

The Solomon R. Guggenheim Foundation

**Financial Statements
December 31, 2020 and 2019**

The Solomon R. Guggenheim Foundation
Index
December 31, 2020 and 2019

	Page(s)
Report of Independent Auditors	1–2
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4–5
Statements of Cash Flows	6
Notes to Financial Statements	7–32



Report of Independent Auditors

To the Board of Trustees of
The Solomon R. Guggenheim Foundation

We have audited the accompanying financial statements of The Solomon R. Guggenheim Foundation, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, and of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 our 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, we consider internal control relevant to the Company'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 Company'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 Solomon R. Guggenheim Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

New York, New York
June 23, 2021

The Solomon R. Guggenheim Foundation
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 20,416,853	\$ 12,785,901
Contributions and grants receivable, net	10,700,750	11,164,238
Accounts receivable	1,170,544	2,165,375
Other receivables	627,382	784,263
Inventories	845,415	817,272
Prepaid expenses	1,765,315	3,027,116
Investments	130,398,406	105,084,186
Property, equipment and leasehold improvements, net	49,543,016	53,379,487
Right-of-use asset	20,828,826	22,113,416
Art collection	1	1
Total assets	<u>\$ 236,296,508</u>	<u>\$ 211,321,255</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 12,425,298	\$ 12,528,163
Deferred income and other liabilities	43,638,316	33,229,425
Lease liability	27,243,061	28,774,759
Demand and other loans payable	8,438,000	2,500,000
Bonds payable, net of premium and cost	19,642,726	19,601,343
Total liabilities	<u>111,387,401</u>	<u>96,633,690</u>
Net assets		
Without donor restrictions	(10,505,417)	(3,278,572)
With donor restrictions	135,414,524	117,966,137
Total net assets	<u>124,909,107</u>	<u>114,687,565</u>
Total liabilities and net assets	<u>\$ 236,296,508</u>	<u>\$ 211,321,255</u>

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

The Solomon R. Guggenheim Foundation
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2020

	2020		Total
	Without donor restrictions	With donor restrictions	
Operating support and revenue			
Contributions, grants and bequests	\$ 16,458,427	\$ 3,882,000	\$ 20,340,427
Membership income	3,225,375	-	3,225,375
In-kind contributions	55,000	-	55,000
Benefit and special event income, net of direct expenses of \$373,002	665,410	-	665,410
Admissions	3,712,969	-	3,712,969
Traveling exhibition, royalties and other	17,601,974	-	17,601,974
Investment income from spending rate	149,337	2,889,789	3,039,126
Auxiliary revenues	1,400,337	-	1,400,337
Net assets released from restrictions	4,980,731	(4,980,731)	-
Total operating support and revenue	<u>48,249,560</u>	<u>1,791,058</u>	<u>50,040,618</u>
Operating expenses			
Museum programs			
Exhibitions and projects	8,195,281	-	8,195,281
Traveling exhibitions and other	1,848,173	-	1,848,173
Curatorial and collection maintenance	12,926,237	-	12,926,237
Visitor services	4,528,140	-	4,528,140
Education	3,547,249	-	3,547,249
Auxiliary expenses, including cost of sales	2,651,556	-	2,651,556
Total program expense	<u>33,696,636</u>	<u>-</u>	<u>33,696,636</u>
Supporting services			
Management and general	15,236,595	-	15,236,595
Fundraising	4,376,075	-	4,376,075
Total supporting services	<u>19,612,670</u>	<u>-</u>	<u>19,612,670</u>
Total operating expenses	<u>53,309,306</u>	<u>-</u>	<u>53,309,306</u>
Operating support and revenue (less than) in excess of operating expenses	(5,059,746)	1,791,058	(3,268,688)
Nonoperating activity			
Contributions	-	1,761,791	1,761,791
Investment return greater than spending amount	347,876	15,408,694	15,756,570
Depreciation and amortization	(4,749,377)	-	(4,749,377)
Interest and fees relating to debt	(836,287)	-	(836,287)
Foreign currency translation adjustments	586,880	34,010	620,890
Change in net assets before changes related to collection items purchased and sold	<u>(9,710,654)</u>	<u>18,995,553</u>	<u>9,284,899</u>
Change in net assets related to collection items purchased and sold			
Contributions	-	782,530	782,530
Proceeds from the sale of art	-	1,005,078	1,005,078
Net assets released from restrictions for collection items purchased and direct care	3,334,774	(3,334,774)	-
Collection items purchased	(850,965)	-	(850,965)
Change in net assets	<u>(7,226,845)</u>	<u>17,448,387</u>	<u>10,221,542</u>
Net assets			
Beginning of year	(3,278,572)	117,966,137	114,687,565
End of year	<u>\$ (10,505,417)</u>	<u>\$ 135,414,524</u>	<u>\$ 124,909,107</u>

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

The Solomon R. Guggenheim Foundation
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2019

	2019		
	Without donor restrictions	With donor restrictions	Total
Operating support and revenue			
Contributions, grants and bequests	\$ 11,932,394	\$ 7,525,378	\$ 19,457,772
Membership income	4,883,560	-	4,883,560
In-kind contributions	268,595	-	268,595
Benefit and special event income, net of direct expenses of \$2,044,049	1,256,150	-	1,256,150
Admissions	22,693,734	-	22,693,734
Traveling exhibition, royalties and other	10,218,281	-	10,218,281
Investment income from spending rate	248,841	2,154,786	2,403,627
Auxiliary revenues	10,741,704	-	10,741,704
Net assets released from restrictions	4,103,940	(4,103,940)	-
Total operating support and revenue	<u>66,347,199</u>	<u>5,576,224</u>	<u>71,923,423</u>
Operating expenses			
Museum programs			
Exhibitions and projects	9,310,849	-	9,310,849
Traveling exhibitions and other	1,848,988	-	1,848,988
Curatorial and collection maintenance	13,951,356	-	13,951,356
Visitor services	6,674,092	-	6,674,092
Education	4,472,061	-	4,472,061
Auxiliary expenses, including cost of sales	8,174,441	-	8,174,441
Total program expense	<u>44,431,787</u>	<u>-</u>	<u>44,431,787</u>
Supporting services			
Management and general	14,747,360	-	14,747,360
Fundraising	5,223,108	-	5,223,108
Total supporting services	<u>19,970,468</u>	<u>-</u>	<u>19,970,468</u>
Total operating expenses	<u>64,402,255</u>	<u>-</u>	<u>64,402,255</u>
Operating support and revenue in excess of operating expenses	1,944,944	5,576,224	7,521,168
Nonoperating activity			
Contributions	15,000	3,220,359	3,235,359
Investment return greater than spending amount	271,975	8,364,231	8,636,206
Depreciation and amortization	(4,877,294)	-	(4,877,294)
Interest and fees relating to debt	(864,454)	-	(864,454)
Foreign currency translation adjustments	(99,583)	135	(99,448)
Change in net assets before changes related to collection items purchased and sold	<u>(3,609,412)</u>	<u>17,160,949</u>	<u>13,551,537</u>
Change in net assets related to collection items purchased and sold			
Contributions	-	1,495,185	1,495,185
Proceeds from the sale of art	-	11,579,127	11,579,127
Net assets released from restrictions for collection items purchased	3,661,868	(3,661,868)	-
Collection items purchased	(3,661,868)	-	(3,661,868)
Change in net assets	<u>(3,609,412)</u>	<u>26,573,393</u>	<u>22,963,981</u>
Net assets			
Beginning of year	<u>330,840</u>	<u>91,392,744</u>	<u>91,723,584</u>
End of year	<u>\$ (3,278,572)</u>	<u>\$ 117,966,137</u>	<u>\$ 114,687,565</u>

