Hood & Strong

Advisory, Tax and Assurance

The Christensen Fund

December 31, 2023 and 2022

Independent Auditors' Report and Consolidated Financial Statements

The Christensen Fund

Independent Auditors' Report and
Consolidated Financial Statements

Independent Auditors' Report

THE BOARD OF TRUSTEES
THE CHRISTENSEN FUND
San Francisco, California

Opinion

We have audited the accompanying consolidated financial statements of **THE CHRISTENSEN FUND (The Christensen Fund or Christensen)**, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Christensen Fund as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Christensen Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Christensen Fund's ability to continue as a going concern for one year from the date of this report.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Christensen Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Christensen Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Hood & Strong LLP

San Francisco, California
September 30, 2024

The Christensen Fund

Consolidated Statements of Financial Position

December 31,		2023		2022
Assets				
Cash and cash equivalents	$	5,865,775	$	2,103,528
Investments		305,465,128		292,412,157
Income-producing property		2,115,254		2,115,254
Program-related investments, net		593,155		190,000
Prepaid expenses and other assets		1,657,559		1,714,345
Total assets	$	315,696,871	$	298,535,284
Liabilities and Net Assets				
Liabilities:				
Grants payable	$	1,170,000	$	950,000
Accounts payable and accrued liabilities		166,344		200,807
Deferred federal excise tax		1,075,000		622,000
Total liabilities		2,411,344		1,772,807
Net Assets Without Donor Restrictions		313,285,527		296,762,477
Total liabilities and net assets	$	315,696,871	$	298,535,284

See accompanying notes to the consolidated financial statements.

The Christensen Fund

Consolidated Statements of Activities and Changes in Net Assets

Years Ended December 31,	2023	2022
Revenue, Gains and Other Income:		
Rental income	$ 1,465,732	$ 1,465,732
Investment income (loss), net	32,625,508	(47,279,436)
Other income	135,311	35,615
Total revenue, gains and other income	34,226,551	(45,778,089)
Expenses:		
Grant programs	16,475,992	16,533,685
Management and general	1,227,509	1,251,284
Total expenses	17,703,501	17,784,969
Change in Net Assets	16,523,050	(63,563,058)
Net Assets - Without Donor Restrictions, beginning of year	296,762,477	360,325,535
Net Assets - Without Donor Restrictions, end of year	$ 313,285,527	$ 296,762,477

See accompanying notes to the consolidated financial statements.

The Christensen Fund

Consolidated Statements of Functional Expenses

Year Ended December 31, 2023

	Grant Programs	Management and General	2023 Total
Grants and awards	$ 14,179,896		$ 14,179,896
Salaries and employee benefits	1,151,280	$ 853,574	2,004,854
Contract and professional services	707,669	199,842	907,511
Travel and meetings	272,219	74,077	346,296
Printing, postage and supplies	29,115	22,867	51,982
Rent, utilities and maintenance	108,127	36,013	144,140
Amortization	6,888	2,175	9,063
Telecommunication	6,034	2,529	8,563
Insurance	14,764	29,572	44,336
Other expenses		6,860	6,860
	$ 16,475,992	$ 1,227,509	$ 17,703,501

Year Ended December 31, 2022

	Grant Programs	Management and General	2022 Total
Grants and awards	$ 14,047,472		$ 14,047,472
Salaries and employee benefits	1,038,212	$ 735,742	1,773,954
Contract and professional services	846,131	284,229	1,130,360
Travel and meetings	421,116	86,495	507,611
Printing, postage and supplies	38,764	56,731	95,495
Rent, utilities and maintenance	108,662	36,707	145,369
Amortization	6,707	2,356	9,063
Telecommunication	9,106	3,129	12,235
Insurance	17,515	35,084	52,599
Other expenses		10,811	10,811
	$ 16,533,685	$ 1,251,284	$ 17,784,969

See accompanying notes to the consolidated financial statements.

