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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, 2020 and 2019, 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, 2020 and 2019, 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 is presented for purposes of additional analysis and is 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.

*Owen J. Flanagan & Co.*

September 24, 2021

**CHARLES H. REVSON FOUNDATION, INC.****STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 796,601	\$ 1,651,211
Investments (Note 3)	196,539,960	180,046,140
Program related investment, at cost (Note 3)	500,000	500,000
Due from brokers (Note 3)	2,128,940	762,763
Prepaid expenses and other assets (Note 8)	194,610	371,062
Fixed assets, net (Note 6)	—	—
<u>Total Assets</u>	<u>\$ 200,160,111</u>	<u>\$ 183,331,176</u>
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 133,602	159,656
Post-retirement health benefit (Note 9)	904,513	905,976
Grants payable (Note 7)	1,802,618	2,886,835
Deferred excise tax payable (Note 8)	<u>717,245</u>	<u>500,153</u>
<u>Total Liabilities</u>	<u>3,557,978</u>	<u>4,452,620</u>
<u>Net Assets without Donor Restriction</u>	<u>196,602,133</u>	<u>178,878,556</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 200,160,111</u>	<u>\$ 183,331,176</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>Revenue</u>		
Net investment revenue (Note 4)	\$ 25,309,560	\$ 30,317,021
Less:		
Excise and unrelated business income tax expense (Note 8)	125,524	66,552
Deferred excise tax expense (Note 8)	<u>217,092</u>	<u>243,023</u>
<u>Total Revenue</u>	<u>24,966,944</u>	<u>30,007,446</u>
<u>Expenses</u>		
Program services:		
Grants authorized, net of returns and contingencies (Note 7)	5,381,024	5,311,075
Grants rescinded (Note 7)	—	(203,590)
Program support and planning	<u>1,296,591</u>	<u>1,495,735</u>
	6,677,615	6,603,220
Supporting services - administrative	419,724	504,219
Investment - administrative	<u>146,028</u>	<u>180,242</u>
<u>Total Expenses</u>	<u>7,243,367</u>	<u>7,287,681</u>
Change in Net Assets	17,723,577	22,719,765
Net Assets, beginning of year	<u>178,878,556</u>	<u>156,158,791</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$ 196,602,133</u>	<u>\$ 178,878,556</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in Net Assets	\$ 17,723,577	\$ 22,719,765
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized gains	(6,064,687)	(3,236,387)
Change in unrealized appreciation of investments	(15,618,125)	(23,125,713)
Changes in assets and liabilities:		
Decrease (increase) in prepaid expenses and other assets	176,452	(4,349)
(Decrease) increase in accounts payable accrued expenses	(26,054)	34,939
(Decrease) increase in post-retirement health benefit	(1,463)	109,400
Decrease in grants payable	(1,084,217)	(721,808)
Increase in deferred excise tax payable	<u>217,092</u>	<u>243,023</u>
<b><u>Net Cash Used In Operating Activities</u></b>	<b><u>(4,677,425)</u></b>	<b><u>(3,981,130)</u></b>
Cash flows from investing activities:		
Purchases of investments	(22,497,466)	(7,383,464)
Program related investment made	—	(500,000)
Proceeds from sale of investments	27,686,458	8,758,126
(Increase) decrease in due from brokers	<u>(1,366,177)</u>	<u>218,994</u>
<b><u>Net Cash Provided By Investing Activities</u></b>	<b><u>3,822,815</u></b>	<b><u>1,093,656</u></b>
<b><u>Net Decrease in Cash and Cash Equivalents</u></b>	<b><u>(854,610)</u></b>	<b><u>(2,887,474)</u></b>
Cash and cash equivalents, beginning of year	<u>1,651,211</u>	<u>4,538,685</u>
Cash and Cash Equivalents, End of Year	<b><u>\$ 796,601</u></b>	<b><u>\$ 1,651,211</u></b>
Supplemental Cash Flow Information:		
Unrelated business income taxes paid	\$ 964	\$ 104,182