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

The Solomon R. Guggenheim Foundation
Statements of Cash Flows
Year Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 10,221,542	\$ 22,963,981
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	4,749,377	4,877,294
Amortization of deferred financing costs and bond discount	41,383	41,383
Loss on disposal of property, equipment and leasehold improvements	-	51,362
Investment in acquisitions of art	850,965	3,661,868
Proceeds from sale of art	(1,005,078)	(11,579,127)
Contributions for endowments	(1,621,491)	(5,063,013)
Net realized and unrealized (gains) losses on investments	(19,090,815)	(11,242,398)
Changes in operating assets and liabilities		
Contributions receivable	463,488	(836,835)
Accounts receivable and other receivables	1,151,712	(2,074,009)
Inventories	(28,143)	458,738
Prepaid expenses and deferred costs	1,261,801	(698,660)
Accounts payable and accrued expenses	(301,527)	361,104
Deferred income and other liabilities	10,408,891	(751,279)
Net cash provided by operating activities	<u>7,102,105</u>	<u>170,409</u>
Cash flows from investing activities		
Investments in property, equipment and leasehold improvements	(964,321)	(687,951)
Acquisitions of art	(850,965)	(3,661,868)
Proceeds from sale of art	1,005,078	11,579,127
Purchases of investments	(25,143,666)	(37,842,972)
Proceeds from dispositions of investments	26,415,127	22,952,774
Net cash provided by (used in) investing activities	<u>461,253</u>	<u>(7,660,890)</u>
Cash flows from financing activities		
Contributions for endowments	1,621,491	5,063,013
Proceeds from government funding	5,938,000	-
Net cash provided by financing activities	<u>7,559,491</u>	<u>5,063,013</u>
Net increase (decrease) in cash and cash equivalents	15,122,849	(2,427,468)
Cash, cash equivalents and restricted cash		
Beginning of year	<u>19,420,215</u>	<u>21,847,683</u>
End of year	<u>\$ 34,543,064</u>	<u>\$ 19,420,215</u>
Supplemental information		
Interest paid	\$ 847,553	\$ 885,517
Income taxes paid	2,126	186,410
Non cash transactions		
Accounts payable for property, plant and equipment	49,478	100,893
Right-of-use asset obtained in exchange for operating lease obligation	1,185,906	-

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

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

1. The Foundation

The Solomon R. Guggenheim Foundation (the “Foundation”) was established in 1937. Committed to innovation, the Foundation collects, preserves, and interprets modern and contemporary art, and explores ideas across cultures through dynamic curatorial and educational initiatives and collaborations. With its constellation of architecturally and culturally distinct museums, exhibitions, publications, and digital platforms, the Foundation engages both local and global audiences.

Over the course of more than eight decades, the Foundation has developed one of the world’s most important collections of art from the 20th and 21st centuries. The centerpiece of the Foundation is the Solomon R. Guggenheim Museum on Fifth Avenue in New York. Designed by Frank Lloyd Wright, the iconic museum building is among the world’s most recognized architectural monuments and has been inscribed on the UNESCO World Heritage List as part of *The 20th-Century Architecture of Frank Lloyd Wright*. The Foundation directly owns and operates the Solomon R. Guggenheim Museum.

In Venice, Italy, the Peggy Guggenheim Collection primarily displays European and American art of the 20th century in the former home of Peggy Guggenheim, the 18th century Palazzo Venier dei Leoni on the Grand Canal. Peggy Guggenheim’s collection is comprised of masterworks of Cubism, Futurism, Surrealism, European abstraction, and American Abstract Expressionism. The Peggy Guggenheim Collection also organizes temporary exhibitions of modern and contemporary art. The Foundation directly controls and operates the Peggy Guggenheim Collection.

The Guggenheim Museum Bilbao, located in Bilbao, Spain, was founded in cooperation with the Basque government. This museum is located along the Nervion River in a building designed by Frank Gehry that has received international acclaim for its architecture. It exhibits modern and contemporary art and is building a collection through acquisitions and commissions. The Guggenheim Museum Bilbao is owned and funded by the Fundacion del Museo Guggenheim Bilbao.

Plans are underway to open a new Guggenheim Museum in the Cultural District of Saadiyat Island in Abu Dhabi, also designed by Frank Gehry. The museum’s collection will encompass art in all mediums produced around the world from the 1960s to the present day and will be a catalyst for scholarship in a variety of fields, chief among them the history of West Asian, North African, and South Asian art in the 20th and 21st centuries. The Foundation will not own or fund the Guggenheim Abu Dhabi or its collection but provides guidance with respect to the development of the permanent collection, the formation and operation of the museum, and art and exhibition programming.

The Guggenheim Museum Bilbao and Guggenheim Abu Dhabi Museum are not controlled or owned by the Foundation. Accordingly, their assets, liabilities and activities are not consolidated into these financial statements.

In January 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The pandemic has adversely impacted the level of economic activity around the world and disrupted normal business activity in every sector of the economy. In accordance with directives issued by New York State, the Museum was closed to public visitation on March 13, 2020. When the Museum reopened on October 3, 2020, attendance was limited by the State to 25% of capacity. On April 26, 2021 the limit was raised to 50% of capacity, and on May 19, 2021 the limit was raised to 100% of capacity subject to maintaining six feet of social distancing. The Peggy Guggenheim Collection in Venice was also temporarily closed in

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

compliance with government directives in Italy. While this disruption was temporary, there is still considerable uncertainty regarding any future closings, the impact of international travel restrictions on visitorship, the comfort of the public to visit museums, and the impact of the pandemic on other sources of revenue such as fundraising events, retail operations, food service, onsite educational programming, and donations. Therefore, the Foundation expects this matter to negatively impact its operating results for 2021. In response, the Foundation has taken efforts to reduce the its cash outflow during this time of uncertainty.

The Foundation has, as a result of the impacts already realized and due to the uncertainty of the overall ultimate impact of this disruption to its business, updated its forecasted overall financial results based on its best estimates. The Foundation believes it will continue to maintain compliance with its debt covenants and meet its obligations as they become due. However, given the uncertainty regarding the length and severity of the pandemic more broadly, there is difficulty in predicting its ultimate impact on the Foundation. The ultimate impact of these uncertainties may be material to the Foundation's results and financial position.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis and include the Foundation's accounts in New York related to the Solomon R. Guggenheim Museum in New York City and the accounts maintained in Venice for the Peggy Guggenheim Collection. All significant intra-company transactions have been eliminated.

Adoption of ASU 2018-13 Fair Value Measurement

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. This ASU removed, modified, and added certain disclosure requirements for fair value measurements in Topic 820. The following disclosure requirements were removed from Topic 820: (a) the amount of and reasons for transfers between Level 1 and Level 2 investments, (b) the policy for timing of these transfers, (c) the valuation process for Level 3 fair value measurements, and (d) the changes in unrealized gains and losses for the period including earnings on Level 3 fair value measurements held at the end of the reporting period. The Foundation evaluated this standard and determined that it does not have a significant impact on the financial statement disclosures.

Adoption of ASU 2019-03 Collections

In March 2019, the FASB issued ASU 2019-03 Not-for-Profit Entities – Updating the Definition of Collections (Topic 958). This ASU updates the FASB's definition of the term 'collections' to realign it with the definition used in the American Alliance of Museums' ("AAM") Code of Ethics for Museums. The updated definition permits the proceeds from deaccessioned collections items to be used not only for the acquisition of new collection items, but also for the direct care of the collection. The definition requires that an entity holding a collection disclose its policy for the use of proceeds from deaccessioned collection items, and that if such an entity has a policy that allows proceeds from deaccessioned collection items to be used for direct care of the collection, it should disclose its definition of direct care.

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

The Board of Trustees of the Foundation updated its Collection Management Policy in May 2020 to define direct care of the collection. The Foundation may use deaccession proceeds for costs associated with the conservation, preservation, registration, maintenance, storage, and safeguarding of collections, including analysis, treatment, inventory, research, documentation, photography, framing, imaging, digitization, information technology, and the provision of safe and secure, climate-controlled storage and museum spaces. These costs shall include, among other things, an allocable share of salaries for staff engaged in direct care, as well as direct care related outside vendors and contract staff and the materials, equipment, systems, and facilities used in connection with direct care activities.

During 2020, the Foundation used \$2,543,373 of funds from deaccessioning to support the direct care of the collection. This is recognized under Net assets released from restrictions for collection items purchased and direct care in the non-operating section of the 2020 statement of activities and changes in net assets.

New Accounting Pronouncements Not Yet Adopted

In March 2020, the FASB issued a new accounting standard which provides temporary optional guidance to ease the potential burden in accounting for reference rate reform due to the discontinuation of the London Interbank Offered Rate (“LIBOR”). The amendments apply to contracts, hedges, and other transactions affected by the reference rate reform due to reference to LIBOR or another reference rate expected to be discontinued. The pronouncement is effective immediately and can be applied through December 31, 2022. The Foundation is currently assessing the implications of the potential adoption of this accounting standard.

