Report to the Board of Directors, Audit Committee and Management

The Greater Kansas City Community Foundation and Supporting Organizations

November 13, 2020

Results of the 2019 consolidated financial statement audit and other required communications.

BKD
CPAs & Advisors

BKD
CPAs & Advisors

1201 Walnut Street, Suite 1700 | Kansas City, MO 64106-2246
816.221.6300 | Fax 816.221.6380 | bkd.com

November 13, 2020

Board of Directors, Audit Committee and Management
The Greater Kansas City Community Foundation and Supporting Organizations
Kansas City, Missouri

Dear Board of Directors:

We have completed our audit of the consolidated financial statements of The Greater Kansas City Community Foundation and Supporting Organizations (the Foundations) as of and for the year ended December 31, 2019. This report includes communication required under auditing standards generally accepted in the United States of America as well as other matters.

Our audit plan represented an approach responsive to the assessment of risk of material misstatement in financial reporting for the Foundations. Specifically, auditing standards require us to:

- Express an opinion on the December 31, 2019, consolidated financial statements of the Foundations.
- Issue communications required under auditing standards generally accepted in the United States of America to assist the board in overseeing management's financial reporting and disclosure process.

This report also presents an overview of areas of audit emphasis, as well as future accounting standards and industry developments for the not-for-profit environment.

This communication is intended solely for the information and use of management, the board of directors, the audit committee and others within the Foundations and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Tondeé Lutterman
Partner

Alissa Klein
Director

TABLE OF CONTENTS

Our Responsibilities

Audit in accordance with Auditing Standards Generally Accepted in the United States of America.

- We provide reasonable, rather than absolute, assurance about the consolidated financial statements.
- We establish scopes of audit tests in relation to the consolidated financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction.
- Our engagement letter more specifically describes our responsibilities.
- We communicate significant matters related to the consolidated financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this communication or have previously been communicated during other phases of the audit.
- The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the consolidated financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Summary of Our Audit Approach & Results

Our Approach

BKD's audit approach focuses on areas of higher risk—the unique characteristics of the Foundations'

- Operating environment,
- The design effectiveness of your internal controls and
- Consolidated financial statement amounts and disclosures.

The objective is to express an opinion on the conformity of your consolidated financial statements, in all material respects, with accounting principles generally accepted in the United States of America.

Areas of Audit Emphasis

The principal areas of audit emphasis and results were as follows:

Risk Area	Results
Management override of controls – The risk that management may override existing and functioning accounting controls is an inherent risk to the Foundations.	No matters are reportable.
Revenue recognition – The risk that revenue is improperly categorized or recorded in improper period.	No matters are reportable.
Existence and valuation of investments – The assumptions and methods used by management to value difficult-to-value investments, such as alternative investments.	No matters are reportable.
Top-side entries – The risk that top-side entries are posted incorrectly.	No matters are reportable.

Unmodified, or "Clean," Opinion Issued on Consolidated Financial Statements

We have issued an unmodified opinion as to whether the consolidated financial statements of the Foundations, as of and for the year ended December 31, 2019, are fairly presented, in all material respects.

Required Communications

Quality of Accounting Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the consolidated financial statements.

- ASC 606, *Revenue from Contracts with Customers*

  Effective January 1, 2019, the Foundations adopted ASC 606, *Revenue from Contracts with Customers*, as further discussed in the Alternative Accounting Treatments section below. ASC 606 applies to all contracts with customers other than those within the scope of other standards, such as leases, insurance, financing arrangements, financial instruments and guarantees (other than product or service warranties).

  The new revenue recognition standard eliminates the transaction- and industry-specific revenue recognition guidance under legacy generally accepted accounting principles (GAAP) and replaces it with a principle-based approach for determining revenue recognition. The core principle of the revenue recognition standard is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

  In implementing ASC 606, the Foundations were required to re-evaluate all contracts within the scope of the standard (other than those excluded under practical expedients elected) under a five-step model for revenue recognition. While certain entities were affected more than others, all entities are subject to extensive new disclosure requirements.

- ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*

  Effective January 1, 2019, the Foundations adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* ASU 2018-08 applies to all grants and contributions received and made and clarifies the accounting guidance applicable for grant accounting.

