

**CHARLES H. REVSON FOUNDATION, INC.**

**DECEMBER 31, 2019**

**OWEN J. FLANAGAN & COMPANY, LLP**

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Independent Auditor's Report

To the Board of Directors of  
the Charles H. Revson Foundation, Inc.

We have audited the accompanying financial statements of the Charles H. Revson Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows and functional expenses 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 audit. We conducted our audit 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 of 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 Charles H. Revson Foundation, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of investments and schedule of grants authorized, paid, and approved for future payments are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



September 22, 2020

**CHARLES H. REVSON FOUNDATION, INC.****STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,651,211	\$ 4,538,685
Investments (Note 3)	180,046,140	155,058,702
Program related investment, at cost (Note 3)	500,000	—
Due from brokers (Note 3)	762,763	981,757
Prepaid expenses and other assets (Note 8)	371,062	366,713
Fixed assets, net (Note 6)	—	—
<u>Total Assets</u>	<u>\$ 183,331,176</u>	<u>\$ 160,945,857</u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 159,656	124,717
Post-retirement health benefit (Note 9)	905,976	796,576
Grants payable (Note 7)	2,886,835	3,608,643
Deferred excise tax payable (Note 8)	<u>500,153</u>	<u>257,130</u>
<u>Total Liabilities</u>	<u>4,452,620</u>	<u>4,787,066</u>
<u>Net Assets without Donor Restriction</u>	<u>178,878,556</u>	<u>156,158,791</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 183,331,176</u>	<u>\$ 160,945,857</u>

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

**CHARLES H. REVSON FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<u>Revenue (Loss)</u>		
Net investment revenue (loss) (Note 4)	\$ 30,317,021	\$ (7,925,631)
Less:		
Excise and unrelated business income tax expense (Note 8)	66,552	235,768
Deferred excise tax expense (recovery) (Note 8)	<u>243,023</u>	<u>(294,073)</u>
	30,007,446	(7,867,326)
Contributions	<u>—</u>	<u>19,056</u>
<u>Total Revenue (Loss)</u>	<u>30,007,446</u>	<u>(7,848,270)</u>
<u>Expenses</u>		
Program services:		
Grants authorized, net of returns and contingencies (Note 7)	5,311,075	7,123,173
Grants rescinded (Note 7)	(203,590)	—
Program support and planning	<u>1,495,735</u>	<u>1,489,023</u>
	6,603,220	8,612,196
Supporting services - administrative	504,219	380,851
Investment - administrative	<u>180,242</u>	<u>145,855</u>
<u>Total Expenses</u>	<u>7,287,681</u>	<u>9,138,902</u>
Change in Net Assets	22,719,765	(16,987,172)
Net Assets, beginning of year	<u>156,158,791</u>	<u>173,145,963</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$ 178,878,556</u>	<u>\$ 156,158,791</u>

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

**CHARLES H. REVSON FOUNDATION, INC.****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in Net Assets	\$ 22,719,765	\$ (16,987,172)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	—	14,272
Net realized gains	(3,236,387)	(3,546,950)
Change in unrealized appreciation of investments	(23,125,713)	14,703,643
Changes in assets and liabilities:		
(Increase) decrease in prepaid expenses and other assets	(4,349)	225,203
Increase in accounts payable accrued expenses	34,939	17,691
Increase in post-retirement health benefit	109,400	11,157
(Decrease) increase in grants payable	(721,808)	1,124,276
Increase (decrease) in deferred excise tax payable	<u>243,023</u>	<u>(294,073)</u>
<u>Net Cash Used In Operating Activities</u>	<u>(3,981,130)</u>	<u>(4,731,953)</u>
Cash flows from investing activities:		
Purchases of investments	(7,383,464)	(13,338,814)
Program related investment made	(500,000)	—
Proceeds from sale of investments	8,758,126	16,893,016
Decrease in due from brokers	<u>218,994</u>	<u>50,594</u>
<u>Net Cash Provided By Investing Activities</u>	<u>1,093,656</u>	<u>3,604,796</u>
<u>Net Decrease in Cash and Cash Equivalents</u>	<u>(2,887,474)</u>	<u>(1,127,157)</u>
Cash and cash equivalents, beginning of year	<u>4,538,685</u>	<u>5,665,842</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,651,211</u>	<u>\$ 4,538,685</u>
Supplemental Cash Flow Information:		
Unrelated business income taxes paid	\$ 104,182	\$ 5,602