Net Assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

- Net assets without donor restrictions are assets that are either not restricted by donors, or assets with respect to which the donor-imposed restrictions have been satisfied.
- Net assets with donor restrictions represent those resources with donor-imposed restrictions that require the Foundation to use or expend the related assets as specified or are subject to the requirements of the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). The Foundation records contributions as with donor restrictions if they are received with donor stipulations that either limit their use through either purpose or time restrictions or when a donor stipulates that the resources must be maintained permanently. If donor restrictions expire, that is, when a time restriction ends, a purpose restriction is fulfilled, or the board acts to appropriate funds, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and change in net assets as net assets released from restrictions. It is the Foundation’s policy to record donor restricted contributions received and expended in the same accounting period in the net asset category without donor restrictions.

Net assets with endowment restrictions generally permit the Foundation to use all or part of the income earned on these assets for either specified or unspecified purposes. Those earnings are also classified as net assets with donor restrictions in the accompanying financial statements, pending a decision by the Board of Trustees that it would be prudent for the Foundation to appropriate such funds applying the standards of NYPMIFA at which point they will be reclassified to net assets without donor restrictions.

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

Measure of Operations

The Foundation includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities. The measure of operations excludes nonoperating contributions, changes in net assets related to collection items purchased and direct care, bad debt expense and other expenses, investment return greater or less than the spending amount for operations, depreciation and amortization of fixed assets, interest and fees relating to debt, and foreign currency translation adjustments.

Cash and Cash Equivalents

Except for cash held for reinvestment, which are included within investments, cash and cash equivalents include cash on hand, demand deposits and short-term investments which are highly liquid in nature and have original maturities at the time of purchase of three months or less. At December 31, 2020 and 2019, the Foundation's cash and cash equivalents were maintained at financial institutions in excess of federally insured amounts. Management believes that the credit risk to these deposits is minimal.

On the statements of cash flows, the Foundation is required to show restricted cash from investments as part of a reconciliation equating to total cash. The Foundation elected to treat highly liquid short-term investments within its investment portfolio (Note 6) as investments, and therefore is only including cash held in the portfolio in the statements of cash flows and not short-term investments.

The following table provides a reconciliation of cash and cash equivalents reported within the statements of financial position to the amount shown on the statements of cash flows.

Cash and cash equivalents

	2020	2019
Cash and cash equivalents on the statements of financial position	\$ 20,416,853	\$ 12,785,901
Cash included in Investments	14,129,180	8,053,208
Less: Cash-in-transit for investments	<u>(2,969)</u>	<u>(1,418,894)</u>
Total cash, cash equivalents and restricted cash on the statements of cash flows	<u>\$ 34,543,064</u>	<u>\$ 19,420,215</u>

Foreign Currency

Assets and liabilities of the accounts maintained in Venice, Italy, for the Peggy Guggenheim Collection, where the Euro is the functional currency, have been translated at year end exchange rates and profit and loss accounts have been translated using average yearly exchange rates. The average exchange rate to purchase one Euro expressed in U.S. dollars was \$1.1422 and \$1.1195 for the years ended December 31, 2020 and 2019, respectively. The exchange rate to purchase one Euro expressed in U.S. dollars at December 31, 2020 and 2019 was \$1.2271 and \$1.1234, respectively. Adjustments resulting from translation have been recorded as a change in net assets in the statements of activities. Foreign currency translation gains of \$620,890 and losses of \$99,448 were recorded for the years ended December 31, 2020 and 2019, respectively.

Investments

All debt and equity securities, as well as a short-term government bond fund, are recorded at fair value determined on the basis of quoted market values or other observable inputs. Realized gains and losses arising from the sale or other disposition of investments are determined on an historical cost basis.

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

Alternative investments include investments in fixed income funds, private equity and hedge funds. The Foundation values these investments in accordance with valuations provided by the investment managers of the underlying funds. As a general rule, investment managers of funds value investments based upon the best information available for a given circumstance and may incorporate assumptions that are the investment manager's best estimates after consideration of a variety of internal and external factors. Investments for which observable market prices do not exist are reported at fair value as determined by the fund's investment manager. The Foundation's management may consider other factors in assessing the fair value of these investments. Some of these funds may not have readily ascertainable market values and may be subject to withdrawal restrictions. Management performs due diligence reviews of all balances received from the investment manager.

The fair value of the funds represents the amount the Foundation would have expected to receive at December 31, 2020 and 2019, had it liquidated its investments in the funds on these dates. Because alternative investments may not be readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed. Such differences could be material to these financial statements.

Purchases and sales of securities are reflected on a trade-date basis. Realized gains and losses on sales of securities are determined on an historical cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded as earned on an accrual basis.

Unrealized gains and losses are determined by comparison of specific costs of acquisition to market values at the last day of the fiscal year.

Property, Equipment and Leasehold Improvements

Land, building, building improvements and renovations, leasehold improvements, construction in progress and equipment purchases by the Foundation are recorded at cost. Normal repairs and maintenance are expensed as incurred. A portion of the land for the museum in New York and the land and building related to the Palazzo Venier dei Leoni in Venice were donated to the Foundation and were recorded at estimated fair value as of the dates of donation.

Depreciation is calculated using the straight-line method over the estimated useful lives. The estimated useful lives for buildings and improvements are 10-40 years and 3-10 years for furniture, fixtures, and equipment. When property or equipment is sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and the gain or loss realized on disposition is reflected in the statements of activities and changes in net assets. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated life of the improvement. Major capital projects that cross financial statement years are reflected as construction in progress.

Art Collection

In accordance with industry practice, art objects purchased, donated, and bequeathed are included in net assets with donor restrictions at a value of \$1. Contributions for the purchase of collection items, net assets released from restrictions to purchase collection items, the cost of all collection items purchased, the proceeds from deaccessioned art, and the proceeds from the sale of art that was not part of the collection but will be used for the purchase of collection items, are reported as changes in net assets related to collection items purchased and direct care in the statements of activities and changes in net assets. The Foundation's collection is comprised of works of 20th and 21st century art in all mediums. From time to time, the Foundation may decide to deaccession objects in accordance with the law and the Foundation's Collections Management Policy.

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

Deaccession proceeds are used for art acquisitions and, on an interim basis, for the direct care of the collection also in accordance with the law and the Collections Management Policy and are reported as net assets with donor restrictions in the statements of activities and changes in net assets.

Deferred Income and Other

Deferred income includes amounts received for projects which will be recognized as revenue in traveling exhibitions, royalties and other as performance obligations are met including the incurrence of associated costs. Deferred income also includes income from a licensing agreement, further discussed below, which is being recognized over 30 years; and a program fee received which may be refundable if certain conditions are not met.

Contributions, Grants and Bequests

Contributions, grants and bequests including unconditional promises to give (pledges) and corporate sponsorships are recognized as revenues in the period received. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. An allowance is established when the collection of a pledge is determined to be doubtful. In addition, pledges deemed uncollectible are written off in the year such determination is made.

In-Kind Contributions

In-kind contributions are recorded in the statements of activities and changes in net assets as operating support and revenue as well as, in either the related operating expense category, or as property, equipment and leasehold improvements, net, when applicable. In-kind contributions are comprised of building improvements, furniture, fixtures, equipment, and legal and marketing services. Consulting media and subscription services and other services are also included at their fair value when the services would have been purchased if they had not been received as contributions or require specialized skills which are provided by individuals possessing such specialized skills.

Volunteers

A number of unpaid volunteers have made significant contributions of their time in the furtherance of the Foundation's programs covering a number of the Foundation's activities. Volunteers provide assistance in various areas of the museum and support the visitor information desk. These contributions do not meet the criteria for recognition of contributed services in accordance with accounting principles generally accepted in the United States of America and therefore their value is not reflected in these financial statements.

Benefits and Special Events Income

Patrons purchase tickets for events that are available for sale and occur during the same calendar year. The price for each ticket is dependent on the event and the level of support. The Foundation recognizes revenue on the date the event occurs.

Admissions Income

Admissions revenue is associated with tickets sold for entry to the Solomon R Guggenheim Museum in New York and the Peggy Guggenheim Collection in Italy. Admissions revenue ticket price is based upon established levels for individuals, and groups. The Foundation recognizes revenue for admissions at point of sale.