  Historically, there was diversity in practice for accounting for grants. Some grantees considered grants to be an exchange transaction, whereas others reported grants as donor-restricted contributions. ASU 2018-08 provides guidance that unless the grantor is directly receiving value in the same amount as the services provided (an exchange transaction), the grant should be considered a contribution. In addition, if the grantor incorporates barriers into the contract and has a right of return, the transaction is considered to be a conditional contribution. Under the accounting guidance, conditional contributions are not recorded as revenue until the condition has been met.

  In implementing ASU 2018-08, the Foundations were required to evaluate all grant agreements. Adoption of the ASU may cause a change in the timing and classification of grant revenues.

Alternative Accounting Treatments

- In connection with the adoption of ASC Topic 606, *Revenue from Contracts with Customers*, management has elected to use the modified retrospective adoption approach and elected to apply guidance to all contracts not completed at the date of initial adoption.
- In connection with the adoption of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, management has elected an accounting policy that conditional contributions having donor stipulations, which are satisfied in the period the gift is received, are recorded as revenue and net assets without donor restrictions.

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Areas involving significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates are listed as follows:

- Allowance for uncollectible contributions and notes receivables
- Valuation of investments without readily determinable values
- Estimated liabilities for charitable remainder trusts and gift annuities
- Functional allocation of expenses

Consolidated Financial Statement Disclosures

The following areas listed involve particularly sensitive consolidated financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures.

- Liquidity and Availability
- Investments and Fair Value Measurements

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to consolidated financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the consolidated financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation or disclosure of a reported consolidated financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate. Areas in which adjustments were proposed include:

Proposed Audit Adjustments Not Recorded

Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the consolidated financial statements as a whole.

Auditor's Judgments About the Quality of the Foundations' Accounting Policies

No matters are reportable.

Other Material Communications

Other material communications between management and us related to the audit include:

- Management representation letter (attached)
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

Future Accounting Pronouncements

FASB Issues New Lease Accounting Standard

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), the long-awaited standard on lease accounting. The FASB has issued various ASUs since that date related to Topic 842 as well seeking to clarify guidance and provide more transition relief in certain areas.

Under the ASU, lessees will recognize lease assets and liabilities on their balance sheet for all leases with terms of more than 12 months. The new lessee accounting model retains two types of leases and is consistent with the lessee accounting model under existing GAAP. One type of lease (finance leases) will be accounted for in substantially the same manner as capital leases are accounted for today. The other type of lease (operating leases) will be accounted for (both in the income statement and statement of cash flows) in a manner consistent with today's operating leases. Lessor accounting under the standard is fundamentally consistent with existing GAAP.

Lessees and lessors would be required to provide additional qualitative and quantitative disclosures to help financial statement users assess the amount, timing and uncertainty of cash flows arising from leases. These disclosures are intended to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an organization's leasing activities.

<u>Effective Date</u>

Upon the issuance of ASU 2020-05 on June 3, 2020, all private companies and private not-for-profit organizations are required to adopt Topic 842 for fiscal years beginning after December 15, 2021 – that is fiscal year 2022 for calendar year end entities and fiscal year 2023 for those entities with other fiscal years. Early application is permitted.

<u>Implementation</u>

The approved delay by FASB of the effective date of the new leases standard (ASC 842) by one year for private companies and non-profit organizations is welcome relief as many of these entities continue to work on their implementations of the new revenue standard (ASC 606).

However, there are certain lease implementation items to get moving on sooner rather than later:

1. Educate yourself and key stakeholders about ASC 842
    a. Check out www.bkd.com for BKD Thoughtware resources, including articles and webinars related to the new standard and the related implementation efforts
2. Early Decision Points:
    a. Transition method
    b. Practical expedients and accounting policy elections
3. Accumulate the population of potential leases
4. Communicate with lenders – expected impact of ASC 842 on existing debt covenants?
5. Systems analysis – Do you need lease software? If so, vendor selection takes time
6. Start developing the processes and controls necessary for effective implementation of the ASC 842 as well as the ongoing accounting requirements

* * * * * * * * *

This communication is intended solely for the information and use of management, the audit committee, the board of directors and others within the Foundations and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Kansas City, Missouri
November 13, 2020