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, 2020 AND 2019**

	2020				2019			
	Grants, program support and planning	Investment - administrative	Supporting services - administrative	Total	Grants, program support and planning	Investment - administrative	Supporting services - administrative	Total
Grants	\$ 5,381,024			\$ 5,381,024	\$ 5,107,485			\$ 5,107,485
Salaries and related benefits	1,051,485	\$ 116,862	\$ 336,516	1,504,863	1,092,855	\$ 134,896	\$ 360,158	1,587,909
Separation pay	—	—	—	—	101,315	12,506	33,389	147,210
Occupancy	79,896	8,769	24,798	113,463	89,390	10,875	28,814	129,079
Audit and tax fees	—	11,900	16,100	28,000	4,274	12,113	12,113	28,500
Consultants	49,900	—	7,294	57,194	75,509	—	2,948	78,457
Direct charitable	5,836	—	—	5,836	17,283	—	—	17,283
Meetings, travel, and memberships	26,465	659	1,497	28,621	36,649	3,944	2,345	42,938
Insurance	6,524	1,043	8,075	15,642	10,462	910	1,909	13,281
Directors' honoraria	23,400	1,300	1,300	26,000	19,800	1,100	1,100	22,000
Information technology	34,810	3,884	11,105	49,799	17,299	2,137	5,708	25,144
Office supplies and services	7,961	888	2,540	11,389	7,909	977	2,610	11,496
Postage and delivery	2,867	223	637	3,727	4,476	219	584	5,279
Photocopier lease	3,444	384	1,099	4,927	3,536	437	1,167	5,140
Subscriptions and publications	2,094	—	—	2,094	3,324	—	—	3,324
NYS filing fee	1,049	116	335	1,500	1,031	128	341	1,500
Legal and professional fees	860	—	8,428	9,288	10,623	—	51,033	61,656
	<u>\$ 6,677,615</u>	<u>\$ 146,028</u>	<u>\$ 419,724</u>	<u>\$ 7,243,367</u>	<u>\$ 6,603,220</u>	<u>\$ 180,242</u>	<u>\$ 504,219</u>	<u>\$ 7,287,681</u>

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

**CHARLES H. REVSON FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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.

***Change in Accounting Principle***

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 provides a framework for evaluating whether grants and contributions should be accounted for as exchange or nonexchange transactions. For resource providers, the ASU was effective for fiscal years beginning after December 15, 2019. The adoption of the ASU had an immaterial impact on the Foundation’s financial statements.

***Cash Equivalents***

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

***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.

***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.

**CHARLES H. REVSON FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

***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.

***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.

***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.

**Note 3 Investments**

Investments consist of the following at December 31, 2020 and 2019:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equity funds	\$ 82,399,316	\$ 125,886,341	\$ 82,713,210	\$ 111,770,755
Real estate fund	8,071,077	9,410,811	6,445,015	8,128,272
Fixed income funds	50,305,247	52,996,138	47,594,404	49,008,708
Alternative investments	<u>4,163,949</u>	<u>8,246,670</u>	<u>7,311,265</u>	<u>11,138,405</u>
	144,939,589	196,539,960	144,063,894	180,046,140
Program related investment	500,000	500,000	500,000	500,000
Due from brokers	<u>2,128,940</u>	<u>2,128,940</u>	<u>762,763</u>	<u>762,763</u>
	<u>\$ 147,568,529</u>	<u>\$ 199,168,900</u>	<u>\$ 145,326,657</u>	<u>\$ 181,308,903</u>



**CHARLES H. REVSON FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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, 2020. At December 31, 2020, assets valued at NAV comprised approximately 4% of the Foundation's investment portfolio fair value.

	2020		
	<u>Fair Value</u>	<u>Level 1</u>	<u>Valued at NAV</u>
Equity funds	\$ 125,886,341	\$ 125,886,341	\$ —
Real estate fund	9,410,811	9,410,811	—
Fixed income funds	52,996,138	52,996,138	—
Alternative investments	<u>8,246,670</u>	<u>—</u>	<u>8,246,670</u>
	<u>\$ 196,539,960</u>	<u>\$ 188,293,290</u>	<u>\$ 8,246,670</u>

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		
	<u>Fair Value</u>	<u>Level 1</u>	<u>Valued at NAV</u>
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	<u>11,138,405</u>	<u>—</u>	<u>11,138,405</u>
	<u>\$ 180,046,140</u>	<u>\$ 168,907,735</u>	<u>\$ 11,138,405</u>

The Foundation's alternative investments are diversified as follows (amounts included are as of December 31, 2020):

Makena (\$6,321,373) - 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, 2020 AND 2019**

**Note 3 Investments** (continued)

Commonfund (\$1,925,297) - 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 \$328,300 of unfunded commitments remaining at December 31, 2020.