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

Membership Income

The Foundation offers individual and corporate memberships to the Museum and the Peggy Guggenheim Collection at various levels. These are for a single year period and are incorporated as part of operating support. Each membership has both a gift and exchange transaction component, the levels of which are determined by the level and nature of membership based on established published rates. The exchange component for memberships is immaterial and as such, the Foundation recognizes memberships as gift revenue when received.

Traveling Exhibitions, Royalties and Other, including Contract Liabilities

Traveling Exhibitions, Royalties and Other primarily includes exhibition revenue and revenue derived from the license of symbolic intellectual property (trademarks), management fees and cost reimbursement agreements.

Exhibition revenue of \$487,000 and \$1,226,000 at December 31, 2020 and 2019, respectively, consists of fees paid to the Foundation for creating exhibitions that travel to alternate locations. The terms and conditions surrounding the transaction price and performance obligations for each traveling exhibition are outlined in individual contractual arrangements specific both to the location and exhibition. The Foundation is responsible for curating the exhibition and ensuring all art objects included in the exhibition are transported to each location. The transaction price is recognized in revenue when the Foundation has met its performance obligations under the contract and has an unconditional right to the consideration. The Foundation has fulfilled its obligations upon the opening of the exhibit at the respective locations at which time revenue is recognized. The Foundation also has long-term agreements with specific terms. These primarily include a long-term trademark license agreement (the "License Agreement") beginning in 2007 along with management fees and cost reimbursement contractual arrangements. Under the License Agreement, the Foundation grants rights to use and benefit from its intellectual property as defined in the agreements. Payments received by the Foundation were initially accounted for as contract liabilities within deferred revenue with the resulting revenue recognized ratably over the term of the trademark agreement from the License Agreement execution date.

As of December 31, 2020 and 2019, the remaining contract liabilities under the License Agreement total \$38,065,000 and \$28,585,000 and are included within deferred income and other liabilities in the statements of financial position. There is no significant financing component associated with these advance payments as the difference between the promised consideration and the cash selling price of the good or service arose for reasons other than the provision of finance. Revenue is recognized ratably over the term of the agreement. During 2020 and 2019, \$1,600,000 of revenue was recognized annually. Additionally, in 2020 the Foundation made a catch-up adjustment of \$8,628,000 to reflect the receipt of the final installment of a licensing payment which was accelerated into 2020 as a result of a contract modification. This adjustment is recognized within Traveling exhibitions, royalties and fees on the statements of activities and changes in net assets.

Under management fees and cost reimbursement contractual arrangements, \$6,566,000 and \$6,602,000 has been recognized, for 2020 and 2019, respectively. \$5,508,000 for 2020 and \$5,118,000 for 2019 is associated with the annual management fees and \$1,058,000 and \$1,484,000 of which is associated with reimbursement of costs for 2020 and 2019, respectively. Revenue is recognized in the year services are rendered and reimbursable costs are incurred under the terms of the arrangements. Amounts billed prior to the incurrence of reimbursable costs are included within deferred revenue as a contract liability. Such amounts were \$3,805,550 and \$3,080,912 at December 31, 2020 and 2019, respectively. It is expected that this balance will be reflected in revenue within the year and thus the time value of money has not been considered.

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

Auxiliary Revenues and Inventories

Auxiliary activities consist of the publication and sale of exhibition catalogues and other related merchandise operations. Revenue related to auxiliary activities is primarily recognized at point of sale. Inventory at average cost consisted of \$774,777 and \$797,508 of finished goods and \$70,638 and \$19,764 of work in process at December 31, 2020 and 2019, respectively. As of November 5, 2019, the Foundation outsourced its retail store operation in New York to a third-party. The third-party purchased the majority of the Foundation's retail store inventory at the time of the transition, with respect to which the Foundation recorded a receivable.

Functional and Natural Classification of Expenses

The costs of providing museum programs and supporting services have been summarized in Note 14. Museum program expenses include costs of exhibitions and projects, traveling exhibitions and other, curatorial and collections maintenance, visitor services, education and auxiliary activities, including cost of sales. Management and general expenses include costs associated with the following departments: director's office, finance, information technology, legal, global communications and human resources. Depreciation, rent, building maintenance, interest expense, and office services are allocated among the functional expense categories based on space usage.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. The most significant estimates include the valuation assumptions associated with investments without readily determinable public markets and net realizable value of contributions receivable. Actual results could differ from those estimates.

Income Tax Status

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Contributions to the Foundation are tax deductible to contributors, to the extent provided by law. The Foundation is subject to unrelated business income tax on sales of certain merchandise and activities. The Foundation's operations in Italy are also subject to taxation under the Italian Agency of Revenue.

The Foundation is subject to the provisions of the Financial Accounting Standards Codification ("ASC") Topic 740-10-05, relating to accounting and reporting for uncertainty in income taxes. Because of the Foundation's general tax-exempt status, ASC Topic 740-10-05 has not had, and is not expected to have, a material impact on the Foundation's financial statements.

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

3. Liquidity and Availability of Resources

The Foundation's financial resources that are available to satisfy its obligations within one year of the financial statements are as follows:

	2020	2019
Assets Available within one year:		
Cash and cash equivalents	\$ 20,416,853	\$ 12,785,901
Less: Cash reserved for art and security deposits	(3,033,200)	(6,334,059)
Contributions and grants receivable due within one year	5,161,416	5,148,046
Less: Contributions receivables related to endowments	(1,435,000)	(1,018,491)
Accounts receivable	1,170,544	2,165,375
Other receivables	627,382	784,263
Board managed funds approved for appropriations	<u>6,000,000</u>	<u>7,988,061</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 28,907,995</u>	<u>\$ 21,519,096</u>

The Foundation has \$28,907,861 and \$21,519,096 of financial assets available within one year of the dates of the statements of financial position at December 31, 2020 and 2019, respectively, to meet cash needs for general expenditures consisting of cash of \$17,383,519 and \$6,451,842, receivables of \$5,524,342 and \$7,079,193, and short-term investments of \$6,000,000 and \$7,988,061 at December 31, 2020 and 2019, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The contributions receivable is subject to implied time restrictions but are expected to be collected within one year of the statement of financial position date. In addition to these assets, the Foundation has additional Board Managed funds of \$18,322,647 and \$5,137,700 in 2020 and 2019, which could be used if needed.

In addition, as part of its liquidity management, the Foundation has a committed line of credit in the amount of \$5,000,000, of which \$2,500,000 was available at December 31, 2020 and 2019, respectively and could be drawn upon in the event of an unanticipated liquidity level (Note 10).

4. Contributions and Grants Receivable

Contributions and grants receivable at December 31, 2020 and 2019 are expected to be collected as follows:

	2020	2019
Within 1 year	\$ 5,161,416	\$ 5,148,046
1 to 5 years	4,412,419	4,491,770
Thereafter	<u>2,700,000</u>	<u>3,900,000</u>
Gross contributions and grants receivable	12,273,835	13,539,816
Less: Discount to present value	<u>(1,573,085)</u>	<u>(2,375,579)</u>
Contributions and grants at present value	<u>\$ 10,700,750</u>	<u>\$ 11,164,238</u>

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

At December 31, 2020 and 2019, \$8,696,000 and \$9,057,000 of the gross contributions and grants receivable, respectively, were due from five individuals, corporations, or foundations. The interest rates used to discount contributions receivable to present value ranged from 2.75% to 5.50%.

In 2019, The City of New York spent \$184,051, to support a security and building management services upgrade for the Museum. There was no support provided by the City of New York in 2020. The City's investment of capital funding obligated the Foundation to operate the facility and/or maintain equipment for the respective bonding term as a non-profit entity open, and used and maintained, for the benefit of the people of the City of New York for cultural, educational or artistic uses and/or related purposes approved by the City.

