the useful lives of the assets are also capitalized. Depreciation is computed by the straight-line method using the following estimated useful lives:

Land improvements	10 – 40 Years
Facilities and improvements	10 – 40 Years
Equipment	3 – 15 Years
Furniture and fixtures	5 – 10 Years
Leasehold improvements	Shorter of useful life asset or the length of lease
Vehicles	3 – 7 Years
Computer software	3 Years
Computer hardware	3 – 10 Years

Historic properties and collections

The Foundation has elected not to capitalize its historic properties and collections. These collections are related to Thomas Jefferson and his plantation home, Monticello. The most precious artifact in the collection is the house itself and the surrounding landscape, which were designed by Thomas Jefferson between 1769 and 1809.

The curatorial collections chiefly consist of paintings, decorative arts and artifacts, approximately 2,600 of which relate directly to Thomas Jefferson and Monticello, and about 1,900 books with titles and editions selected to duplicate Jefferson's original library. About 40 of these volumes are Thomas Jefferson's own copies. The Foundation's restoration department is dedicated to the architectural preservation of the house, while the curatorial collections are under the care of a full curatorial department. The Foundation's collections are maintained for public exhibition, education, and research in order to advance understanding of Thomas Jefferson and Monticello in furtherance of public service. The Foundation's collections management policy requires that the proceeds from the sale of any artifact from the Foundation's collection would be used to acquire additional artifacts for the collection.

In conformity with the practice generally followed by museums, no value is assigned to the collections in the statement of financial position. Purchases of collection items are recognized as a reduction in net assets without donor restrictions in the period of the acquisition. Proceeds from deaccessions of collection items are designated for future collection acquisitions. The Foundation does not recognize the donations of collection items as contribution income, as the collections are not capitalized. The cost of acquisitions and improvements of historic properties and collections was $183,212 and $471,244 for the years ended December 31, 2019 and 2018, respectively.

Annuity and split-interest liabilities

In 1997, the Foundation received contributed assets in exchange for an annuity that requires the Foundation to pay the donor a fixed annual amount over the remaining life of the donor. This liability is recorded at the present value of the estimated future payments using the prevailing discount rate at the date of the contribution, which was 7.4%.

The Foundation's split-interest agreements consist of irrevocable charitable remainder unitrusts. Liabilities are recorded at the present value of the estimated future payments to the donors and/or other beneficiaries using prevailing discount rates at the date of contribution. The liabilities are adjusted during the terms of the trusts consistent with changes in the value of the assets and actuarial assumptions. A discount rate between 7.4% and 7.0% was used to determine the liabilities for the split-interest agreements for the years ended December 31, 2019 and 2018 respectively.

Annuity and split-interest liabilities consist of the following:

December 31,		**2019**		2018
Annuity payable	**$**	**567,285**	$	567,285
Split-interest agreements		**114,690**		107,800
Total	**$**	**681,975**	$	675,085

Bond issuance costs

Bond issuance costs are amortized over the life of the bonds. Unamortized bond issuance costs are recorded as a reduction of long-term debt, and amortization is reported with interest expense.

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Foundation's Board of Trustees has designated, from net assets without donor restrictions, net assets for board-designated reserves and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Income taxes

The Foundation has been determined by the Internal Revenue Services (IRS) to be exempt from taxes on income derived from activities related to its exempt purpose under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation. However, the Foundation is subject to unrelated business income tax on certain activities which are unrelated to its exempt purpose. The Foundation has net operating loss carryforwards totaling more than $4.2 million, with expirations ranging from 2020 to 2037. A 100% valuation allowance has been recorded against this deferred tax asset because it is uncertain that the loss carryforward represents a future tax benefit.

In accordance with authoritative guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board (FASB), the Foundation recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years ended December 31, 2016 and prior. Management has evaluated the Foundation’s tax positions and has concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Contributions restricted for capital expenditures

Contributions of cash or other assets subject to donor restrictions that they be used to acquire land, buildings, and equipment are reported as revenues of the net asset with donor restrictions class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Advertising costs

The Foundation expenses advertising costs as incurred, except for catalog costs, which are expensed when the catalog is mailed. Total advertising costs were approximately $1,485,000 and $1,366,000 for the years ended December 31, 2019 and 2018, respectively.

Shipping and handling costs

The Foundation includes shipping and handling costs in expenses for the museum shops, catalog, and online store. Shipping and handling costs were approximately $580,000 and $586,000 for the years ended December 31, 2019 and 2018, respectively.

Operations

Operating revenues and expenses include all transactions which increase or decrease net assets except those associated with net investment return, pension costs, sale of assets and swap contracts.

Donated securities

Donated securities are reported at their fair value as of the date of donation. Sales are reflected on a trade-date basis.

Valuation of long-lived assets

The Foundation reviews the valuation of its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No indicators of impairment were identified as of December 31, 2019 and 2018.