The alternative investments valued at NAV 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, 2020, the following table summarizes the composition of alternative investments by the various redemption provisions and lock-up periods.

The redemption restrictions are as follows:

	Amount
Fiscal period:	
2021	\$ 2,622,564
2022	2,864,303
2023 and thereafter	2,759,803
Total	\$ 8,246,670

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 seven 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 which will be used 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, 2020 AND 2019**

**Note 4 Net Investment Revenue**

Net investment revenue reported on the statement of activities consists of the following as of December 31, 2020 and 2019:

	2020	2019
Dividends, interest and other partnership income	\$ 3,979,474	\$ 4,597,350
Net realized gains	6,064,687	3,236,387
Change in unrealized appreciation of investments	15,618,125	23,125,713
	25,662,286	30,959,450
Less:		
Directly reported investment expenses	352,726	642,429
Net investment revenue	\$ 25,309,560	\$ 30,317,021

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

The following reflects the Foundation's financial assets as of December 31, 2020, 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.

	2020	2019
Cash and cash equivalents	\$ 796,601	\$ 1,651,211
Investments, at fair value	196,539,960	180,046,140
Program related investment, at cost	500,000	500,000
Due from brokers	2,128,940	762,763
Other receivables	5,860	58,602
	199,971,361	183,018,716
Less:		
Program related investment, long-term	500,000	500,000
Illiquid investments	8,246,670	11,138,405
	\$ 191,224,691	\$ 171,380,311

None of the financial assets are subject to donor or other 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, 2020 AND 2019**

**Note 6 Fixed Assets**

Fixed assets consist of the following at December 31, 2020 and 2019:

	2020	2019
Office condominium and improvements	\$ 2,941,984	\$ 2,941,984
Furniture and fixtures	296,567	296,567
	3,238,551	3,238,551
Less accumulated depreciation	(3,238,551)	(3,238,551)
Fixed assets, net	\$ —	\$ —

As of December 31, 2020, 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, 2020, net of the discount to present value, are scheduled for payment as follows:

Year ending December 31:	
2021	\$ 1,520,046
2022	284,552
	1,804,598
Less discount to present value (at rates ranging from 0.30% to 2.00%)	1,980
	\$ 1,802,618

As of December 31, 2020, \$165,000 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, 2020 AND 2019**

**Note 7 Grants Payable (continued)**

The changes in grants payable during 2020 and 2019 are as follows:

	2020	2019
Balance at beginning of year	\$ 2,886,835	\$ 3,608,643
Additions:		
Grants approved, excludes returns and rescinds	5,354,378	5,666,763
Prior year grants with contractual requirement met	25,000	—
Deductions:		
Payments made	(6,471,101)	(6,002,761)
Grants rescinded	—	(203,590)
Current year grants with contractual requirements unmet	—	(190,000)
 Decrease in discount to present value	 7,506	 7,780
 Balance at end of year	 \$ 1,802,618	 \$ 2,886,835

**Note 8 Investment Income Taxes**

As a private foundation, the Foundation is normally subject to a federal excise tax. Effective for tax year 2020, the Foundation's excise tax rate is 1.39% in accordance with the amendment to section 4940(a) of the Internal Revenue Code. Prior to 2020, the excise tax rate was either 1% or 2% of net investment income, dependent on meeting certain conditions as defined under Section 4940(e) of the Code. The Foundation's 2020 and 2019 current taxes are estimated at 1.39% and 1% of net investment income, respectively. At December 31, 2020 and 2019, the Foundation had prepaid excise taxes of \$46,100 and \$182,600, respectively, which were included in prepaid expenses and other assets.

In accordance with the revised excise tax regulations, the deferred tax liability is calculated at 1.39% of the unrealized appreciation at December 31, 2020 and 2019.

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, 2020 and 2019, the Foundation had prepaid income taxes of \$106,500 and \$94,560, 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, 2017.