The Christensen Fund

Consolidated Statements of Cash Flows

Years Ended December 31,	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	$ 16,523,050	$ (63,563,058)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Amortization	9,063	9,063
Net realized and unrealized (gain) loss on investments	(32,081,409)	50,397,300
Program-related investment loan discount	611,270	
Provision for program-related investment loan expected credit losses	45,575	
Deferred excise tax	453,000	(621,000)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	47,723	(516,573)
Grants payable	220,000	(130,000)
Accounts payable and accrued liabilities	(34,463)	(637,730)
Net cash used by operating activities	(14,206,191)	(15,061,998)
Cash Flows from Investing Activities:		
Proceeds from sales of investments	35,894,149	17,783,519
Purchases of investments	(16,688,711)	(4,020,971)
Change in receivable for unsettled investment transactions	(177,000)	1,177,000
Investments through program-related loan receivables	(1,100,000)	
Collection on program-related investments loan receivables	40,000	40,000
Net cash provided by investing activities	17,968,438	14,979,548
Cash Flows from Financing Activities:		
Principal payments on line of credit		(4,850,000)
Proceeds from borrowings on line of credit		3,750,000
Net cash used by financing activities	-	(1,100,000)
Net Change in Cash and Cash Equivalents	3,762,247	(1,182,450)
Cash and Cash Equivalents, beginning of year	2,103,528	3,285,978
Cash and Cash Equivalents, end of year	$ 5,865,775	$ 2,103,528
Supplemental Disclosures:		
Cash paid for federal excise taxes, net of refunds	$ -	$ 289,642
Interest paid	$ -	$ 26,695

See accompanying notes to the consolidated financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies:

Organization

The Christensen Fund (The Christensen Fund or Christensen) is a nonprofit, tax-exempt, primarily grantmaking, private foundation established in 1957 through contributions from Allen D. and Carmen M. Christensen.

The Christensen Fund works to support Indigenous peoples in advancing their inherent rights, dignity, and self-determination. Founded in 1957 in San Francisco, The Christensen Fund is a nonprofit organization, led by an independent Board of Trustees. Our team of global experts center Indigenous voices, leadership, and perspectives in our philanthropy and advocacy. The Christensen Fund takes a rights- and place-based approach to our work and is actively grantmaking in communities in the United States, Mexico, Kenya, and other countries around the world. The Christensen Fund engages with Indigenous Peoples as our partners and experts on the issues that are most important and urgent to them.

In 2010, Christensen established MEC Menlo, LLC (MEC) a California limited liability company. MEC is a Single Member LLC with Christensen as the sole member. Christensen also entered into an agreement with MEC, in which MEC was assigned all rights, title and interest of Christensen as the lessor under the lease and sublease agreements of Christensen for a property in Menlo Park, California. In connection with such assignment, MEC assumed all liabilities and obligations of Christensen with respect to the lease.

Basis of Presentation

The consolidated financial statements of Christensen have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to not-for-profit organizations.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those that are not restricted by donor-imposed stipulations and are available at the discretion of Christensen. There were no net assets with donor restrictions as of December 31, 2023 and 2022.

Principles of Consolidation

The consolidated financial statements include the accounts of The Christensen Fund and MEC Menlo, LLC. All intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less, except for investment portfolio cash management funds, which are included in investments.

Investments

Investments are reported at fair value. Changes in fair values as well as realized gains and losses are reflected in the Consolidated Statements of Activities and Changes in Net Assets. Dividend and interest income are accrued when earned. The fair value for non-alternatives is generally provided by using quoted market prices.

Investments, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

The fair value of alternative investments is determined using the Net Asset Value (NAV) per share as determined by investment managers under the so-called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. Alternative investments represent amounts in marketable and non-marketable alternatives such as private equity, absolute return, and pooled funds. These investments are further discussed in Note 3.

Fair Value Measurements

The Christensen Fund carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Christensen classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data.

Program-Related Investments

Program-related investments are strategic funding for the specific objective of furthering Christensen's charitable purpose and are in the form of a loan. Program-related investments are carried at cost, unless it is determined that a discount is material to Christensen's consolidated financial statements.

The Christensen Fund's loans receivable are recorded at the time a loan is agreed to by both parties. Interest on the program-related investments loans receivable is generally charged at below-market rates. Christensen evaluates the need for an allowance for credit losses for program-related investments on a specific identification method. Christensen develops a reserve for the expected credit losses on its loans receivable by using historical collection experience, current and future economic and market conditions, and current financial information for its investments. Management reviewed the collectability of the program-related investments and recorded an allowance for credit losses of approximately $45,600 as of December 31, 2023 in grant programs expense in the Consolidated Statements of Activities and Changes in Net Assets. There was no program-related investment impairment recorded in 2022.