Functional expenses

The costs of providing the Foundation's programs and other activities have been summarized on a functional basis in the accompanying statements of activities and change in net assets and the statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditure classifications. Certain costs common to multiple functions have been allocated among the various functions benefited. Administrative expenses include those costs that are not directly identifiable with any specific function, but which provide for the overall support and direction of the Foundation. Accordingly, certain overhead costs have been allocated among program services, administration, and development. Compensation and benefits of certain key employees were allocated based on an estimate of time spent supervising and managing specific departments. Expenses of Buildings and Security departments were allocated based on square footage occupied by departments in program services, administration and development. Fleet departmental expenses were allocated based on a department's percentage of total Foundation vehicles. Information Technology (IT) expenses were allocated based on the percentage of a department's number of computers in use to the total of all computers. Computers inventoried for the IT, Buildings and Security departments were further allocated to non-allocated departments by purpose.

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, accounts receivable, prepaid expenses, and accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. Investments are stated at fair value.

Derivative instruments

The Foundation has entered into interest rate swap agreements to mitigate changes in interest rates on their variable rate borrowings. The notional amounts of these agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to loss. The Foundation does not use derivative financial instruments for speculative purposes.

The Foundation accounts for derivatives in accordance with authoritative guidance issued by the FASB ASC 815 – *Derivatives and Hedging*, which requires nonprofit entities to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at their fair value. The guidance also requires that changes in the derivatives' fair value be recognized in the statement of activities and change in net assets. Management formally documents its derivative transactions, including identifying the hedge instruments and hedged items and its risk management objectives.

The Foundation's interest rate swap liabilities are considered to be derivatives and are recognized as liabilities at fair value in the accompanying statement of financial position as of December 31, 2019 and 2018. Changes in the fair value of the interest rate swap liabilities are recorded as unrealized gains or losses in the accompanying statements of activities and change in net assets. The Foundation recognized an unrealized loss of $1,259,409 and an unrealized gain of $785,528 on the interest rate swap liabilities for the years ended December 31, 2019 and 2018, respectively.

Concentrations of credit risk

The Foundation's assets that are exposed to credit risk consist primarily of cash and cash equivalents, investments and contributions receivable. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Foundation has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at December 31, 2019 and 2018 were approximately $3.8 million and $3.7 million, respectively. The Foundation's contributions receivable balances consist primarily of amounts due from individuals and corporations. Historically, the Foundation has not experienced significant losses related to the contributions receivable balances and, therefore, believes that the credit risk related to them is minimal.

The Foundation is exposed to potential risks through its investments in private investment companies. 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 investment balances and the amounts reported in the statement of financial position. Such potential risks include, but are not limited to, the following:

Non-marketable securities:

Certain of the private investment companies hold various types of securities that are not readily marketable. Such securities are valued using various methodologies including estimates of fair value as determined by the management of the private investment companies. Such estimates are subject to change with the passage of time and the occurrence of events and such changes could be material.

Broker dealer risk:

Certain private investment companies have clearing agreements with brokerage firms to carry accounts as customers. Such brokers have custody of the private investment companies' securities, and from time to time, cash balances which may be due from these brokers. These securities and/or cash positions serve as collateral for any amounts due to brokers as well as collateral for securities sold short or securities purchased on margin. The private investment companies are subject to credit risk as the brokers may be unable to repay balances due or deliver securities in their custody.

Investments short sales

Certain private investment companies may sell securities that they do not own and, therefore, will be obligated to purchase such securities at a future date. These obligations are recorded on those private investment companies' respective financial statements at the market value of the securities. There is an element of risk that, if the securities increase in value, it will be necessary to purchase the securities at a cost in excess of the obligation reflected in these private investment companies' respective financial statements.

Reclassifications

Certain amounts presented in the 2018 financial statements has been reclassified to conform to the 2019 presentation.

Accounting pronouncements adopted

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (*Topic 606*)*. This update supersedes previously issued guidance on revenue recognition and applies to virtually all industries. The core principle of this new guidance is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies the performance obligation. The Foundation adopted this update, along with all subsequent amendments (collectively, "ASC 606") in 2019 under the modified retrospective method. Admissions, retail operations and events revenue fall under ASC 606. There were no material changes in the Foundation's recognition of these revenue streams.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall* (Subtopic 825-10). This update requires an entity to: (i) measure equity investments at fair value through net income, with certain exceptions; (ii) present in other comprehensive income ("OCI") the changes in instrument-specific credit risk for financial liabilities measured using the fair value option; (iii) present financial assets and financial liabilities by measurement category and form of financial asset; (iv) calculate the fair value of financial instruments for disclosure purposes based on an exit price and; (v) assess a valuation allowance on deferred tax assets related to unrealized losses of available for sale ("AFS") debt securities in combination with other deferred tax assets. The update provides an election to subsequently measure certain nonmarketable equity investments at cost less any impairment and adjusted for certain observable price changes. The update also requires a qualitative impairment assessment of such equity investments and amends certain fair value disclosure requirements. The adoption of this guidance did not have a material impact on the Foundation's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 was issued to standardize how grants and other contracts received and made are classified across the sector, as either an exchange transaction or a contribution. ASU 2018-08 provides guidance to assist in the determination of whether a transaction is a contribution or an exchange transaction. If the transaction is deemed to be a contribution the guidance provides factors to consider with regard to whether the contribution is conditional or unconditional. For contributions received, if determined to be an unconditional contribution, the determination will then need to be made as to whether the contribution is restricted. ASU 2018-08 assists in the determination of the nature of the transaction which will then govern the revenue and expense recognition methodology and timing of the transaction. The effective date of this standard varies based on whether you are a resource recipient or a resource provider. As a resource recipient, for contributions received, management adopted this update on a prospective basis for the year ended December 31, 2019. Contribution revenue was accounted for under ASC Topic 958-605, *Not-for-Profit Entities, Revenue Recognition*, before the implementation of the new standard. With the clarifications outlined in ASU 2018-08, the Foundation's management reviewed existing agreements as of the effective date, as well as new agreements for 2019, and concluded that there are no material changes in revenue related to contributions received.