Appendix

BKD

Condensed Consolidated Statements of Financial Position

	2019	2018	2017
Assets			
Cash and cash equivalents	$ 384,919,889	$ 323,756,329	$ 278,633,644
Investments	3,286,655,006	2,689,344,591	2,755,397,717
Receivables, net	44,781,937	82,144,834	76,612,503
Property and equipment, net	42,494,562	45,277,092	46,745,725
Total assets	$ 3,758,851,394	$ 3,140,522,846	$ 3,157,389,589
Liabilities			
Grants and other payables	$ 43,295,975	$ 37,471,426	$ 38,239,198
Notes and bonds payable	5,511,480	10,659,901	18,000,029
Charitable remainder trusts and gift annuities	15,850,445	23,030,703	26,410,353
Funds held for agencies	1,108,436,427	938,270,987	863,991,611
Total liabilities	1,173,094,327	1,009,433,017	946,641,191
Net Assets			
Without donor restrictions	2,572,036,205	2,097,835,216	2,174,734,682
With donor restrictions	13,720,862	33,254,613	36,013,716
Total net assets	2,585,757,067	2,131,089,829	2,210,748,398
Total liabilities and net assets	$ 3,758,851,394	$ 3,140,522,846	$ 3,157,389,589

This report should be read in conjunction with the Independent Auditor’s Report on the consolidated financial statements for the years ended December 31, 2019, 2018 and 2017

Condensed Consolidated Statements of Activities

	2019	2018	2017
Revenues and Support Without Donor Restrictions			
Net contributions	$ 402,266,653	$ 319,493,583	$ 357,792,279
Net investment return (loss)	354,055,496	(92,314,133)	263,223,195
Change in value of charitable remainder trust obligations	(2,228,039)	1,559,954	(4,070,635)
Other	5,784,390	5,702,397	5,042,641
Net assets released from restrictions	19,844,189	6,566,949	7,652,991
Total revenues and support without donor restrictions	779,722,689	241,008,750	629,640,471
Grants and Expenses			
Net grants	289,460,358	297,412,597	263,484,475
Donor services expenses	5,236,557	10,888,939	6,843,966
Program direct fund expenses	6,653,036	5,930,187	5,198,092
Administrative expenses	2,032,890	1,791,709	1,550,843
Development expenses	2,138,859	1,884,784	1,894,412
Total grants and expenses	305,521,700	317,908,216	278,971,788
Change in net assets without donor restrictions	474,200,989	(76,899,466)	350,668,683
Change in Net Assets With Donor Restrictions	(19,533,751)	(2,759,103)	5,143,078
Change in Net Assets	454,667,238	(79,658,569)	355,811,761
Net Assets, Beginning of Year	2,131,089,829	2,210,748,398	1,854,936,637
Net Assets, End of Year	$ 2,585,757,067	$ 2,131,089,829	$ 2,210,748,398

This report should be read in conjunction with the Independent Auditor's Report on the consolidated financial statements for the years ended December 31, 2019, 2018 and 2017

Management Representation Letter & Schedule of Uncorrected Misstatements

See attached.

BKD

Value-Added Learning

Webinars & Articles *	
Webinars & Articles	Date
Not-for-Profit Day-Long Seminar	January 9, 2020
Telling Your Story with Functional Expense Schedules	January 14, 2020
Decoding Compensation for Tax-Exempt Organizations	January 23, 2020
Ask an Advisor: Nonprofit Grants & Contributions	February 6, 2020
COVID-19 Legislation for Nonprofits	April 2, 2020
BKD COVID-19 Weekly Webinar Series - SBA Loans & Payroll Tax Credits	April 2, 2020
Remote Reporting for Nonprofit Organizations	April 13, 2020
Facing the Crisis: How Nonprofits Can Respond to COVID-19	April 14, 2020
COVID-19 & the Potential Impacts on Investment Spending Rates of NFPs	April 15, 2020
Documentation Required for Donor Release of Restriction	April 17, 2020
Nonprofit Response COVID-19 Crisis	April 22, 2020
How Does a "Force Majeure" Clause Affect Damage Calculations?	April 30, 2020
PPP – Best Practices for Documentation	May 12, 2020
Seven Tips to Update Your Strategic Plan	May 13, 2020
Five Cash Flow Tips for Nonprofits During COVID-19	May 14, 2020
CARES Act Provides Nonprofit Organizations with Fundraising Opportunity	May 14, 2020
COVID-19 Cash Flow & Tax Relief for Nonprofits	May 18, 2020
COVID-19 PPP Loan Forgiveness: What We Know	May 18, 2020
SBA Loans Structure: What's the Right Funding Source for Your NFP	May 20, 2020
Creating a Chart of Accounts: Nonprofit Considerations	May 27, 2020
Lease & Revenue Deferral for NFPs	June 5, 2020