The face value amount of the program-related investment loan receivables were $1,250,000 and $190,000, at December 31, 2023 and 2022, to three and one organizations, respectively. Interest is calculated on the outstanding loan amounts at an annual interest rate ranging from 1% - 2.50% in 2023 and 2022. Principal and interest may be due monthly, annually or at maturity with the principal. Loans are expected to be repaid between 2024 and 2033. The loans are uncollateralized. Christensen records a contribution expense for the difference between the stated interest rate on the notes and the market rate determined for each loan at issuance. This difference is amortized over the term of the notes. The discount on the loans were approximately $611,300 and $0 as of December 31, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, the Christensen Fund recognized contribution expense of $611,300 and $0, respectively, in grant programs expense in the Consolidated Statements of Activities and Changes in Net Assets. The program-related investment loan receivables, net were approximately $593,200 and $190,000, at December 31, 2023 and 2022, respectively.

The Christensen Fund had outstanding commitments to two program-related investments totaling $2,900,000 at December 31, 2023. There were no outstanding commitments to program-related investments at December 31, 2022.

Contributions

Contributions received are reported between net asset categories depending upon donor restrictions, if any. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Grants

Unconditional grant expenditures are made in accordance with Christensen's mission and are recognized in the period the grant agreement is fully executed. Conditional grants are not recorded as grant expense and grant payable until the performance barriers are substantially met. Unconditional multi-year grants are recorded at their net present value using a discount rate appropriate for the year the grant was fully executed if the discount is material to the consolidated financial statements. Grant cancellations or unspent funds are recorded in the year cancelled or the funds are returned.

Fixed Assets

The Christensen Fund capitalizes all fixed assets with a cost greater than $10,000 and an estimated useful life in excess of one year. Fixed assets, including income-producing property, are recorded at cost or, if donated, at the estimated fair value on the date of the gift. Depreciation and amortization are calculated using the straight-line method over the estimated useful life of the asset, ranging from three to twenty years.

Long-Lived Assets

The Christensen Fund reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable. Impairment is recognized if the sum of undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Allocation of Functional Expenses

Certain costs have been allocated among grant programs expenses and management and general expenses based on estimates made by the management of Christensen.

The costs of providing various programs and activities have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Expenses such as salaries, benefits, and office supplies are allocated among two categories: grant programs costs and management and general costs, based on time spent or direct benefit.

Leases

The Christensen Fund determines if an arrangement is or contains a lease at inception. There are no financing leases of leased property or for property leased by Christensen. Property leased by Christensen as a lessor is reported as income-producing property on the Consolidated Statements of Financial Position.

As a lessee, Christensen includes right-of-use (ROU) assets and lease liabilities in the Consolidated Statements of Financial Position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent, if any. Operating lease expense is recognized on a straight-line basis over the lease term. Christensen made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of twelve months or less. Christensen does not have any leases with a term in excess of twelve months. Christensen has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

Federal Excise Taxes

The Christensen Fund is a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise and/or income taxes under Section 23701(d) of the California Revenue and Taxation Code.

The Christensen Fund is subject to federal excise tax on its investment income. A provision for federal excise tax is accrued. Deferred excise taxes arise primarily from unrealized tax basis gains on investments. In addition, Christensen may be subject to tax on unrelated business income, if any, generated by its investments.

The Christensen Fund follows the guidance on accounting for uncertainty in income taxes of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740. As of December 31, 2023 and 2022, management evaluated Christensen's tax positions and concluded that Christensen had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements.

Retirement Plan

Certain employees are covered by Christensen's defined contribution plan. In 2022, the Christensen Fund made a contribution to employees' retirement accounts of 10% of the employee's eligible compensation up to $10,000. In 2023, the Christensen Fund made a contribution to employees' retirement accounts based on 15% of the employee's eligible compensation subject to IRS limitations. The Christensen Fund made approximately $216,200 and $73,000 in contributions for the years ended December 31, 2023 and 2022.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2022 consolidated financial statements in order to conform to the 2023 presentation. These reclassifications had no impact on the consolidated net assets or the consolidated change in net assets.