Accounting pronouncements not yet adopted

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This standard relates to leasing for both lessees and lessors. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. This standard has been subsequently updated by ASUs 2018-01, 2018-10, 2018-11, 2018-20, 2019-01, 2019-10 and 2020-03, the last of which deferred the effective date for private companies and certain not-for profit entities to fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Foundation is evaluating the effect that adoption of this new standard will have on the Foundation's financial statements.

As noted previously herein, ASU 2018-08 provides guidance how grants and other contracts received and made are classified, as either an exchange transaction or a contribution, for both resource recipients and resource providers. For resource providers, the standard assists in the determination of the nature of the transaction which will then govern the expense recognition methodology and timing of the transactions. The Foundation has adopted the guidance pertinent to resource recipients for the year ended December 31, 2019. The ASU is effective for transactions in which the entity serves as the resource provider to annual periods beginning after December 15, 2019. The Foundation is evaluating the effect that adoption of the remainder of this new standard will have on the Foundation's financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement* (Topic 820): *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, Fair Value Measurement. The ASU is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Foundation is evaluating the effect that adoption of this new standard will have on the Foundation's financial statements.

2. Liquidity and Availability

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; such support has historically represented approximately 10% of annual program funding needs, with the remainder funded by retail operations, admissions fees, and appropriated earnings from gifts with donor restrictions.

The board-designated endowment of $146,342,837 as of December 31, 2019 is subject to an annual spending rate of 5 percent as described in Note 12. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was $4,218,675 as of December 31, 2019.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, development expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

December 31,		**2019**		2018
Financial assets at year end:				
Cash and cash equivalents	$	**4,106,895**	$	4,010,050
Accounts receivable		**134,053**		452,561
Contributions receivable, net		**2,396,589**		4,080,200
Investments and investment receivable		**264,000,498**		212,934,638
Total financial assets		**270,638,035**		221,477,449
Less amounts not available to be used within one year:				
Contributions receivable for restricted gifts and contributions receivable due after one year, net		**(2,324,989)**		(3,352,900)
Investments held in 457(b) accounts		**(188,055)**		(142,367)
Less donor-imposed restrictions:				
Restricted funds		**(24,887,166)**		(21,790,371)
Endowments		**(90,876,044)**		(72,286,249)
Less internal designations:				
Board-designated endowments		**(146,342,837)**		(118,044,017)
Board-designated reserve funds		**(4,218,675)**		(4,120,129)
Total financial assets available to meet cash needs for general expenditures within one year	$	**1,800,269**	$	1,741,416

3. Accounts Receivable

Accounts receivable consist of the following at December 31:

		2019		2018
Grants receivable	$	**89,364**	$	301,238
Admissions receivable		**3,362**		15,122
Events receivable		**4,747**		2,465
Other receivables		**36,580**		133,736
Total accounts receivable	$	**134,053**	$	452,561

Management believes all amounts will be collected; therefore, no allowance for uncollectible accounts has been recorded.

4. Contributions Receivable

Unconditional promises to give are recorded as receivables in the year promised and are recognized as without donor restrictions or with donor restrictions, as appropriate.

The Foundation has presented its unconditional promises to give at net realizable value, which has been estimated by discounting expected future cash flows from promises to give using discount rates of 4.75% and 5.5% at December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018 contributions receivable are expected to be received as follows:

	2019	2018
Less than one year	$ 3,643,303	$ 4,660,300
One to five years	1,613,301	2,011,640
More than five years	145,352	528,849
	5,401,956	7,200,789
Less allowance for uncollectible contributions	(2,791,566)	(2,759,935)
Less discount to present value	(213,801)	(360,654)
Total contributions receivable, net	$ 2,396,589	$ 4,080,200
Contributions receivable, current portion	$ 901,737	$ 1,900,364
Contributions receivable, net of current portion	1,494,852	2,179,836
Total contributions receivable, net	$ 2,396,589	$ 4,080,200

The ownership of net contributions receivable for each class of net assets at December 31:

	2019	2018
Without donor restrictions	$ 11,500	$ 2,500
With donor restrictions	2,385,089	4,077,700
Total contributions receivable, net	$ 2,396,589	$ 4,080,200

The Foundation has received other promises to give which are conditional upon the incurrence of certain expenses, the matching of gift amounts, or other conditions. Conditional promises are not recorded as receivables until conditions have been met. Conditional pledges totaled $250,000 and $500,000 for the years ended December 31, 2019 and 2018, respectively.