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

**CHARLES H. REVSON FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019			2018			
	Grants, program support and planning	Investment - administrative	Supporting services - administrative	Grants, program support and planning	Investment - administrative	Supporting services - administrative	Total
Grants	\$ 5,107,485			\$ 7,123,173			\$ 7,123,173
Salaries and related benefits	1,092,855	\$ 134,896	\$ 360,158	1,218,058	\$ 112,801	\$ 316,088	1,646,947
Separation pay	101,315	12,506	33,389	—	—	—	—
Occupancy	89,390	10,875	28,814	92,637	9,570	24,600	126,807
Audit and tax fees	4,274	12,113	12,113	4,124	11,688	11,688	27,500
Consultants	75,509	—	2,948	8,000	—	1,964	9,964
Direct charitable	17,283	—	—	21,209	—	—	21,209
Meetings, travel, and memberships	36,649	3,944	2,345	51,750	5,130	4,834	61,714
Insurance	10,462	910	1,909	10,561	831	1,662	13,054
Directors' honoraria	19,800	1,100	1,100	18,000	1,000	1,000	20,000
Information technology	17,299	2,137	5,708	18,723	1,957	5,074	25,754
Office supplies and services	7,909	977	2,610	10,829	1,131	2,932	14,892
Postage and delivery	4,476	219	584	4,453	232	601	5,286
Photocopier lease	3,536	437	1,167	3,024	316	819	4,159
Subscriptions and publications	3,324	—	—	3,855	—	—	3,855
NYS filing fee	1,031	128	341	1,091	114	295	1,500
Furniture and improvements	—	—	—	—	—	6,483	6,483
Legal and professional fees	10,623	—	51,033	12,333	—	—	12,333
Depreciation	—	—	—	10,376	1,085	2,811	14,272
	<u>\$ 6,603,220</u>	<u>\$ 180,242</u>	<u>\$ 504,219</u>	<u>\$ 8,612,196</u>	<u>\$ 145,855</u>	<u>\$ 380,851</u>	<u>\$ 9,138,902</u>

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

**CHARLES H. REVSON FOUNDATION, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019 AND 2018****Note 1 Organization**

Charles H. Revson Foundation, Inc. (the "Foundation") was established by Charles H. Revson in 1956. Through the Foundation, he made grants during his lifetime to organizations serving Israel and the North American Jewish community, medical and cultural institutions, and schools and universities, particularly in New York City. Upon his death in 1975, Charles H. Revson funded the Foundation from his estate. The Foundation makes special project grants in primarily four program areas: biomedical research, education, Jewish life, and urban affairs. The Foundation is classified as a private foundation under the provisions of Section 509(a) of the Internal Revenue Code (the Code) and is exempt from federal income tax under Section 501(c)(3) of the Code.

**Note 2 Summary of Significant Accounting Policies*****Basis of Presentation***

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting.

***Cash Equivalents***

The Foundation considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

***Investment Valuation***

The primary source of revenue for the Foundation is derived from its investment activities. Investments are stated at fair value. The fair value of equity, real estate and fixed income funds is provided by fund managers based on the underlying net asset value of the funds. The fair value of alternative investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment fund. FASB guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Foundation's interest therein. The program related investment is stated at cost.

***Fair Value Measurements***

The Foundation follows Financial Standard Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets, which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. Investments valued using the NAV as a practical expedient are excluded from the fair value hierarchy as prescribed under FASB guidance.



**CHARLES H. REVSON FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019 AND 2018**

**Note 2 Summary of Significant Accounting Policies** (continued)

**Allocation of Expenses**

The financial statements report certain categories of expenses, such as occupancy, meetings, travel, memberships, and various other office expenses that are attributable to one or more program or supporting functions of the Foundation. These expenses are allocated based on estimated time and use. In addition, salary and related benefit costs are allocated based on time and effort of staff. Other expenses incurred are allocated directly to the applicable program or administrative service.

**Fixed Assets and Depreciation**

Fixed assets purchased over \$100,000 are capitalized and stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Office condominium and improvements are depreciated over 20 years and furniture and fixtures are depreciated over 10 years.

**Accounting Estimates**

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingencies 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.

**Subsequent Events**

In connection with the preparation of the financial statements, the Foundation evaluated subsequent events after the statement of financial position date of December 31, 2019 through September 22, 2020, which was the date the financial statements were available to be issued.

**Note 3 Investments**

Investments consist of the following at December 31, 2019 and 2018:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Equity funds	\$ 82,713,210	\$ 111,770,755	\$ 80,403,577	\$ 87,968,657
Real estate fund	6,445,015	8,128,272	7,061,315	7,127,943
Fixed income funds	47,594,404	49,008,708	46,382,325	45,562,502
Alternative investments	7,311,265	11,138,405	8,354,952	14,399,600
	144,063,894	180,046,140	142,202,169	155,058,702
Program related investment	500,000	500,000	—	—
Due from brokers	762,763	762,763	981,757	981,757
	<u>\$ 145,326,657</u>	<u>\$ 181,308,903</u>	<u>\$ 143,183,926</u>	<u>\$ 156,040,459</u>

**CHARLES H. REVSON FOUNDATION, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019 AND 2018****Note 3 Investments** (continued)

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value as of December 31, 2019. At December 31, 2019, assets valued at NAV comprised approximately 6% of the Foundation's investment portfolio fair value.

	2019		
	Fair Value	Level 1	Valued at NAV
Equity funds	\$ 111,770,755	\$ 111,770,755	\$ —
Real estate fund	8,128,272	8,128,272	—
Fixed income funds	49,008,708	49,008,708	—
Alternative investments	11,138,405	—	11,138,405
	<u>\$ 180,046,140</u>	<u>\$ 168,907,735</u>	<u>\$ 11,138,405</u>

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value as of December 31, 2018. At December 31, 2018, assets valued at NAV comprised approximately 9% of the Foundation's investment portfolio fair value.