New Accounting Pronouncements

The FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which amends the guidance on the impairment of financial instruments. The ASU adds to U.S. GAAP the current expected credit loss (CECL) impairment model based on expected losses rather than incurred losses. Under the new guidance when an entity acquires a financial instrument, including program-related notes receivable, it immediately recognizes an allowance equal to its estimate of expected credit losses over the life of the financial instrument. Christensen adopted this pronouncement effective January 1, 2023 in accordance with the planned implementation as prescribed by the ASU.

Subsequent Events

The Christensen Fund evaluated subsequent events with respect to the consolidated financial statements for the year ended December 31, 2023 through September 30, 2024, the date the consolidated financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying consolidated financial statements and no subsequent events have occurred which would require disclosure, except as described in Note 3.

Note 2 - Investments and Fair Value Measurements:

Investments:

The fair value of investments consisted of the following at December 31:

	2023	2022
Mutual funds:		
Fixed income fund	$ 5,927,417	$ 5,739,561
Equity funds	7,285,705	7,098,925
Balanced index fund	16,645,619	16,651,598
Total mutual funds	29,858,741	29,490,084
Alternative investments measured at net asset value as a practical expedient	267,606,387	255,099,073
Subtotal	297,465,128	284,589,157
Receivable for unsettled investment transactions	8,000,000	7,823,000
Total	$ 305,465,128	$ 292,412,157

Investment income (loss), net included the following for the years ended December 31:

	2023	2022
Realized loss	$ (497,447)	$ (326,399)
Unrealized gain (loss)	32,578,856	(50,070,901)
Investment management fees	(5,991,486)	(4,601,889)
Interest and dividend income	7,063,362	6,882,860
Excise tax (expense) benefit	(482,000)	568,500
Unrelated business income tax (expense) benefit	(45,777)	268,393
Total	$ 32,625,508	$ (47,279,436)

Fair Value Measurements:

As of December 31, 2023 and 2022, respectively, investments include mutual funds with a fair value of $29,858,741 and $29,490,084 that are classified as Level 1. In accordance with FASB ASC Subtopic 820-10, the alternative investments are valued using the Net Asset Value (NAV) per share (or its equivalent) practical expedient and are not subject to the fair value hierarchy classification.

Note 3 - Net Asset Value Disclosures:

The Christensen Fund uses the NAV as a practical expedient to determine the fair value of all the underlying investments which do not have readily determinable fair value and prepare their consolidated financial statements consistent with the measurement principles of an investment company or an entity that has the attributes of an investment company. The following table lists these investments by major category as of December 31:

	2023		2022			
Strategies	# of Funds	Valuation	# of Funds	Valuation	Redemption Frequency	Notice Period
Alternative Investments:						
Private equity (a):						
Venture capital funds	10	$ 20,408,630	10	$ 21,951,996	N/A	N/A
Global equities (b):						
Private equity fund	1	7,833,233	1	6,123,687	Quarterly	30 days
Real Estate (c):						
Real estate funds	3	150,743	3	357,966	N/A	N/A
Pooled funds:						
Liquid Market Fund **(d)**	1	1,292	1	1,132	Monthly	25 days
TCF LP **(e)**	1	239,212,489	1	226,664,292	(e)	(e)
Total	16	$ 267,606,387	16	$ 255,099,073		

a) Private equity funds invest in venture capital funds consisting of domestic and international private equity with the objective of long-term growth of capital. These investments have an expected remaining life range of 1-11 years, based on the partnership agreements, subject to extensions. Unfunded commitments were $3,891,855 and $4,588,036 as of December 31, 2023 and 2022, respectively.

b) The strategy of the private equity fund is to generate long-term capital appreciation by investing in a long-only concentrated portfolio of global equity securities. The investment process fully integrates sustainability analysis into the decision-making and is focused on long-term performance.