5. Net Investment Returns

Net investment returns are reconciled to the accompanying statement of activities and change in net assets as follows at December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends (net of management expenses of $460,674)	$ (15,522)	$ 132,049	$ 116,527
Realized gain	27,310,555	20,009,271	47,319,826
Unrealized gain	4,573,544	3,158,856	7,732,400
Total investment return, net	$ 31,868,577	$ 23,300,176	$ 55,168,753

Investment returns are reconciled to the accompanying statement of activities as follows at December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends (net of management expenses of $263,406)	$ 384,718	$ 271,045	$ 655,763
Realized gain	473,551	332,743	806,294
Unrealized loss	(3,961,740)	(3,183,526)	(7,145,266)
Total investment return, net	$ (3,103,471)	$ (2,579,738)	$ (5,683,209)

6. Property and Equipment

Property and equipment (exclusive of historic properties and collections) consists of the following:

December 31,	**2019**	2018
Facilities and improvements	**$ 69,984,014**	$ 70,389,918
Land	**14,158,145**	14,158,145
Land improvements	**11,633,445**	11,615,915
Equipment	**8,710,938**	8,618,101
Construction-in-progress	**-**	600,727
Computer software	**2,097,141**	2,190,307
Furniture and fixtures	**1,325,691**	1,340,900
Vehicles	**940,320**	993,230
Leasehold improvements	**173,406**	184,318
Total property and equipment	**109,023,100**	110,091,561
Less: accumulated depreciation	**(38,937,006)**	(36,492,205)
Property and equipment, net	**$ 70,086,094**	$ 73,599,356

Depreciation and amortization expense on property and equipment totaled $3,678,501 and $3,532,404 for the years ended December 31, 2019 and 2018, respectively.

7. Line-of-Credit

The Foundation has a $1.5 million bank line- of- credit with SunTrust Bank ("SunTrust"). Interest on the line-of-credit is based on the greater of one-month LIBOR plus 1.5% per annum or 2.25% (3.20% and 3.76% as of December 31, 2019 and 2018, respectively). The line-of-credit is secured by certain investments of the Foundation and is subject to certain covenants, as defined in the agreement. There was no outstanding balance on the line at December 31, 2019 and 2018. During 2018, two advances of $1.5 million each were drawn on the line and repaid in full prior to December 31, 2018. The line-of-credit agreement expires on December 28, 2020.

8. Long-Term Debt

The Foundation has issued $30 million in tax exempt revenue bonds through the Industrial Development Authority of Albemarle County, Virginia to finance the construction of the Foundation's visitor center. The bond was purchased by SunTrust in December 2011. Interest is due monthly at 75% of one-month LIBOR plus 0.85% (2.33% and 2.92% as of December 31, 2019 and 2018, respectively). The bonds mature in 2037; however the bondholder may exercise an option to put the bonds to the Foundation beginning December 2018 and every seven years thereafter. In October 2017, the Foundation signed an agreement with SunTrust to elect not to tender the Bond for purchase on the tender date of December 1, 2018, and that the next tender date will be December 1, 2025.

The Foundation's bonds are not subject to any loan covenants other than submitting audited financial statements on an annual basis.

Long-term debt consists of the following at December 31:

	2019	2018
Series 2011 bonds, balloon maturity in 2037	**$ 29,746,000**	$ 29,746,000
Less: unamortized bond discount	**(50,750)**	(53,650)
Less: unamortized cost of issuance	**(56,955)**	(60,209)
Total long-term debt, net of discount and issuance costs	**$ 29,638,295**	$ 29,632,141

Interest expense, including amortization of bond issuance costs, annuity interest, letter of credit fees, and net swap interest expense was $1,295,157 and $1,288,481 for the years ended December 31, 2019 and 2018, respectively. No interest was capitalized in the years ended December 31, 2019 and 2018.

9. Interest Rate Swap Agreements

The Foundation has executed swap agreements which effectively fix the interest rate on its outstanding bonds. Under these agreements, the Foundation pays a fixed rate to a counterparty, and in return, the counterparty pays the applicable variable rate. The Foundation's swap agreements consist of the following:

Effective Date	Notional Amount	Floating Rate	Termination Date	Rates*	Fair Value Asset (Liability) **December 31, 2019**	Fair Value Asset (Liability) December 31, 2018
January 1, 2008	$ 10 million	67% USD LIBOR-BBA	January 1, 2028	3.3425%	**$ (1,651,418)**	$ (1,313,411)
April 1, 2009	$ 5 million	67% USD LIBOR-BBA	April 1, 2029	2.8000%	**(700,936)**	(485,909)
April 6, 2009	$ 5 million	67% USD LIBOR-BBA	April 1, 2029	2.2500%	**(466,494)**	(238,949)
February 1, 2018	$ 9.7 million	75% USD LIBOR-BBA	November 1, 2032	2.4525%	**(576,540)**	(97,710)
Net swap agreement liability					**$ (3,395,388)**	$ (2,135,979)

(*) Rates do not include the credit spread

Net swap interest expense was $362,171 and $415,361 for the years ended December 31, 2019 and 2018, respectively, not including the change in fair value of the swap contracts.