	2018		
	Fair Value	Level 1	Valued at NAV
Equity funds	\$ 87,968,657	\$ 87,968,657	\$ —
Real estate fund	7,127,943	7,127,943	—
Fixed income funds	45,562,502	45,562,502	—
Alternative investments	14,399,600	—	14,399,600
	<u>\$ 155,058,702</u>	<u>\$ 140,659,102</u>	<u>\$ 14,399,600</u>

The Foundation's alternative investments are diversified as follows (amounts included are as of December 31, 2019):

Makena (\$9,034,258) - the long-term goal of the portfolio is focused on maximizing risk-adjusted returns with the goal of long-term capital appreciation. This is to be achieved by optimizing the portfolio across a multitude of diverse return-oriented asset classes encompassing all forms of alternative investing.

**CHARLES H. REVSON FOUNDATION, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019 AND 2018****Note 3 Investments** (continued)

Commonfund (\$2,104,147) - seeks to achieve long-term capital appreciation through venture capital investments (Commonfund Capital Venture Partners VIII, LP); through investing in performing restructured debt, stressed debt, distressed debt, and other debt investments (Commonfund Global Distressed Investors, LLC); by engaging in private transactions in energy services and in natural resources-related industries including oil and natural gas, timber, power infrastructure, alternative energy, mining, and metals (Commonfund Capital Natural Resources Partners VII, LP); through a multi-manager program of international private equity investments, principally outside the United States (Commonfund Capital International Partners VI, LP); through a multi-manager program of private equity investments principally within the United States (Commonfund Capital Private Equity Partners VII, LP). These investments have \$340,100 of unfunded commitments remaining at December 31, 2019.

Investments contain various redemption restrictions and written notice requirements. In addition, certain of these investments were restricted by initial lock-up periods. As of December 31, 2019, the following table summarizes the composition of \$11,138,405 at fair value of alternative investments by the various redemption provisions and lock-up periods.

The redemption amounts subject to restrictions are as follows:

	<u>Amount</u>
Fiscal period:	
2020	\$ 1,605,539
2021	2,849,316
2022 and thereafter	<u>6,683,550</u>
Total	<u>\$ 11,138,405</u>

The Foundation requested a full redemption of its investment in Makena at the end of 2012. The Foundation received approximately 35% of the fund value at the beginning of 2014 and has received quarterly distributions thereafter. Makena has estimated that it will continue to make quarterly distributions with the balance to be distributed over the course of the next six years. The entire fair value of the investment has been included in the restricted liquidity category based on Makena deeming its distribution schedule an estimate.

In 2017, the Foundation elected to participate in a revised liquidation process offered by the manager in order to expedite the full redemption of the fund.

Program Related Investment - In March 2018, the Board approved a program related investment loan in the amount of \$500,000 subject to certain contingencies. The purpose of the loan is to help finance down payments for the purchase of vacant properties or buildings in New York City to provide supportive and low-income housing. The loan agreement was finalized and signed on February 28, 2019. The loan bears interest at 1% and matures on February 28, 2024.

**CHARLES H. REVSON FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019 AND 2018**

**Note 4 Net Investment Revenue (Loss)**

Net investment revenue (loss) reported on the statement of activities consists of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Dividends, interest and other partnership income	\$ 4,597,350	\$ 3,683,854
Net realized gains	3,236,387	3,546,950
Change in unrealized appreciation of investments	<u>23,125,713</u>	<u>(14,703,643)</u>
	30,959,450	(7,472,839)
Less:		
Directly reported investment expenses	<u>642,429</u>	<u>452,792</u>
Net investment revenue (loss)	<u>\$ 30,317,021</u>	<u>\$ (7,925,631)</u>

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

The following reflects the Foundation's financial assets as of December 31, 2019, reduced by amounts not available for general expenditures within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing.

Cash and cash equivalents	\$ 1,651,211
Investments, at fair value	180,046,140
Program related investment, at cost	500,000
Due from brokers	762,763
Other receivables	<u>58,602</u>
	183,018,716
Less:	
Program related investment, long-term	500,000
Illiquid investments	<u>11,138,405</u>
	<u>\$ 171,380,311</u>

None of the financial assets are subject to other donor or contractual restrictions that make them unavailable for general expenditures. In order to maintain spending power and the original corpus of the Foundation, the board of directors appropriates approximately 5 to 5.5% of the prior 36-month average asset value for budgeting purposes.

**CHARLES H. REVSON FOUNDATION, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019 AND 2018****Note 6 Fixed Assets**

Fixed assets consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Office condominium and improvements	\$ 2,941,984	\$ 2,941,984
Furniture and fixtures	<u>296,567</u>	<u>296,567</u>
	3,238,551	3,238,551
Less accumulated depreciation	<u>(3,238,551)</u>	<u>(3,238,551)</u>
Fixed assets, net	<u>\$ —</u>	<u>\$ —</u>

As of December 31, 2019, all capitalized fixed assets are fully depreciated and still in use.