c) The strategy of the real estate funds is to provide returns based on investments in real assets and natural resources. These investments seek to provide endowed charitable organizations with returns to further their philanthropic purposes. These investments are expected to liquidate (due to the end of the partnership term) in the next year, subject to extensions. Unfunded commitments were $618,500 as of December 31, 2023 and 2022.

d) The liquid market fund seeks to achieve its objective by diversifying across multiple asset classes, and may invest in common and preferred stocks, exchange-traded funds, mutual funds, master limited partnerships, real estate investment trusts, high yield bonds, government securities and money market instruments, and derivative and other synthetic instruments. The shares may be redeemed on a monthly basis and the redemption request must be made prior to the 25th day of the month.

e) TCF Fund, a Series of Global Endowment Targeted Strategy Fund, LP (TCF, LP) is a private investment partnership offering an endowment-style investment program.

   TCF, LP invests with a long-term horizon, seeking varied and non-traditional investment opportunities in an effort to provide a diversified investment strategy for the investor. Assets are invested via a master feeder relationship. The feeder fund invests into master funds across asset classes including public equities, venture capital, private equity, real estate, natural resources, and hedged strategies. GEM is the General Partner of the Funds and manages Christensen's investment strategies. Each of the TCF, LP investments, accounts and portfolios has its own liquidity profile, ranging from daily to longer than three years. Withdrawals of excess cash within TCF, LP are permitted at any time. The Global Endowment Fund II component for TCF, LP allows semi-annual redemptions with a 90-day redemption notice period, and these redemptions flow directly to Christensen. TCF, LP redemption proceeds for accepted redemption requests will be available within 15 business days after the redemption date. The total redemption available annually is limited to 7% of the NAV of TCF, LP as of December 31 of the request year. At least 90% of any amount withdrawn will be paid within 60 days. The remaining will be paid no later than 60 days after the completion of the annual audit.

   Subsequent to year end, Christensen fulfilled capital call commitments of approximately $310,000 to various private equities and received a redemption from TCF, LP of $8,000,000, in order to fulfill its capital call obligations and meet operating needs.

Note 4 - Availability of Financial Assets and Liquidity:

The Christensen Fund's financial assets available for general expenditures within one year of the Consolidated Statements of Financial Position date were as follows at December 31:

Financial assets:	2023	2022
Cash and cash equivalents	$ 5,865,775	$ 2,103,528
Investments	305,465,128	292,412,157
Program-related investments, net	593,155	190,000
	311,924,058	294,705,685
Less amounts not available to be used within one year:		
Investments with liquidity restrictions	(243,026,988)	(233,107,754)
Funds restricted by lender		(6,700,000)
Program-related investments with payments due in excess of one year	(553,155)	(150,000)
	(243,580,143)	(239,957,754)
Financial assets available to meet general expenditures over the next twelve months	$ 68,343,915	$ 54,747,931

As part of Christensen's liquidity plan, excess cash is invested in short-term investments, including money market accounts. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within 2023 except as disclosed above. See Note 8 for the funds restricted by lender for 2022.

Note 5 - Income-Producing Property:

Income-producing property held at cost at December 31, 2023 and 2022 consisted of land in the amount of $2,115,254.

MEC leases the land under an operating ground lease arrangement to an unrelated third party. The master lease expires on October 31, 2058.

Future minimum rental income under the master lease is as follows:

Year Ended December 31,	
2024	$ 1,465,732
2025	1,465,732
2026	1,465,732
2027	1,465,732
2028	1,465,732
Thereafter	64,565,153
Total	$ 71,893,813

The operating ground lease expires on October 31, 2058. Rent is adjusted every 10 years to up to one half of one percent per month of the fair value of the land. If the lessee were to default on the ground lease, MEC would be responsible for the related rent.

Note 6 - Prepaid Expenses and Other Assets:

Prepaid expenses and other assets consisted of the following at December 31:

	2023	2022
Mineral rights	$ 966,650	$ 966,650
Wyoming property (net of accumulated amortization of $111,646 and $102,583)	78,672	87,735
Prepaid excise and unrelated business income tax	564,752	612,998
Other	47,485	46,962
	$ 1,657,559	$ 1,714,345

Amortization expense was $9,063 for the years ended December 31, 2023 and 2022.