10. Employee Benefit Plans

Defined Benefit Retirement Plan

The Foundation sponsored a noncontributory defined benefit pension plan (the Plan) which was frozen effective December 31, 2006. Actuarial calculations as to years of service and compensation were determined when the plan was frozen. The plan was fully terminated with no assets or liabilities as of December 31, 2018.

401(k) plan

The Foundation maintains a 401(k) plan which covers substantially all employees. Employees are eligible to participate on the first open enrollment date following one year of employment. The 401 (k) plan allows employees to voluntarily defer the maximum amount of compensation allowed by law and provides an employer matching contribution ranging from 3% to 6% of compensation.

Contributions by the Foundation to the 401(k) plan were approximately $583,698 and $559,013 for the years ended December 31, 2019 and 2018, respectively.

457(b) plan

On January 1, 2013, the Foundation introduced a nonqualified deferred compensation plan (457(b)) for certain employees. The 457(b) plan enables participants to defer a portion of their compensation. Total contributions to the 457(b) plan were $19,000 and $18,500 for the years ended December 31, 2019 and 2018, respectively.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

December 31,	**2019**	2018
Subject to expenditures for specified purpose:		
Education programs	**$ 15,508,148**	$ 10,127,632
Curatorial and restoration programs	**2,821,410**	1,616,607
Robert H. Smith International Center for Jefferson Studies	**6,557,698**	5,669,120
Mountaintop Project	**-**	4,377,012
Promises to give, the proceeds from which have been restricted by donors:		
Education Programs	**229,652**	166,507
Curatorial and restoration programs	**119,713**	206,930
Robert H. Smith International Center for Jefferson Studies	**33,529**	77,490
Mountaintop Project	**-**	473,492
	25,270,150	22,714,790
Subject to passage of time:		
Assets held under split-interest agreements	**170,947**	153,569
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	**243,895**	964,048
	414,842	1,117,617
Endowments:		
Subject to the Foundation's endowment spending policy and appropriation:		
Education programs	**23,523,855**	18,912,250
Curatorial and restoration programs	**20,191,746**	14,979,213
Robert H. Smith International Center for Jefferson Studies	**43,248,628**	35,071,620
Mountaintop Project	**-**	1,089,075
General use	**5,759,479**	4,726,601
Underwater endowments	**-**	(57,039)
	92,723,708	74,721,720
Not subject to the Foundation's endowment spending policy and appropriation:		
Beneficial interest in life insurance policy	**106,782**	102,680
Total endowments	**92,830,490**	74,824,400
Total net assets with donor restrictions	**$ 118,515,482**	$ 98,656,807

Assets were released from donor restrictions by the Foundation incurring expenses satisfying the restricted purposes, by the occurrence of other events specified by donors, or from the passage of time as follows for the years ended December 31:

	2019	2018
Expiration of time restrictions	$ 600,000	$ 575,000
Satisfaction of purpose restrictions:		
Education programs	574,060	467,139
Curatorial and restoration programs	382,443	619,124
Robert H. Smith International Center for Jefferson Studies	1,722,099	2,390,640
Mountaintop Project	90,330	2,515,309
Total satisfaction of purpose restrictions	2,768,932	5,992,212
Restricted-purpose spending rate distributions and appropriations:		
Education programs	927,529	910,029
Curatorial and restoration programs	606,419	586,088
Robert H. Smith International Center for Jefferson Studies	1,268,501	1,220,168
General use	240,122	211,195
Total restricted-purpose spending rate distributions and appropriations	3,042,571	2,927,480
Total net assets released from donor restrictions	$ 6,411,503	$ 9,494,692

12. Endowment Funds and UPMIFA

The Foundation holds institutional funds, principally endowment funds, subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of Virginia. “Endowment” is a commonly used term to refer to the resources that have been restricted by the donor or designated by the Board that are invested to provide future revenue to support the Foundation’s activities.

The Foundation’s endowment consists of approximately 50 individual funds established for a variety of purposes and includes investments pooled for endowment as well as certain contributions receivable which are permanently restricted to endowment. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted UPMIFA as requiring the preservation of the original dollar amount of the gift of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as amounts required to be maintained in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in amounts required to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Return Objectives and Risk Parameters

The Foundation's Board of Trustees has adopted investment and spending policies for endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board-designated funds. The objective of the investment policy is to support the growing operations of the Foundation and to preserve the purchasing power of the endowment's principal by attaining an average annual real return of at least 5% over the long term (running five-year periods) while maintaining an investment risk profile of a portfolio invested 75% in equities and 25% in bonds.

Strategies Employed for Achieving Objectives

To achieve its long-term investment objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objective within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating 5% of the three year trailing average of market values of the endowment funds as of the preceding June 30. In establishing its spending policy, the Foundation considered its investment policy objective of attaining an average annual real return of 5.0%. Accordingly, over the long term, the spending policy will maintain the purchasing power of the endowment.