**CHARLES H. REVSON FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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 \$106,253 and \$131,283 for the years ended December 31, 2020 and 2019, 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>2020</u>	<u>2019</u>
Benefit obligation at December 31	\$ 904,513	\$ 905,976
Accrued benefit cost recognized in the statement of financial position	\$ 904,513	\$ 905,976
Benefit cost	\$ 31,360	\$ 133,968
Employer contributions	\$ 32,824	\$ 24,568
Benefits paid	\$ 32,824	\$ 24,568

Weighted average assumption used to determine health benefit obligation at December 31:

Discount rate	5%	5%
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For measurement purposes, a 5.0% annual rate of increase in the per capita cost of covered healthcare benefits was assumed beginning in 2022.

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

2021	\$ 57,390
2022	57,390
2023	57,390
2024	57,390
2025	57,390
2026 - 2030	<u>239,908</u>
	<u>\$ 526,858</u>

**CHARLES H. REVSON FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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 a large well-established bank and has not experienced any losses on such account. As of December 31, 2020, the uninsured balance is \$546,351. The Foundation believes it is not exposed to any significant risk.

**Note 11 COVID-19**

The COVID-19 pandemic has resulted in substantial volatility in the global economy and financial markets. Because of these changing conditions, the impact of these changes to the Foundation's financial position, if any, cannot be determined at this time.

**Note 12 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, 2020 through September 24, 2021, which was the date the financial statements were available to be issued.

**CHARLES H. REVSON FOUNDATION, INC.****SCHEDULE OF INVESTMENTS****DECEMBER 31, 2020 AND 2019**

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Equity funds:				
Vanguard:				
Total Stock Market Index Fund				
Institutional Shares	\$ 40,350,993	\$ 74,861,597	\$ 45,489,235	\$ 71,619,153
Total International Stock Index Fund				
Institutional Shares	<u>42,048,323</u>	<u>51,024,744</u>	<u>37,223,975</u>	<u>40,151,602</u>
<u>Total equity funds</u>	<u>82,399,316</u>	<u>125,886,341</u>	<u>82,713,210</u>	<u>111,770,755</u>
Real estate fund:				
Vanguard:				
REIT Index Fund Institutional Shares	<u>8,071,077</u>	<u>9,410,811</u>	<u>6,445,015</u>	<u>8,128,272</u>
Fixed income funds:				
Vanguard:				
Short-Term Investment-Grade Fund				
Institutional Shares	14,566,891	14,899,367	12,704,597	12,723,988
Intermediate-Term Investment-Grade Fund Admiral Shares	12,609,399	13,135,198	11,402,732	11,612,372
Bond Market Index Fund				
Institutional Shares	14,078,744	14,848,411	12,814,022	13,126,007
International Bond Index Fund				
Institutional Shares	<u>9,050,213</u>	<u>10,113,162</u>	<u>10,673,053</u>	<u>11,546,341</u>
<u>Total fixed income funds</u>	<u>50,305,247</u>	<u>52,996,138</u>	<u>47,594,404</u>	<u>49,008,708</u>
Alternative investments:				
Funds:				
Commonfund:				
Global Distressed Investors, LLC	336,987	65,816	275,044	105,539
Limited partnerships:				
Commonfund Capital:				
International Partners VI, LP	189,738	164,491	201,377	190,853
Natural Resources Partners VII, LP	614,039	454,838	582,563	549,316
Private Equity Partners VII, LP	150,225	398,870	142,438	446,393
Venture Partners VIII, LP	257,808	841,282	246,878	812,046
Makena Capital Private Endowment Product	<u>2,615,152</u>	<u>6,321,373</u>	<u>5,862,965</u>	<u>9,034,258</u>
<u>Total alternative investments</u>	<u>4,163,949</u>	<u>8,246,670</u>	<u>7,311,265</u>	<u>11,138,405</u>
<u>Total Investments</u>	144,939,589	196,539,960	144,063,894	180,046,140
Program related investment, at cost	500,000	500,000	500,000	500,000
Due from brokers	<u>2,128,940</u>	<u>2,128,940</u>	<u>762,763</u>	<u>762,763</u>
<u>Total</u>	<u>\$ 147,568,529</u>	<u>\$ 199,168,900</u>	<u>\$ 145,326,657</u>	<u>\$ 181,308,903</u>

See accompanying independent auditor's report.