**Note 7 Grants Payable**

Grants authorized are recognized when approved by the Foundation's board of directors. Grants payable represent amounts authorized but scheduled for future payment. Grants to be paid in more than one year are discounted to present value using the one-year LIBOR USD rate. The commitments outstanding at December 31, 2019, net of the discount to present value, are scheduled for payment as follows:

Year ending December 31:	
2020	\$ 2,473,821
2021	360,000
2022	<u>62,500</u>
	2,896,321
Less discount to present value (at rates ranging from 2.00% to 3.01%)	<u>9,486</u>
	<u>\$ 2,886,835</u>

As of December 31, 2019, \$190,000 of contingent grants have been awarded with contractual requirements that have not been met at year-end and are therefore not reflected in these financial statements.

**CHARLES H. REVSON FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019 AND 2018**

**Note 7 Grants Payable (continued)**

The changes in grants payable during 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Balance at beginning of year	\$ 3,608,643	\$ 2,484,367
Additions:		
Grants approved, excludes returns and rescinds	5,666,763	7,264,638
Deductions:		
Payments made	(6,002,761)	(6,127,000)
Grants rescinded	(203,590)	—
Current year grants with contractual requirements unmet	(190,000)	—
Decrease (increase) in discount to present value	<u>7,780</u>	<u>(13,362)</u>
Balance at end of year	<u>\$ 2,886,835</u>	<u>\$ 3,608,643</u>

**Note 8 Investment Income Taxes**

As a private foundation, the Foundation is normally subject to a federal excise tax equal to 2% of its net investment income, as defined for tax purposes. However, under Section 4940(e) of the Code, this tax is reduced to 1% if certain conditions are met. The Foundation's 2019 and 2018 current taxes are estimated at 1% of net investment income, as defined. At December 31, 2019 and 2018, the Foundation had prepaid excise taxes of \$182,600 and \$252,600, respectively, which were included in prepaid expenses and other assets.

Effective for tax year 2020, the Foundation's excise tax rate will be 1.39% in accordance with the amendment to section 4940(a) of the Internal Revenue Code. The deferred tax liability is calculated at 1.39% and 2% of the unrealized appreciation at December 31, 2019 and 2018, respectively.

Some of the Foundation's investment partnerships have underlying investments which generate unrelated business taxable income. This income is subject to Federal and various state income taxes at for-profit corporate income tax rates. At December 31, 2019 and 2018, the Foundation had prepaid income taxes of \$94,560 and \$4,980, respectively, which was included in prepaid expenses and other assets.

The Foundation's tax liability recorded in the financial statements for the current year is based on realized investment income, which contains estimates provided by the investment managers. The tax expense is adjusted to the actual expense per the tax returns, in the following year.

The Foundation has not entered into any uncertain tax positions that would require financial statement recognition. It is no longer subject to audits by the applicable taxing jurisdictions prior to periods ending December 31, 2016.

**CHARLES H. REVSON FOUNDATION, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2019 AND 2018****Note 9 Retirement Benefits*****Pension Plan***

The Foundation maintains a 403(b) retirement plan for its employees. Under this plan, the Foundation has elected to contribute 15% of each eligible employee's annual compensation. Employees may also make elective contributions under the plan. The Foundation's expense under this plan was \$131,283 and \$160,051 for the years ended December 31, 2019 and 2018, respectively.

***Post-retirement Health Benefit***

The Foundation pays for the post-retirement health costs of employees who attain the age of 55, provide 10 years of service, and retire from the Foundation. The plan is not currently funded. During 2020, the Board elected to discontinue the benefit to future employees and limited it to existing retirees and to those employees employed by the Foundation at the beginning of 2020.

Net periodic post-retirement health benefit cost included the following:

	<u>2019</u>	<u>2018</u>
Benefit obligation at December 31	\$ 905,976	\$ 851,126
Accrued benefit cost recognized in the statement of financial position	\$ 905,976	\$ 796,576
Benefit cost	\$ 133,968	\$ 31,492
Employer contributions	\$ 24,568	\$ 20,335
Benefits paid	\$ 24,568	\$ 20,335
Weighted average assumption used to determine health benefit obligation at December 31:		
Discount rate	5%	5%

For measurement purposes, a 5.0% annual rate of increase in the per capita cost of covered healthcare benefits was assumed beginning in 2021.

The expected benefit payments over the next ten years are as follows:

2020	\$ 49,424
2021	54,850
2022	54,850
2023	54,850
2024	54,850
2025 - 2029	<u>239,804</u>
	<u>\$ 508,628</u>

CHARLES H. REVSON FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

**Note 10 Concentration of Credit Risk**

The Foundation maintains cash balances in its checking account in excess of federally insured limits. The Foundation mitigates this risk by using only large well-established banks and has not experienced any losses on such account. As of December 31, 2019, the uninsured balance is \$1,400,961. The Foundation believes it is not exposed to any significant risk.

**Note 11 Subsequent Event**

Subsequent to year end, the COVID-19 pandemic spread globally and is affecting economic conditions throughout the world. The pandemic is likely to adversely affect the Foundation's operations, financial condition, and change in net assets on an interim basis.