5. Investments

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

	2020		2019	
	Fair Value	Cost Basis	Fair Value	Cost Basis
Cash for reinvestment	\$ 14,129,180	\$ 14,156,859	\$ 8,053,208	\$ 8,083,549
Short-term Government Bond Fund	11,712,570	11,076,488	22,736,483	22,290,613
Equities	10,512,728	3,555,104	8,151,362	5,416,451
Alternative investments				
Fixed income funds	13,234,254	12,269,803	10,340,006	9,837,431
Equity funds	61,309,803	43,444,948	42,832,048	34,195,712
Fund of hedge funds	9,133,275	7,612,433	4,101,448	3,612,433
Event/credit arbitrage funds	5,413,993	4,701,753	5,731,348	4,379,682
International funds	4,952,603	3,843,082	3,138,283	2,943,082
Total alternative investments	94,043,928	71,872,019	66,143,133	54,968,340
	<u>\$ 130,398,406</u>	<u>\$ 100,660,470</u>	<u>\$ 105,084,186</u>	<u>\$ 90,758,953</u>

Included in cash for reinvestment is an investment receivable of \$2,969 and \$1,418,894 as of December 31, 2020 and 2019, respectively.

The following summarizes the Foundation's investment return for the year ended December 31, 2020, and its classification in the statement of activities and changes in net assets:

	Without Donor Restrictions	With Donor Restrictions	Total
Net investment return	\$ 497,213	\$ 18,298,483	\$ 18,795,696
Less: Investment income and spending rate included in operating support and revenue	(149,337)	(2,889,789)	(3,039,126)
Total investment income included in nonoperating activity	<u>\$ 347,876</u>	<u>\$ 15,408,694</u>	<u>\$ 15,756,570</u>

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

The following summarizes the Foundation's investment return for the year ended December 31, 2019, and its classification in the statement of activities and changes in net assets:

	Without Donor Restrictions	With Donor Restrictions	Total
Net investment return	\$ 520,816	\$ 10,519,017	\$ 11,039,833
Less: Investment income and spending rate included in operating support and revenue	<u>(248,841)</u>	<u>(2,154,786)</u>	<u>(2,403,627)</u>
Total investment income included in nonoperating activity	<u>\$ 271,975</u>	<u>\$ 8,364,231</u>	<u>\$ 8,636,206</u>

6. Fair Value Measurements

The Foundation's investments are recorded in the financial statements at fair value. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. Investments for which fair value is measured using net asset values ("NAV") as a practical expedient are excluded from the hierarchy and have been reported separately within the table below. Fair value accounting standards establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 Observable inputs such as quoted prices in active markets;
- Level 2 Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

Cost approach – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and

Income approach – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

The following table summarizes the valuation of the Foundation's financial instruments measured on a recurring basis by the above input levels using a market approached valuation method as of December 31, 2020:

Investments as of December 31, 2020	Quoted Market Prices (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash for reinvestment	\$ 14,129,180	\$ -	\$ -	\$ 14,129,180
Short-term government bond fund	-	11,712,570	-	11,712,570
Equities	10,512,728	-	-	10,512,728
Investments at fair value	24,641,908	11,712,570	-	36,354,478
Investments measured at net asset value	-	-	-	94,043,928
Total investments	\$ 24,641,908	\$ 11,712,570	\$ -	\$ 130,398,406
Cash and cash equivalents	\$ 17,383,653	\$ 3,033,200	\$ -	\$ 20,416,853

The following table summarizes the valuation of the Foundation's financial instruments measured on a recurring basis by the above input levels using a market approached valuation method as of December 31, 2019:

Investments as of December 31, 2019	Quoted Market Prices (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash for reinvestment	\$ 8,053,208	\$ -	\$ -	\$ 8,053,208
Short-term government bond fund	-	22,736,483	-	22,736,483
Equities	8,151,362	-	-	8,151,362
Investments at fair value	16,204,570	22,736,483	-	38,941,053
Investments measured at net asset value	-	-	-	66,143,133
Total investments	\$ 16,204,570	\$ 22,736,483	\$ -	\$ 105,084,186
Cash and cash equivalents	\$ 8,013,011	\$ 4,772,890	\$ -	\$ 12,785,901

The following is a description of the Foundation's valuation methodologies for assets and liabilities measured at fair value as of December 31, 2020 and 2019:

Fair value for Level 1 is based upon quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access. Market price data is generally obtained from exchange or dealer markets. The Foundation does not adjust the quoted price for such assets and liabilities.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers.

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all. At December 31, 2020 and 2019, there were no Level 3 assets.

The net asset value of each alternative investment fund generally represents the ownership interest in the respective funds. The fair values of the investments held by the funds that do not have readily determinable fair values are determined by the investment managers and are based on estimates that require varying degrees of judgment. The Foundation has performed due diligence on these investments to ensure the NAV is an appropriate measure of fair value as of December 31, 2020 and 2019. Because of the inherent uncertainty of valuing these investments and certain underlying investments, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. These investments may be illiquid and thus there can be no assurance that the Foundation will be able to realize the value of such investments in a timely manner.

The methods described in this footnote may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table summarizes the Foundation's investments that are measured at NAV by category as of December 31, 2020:

Class	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed income funds (a)	\$ 13,234,254	In Liquidation (1 fund)- 5% Monthly (1 fund)- 38% Daily (2 funds)- 45% Illiquid (1 fund)- 12%	In Liquidation (1 fund)- 5% 30 days (2 funds)- 45% 10 days (1 fund)- 38% Illiquid (1 fund)- 12%
Equity funds (b)	61,309,803	In Liquidation (1 fund)- 4% Annual (2 funds)- 8% Quarterly (5 funds)- 32% Monthly (2 funds)- 9% Daily (8 funds)- 47%	In Liquidation (1 fund)- 4% 180 days (2 funds)- 8% 90 days (3 funds)- 16% 60 days (1 fund)- 8% 45 days (3 funds)- 17% 1 day (8 funds)- 47%
Fund of hedge funds (c)	9,133,275	In Liquidation (1 fund)- <1% Quarterly (2 funds)- 61% Monthly (1 fund)- 39%	In Liquidation (1 fund)- <1% 105 days (1 fund)- 39% 95 days (1 fund)- 26% 45 days (1 fund)- 35%
Event/credit arbitrage funds (d)	5,413,993	In Liquidation (3 funds)- 17% Quarterly (1 fund)- 83%	In Liquidation (3 funds)- 17% 60 days (1 fund)- 83%
International funds (e)	4,952,603	Monthly (1 fund)- 16% Daily (2 funds)- 84%	90 days (1 fund)- 16% 1 day (2 funds)- 84%
Total alternative investments	<u>\$ 94,043,928</u>		

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

The following table summarizes the Foundation's investments that are measured at NAV by category as of December 31, 2019:

Class	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed income funds (a)	\$ 10,340,006	In Liquidation (1 fund)- 7% Monthly (1 fund)- 26% Daily (2 funds)- 58% Illiquid (1 fund)- 9%	In Liquidation (1 fund)- 7% 30 days (2 funds)- 58% 10 days (1 fund)- 26% Illiquid (1 fund)- 9%
Equity funds (b)	42,832,048	Annual (2 funds)- 9% Quarterly (6 funds)- 40% Monthly (2 funds)- 12% Daily (9 funds)- 39%	180 days (2 funds)- 9% 90 days (1 fund)- 9% 60 days (2 funds)- 16% 45 days (3 funds)- 15% 30 days (2 funds)- 12% 1 day (9 funds)- 39%
Fund of hedge funds (c)	4,101,448	In Liquidation (1 fund)- <1% Quarterly (2 funds)- 100%	In Liquidation (1 fund)- <1% 105 days (1 fund)- 49% 95 days (1 fund)- 51%
Event/credit arbitrage funds (d)	5,731,348	Quarterly (1 fund)- 60% Monthly (2 funds)- 40%	90 days (2 funds)- 40% 60 days (1 fund)- 60%
International funds (e)	3,138,283	Monthly (1 fund)- 18% Daily (2 funds)- 82%	90 days (1 fund)- 18% 1 day (2 funds)- 82%
Total alternative investments	<u>\$ 66,143,133</u>		

The following is a brief description of the Foundation's categories for investments measured at NAV:

- (a) Includes long and short positions in a broad variety of highly liquid investments that are anticipated to have primarily a fixed income focus, including investments in financial instruments of companies undergoing periods of distress and turnaround. The Orpheus Holdings LTD fund, valued at \$636,575 and \$739,337 as of December 31, 2020 and 2019, respectively, is currently in liquidation.
- (b) Principally long, concentrated portfolios invested in highly liquid equity securities and large-cap investments.
- (c) Highly diversified portfolios of multiple managers. These funds invest across most liquid asset classes and offer low correlations to markets and low volatility. Sire SPV Offshore, Ltd. valued at \$5,804 and \$6,064 as of December 31, 2020 and 2019, respectively, is currently in liquidation.
- (d) These funds participate across the capital structure of companies, identifying specific catalysts that will result in valuations which increase over time. Generally, they have low net exposure to the markets.
- (e) These funds generally own equities of companies listed outside of the United States of America, including developed and developing countries. These funds have higher beta as a result of their higher net exposure to markets.