In a prior year, Christensen received contributions in the form of mineral rights for property in Colorado and Wyoming. Christensen maintains all rights to develop and maintain the existing mineral rights. Upon receipt of the contributions, Christensen obtained appraisals on each of the properties and it was determined that the fair values of the mineral rights for Colorado and Wyoming when received were $428,890 and $537,760, respectively.

A portion of the Wyoming property is income producing and is being amortized over an estimated 21-year life of the producing property.

Note 7 - Grants Payable:

Grants payable of $1,170,000 as of December 31, 2023 are expected to be paid within one year. At December 31, 2022, grants payable was $950,000. As of December 31, 2023 and 2022, the Board had not approved any conditional grants.

Note 8 - Commitments and Contingencies:

Lease Obligations

As part of a disrupted-workforce strategy, Christensen leases a number of short-term co-working space across the United States, none of which carry a minimum obligation longer than twelve months. Christensen evaluated current contracts and determined there were no right-of-use underlying assets for the lease term to be recorded.

Short-term lease costs were approximately $29,900 and $26,200 for the years ended December 31, 2023 and 2022, respectively.

Line of Credit

In March 2021, Christensen entered into a line of credit agreement with Signature Bank for a maximum line of credit of $5,000,000, with an annual interest rate of prime rate minus .50% and a maturity date of February 22, 2022. The line of credit was to support short-term working capital, specifically accounts receivable. During 2022, the line of credit agreement was amended to extend the maturity date to February 21, 2023. As of December 31, 2022, the Bank's prime interest rate was 7.50%. The outstanding balance on the line of credit was $0 as of December 31, 2022. The line of credit agreement was secured by marketable securities held in a specified investment account that must maintain a minimum value of $6,700,000. As of December 31, 2022, the specified investment account was below the minimum value. The line of credit was not renewed and had no borrowings for the year ended December 31, 2023.

Note 9 - Excise Taxes:

In accordance with the applicable Treasury provisions, Christensen is classified as a private foundation subject to an excise tax on net investment income, including realized gains. Deferred federal excise taxes on unrealized depreciation or appreciation was calculated using the flat rate of 1.39% in 2023 and 2022.

The provisions for current and deferred taxes were as follows for the years ended December 31:

	2023	2022
Current excise tax expense	$ 29,000	$ 52,500
Unrelated business income tax expense (benefit)	45,777	(268,393)
Deferred excise tax expense (benefit)	453,000	(621,000)
Total	$ 527,777	$ (836,893)

As of December 31, 2023 and 2022, prepaid excise and unrelated business income taxes of approximately $565,000 and $613,000 were included in prepaid expenses and other assets in the accompanying Consolidated Statements of Financial Position, respectively.

Note 10 - Concentrations of Risk:

Investments in general are exposed to various risks, such as interest rate, credit and overall market volatility. The alternative investments include additional risks such as limited liquidity, non-marketable investments and dependence on key individuals. To address the risk of investments, Christensen maintains a formal investment policy that sets out performance criteria, investment guidelines, asset allocation guidelines and requires review of the investment performance.

As of December 31, 2023 and 2022, one investment fund represented approximately 80% of total investments.

The Christensen Fund maintains its cash in bank accounts in amounts which, at times, may exceed federally insured limits. Christensen has not experienced any losses in such accounts. On March 12, 2023, Signature Bank, a financial institution heavily integrated into the ecosystem of the venture community, was closed by the Federal Deposit Insurance Corporation (FDIC), and subsequently sold to Flagstar Bank. At the time of closure, Christensen’s cash and cash equivalents were held with Signature Bank. Christensen was subsequently able to access the full amount of deposits and transfer them to another institution. In addition, Christensen opened an Insured Cash Sweep account to protect cash holdings in excess of the FDIC $250,000 limit.

Note 11 - Related Parties:

The Christensen Fund has and may continue to have Trustees, committee members, and staff members who are affiliated with organizations that are current grantees or are being considered for a grant by Christensen. Christensen has a conflict of interest policy which covers situations that may constitute a conflict of interest and the procedure to address the conflict when it occurs. The policy requires Trustees, committee members, staff members, and vendors to annually update and disclose to the governing Board their grantee and organization relationships.