**CHARLES H. REVSON FOUNDATION, INC.****SCHEDULE OF INVESTMENTS****DECEMBER 31, 2019 AND 2018**

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Equity funds:				
Vanguard:				
Total Stock Market Index Fund				
Institutional Shares	\$ 45,489,235	\$ 71,619,153	\$ 44,385,560	\$ 54,937,316
Total International Stock Index Fund				
Institutional Shares	<u>37,223,975</u>	<u>40,151,602</u>	<u>36,018,017</u>	<u>33,031,341</u>
<u>Total equity funds</u>	<u>82,713,210</u>	<u>111,770,755</u>	<u>80,403,577</u>	<u>87,968,657</u>
Real estate fund:				
Vanguard:				
REIT Index Fund Institutional Shares	<u>6,445,015</u>	<u>8,128,272</u>	<u>7,061,315</u>	<u>7,127,943</u>
Fixed income funds:				
Vanguard:				
Short-Term Investment-Grade Fund				
Institutional Shares	12,704,597	12,723,988	12,411,215	12,092,577
Intermediate-Term Investment-Grade				
Fund Admiral Shares	11,402,732	11,612,372	11,045,803	10,510,151
Bond Market Index Fund				
Institutional Shares	12,814,022	13,126,007	12,458,765	12,072,090
International Bond Index Fund				
Institutional Shares	<u>10,673,053</u>	<u>11,546,341</u>	<u>10,466,542</u>	<u>10,887,684</u>
<u>Total fixed income funds</u>	<u>47,594,404</u>	<u>49,008,708</u>	<u>46,382,325</u>	<u>45,562,502</u>
Alternative investments:				
Funds:				
Commonfund:				
Global Distressed Investors, LLC	275,044	105,539	272,812	126,245
Limited partnerships:				
Commonfund Capital:				
International Partners VI, LP	201,377	190,853	230,769	270,847
Natural Resources Partners VII, LP	582,563	549,316	732,411	852,364
Private Equity Partners VII, LP	142,438	446,393	148,142	532,434
Venture Partners VIII, LP	246,878	812,046	364,841	881,384
Makena Capital Private Endowment				
Product	<u>5,862,965</u>	<u>9,034,258</u>	<u>6,605,977</u>	<u>11,736,326</u>
<u>Total alternative investments</u>	<u>7,311,265</u>	<u>11,138,405</u>	<u>8,354,952</u>	<u>14,399,600</u>
<u>Total Investments</u>	144,063,894	180,046,140	142,202,169	155,058,702
Program related investment, at cost	500,000	500,000	—	—
Due from brokers	<u>762,763</u>	<u>762,763</u>	<u>981,757</u>	<u>981,757</u>
<u>Total</u>	<u>\$ 145,326,657</u>	<u>\$ 181,308,903</u>	<u>\$ 143,183,926</u>	<u>\$ 156,040,459</u>

See accompanying independent auditor's report.

**CHARLES H. REVSON FOUNDATION, INC.**  
**GRANTS AUTHORIZED, PAID, AND APPROVED FOR**  
**FUTURE PAYMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

<u>Recipient name and location</u>	<u>Amount authorized in 2019</u>	<u>Amount paid in 2019</u>	<u>Approved for future payments</u>
<b>Biomedical Research</b>			
ALBERT EINSTEIN COLLEGE OF MEDICINE, INC. New York, NY For the support of Christopher Henry as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science. (Grant amount returned.)	\$ (6,095)	\$ —	\$ —
ALBERT EINSTEIN COLLEGE OF MEDICINE New York, NY For the support of Rebecca Brown as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	—	101,918	—
AMERICAN COMMITTEE FOR THE WEIZMANN INSTITUTE OF SCIENCE (Weizmann Institute of Science) New York, NY To support two-year awards for 9 Israeli women scientists in postdoctoral fellowships in the United States selected by the Weizmann Institute's "Israel National Postdoctoral Program for Advancing Women in Science".	—	79,500	—
AMERICAN COMMITTEE FOR THE WEIZMANN INSTITUTE OF SCIENCE (Weizmann Institute of Science) New York, NY To support two-year awards for 9 Israeli women scientists in postdoctoral fellowships in the United States selected by the Weizmann Institute's "Israel National Postdoctoral Program for Advancing Women in Science".	375,000	62,500	312,500
COLD SPRING HARBOR LABORATORY Cold Spring Harbor, NY For the support of Gayan Balasooriya as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	—	104,744	—
COLD SPRING HARBOR LABORATORY Cold Spring Harbor, NY For the support of Alessandro Furlan as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	213,581	105,661	107,920
COLD SPRING HARBOR LABORATORY Cold Spring Harbor, NY For the support of Johanna Syrjanen as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	213,581	105,661	107,920
COLUMBIA UNIVERSITY HEALTH SCIENCES (Columbia University Medical Center) New York, NY For the support of Albert Serra Cardona as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science. (Grant amount returned.) [Grant amount rescinded.]	206,668  (84,708) (103,334)	103,334  — —	—  — —
COLUMBIA UNIVERSITY HEALTH SCIENCES (Columbia University Medical Center) New York, NY For the support of Andres Grosmark as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	—	100,256	—
ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI New York, NY For the support of Alexandra Alvarsson as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	—	98,927	—