**All articles, trainings and webinars noted above are still available on www.bkd.com.*

The Greater Kansas City Community Foundation and Supporting Organizations
1055 Broadway, Suite 130
Kansas City, Missouri 64105

November 13, 2020

BKD, LLP
Certified Public Accountants
1201 Walnut Street, Suite 1700
Kansas City, Missouri 64106-2246

We are providing this letter in connection with your audits of our consolidated financial statements as of and for the years ended December 31, 2019 and 2018. We confirm that we are responsible for the fair presentation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated November 6, 2019, for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility 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.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. We acknowledge The Greater Kansas City Community Foundation and Supporting Organizations (Foundations) are not a conduit debt obligor whose debt securities are listed, quoted or traded on an exchange or an over-the-counter market. As a result, we acknowledge the Foundations do not meet the definition of a "public entity" under generally accepted accounting principles for certain accounting standards.

5. We have reviewed and approved a draft of the consolidated financial statements and related notes referred to above, which you prepared in connection with your audit of our consolidated financial statements. We acknowledge that we are responsible for the fair presentation of the consolidated financial statements and related notes.

6. We have provided you with:

   (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the consolidated financial statements such as records, documentation and other matters.

   (b) Additional information that you have requested from us for the purpose of the audit.

   (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

   (d) All minutes of directors' meetings held through the date of this letter.

   (e) All significant contracts and grants.

7. All transactions have been recorded in the accounting records and are reflected in the consolidated financial statements.

8. We have informed you of all current risks of a material amount that are not adequately prevented or detected by Foundations procedures with respect to:

   (a) Misappropriation of assets.

   (b) Misrepresented or misstated assets, liabilities or net assets.

9. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

10. We understand the potential penalties for failure to disclose reportable tax transactions to the taxing authorities and have fully disclosed to BKD any and all known reportable tax transactions.

11. We have no knowledge of any known or suspected:

    (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.

    (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the consolidated financial statements.

12. We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundations received in communications from employees, customers, regulators, suppliers or others.

13. We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.

14. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, subsidiaries accounted for by the equity method; and any other party with which the Foundations may deal if the Foundations can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the Foundations.

15. Except as reflected in the consolidated financial statements, there are no:

    (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.

    (b) Material transactions omitted or improperly recorded in the financial records.

    (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    (d) Events occurring subsequent to the statement of financial position date through the date of this letter requiring adjustment or disclosure in the consolidated financial statements.

    (e) Agreements to purchase assets previously sold.

    (f) Restrictions on cash balances or compensating balance agreements.

    (g) Guarantees, whether written or oral, under which the Foundations are contingently liable.

16. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing consolidated financial statements.

17. We have no reason to believe the Foundations owe any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act* nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

18. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the consolidated financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

19. Adequate provisions and allowances have been accrued for any material losses from:

    (a) Uncollectible receivables, including pledges.

    (b) Purchase commitments in excess of normal requirements or above prevailing market prices.

20. Except as disclosed in the consolidated financial statements, the Foundations have:

    (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.

    (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the consolidated financial statements.

21. The consolidated financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the statement of financial position date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

22. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the consolidated financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.

23. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

24. With respect to any nonattest services you have provided us during the year, including the drafting of consolidated financial statements and related notes and preparation of tax returns:

    (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.

    (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    (d) We have evaluated the adequacy of the services performed and any findings that resulted.

25. We are an organization exempt from income tax under Section 501(c) of the Internal Revenue Code and a similar provision of state law and, except as disclosed in the consolidated financial statements, there are no activities that would jeopardize our tax-exempt status or subject us to income tax on unrelated business income or excise tax on prohibited transactions and events.

26. We have identified to you any activities conducted having both fund raising and program or management and general components (joint activities) and have allocated the costs of any joint activities in accordance with the provisions of FASB ASC 958-720-45.

27. In connection with the adoption of ASC Topic 606, *Revenue from Contracts with Customers*, we represent the following:

    (a) We have adopted ASC Topic 606, *Revenue from Contracts with Customers*, using the modified retrospective approach and elected to apply guidance to all contracts not completed at the date of initial application.