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

At December 31, 2020 there was one unfunded commitment totaling \$1,654,624. At December 31, 2019 there was one unfunded commitment totaling \$2,189,307.

Assets and liabilities measured at fair value are based on the market approach valuation technique, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

7. Endowment Funds

The Foundation's endowment consists of 43 individual funds established for a variety of purposes. As required by Generally Accepted Accounting Principles ("GAAP"), net assets associated with donor-restricted endowment funds, and funds designated by the Board of Trustees to function as endowment funds ("Board Designated"), are classified and reported based on the existence or absence of donor-imposed restrictions.

On September 17, 2010, New York State enacted NYPMIFA. Under NYPMIFA, a detailed prudence standard governs appropriation from endowment funds and there is no longer a requirement to maintain historic dollar value as was the case under the Uniform Management of Institutional Funds Act ("UMIFA").

Under UMIFA, the Foundation could appropriate for expenditure so much of the net appreciation of an endowment fund as the Foundation's board determined was prudent but, in the event an endowment fund was below its historic dollar value, appropriation was not permitted other than the appropriation of income. The term "historic dollar value" was defined as the aggregate fair value in dollars of (i) an endowment fund at the time it became an endowment fund, (ii) each subsequent donation to the fund at the time it was made, and (iii) each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation was added to the fund.

Under NYPMIFA, prudent appropriation of income or appreciation from a fund where the value is less than its historic dollar value is permitted. In particular, NYPMIFA provides that unless a donor expresses a contrary intention in a gift instrument, a charitable institution may appropriate as much of an endowment fund as it "determines is prudent for the uses, benefits, purposes and duration for which the fund is established," without regard for historic dollar value. Consistent with prior law, NYPMIFA retains the requirement that in making any decision to appropriate "the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances." It further provides a requirement that the institution "shall consider, if relevant" the following eight factors in deciding whether or not to appropriate from a fund: (i) the duration and preservation of the endowment fund; (ii) the purposes of the Foundation and the endowment fund; (iii) general economic conditions; (iv) the possible effect of inflation or deflation; (v) the expected total return from income and the appreciation of investments; (vi) other resources of the Foundation; (vii) where appropriate and circumstances would otherwise warrant, alternatives to the expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Foundation; and (viii) the investment policy of the Foundation.

The provisions of NYPMIFA allowing prudent appropriation without regard to historic dollar value apply to funds created after the law's effective date of September 17, 2010. Donors of funds created before that date were given the option to require institutions to continue to observe the historic dollar value restrictions contained in prior law. Some of the Foundation's endowment fund donors elected this option. Moreover, as under prior law, a donor may incorporate in a gift instrument specific restrictions on appropriation that are different from either NYPMIFA or prior law. Certain of the Foundation's funds are governed by such instruments. Thus, the Foundation has

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

funds that fall into three categories with respect to appropriation: those from which it may prudently appropriate without regard to historic dollar value; those from which it may prudently appropriate current income and appreciation only above historic dollar value; and those where appropriation is governed by specific instructions in the constitutive gift instrument.

The Foundation's Board of Trustees, after careful consideration of each of the NYPMIFA factors, determined that it would be prudent to appropriate funds from the Foundation's endowment in 2020 and 2019.

The Foundation's spending policies are consistent with the Foundation's objectives to use income to support mission-critical programs while preserving capital and promoting future endowment growth. The Foundation uses a 21-quarter rolling average on eligible funds, which generated an effective spend rate on the investment portfolio of approximately 3.0% and 2.8% for December 31, 2020 and 2019, respectively. Actual endowment spend rates ranged between 3.75% and 6.00% of market values.

Consistent with endowment accounting for not-for-profit organizations for funds subject to an enacted version of UPMIFA, the Foundation classifies as net assets with endowment restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, (c) the net realizable value of future payments to net assets with endowment restrictions in accordance with the donor's gift instrument (outstanding endowment pledges net of applicable discount), and (d) accumulations, including appreciation, gains and income, to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

For financial reporting purposes, donor-restricted endowment fund appreciation, gains and income exceeding donor restrictions are classified as net assets with non-endowment restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by law. Upon appropriation, appreciation and earnings are reclassified as net assets without donor restrictions.

For each donor-restricted endowment fund, the Foundation classifies the portion of the fund that is not classified as net assets with endowment restrictions as donor restricted net assets until appropriated for expenditure by the Foundation.

The Foundation's endowments consisted of the following at December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Assets held in perpetuity	\$ -	\$ 73,098,880	\$ 73,098,880
Appreciation	-	5,982,898	5,982,898
Term endowment	-	4,733,303	4,733,303
Art fund endowment			
Assets held in perpetuity	-	10,105,000	10,105,000
Appreciation	-	4,597,265	4,597,265
Board-designated endowment funds	24,322,647	7,794,547	32,117,194
Total funds	<u>\$ 24,322,647</u>	<u>\$ 106,311,893</u>	<u>\$ 130,634,540</u>

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

The Foundation's endowments consisted of the following at December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Assets held in perpetuity	\$ -	\$ 71,337,071	\$ 71,337,071
Appreciation	-	(6,476,355)	(6,476,355)
Term endowment	-	4,402,354	4,402,354
Art fund endowment			
Assets held in perpetuity	-	10,105,000	10,105,000
Appreciation	-	2,491,239	2,491,239
Board-designated endowment funds	13,464,796	7,345,000	20,809,796
Total funds	<u>\$ 13,464,796</u>	<u>\$ 89,204,309</u>	<u>\$ 102,669,105</u>

Largely as a result of unfavorable market fluctuations, the fair value of assets associated with certain donor-restricted endowment funds has fallen below historic dollar value. The aggregate amounts by which fair values were below historic values were approximately \$6,933,804 and \$9,561,549 as of December 31, 2020 and 2019, respectively.

The Foundation's endowments had the following changes for the years ended December 31, 2020 and 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds, December 31, 2019	<u>\$ 13,464,796</u>	<u>\$ 89,204,309</u>	<u>\$ 102,669,105</u>
Total investment return	849,119	17,816,345	18,665,464
Contributions	3,150,453	2,211,338	5,361,791
Appropriation of endowment assets for expenditure transfers and redesignations	6,858,279	(2,920,099)	3,938,180
Endowment funds, December 31, 2020	<u>\$ 24,322,647</u>	<u>\$ 106,311,893</u>	<u>\$ 130,634,540</u>

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds, December 31, 2018	<u>\$ 11,385,541</u>	<u>\$ 74,153,316</u>	<u>\$ 85,538,857</u>
Total investment return	848,689	10,111,845	10,960,534
Contributions	3,650,000	5,120,359	8,770,359
Appropriation of endowment assets for expenditure transfers and redesignations	(2,419,434)	(181,211)	(2,600,645)
Endowment funds, December 31, 2019	<u>\$ 13,464,796</u>	<u>\$ 89,204,309</u>	<u>\$ 102,669,105</u>

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

The endowment funds classified as net assets with endowment restrictions, net assets with other donor restrictions and net assets without restrictions consist of the following at December 31:

	2020	2019
With Endowment Restrictions		
Educational programs	\$ 12,796,729	\$ 12,796,729
Curatorial programs	4,537,048	4,537,048
Publications	1,200,000	1,200,000
General operating support	37,013,098	36,501,289
Conservation	12,002,005	12,002,005
Exhibition programs	5,550,000	4,300,000
Art fund endowment	<u>10,105,000</u>	<u>10,105,000</u>
Total endowment funds classified as net assets with endowment restrictions	<u>83,203,880</u>	<u>81,442,071</u>
Other Donor Restrictions		
General operating	5,982,898	(6,476,355)
Term endowment	4,733,303	4,402,354
Art fund endowment	4,597,265	2,491,239
Board-designated endowment funds	<u>7,794,547</u>	<u>7,345,000</u>
Total endowment funds classified as net assets with other donor restrictions	<u>23,108,013</u>	<u>7,762,237</u>
Total funds classified as net assets with donor restrictions	106,311,893	89,204,309
Total endowment funds classified as without restrictions - general operating support and revenue	<u>24,322,647</u>	<u>13,464,796</u>
Total endowment funds	<u>\$ 130,634,540</u>	<u>\$ 102,669,105</u>

Included within board-designated endowment funds is \$2,000,000 designated for conservation purposes.