The Foundation's endowment funds consist of the following as of December 31, 2019:

	Without donor restrictions	With donor restrictions	Total
Board-designated endowment funds	**$ 146,342,837**	**$ -**	**$ 146,342,837**
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	**-**	**52,035,101**	**52,035,101**
Accumulated investment gains	**-**	**40,795,389**	**40,795,389**
	$ 146,342,837	**$ 92,830,490**	**$ 239,173,327**

The Foundation's endowment funds consist of the following as of December 31, 2018:

	Without donor restrictions	With donor restrictions	Total
Board-designated endowment funds	$ 118,044,017	$ -	$ 118,044,017
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	50,105,396	50,105,396
Accumulated investment gains	-	24,719,004	24,719,004
	$ 118,044,017	$ 74,824,400	$ 192,868,417

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2018, funds with original gift values of $2,614,538, fair values of $2,557,499, and deficiencies of $57,039 were reported in net assets with donor restrictions. These amounts were fully recovered during 2019 due to favorable market fluctuations.

Changes in endowment composition by net asset classification are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, December 31, 2017	$ 128,228,777	$ 78,786,793	$ 207,015,570
Investment returns, net	(3,103,047)	(2,194,200)	(5,297,247)
Contributions	600,000	1,562,607	2,162,607
Appropriation of endowment assets pursuant to spending-rate policy	(4,290,714)	(3,330,800)	(7,621,514)
Distributions from board-designated endowment to fund pension termination	(3,390,999)	-	(3,390,999)
Endowment net assets, December 31, 2018	**$ 118,044,017**	**$ 74,824,400**	**$ 192,868,417**
Investment returns, net	**32,069,733**	**19,630,896**	**51,700,629**
Contributions	**600,000**	**1,929,705**	**2,529,705**
Appropriation of endowment assets pursuant to spending-rate policy	**(4,370,913)**	**(3,554,511)**	**(7,925,424)**
Endowment net assets, December 31, 2019	**$ 146,342,837**	**$ 92,830,490**	**$ 239,173,327**

13. Commitments and Contingencies

Lease commitments

The Foundation leases office equipment and space under the terms of non-cancelable operating leases that expire at various dates through November 2022. The Foundation is also responsible for certain operating expenses.

In 1998, the Foundation entered into a 35-year property lease with the University of Virginia Foundation for Kenwood, a 78-acre estate on land once owned by Thomas Jefferson. The minimum lease payment is $1 per year. The lease has a renewal option to extend the term of the lease for an additional term of five years on or before every anniversary date that is a multiple of five, provided that the maximum lease term, including renewals shall not exceed an aggregate term of 99 years. The Kenwood lease has been extended and is scheduled to expire on December 30, 2048.

In 2006, the Foundation entered into a 10-year property lease with University of Virginia Foundation on which the Foundation built a parking lot for the Saunders-Monticello Trail. The minimum lease payment is $1 per year. The Foundation paid the entire balance of $10 in November 2009. This lease expired on August 14, 2016. The Foundation is currently working with University of Virginia Foundation to formalize a new agreement.

In 2007, the Foundation entered into a 5-year property lease with Virginia Land Holdings, LLC for approximately 22,000 square feet of warehouse space in Ivy, Virginia for retail operations. In 2017, the Foundation renewed the lease for 3 years for approximately 28,600 square feet, effective July 1, 2017 and ending on July 1, 2020.

The following is a schedule by year of the future minimum lease payments required under these leases which have initial or remaining terms in excess of one year as of:

Years ending December 31,		Minimum Annual Lease Payments
2020	$	126,837
2021		6,595
2022		192
	$	133,624

Total gross rental and lease expense was approximately $232,584 and $228,798 for the years ended December 31, 2019 and 2018, respectively. Lease revenue was approximately $11,000 for both the years ended December 31, 2019 and 2018.

Other commitments

The Foundation has an agreement with Princeton University whereby Princeton assigned full responsibility to the Foundation for editing the chronological-series volumes of The Papers of Thomas Jefferson embracing the period from Jefferson's retirement from the Presidency in March 1809 until his death in 1826 (the retirement series). In assuming full responsibility for the retirement series, the Foundation also assumed full financial responsibility for the editorial preparation, which is estimated to require 23 volumes with one volume being produced annually at an estimated total cost of $22 million over 23 years. The Foundation has completed fifteen volumes and fourteen volumes as of December 31, 2019 and 2018, respectively.

14. Investments and Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Foundation reports certain investments using the net asset value per share as determined by investment managers under the so called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

FASB ASC 820, *Fair Value Measurement* (ASC 820) defines fair value, requires disclosures about fair value measurements, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

In general, and where applicable, the Foundation uses quoted prices in active markets for identical assets to determine fair value. For purposes of reporting assets in the fair value hierarchy, the Foundation considers the following investments to be Level 1 assets given that the unadjusted quoted prices are available in active markets that are accessible at the measurement date for identical unrestricted assets: cash and cash equivalents, equities, bonds security, mutual funds, and real estate investment trust. If quoted prices in active markets for identical assets are not available to determine fair value, then the Foundation uses quoted prices for similar assets or inputs other than the quoted prices that are observable either directly or indirectly. These investments are included in Level 2. The balance of the Foundation's investments includes investment in hedge funds and private equity funds. These funds are held as units or interest in institutional funds or limited partnerships, which are stated at net asset value (NAV) or its equivalent. The Foundation uses the NAV as a practical expedient to estimate the fair value, unless is it probable that all or a portion of the investment will be sold for an amount different than NAV.