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**CHARLES H. REVSON FOUNDATION, INC.**  
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Recipient name and location	Amount authorized in 2019	Amount paid in 2019	Approved for future payments
<b>Biomedical Research</b> (continued)			
MEMORIAL SLOAN-KETTERING CANCER CENTER New York, NY For the support of Jie Su as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science. (Grant amount returned.)	\$ (12,029)	\$ —	\$ —
NEW YORK UNIVERSITY New York, NY For the support of Corey Baimel as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	205,642	102,821	102,821
NEW YORK UNIVERSITY (New York University School of Medicine) New York, NY For the support of Simon Chamberland as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	205,568	101,241	104,327
THE ROCKEFELLER UNIVERSITY New York, NY For the support of Vincent Fiore as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	—	106,638	—
THE ROCKEFELLER UNIVERSITY New York, NY For the support of Daxing Gao as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science. (Grant amount returned.)	— (58,431)	106,638 —	— —
THE ROCKEFELLER UNIVERSITY New York, NY For the support of Hande Boyaci Selcuk as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	218,890	107,787	111,103
TRUSTEES OF COLUMBIA UNIVERSITY (Columbia University) New York, NY For the support of Haixing Li as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	203,617	100,283	103,334
TRUSTEES OF COLUMBIA UNIVERSITY (Columbia University Medical Center) New York, NY For the support of Ekaterina Likhtik as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science. (Grant amount returned.)	(1,545)	—	—
THE TRUSTEES OF PRINCETON UNIVERSITY (Princeton University) Princeton, NJ For the support of Wendy Mok as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science. (Grant amount returned.)	(272)	—	—
THE TRUSTEES OF PRINCETON UNIVERSITY (Princeton University) Princeton, NJ For the support of Robert Thompson as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science. (Grant amount returned.)	(74)	—	—

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**CHARLES H. REVSON FOUNDATION, INC.**  
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Recipient name and location	Amount authorized in 2019	Amount paid in 2019	Approved for future payments
<b>Biomedical Research</b> (continued)			
WEILL MEDICAL COLLEGE OF CORNELL UNIVERSITY (Joan & Sanford I. Weill Medical College of Cornell University) New York, NY For the support of Xin Li as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	\$ 195,374	\$ 97,687	\$ 97,687
YALE UNIVERSITY (Yale School of Medicine) New Haven, CT For the support of Kellie Jurado as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science. (Grant amount returned.) [Grant amount rescinded.]	—  (10,315) (100,256)	—  — —	—  — —
YALE UNIVERSITY (Yale School of Medicine) New Haven, CT For the support of Xiaoyun Dai as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	205,642	102,821	102,821
YALE UNIVERSITY New Haven, CT For the support of Eric Erkenbrack as a fellow in the Charles H. Revson Senior Fellowship in Biomedical Science.	—	100,256	—
Subtotal Biomedical Research	<u>1,866,504</u>	<u>1,788,673</u>	<u>1,150,433</u>
<b>Education</b>			
THE ACADEMY FOR TEACHERS New York, NY To support the cost of honoraria for Master Class seminar leaders for New York City public school teachers in 2019.	10,000	10,000	—
BRENNAN CENTER FOR JUSTICE New York, NY To support its election reform efforts in New York.	300,000	100,000	200,000
BROOKLYN PUBLIC LIBRARY Brooklyn, NY To support the NYC Culture Pass program.	—	125,000	—
BROOKLYN PUBLIC LIBRARY Brooklyn, NY To support the BKLYN Incubator.	—	90,888	—
BROOKLYN PUBLIC LIBRARY Brooklyn, NY To support the expansion of the Making Space project.	275,000	110,000	165,000
CHALKBEAT New York, NY To support Chalkbeat's New York bureau.	150,000	75,000	75,000
CRAIG NEWMARK GRADUATE SCHOOL OF JOURNALISM CUNY FOUNDATION, INC. (Craig Newmark Graduate School of Journalism at CUNY) New York, NY To support the Lisa Goldberg/Revson Scholars at the Craig Newmark Graduate School of Journalism.	200,000	100,000	100,000