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

8. Property, Equipment and Leasehold Improvements, Net

Property, equipment and leasehold improvements, net, consisted of the following at December 31, 2020 and 2019:

	2020	2019
Land	\$ 3,130,643	\$ 3,130,643
Buildings and building improvements	102,815,985	104,485,190
Furniture, fixtures and equipment	3,822,629	3,832,993
Leasehold improvements	15,016,436	14,587,114
Construction in progress	519,924	372,712
Intangible assets	<u>107,249</u>	<u>95,334</u>
	125,412,866	126,503,986
Less: Accumulated depreciation and amortization	<u>(75,869,850)</u>	<u>(73,124,499)</u>
Total property, equipment and leasehold improvements, net	<u>\$ 49,543,016</u>	<u>\$ 53,379,487</u>

9. Bonds Payable, Net of Premium and Cost of Issuance

Bonds payable at December 31, 2020 and 2019 are as follows:

	2020	2019
Series 2016A Bonds	\$ 20,000,000	\$ 20,000,000
Bond discount and issuance costs, net of amortization	<u>357,274</u>	<u>398,657</u>
Bonds payable	<u>\$ 19,642,726</u>	<u>\$ 19,601,343</u>

In September 2016, the Foundation issued taxable bonds in an aggregate principal amount of \$20,000,000 (the "Bonds"). The bond proceeds were used to (i) repay an outstanding balance of approximately \$8.2 million under the Foundation's Credit Agreement dated as of July 31, 2015, as amended, (ii) fund certain leasehold tenant improvements, (iii) fund working capital, and (iv) pay costs of issuance. For the years ended December 31, 2020 and 2019, interest expense on the Bonds totaled \$771,225 annually. There are no restrictive financial covenants related to the Bonds.

The 2016A Bonds consisted of the following amounts and maturities at December 31, 2020:

Bonds, Series 2016A	Principal	Rate	Maturity
Term bonds	\$ 4,555,000	3.47 %	January 1, 2026
Term bonds	<u>15,445,000</u>	3.97 %	January 1, 2031
	<u>\$ 20,000,000</u>		

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

The Bonds are subject to optional redemption by the Foundation, in whole or in part at any time. The bonds are also subject to mandatory sinking fund redemption from sinking fund installments. The mandatory sinking fund installments are as follows:

	Sinking Fund Requirement
Year Ended December 31,	
2021	\$ -
2022	850,000
2023	880,000
2024	910,000
2025	940,000
Thereafter	<u>16,420,000</u>
Total principal payments	<u>\$ 20,000,000</u>

10. Demand and Other Loans Payable

In November of 2018, the Foundation entered into a multi-year agreement with a bank for a revolving line of credit in the amount of \$5,000,000, which expires in November 2022. At December 31, 2020 and 2019 the outstanding amount on the Foundation's line of credit was \$2,500,000. Under the terms of the agreement with a bank for the revolving line of credit, the Foundation is required to provide semi-annually evidence that it maintains unrestricted liquid assets, as defined by the bank agreement as \$5,000,000. The Foundation is compliant with its financial covenant at December 31, 2020 and 2019.

Interest on amounts borrowed under this credit facility is calculated at the Foundation's option (A) the alternate base rate (i.e., a rate per year equal to the greatest of (i) the bank's prime rate, (ii) the federal funds effective rate plus 0.50% per year, and (iii) the LIBOR rate plus 1.00%) plus 1.50%, (B) the adjusted LIBOR rate (i.e., the LIBOR rate in effect for an interest period multiplied by the statutory reserve rate, plus 1.50%, the daily LIBOR rate (i.e., for any day, a rate per year equal to the adjusted LIBOR rate in effect on such day for deposits in dollars of a one-month interest period) plus 1.50% current line of credit is calculated based on the Foundation's option of a rate per year equal to the bank's Prime Rate or the LIBOR rate plus 1.50%.

During fiscal 2020, the Foundation borrowed \$5,938,000 through the Small Business Administration's (the "SBA") federal Paycheck Protection Program ("PPP"). The full amount borrowed was outstanding as of December 31, 2020. The Foundation applied for forgiveness of the loan and if the application is denied the loan must be repaid by the Foundation on or before its maturity date in 2022 at the interest rate of 1%.

Amounts outstanding under the revolving credit facility, together with the amount borrowed under the PPP, are reflected as demand and other loans payable on the 2020 statement of financial position.

As allowed under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), beginning in May 2020 through December 2020, the Foundation has deferred its payments of the employer portion of social security payroll tax in the amount of \$775,782, which is included in accounts payable and accrued expenses in the statement of financial position as of December 31,

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

2020. The CARES Act requires payment of 50% of these deferred taxes by December 31, 2021, and the remaining 50% of these deferred taxes by December 31, 2022.

11. Net Assets

Net assets consisted of the following at December 31, 2020 and 2019:

	2020	2019
Other donor restrictions		
Restricted by time	\$ 14,378,719	\$ 11,908,174
Restricted by purpose		
Exhibitions, projects and other	17,911,658	5,185,535
Conservation	2,313,288	2,000,000
Purchase of works of art	<u>16,853,640</u>	<u>16,677,018</u>
Total net assets with other donor restrictions	<u>\$ 51,457,305</u>	<u>\$ 35,770,727</u>
Endowment restricted net assets		
Art collection	\$ 1	\$ 1
Land	753,338	753,338
Endowment, income restricted for reinvestment and educational programs	12,796,729	12,796,729
Endowment, income restricted for curatorial chair	4,537,048	4,537,048
Endowment, art fund, income restricted for art purchases	10,105,000	10,105,000
Endowment, conservation	12,002,005	12,002,005
Endowment, income restricted for publications	1,200,000	1,200,000
Endowment, income restricted for exhibitions	5,550,000	4,300,000
Endowment, income for general operating support	<u>37,013,098</u>	<u>36,501,289</u>
Total net assets with endowment donor restrictions	<u>\$ 83,957,219</u>	<u>\$ 82,195,410</u>
Total net assets with donor restrictions	<u>\$ 135,414,524</u>	<u>\$ 117,966,137</u>

12. Defined Contribution Retirement Plan

The Foundation has a defined contribution retirement plan to cover all eligible employees, established under Section 403(b) of the Internal Revenue Code. For the 2019 plan year, the Foundation made a contribution equal to 3% of each eligible participant's eligible gross wages and matched 50% of the first 5% of base pay voluntarily contributed to the plan by eligible participants, up to a maximum of 2.5% of compensation. For the 2020 plan year, the Foundation made a contribution equal to 1.5% of each eligible participant's eligible gross wages and matched 25% of the first 5% of gross wages voluntarily contributed to the plan by eligible participants. During 2020 and 2019, the Foundation recorded expenses of \$377,097 and \$849,732, respectively, related to this plan.

13. Related Party Transactions

Two managing partners of an investment firm who are on the Foundation's Board of Trustees served on the Investment Committee until May 20, 2014. After review and in accordance with the

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

Foundation's conflict of interest policy including recusal of interested parties from voting, the disinterested Trustees who served on this Committee approved investments managed by this firm with a fair value of \$636,575 and cost of \$1,190,310 at December 31, 2020 and investments managed by this firm with a fair value of \$739,337 and cost of \$1,190,310 at December 31, 2019. In 2020 and 2019, the Foundation paid the investment firm fees of \$10,299 and \$17,413, respectively.

Two principal owners of a firm that currently provides investment advice to the Foundation are also directors, shareholders and investment advisors of a multi-strategy fund of hedge funds in which the Foundation has an approved investment. At December 31, 2020 and 2019, the Foundation's investment, at cost, in the fund of funds was \$1,605,000. The Foundation does not pay the advisory firm, the principal owners of the firm or the fund of funds a fee with respect to the Foundation's investment in that fund of funds. In 2020 and 2019, the Foundation paid the investment advisory firm fees for its advisory services related to the Foundation's other fund of funds totaling \$351,906 and \$327,874, respectively.