Fair value on a recurring basis

The table that follows summarizes the Foundation's financial assets and liabilities that are measured at fair value on a recurring basis within the fair value hierarchy at December 31, 2019.

Description	Assets Measured at Fair Value	Fair Value Hierarchy Level Level 1	Level 2	Level 3	NAV
Equities					
Energy	$ 6,179	$ 6,179	$ -	$ -	$ -
Total equities	6,179	6,179	-	-	-
Mutual funds					
Equity	9,535,421	9,535,421	-	-	-
Fixed income	2,007,013	2,007,013	-	-	-
Total mutual funds	11,542,434	11,542,434	-	-	-
Cash and cash equivalents	28,577,483	28,577,483	-	-	-
Total investments at fair value	40,126,096	40,126,096	-	-	-
Investments measured at net asset value*:					
Global equities	66,927,753	-	-	-	66,927,753
Global fixed income	2,006,076	-	-	-	2,006,076
Absolute return	110,722,370	-	-	-	110,722,370
Real assets	2,013,439	-	-	-	2,013,439
Private capital	7,973,829	-	-	-	7,973,829
Total investments measured at net asset value*	189,643,467	-	-	-	189,643,467
Total investments	$ 229,769,563	$ 40,126,096	$ -	$ -	$ 189,643,467

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

The table that follows summarizes the Foundation's financial assets and liabilities that are measured at fair value on a recurring basis within the fair value hierarchy at December 31, 2018.

	Assets Measured at	Fair Value Hierarchy Level			
Description	Fair Value	Level 1	Level 2	Level 3	NAV
Bonds					
Corporate bonds	$ 2,811,696	$ 2,811,696	$ -	$ -	$ -
US Treasury notes	3,481,545	3,481,545	-	-	-
Total bonds	6,293,241	6,293,241	-	-	-
Equities					
Finance	2,863,293	2,863,293	-	-	-
Services and other	11,558,733	11,558,733	-	-	-
Health	650,725	650,725	-	-	-
Energy	2,981,305	2,981,305	-	-	-
Technology	3,633,537	3,633,537	-	-	-
Total equities	21,687,593	21,687,593	-	-	-
Mutual funds					
Equity	755,653	755,653	-	-	-
Fixed income	98,324	98,324	-	-	-
Total mutual funds	853,977	853,977	-	-	-
Cash and cash equivalents	2,234,979	2,234,979	-	-	-
Total investments at fair value	31,069,790	31,069,790	-	-	-
Investments measured at net asset value*:					
Global equities	66,576,409	-	-	-	66,576,409
Absolute returns	114,983,151	-	-	-	114,983,151
Private capital	305,288	-	-	-	305,288
Total investments measured at net asset value*	181,864,848	-	-	-	181,864,848
Total investments	$ 212,934,638	$ 31,069,790	$ -	$ -	$ 181,864,848

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

Changes in fair value levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Foundation's management evaluates the significance of transfers between levels based upon the nature of the investment.

The major categories of the Foundation's investments that are valued at net asset value, including general information related to each category, are as follows at December 31, 2019:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equities (a)	$ 66,927,753	$ -	Quarterly, Annually, and Rolling Lock-Up	30 - 120 days
Global fixed income (b)	2,006,076	-	Daily	2 days
Absolute return (c)	110,722,370	-	Quarterly, Annually, and Rolling Lock-Up	30 - 90 days
Real assets (d)	2,013,439	14,151,580	Monthly	5 days
Private capital (e)	7,973,829	20,398,786	N/A	N/A
	$ 189,643,467	$ 34,550,366		

The major categories of the Foundation's investments that are valued at net asset value, including general information related to each category, are as follows at December 31, 2018:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equities (a)	$ 66,576,409	$ -	Quarterly, Annually, and Rolling Lock-Up	30 - 120 days
Absolute return (c)	114,983,151	-	Quarterly, Annually, and Rolling Lock-Up	30 - 90 days
Private capital (e)	305,288	1,605,906	N/A	N/A
	$ 181,864,848	$ 1,605,906		

(a) Global equities describes an asset mix of international, domestic, emerging markets, and global equity investments. The fair value of investments in this category has been estimated using the net asset value per share (or equivalent) practical expedient. Approximately 15 percent of the value of these investments is available for redemption on December 31, 2019 or in the near term and at the end of each calendar quarter thereafter.

(b) Global fixed income describes an asset mix of domestic and global fixed income investments that range from high yield to sovereign bonds. The fair value of investments in this category has been estimated using the net asset value per share (or equivalent) practical expedient. 100 percent of the value of these investments is available for redemption on December 31, 2019 or in the near term thereafter.