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**CHARLES H. REVSON FOUNDATION, INC.**  
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Recipient name and location	Amount authorized in 2019	Amount paid in 2019	Approved for future payments
<b>Education (continued)</b>			
NATIONAL BOOK FOUNDATION New York, NY To support the Book Rich Environments program in New York City.	\$ 10,000	\$ 10,000	\$ —
NEW YORK UNIVERSITY New York, NY To support a conference on "Libraries as Places" at NYU's Institute for Public Knowledge.	10,000	10,000	—
NYC FIRST New York, NY To support the enhancement and expansion of NYC FIRST's partnerships with NYC's public library systems.	40,000	40,000	—
Subtotal Education	995,000	670,888	540,000
<b>Jewish Life</b>			
AMERICAN JEWISH HISTORICAL SOCIETY New York, NY To support educational programming associated with the Emma Lazarus Project.	25,000	25,000	—
CITIZENS HOUSING AND PLANNING COUNCIL New York, NY To support a study mission to Israel.	20,400	20,400	—
HILLEL INTERNATIONAL Washington, DC To support Base Hillel.	—	75,000	—
IKAR Los Angeles, CA To support the second cohort of the Jewish Emergent Network's national fellowship for seven early-career rabbis and to contribute to the national conference in 2020.	—	250,000	—
LEADING EDGE ALLIANCE INC New York, NY To support Leading Edge in advancing its flagship programs and research.	25,000	25,000	—
NEW ISRAEL FUND (Arab Center for Alternative Planning) New York, NY To support the Arab Center for Alternative Planning's work in affordable housing and community renewal policy and practice.	50,000	50,000	—
NLI USA INC (The National Library of Israel) New York, NY To support Dr. Clinton Bailey's Archive of Bedouin Culture.	30,000	30,000	—
P.E.F. ISRAEL ENDOWMENT FUNDS INC. (Edmond de Rothschild Partnerships) New York, NY To support the training program in affordable housing for Cadets and Cadet graduates.	425,000	225,000	200,000

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**CHARLES H. REVSON FOUNDATION, INC.**  
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Recipient name and location	Amount authorized in 2019	Amount paid in 2019	Approved for future payments
<b>Jewish Life</b> (continued)			
P.E.F. ISRAEL ENDOWMENT FUNDS INC. (Edmond de Rothschild Partnerships) New York, NY To support the training program in affordable housing for Cadets and Cadet graduates.	\$ —	\$ 225,000	\$ —
P.E.F. ISRAEL ENDOWMENT FUNDS INC. (Matan) New York, NY To support Collective Impact's employment initiative.	300,000	100,000	200,000
P.E.F. ISRAEL ENDOWMENT FUNDS INC. (Sikkuy) New York, NY To support social and economic development efforts in Arab Israeli communities.	150,000	75,000	75,000
SHALOM HARTMAN INSTITUTE OF NORTH AMERICA (Shalom Hartman Institute) New York, NY To support the Muslim Leadership Initiative.	—	250,000	—
SISTERHOOD OF SALAAM SHALOM New Brunswick, NJ To support the expansion of national chapters of Sisterhood of Salaam Shalom.	150,000	75,000	75,000
Subtotal Jewish Life	<u>1,175,400</u>	<u>1,425,400</u>	<u>550,000</u>
<b>Urban Affairs</b>			
ABNY FOUNDATION INC New York, NY To support the development of a census public awareness campaign and messaging playbook.	50,000	50,000	—
BRENNAN CENTER FOR JUSTICE New York, NY To support the NY LEAD campaign.	50,000	50,000	—
BROOKLYN PUBLIC LIBRARY Brooklyn, NY To support the hiring of four census navigators to provide census assistance in branches located in hard-to-count areas.	50,310	50,310	—
CITIZENS HOUSING AND PLANNING COUNCIL New York, NY To support the evaluation of New York City's East New York Basement Conversion Pilot.	105,000	35,000	70,000
CITY LIMITS New York, NY To provide general operating support.	70,000	35,000	35,000
CRAIG NEWMARK GRADUATE SCHOOL OF JOURNALISM CUNY FOUNDATION, INC. (Craig Newmark Graduate School of Journalism at CUNY) New York, NY To support the New York Community & Immigrant Media Sustainability Project.	150,000	75,000	75,000
EMPIRE STATE LIBRARY NETWORK Cheektowaga, NY To support census training efforts in libraries across New York State.	88,000	88,000	—

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**CHARLES H. REVSON FOUNDATION, INC.**  
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Recipient name and location	Amount authorized in 2019	Amount paid in 2019	Approved for future payments
<b>Urban Affairs (continued)</b>			
INSTITUTE FOR NONPROFIT NEWS (Documented) Los Angeles, CA To support Documented's Wage Theft investigative project.	\$ 20,000	\$ 20,000	\$ —
JEWISH COMMUNITY RELATIONS COUNCIL OF NEW YORK, INC. New York, NY To support JCRC-NY's census outreach efforts among Ultra-Orthodox Jewish communities in NYC.	60,000	60,000	—
THE MARSHALL PROJECT New York, NY To support the "News Inside" project in New York.	15,000	15,000	—
MUSEUM OF THE CITY OF NEW YORK New York, NY To support the Museum of the City of New York's Who We Are: Visualizing NYC by the Numbers exhibition.	15,000	15,000	—
NEW YORK COMMUNITY TRUST New York, NY To support the Fund for New Citizens.	50,000	50,000	—
NEW YORK COMMUNITY TRUST New York, NY To support census outreach and education initiatives in the highest-need areas of New York State.	51,690	51,690	—
NEW YORK PUBLIC INTEREST RESEARCH GROUP FUND, INC. New York, NY To provide general operating support to the Straphangers Campaign.	10,000	10,000	—
PROPUBLICA New York, NY To support an investigative reporting beat focused on New York's public institutions, including accountability reporting on policies, practices, and program implementation.	—	120,000	—
QUEENS LIBRARY FOUNDATION (Queens Borough Public Library) Queens, NY To support the hiring of four census navigators to address language gaps across Queens.	50,000	50,000	—
SUPPORTIVE HOUSING NETWORK OF NEW YORK New York, NY To support the Getting to 35K and Preservation Projects.	150,000	75,000	75,000
TPF SPECIAL ASSETS FUND (The Lenfest Institute for Journalism) Philadelphia, PA To support The City to hire consulting support for applications for journalism awards (primary) and philanthropic and corporate funding (secondary).	25,000	25,000	—

See accompanying independent auditor's report.