    (b) We have identified portfolios to evaluate revenue recognition. Actual results under the portfolio approach are materially similar to evaluations on an individual contract basis.

    (c) We have adequate controls in place to prevent and/or detect errors in revenue recognition measurement and disclosure on a recurring basis.

28. In connection with the adoption of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, management has elected an accounting policy to record conditional contributions having donor stipulations which are satisfied in the period the gift is received as revenue and net assets without donor restrictions.

29. The Foundations have revised the 2018 consolidated financial statements to conform with accounting principles generally accepted in the United States of America. Management has provided you with all relevant information regarding the revision. We are not aware of any other known matters that require correction in the consolidated financial statements.

30. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the Foundations' ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.

31. We acknowledge the current economic volatility presents difficult circumstances and challenges for not-for-profit organizations. Not-for-profit organizations are facing declines in the fair values of investments and other assets, declines in contributions, constraints on liquidity and difficulty obtaining financing. We understand the values of the assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for contributions receivable, etc. that could negatively impact the Foundations' ability to meet debt covenants or maintain sufficient liquidity. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the Foundations' consolidated financial statements. Further, management and the Board are solely responsible for all aspects of managing the Foundations, including questioning the quality and valuation of investments and other assets, reviewing allowances for uncollectible amounts and evaluating capital needs and liquidity plans.

Debbie Wilkerson	Katie Gray
Deborah Wilkerson President and CEO	Katie Gray Senior Vice President of Finance

The Greater Kansas City Community Foundation and Supporting Organizations

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" and "Schedule of Uncorrected Misstatements (Notes to the Financial Statements)"reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

QUANTITATIVE AND QUALITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	3,758,851,394	0	3,758,851,394	0.00%
Total Liabilities	(1,173,094,327)	0	(1,173,094,327)	0.00%
Net Assets	(2,585,757,067)	0	(2,585,757,067)	0.00%
Revenues & Income	(760,188,938)	5,002,787	(755,186,151)	-0.66%
Costs & Expenses	305,521,700	0	305,521,700	0.00%
Change in net assets	(454,667,238)	5,002,787	(449,664,451)	-1.10%

Misstatements within Notes to the Financial Statements

1 Disclosure of the future maturity schedule and the unamortized discount for grants payable

2 Disclosures regarding revenue from contracts with customers, including how revenue is recognized, transaction price is determined, contract balances, performance obligations, significant accounting judgment and policies

Client: The Greater Kansas City Community Foundation and Supporting Organizations

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Period Ending: December 31, 2019

Description	Location or Business Unit	Financial Line Item	Factual (F), Judgmental (J) or Projected (P)	Assets DR (CR)	Liabilities DR (CR)	(X) Non Tax	Revenues & Income DR (CR)	Costs & Expenses DR (CR)	Net Assets DR (CR)	Net Effect on Following Year: *Change in net* DR (CR)	Net Effect on Following Year: *Net Assets* DR (CR)
Turnaround - To consolidate in and record Morris and Chase, LLC non controlling interest	RECF		F	0	0		5,002,787	0	(5,002,787)	0	0
		Net assets - non-controlling interest							(5,002,787)		
		Grants					5,002,787				
		Taxable passed adjustments					5,002,787	0	(5,002,787)	0	0
		Times (1 - effective tax rate of 00%)					100%	100%	100%		
		Taxable passed adjustments net of tax impact			0		5,002,787	0	(5,002,787)		
		Nontaxable passed adjustments		0	0		0	0	0		
		Total passed adjustments, net of tax impact (if any		0	0		5,002,787	0	(5,002,787)		

Impact on Change in net assets	**5,002,787**
Impact on Net Assets	**0**

SCHEDULE OF UNCORRECTED MISSTATEMEN

	Uncorrected and/or Omitted Disclosure (Include Guidance Reference)	Misstatement Type	Quantitative Amount(s)	Relevant Financial Statement Line(s)
1	Disclosure of the future maturity schedule and the unamortized discount for grants payable	Omitted	3,332,480	**Grants Payable**
2	Disclosures regarding revenue from contracts with customers, including how revenue is recognized, transaction price is determined,	Omitted	5,784,390	**Income from Services and Other Revenues**