(c) Absolute return funds invest in a mix of differentiated hedge funds including equity hedge, fixed income, multi-strategy, and event-driven strategies. The fair value of investments in this category has been estimated using the net asset value per share (or equivalent) practical expedient. Approximately 73 percent of the value of these investments are available for redemption on December 31, 2019 or in the near term and at the end of each calendar quarter thereafter.

(d) Real assets funds consist of public and private investments in real estate, infrastructure, commodities, and inflation hedge investments. The fair value of investments in this category has been estimated using the net asset value per share (or equivalent) practical expedient. The fair value of investments in public real assets are liquid and may be redeemed monthly after a one year soft lock-up. Investments in private real assets can never be redeemed with the fund.

(e) Private capital funds consist of limited partnerships that are organized to make either direct or indirect investments in companies. Strategies include buyout, venture capital, and growth investments. The fair value of investments in this category has been estimated using the net asset value per share (or equivalent) practical expedient. Investments can never be redeemed with the fund. The nature of investments results in distributions through liquidation of underlying assets which are received over 5 to 8 years.

Fair Value on a recurring basis - liabilities

Financial liabilities measured at fair value on a recurring basis are summarized below:

	As of December 31, 2019			
	Liabilities Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Interest rate swap liabilities	**$ 3,395,388**	**$ -**	**$ 3,395,388**	**$ -**

	As of December 31, 2018			
	Liabilities Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Interest rate swap liabilities	$ 2,135,979	$ -	$ 2,135,979	$ -

Fair Value on a nonrecurring basis

The fair value of the Foundation's cash and cash equivalents, accounts receivable, prepaid, accounts payable and accrued expenses approximate their carrying amounts due to the short maturity of these instruments.

The fair value of the Foundation's contributions receivables and annuity and split-interest liability is estimated using a discounted cash flow analysis based on the current U.S. Treasury rate for the applicable term.

The fair value of the Foundation's long-term debt is estimated using a discounted cash flow analysis based on the current rates to the Foundation for a long-term debt of the same remaining maturities with similar collateral requirements and credit quality. The fair value is the estimated amount at which an instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table presents the carrying values and the fair values of other significant financial assets and liabilities that qualify as financial instruments, determined in accordance with the authoritative guidance for fair value disclosures of financial instruments, at December 31:

	Level in Fair Value Hierarchy	2019	
		Carrying Amount	Fair Value
Contribution receivable, net	2	**$ 2,396,589**	**$ 2,610,390**
Long-term debt	2	**$ 29,638,295**	**$ 29,689,045**
Annuity and split-interest liabilities	2	**$ 681,975**	**$ 928,295**

	Level in Fair Value Hierarchy	2018	
		Carrying Amount	Fair Value
Contribution receivable, net	2	$ 4,080,200	$ 4,440,854
Long-term debt	2	$ 29,632,141	$ 29,685,791
Annuity and split-interest liabilities	2	$ 675,085	$ 920,587

15. Related Party Transactions

The Foundation invested in a fund managed by a previous member of the Board of Trustees. During 2019, the individual was no longer a member of the Board of Trustees, and the Foundation sold substantially all of the fund managed by this individual. This individual's fund received compensation of approximately $163,000 and $247,000, respectively, for managing investments that averaged approximately $25.8 million and $30.8 million for the years ended December 31, 2019 and 2018, respectively. These investments made up less than 1% of the Foundation's total investment portfolio and total assets at December 31, 2019. These investments made up 14.5% of the Foundation's total investment portfolio and approximately 10.3% of the Foundation's total assets at December 31, 2018. All of the investment assets of the Pension Plan prior to its termination in 2018 were also managed by the investment fund operated by this previous member of the Board of Trustees, for which the fund received compensation of approximately $37,000 during 2018.

16. Concentrations

Pledges from two donors represented approximately 26% of net contributions receivable at December 31, 2019. Pledges from two donors represented approximately 31% of net contributions receivable at December 31, 2018.

17. Subsequent Events

Management has evaluated subsequent events through May 8, 2020 the date the financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in the financial statements other than the following events.

On March 11, 2020 the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic. As of the date of issuance, this public health emergency stands to substantially impact the global economy, including significant volatility in the financial markets. The COVID-19 pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of COVID-19. Nevertheless, COVID-19 presents potential material uncertainty and risk with respect to the Foundation, its investment performance, and its financial results. These risks will be monitored and evaluated on a continued basis by the Foundation.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. The Foundation continues to examine the impact that the CARES Act may have on its business and are currently unable to determine the impact this Act has on the Foundation's financial condition, results of operation, or liquidity.

Subsequent to year end, the Foundation has applied for, and received, funds under the Paycheck Protection Program in the amount of $2.8 million. The application for these funds requires the Foundation to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Foundation. This certification further requires the Foundation to take into account our current business activity and our ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds and the forgiveness of the loan are dependent on the Foundation having initially qualified for the loan and qualifying for the forgiveness of such loan based on our future adherence to the forgiveness criteria.