14. Functional and Natural Classification of Expenses

Expenses by functional classification for the years ended December 31, 2020 and 2019 are shown below. Depreciation, interest expense, benefits and special events expense and interest and fees relating to debt service, which are not allocated functionally on the statements of activities and changes in net assets, are allocated functionally below. The following table summarizes the Foundation's functional expense allocation for the year ended December 31, 2020:

Natural Classification	Programming Costs						Supporting Costs		Total
	Exhibitions Projects	Traveling Exhibitions	Curatorial Collection Maintenance	Visitor Services	Education	Auxiliary	Management and General	Fundraising	
Salaries and benefits	\$ 2,142,510	\$ 888,979	\$ 8,723,084	\$ 3,728,847	\$ 2,816,255	\$ 1,565,185	\$ 8,408,156	\$ 3,097,356	\$ 31,370,372
Occupancy	3,109,282	89,248	3,454,333	222,119	362,573	584,480	2,192,123	342,735	10,356,893
Professional fees	1,616,610	650,258	307,294	372,646	140,371	73,657	2,428,708	635,640	6,225,184
Cost of goods	-	-	-	-	-	357,028	-	-	357,028
Art shipping and crating	63,251	19,207	36,839	-	-	1,650	27,063	2,970	150,980
Travel and entertainment	49,258	79,925	15,905	3,186	-	3,175	80,671	30,084	262,204
Supplies	530,411	2,850	64,242	16,504	59,830	4,732	241,176	6,025	925,770
Advertising	393,852	-	-	-	19,611	-	510,086	5,893	929,442
Other costs	290,107	117,706	324,540	184,838	148,609	61,649	1,348,612	255,372	2,731,433
Total operating costs	<u>8,195,281</u>	<u>1,848,173</u>	<u>12,926,237</u>	<u>4,528,140</u>	<u>3,547,249</u>	<u>2,651,556</u>	<u>15,236,595</u>	<u>4,376,075</u>	<u>53,309,306</u>
Depreciation	1,677,089	-	1,660,687	96,586	199,385	342,361	590,364	182,905	4,749,377
Interest and fees	282,725	-	319,951	18,911	33,842	44,415	104,528	31,915	836,287
Benefits and special events expense	-	-	-	-	-	-	371,771	1,231	373,002
Total other costs	<u>1,959,814</u>	<u>-</u>	<u>1,980,638</u>	<u>115,497</u>	<u>233,227</u>	<u>386,776</u>	<u>1,066,663</u>	<u>216,051</u>	<u>5,958,666</u>
Total allocated costs	<u>\$ 10,155,095</u>	<u>\$ 1,848,173</u>	<u>\$ 14,906,875</u>	<u>\$ 4,643,637</u>	<u>\$ 3,780,476</u>	<u>\$ 3,038,332</u>	<u>\$ 16,303,258</u>	<u>\$ 4,592,126</u>	<u>\$ 59,267,972</u>

The Solomon R. Guggenheim Foundation

Notes to Financial Statements

December 31, 2020 and 2019

16. Leases

The Foundation has a limited number of operating leases, most of which are for office and other space rentals. On January 1, 2019, the Foundation adopted ASC 842, Leases under a modified retrospective basis as permitted under the guidance, has elected a package of practical expedients, among which is one that allowed the Foundation to maintain its historical lease classifications. The guidance requires lessees to recognize (for leases for longer than 12 months) at the lease commencement date: (a) a lease liability which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset for the lease term. Leases are classified as either operating or financing and the lease classification determines the pattern of expense recognition in the Foundation's financial statements. Operating leases result in straight-line expense over the term of the lease. Upon adoption on January 1, 2019, the Foundation recognized the right-of-use asset of \$24,492,929 and an operating lease liability of \$31,404,477. There was no impact upon opening net assets as of January 1, 2019. The adoption of ASC 842 did not have a material impact on the Foundation's results of operations or cash flows.

The most significant lease is the Foundation's operating lease for administrative office space, effective August 22, 2016, which replaced the Foundation's previous administrative office space and includes space associated with the Guggenheim Abu Dhabi Museum project. The term of the lease is 15 years, with an optional extension provision. As of December 31, 2020, there are 128 months remaining on the lease. Other leases include other property in New York, rental space in Venice, and equipment leases, which expire at various dates through 2023.

Management will consider various factors such as market conditions and the terms of any renewal options that may exist to determine whether to renew or replace a lease. For leases in place as of December 31, 2020 and 2019, renewals are not considered within the lease term and minimum lease payments as they are not reasonably certain to be exercised.

The Foundation includes fixed rent, predetermined rent escalations, rent-free periods and certain incentives for leasehold improvements as lease components.

Lease expense is recognized on a straight-line basis over the life of the lease. Certain of these leases require variable payments for taxes and operating expenses and are expensed as incurred.

The lease liabilities are initially and subsequently measured at the present value of the remaining lease payments. The right-of-use assets are initially recognized at the amount of the lease liabilities initially recognized less lease incentives received, plus initial direct costs and prepaid lease payments, if any. Since the Foundation's lease agreements do not have readily determinable discount rates implicit in the leases, the Foundation used its incremental borrowing rate of 3.41% to determine the present value of the lease payments. Should there be a modification, the rate may be updated with a more current incremental borrowing rate. The Foundation has also elected a practical expedient to allow the lease and non-lease components not to be separated in event the agreement contains both.

The Foundation's office space lease includes an alterations allowance in the amount of \$4,757,371, which is being recognized over the life of the lease. As of December 31, 2020 and 2019, the remaining unamortized lease incentive was \$3,376,450 and \$3,693,724, respectively. The Foundation reduced the right-of-use asset by the amount of the unamortized lease incentive. Under the office lease, the Foundation received a rent abatement in the amount of \$2,937,045, which is also being recognized over the life of the lease.

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

The right-of-use asset and lease liability at December 31, 2020 was \$20,828,826 and \$27,243,061, respectively. The right-of-use assets and liability at December 31, 2019 as presented in the statements of financial position were \$22,113,416 and \$28,774,759, respectively.

Lease payments that impact operating cash flows during 2020 and 2019 were \$3,521,225 and \$3,582,299, respectively.

Rent expense, including taxes and operating expenses, included within the statements of activities and changes in net assets for 2020 and 2019 amounted to \$2,971,988 and \$3,144,180, respectively.

The following table reconciles the undiscounted cash flows expected to be paid in each of the next five years and thereafter to the lease liability recorded on the statement of financial position for operating leases existing as of December 31, 2020:

	Operating Leases
Year Ending December 31,	
2021	\$ 3,243,284
2022	3,401,788
2023	3,062,403
2024	2,977,629
2025	2,687,922
Thereafter	<u>16,370,508</u>
Total minimum lease commitments	31,743,534
Less: Imputed interest	<u>(4,500,473)</u>
Present value of lease liability	<u>\$ 27,243,061</u>

17. Commitments and Contingencies

The Foundation is a party to a lawsuit in Rio de Janeiro dating back to 2002. In November 2015, the first appellate court in Rio de Janeiro upheld a lower court's November 2014 decision against the Foundation. A further appeal filed by the Foundation was denied on September 29, 2016. On October 21, 2016, the Foundation filed interlocutory appeals, and these appeals were forwarded to the Superior Court of Justice and the Federal Supreme Court for decision. On June 26, 2018, the reporting judge of the Superior Court of Justice granted the Foundation's interlocutory appeal, and the Foundation awaits further consideration of the appeals. The amount of potential loss is dependent on a variety of factors including the existence of joint and several liability, interest and currency fluctuation, but is estimated to range from \$0 to \$5,420,000.

Under Italian law, deferred compensation accrues in favor of employees which they (or in the event of their death, their heirs) are entitled to collect upon termination of employment. The amount payable related to each year's service is calculated on the basis of the remuneration of each year and will be subject to annual revaluation based on increases in the Italian cost of living index (ISTAT). Accrued severance payable in association with the Peggy Guggenheim Collection as of December 31, 2020 and 2019 is \$1,839,436 and \$1,520,855, respectively.

The Solomon R. Guggenheim Foundation
Notes to Financial Statements
December 31, 2020 and 2019

18. Subsequent Events

The Foundation evaluated its December 31, 2020 financial statements for subsequent events through June 23, 2021, the date the financial statements were issued.