**CHARLES H. REYSON FOUNDATION, INC.**  
**GRANTS AUTHORIZED, PAID, AND APPROVED FOR**  
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Recipient name and location	Amount authorized in 2019	Amount paid in 2019	Approved for future payments
<b>Urban Affairs (continued)</b>			
TPF SPECIAL ASSETS FUND (The Lenfest Institute for Journalism) Philadelphia, PA To support the establishment of The City, a nonprofit news organization focused on public affairs journalism in New York City.	\$ —	\$ 1,000,000	\$ —
UNIVERSITY NEIGHBORHOOD HOUSING PROGRAM Bronx, NY To support the University Neighborhood Housing Program's work on the Building Indicator Project database.	25,000	25,000	—
YMCA OF GREATER NEW YORK New York, NY To support 2020 Census efforts.	50,000	50,000	—
Subtotal Urban Affairs	<u>1,085,000</u>	<u>1,950,000</u>	<u>255,000</u>
<b>Board of Directors' Discretionary Grants</b>			
<b>Education</b>			
THE ACADEMY FOR TEACHERS New York, NY To support the cost of honoraria for Master Class seminar leaders for New York City public school teachers in 2019.	15,000	15,000	—
THE AFRO-LATIN JAZZ ALLIANCE OF NEW YORK, INC. New York, NY To support educational programs at the Alliance.	10,000	10,000	—
PRESIDENT AND FELLOWS OF HARVARD COLLEGE (Harvard Scholars at Risk) Cambridge, MA To support ten-month to year-long fellowships and related expenses for three to four Harvard Scholars at Risk fellows.	15,000	15,000	—
STARS OF NEW YORK DANCE, INC. Brooklyn, NY To provide general operating support to The Stars of New York Dance.	5,000	5,000	—
WNET New York, NY To support season three of WNET's Playing by the Rules: Ethics at Work.	15,000	15,000	—
<b>Jewish Life</b>			
THE JEWISH MUSEUM New York, NY To support the Young Patron Program.	7,500	7,500	—
PEACEWORKS FOUNDATION New York, NY To provide general operating support to the PeaceWorks Foundation.	7,500	7,500	—
PRESIDENT AND FELLOWS OF HARVARD COLLEGE (Harvard University Center for Jewish Studies) Cambridge, MA To provide general operating support for the Center for Jewish Studies.	7,500	7,500	—

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**CHARLES H. REVSON FOUNDATION, INC.**  
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Recipient name and location	Amount authorized in 2019	Amount paid in 2019	Approved for future payments
<b>Urban Affairs</b>			
BOWERY RESIDENTS COMMITTEE New York, NY To support the Horizons Workforce Development Program.	\$ 7,500	\$ 7,500	\$ —
NEW YORK UNIVERSITY New York, NY To provide general operating support for The Center for Ballet and the Arts at New York University (CBA) and support the growth of CBA's individual giving program, the Center Circle.	15,000	15,000	—
PROSPECT PARK ALLIANCE Brooklyn, NY To provide operating support to the Prospect Park Alliance's Woodlands Youth Crew.	15,000	15,000	—
Subtotal Board of Directors' Discretionary Grants	<u>120,000</u>	<u>120,000</u>	<u>—</u>
<b>Membership Grants</b>			
AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. New York, NY For membership in the Inter-Agency Task Force on Israeli Arab Issues in 2020.	15,000	15,000	—
CANDID New York, NY To support the work of Candid in 2020.	12,000	12,000	—
JEWISH FUNDERS NETWORK New York, NY To support Charles H. Revson Foundation membership in 2020.	5,000	5,000	—
NONPROFIT NEW YORK New York, NY To help support Nonprofit New York's services to nonprofits and for membership in 2020.	4,000	4,000	—
PHILANTHROPY NEW YORK New York, NY To help support Philanthropy New York's services to grantmakers in the New York region and for the Foundation to receive membership in 2020.	11,800	11,800	—
Subtotal Membership	<u>47,800</u>	<u>47,800</u>	<u>—</u>
Total 2019 approved grants	5,289,704	6,002,761	2,495,433
Contingent 2019 grants with unmet contractual requirements	(190,000)		(190,000)
Grants authorized in prior years approved for future payment:			
BROOKLYN PUBLIC LIBRARY			90,888
TPF SPECIAL ASSETS FUND (The Lenfest Institute for Journalism)			500,000
Discount to present value			(9,486)
Total Grants	<u>\$ 5,099,704</u>	<u>\$ 6,002,761</u>	<u>\$ 2,886,835</u>

See accompanying independent auditor's report.