



The Greater Kansas City Community Foundation and Supporting Organizations

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2024 and 2023



The Greater Kansas City Community Foundation and Supporting Organizations
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December 31, 2024 and 2023

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of The Greater Kansas City Community Foundation and Supporting Organizations (the Foundations), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities 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 consolidated financial position of the Foundations as of December 31, 2024 and 2023, 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 "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Foundations 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 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 Foundations' ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's 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 auditor's 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 Foundations' 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 Foundations' 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.

Forvis Mazars, LLP

Kansas City, Missouri
November 12, 2025

The Greater Kansas City Community Foundation and Supporting Organizations
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 764,672,528	\$ 522,349,142
Investments	5,979,180,497	4,835,148,980
Contributions receivable, net	14,676,479	13,070,167
Notes and other receivables	66,860,960	55,226,089
Property and equipment, net	38,739,109	40,586,648
Right-of-use asset - operating lease	2,982,814	3,463,871
Total Assets	<u>\$ 6,867,112,387</u>	<u>\$ 5,469,844,897</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Grants and other payables	\$ 106,095,340	\$ 42,178,437
Notes payable	683,511	861,094
Operating lease liability	3,027,071	3,498,108
Charitable remainder trusts and gift annuities	12,720,208	12,094,072
Funds held for agencies	508,483,145	504,854,167
Total Liabilities	<u>631,009,275</u>	<u>563,485,878</u>
Net Assets		
Without donor restrictions	6,223,554,383	4,891,602,900
With donor restrictions	12,548,729	14,756,119
Total Net Assets	<u>6,236,103,112</u>	<u>4,906,359,019</u>
Total Liabilities and Net Assets	<u>\$ 6,867,112,387</u>	<u>\$ 5,469,844,897</u>

The Greater Kansas City Community Foundation and Supporting Organizations
Consolidated Statements of Activities
Years Ended December 31, 2024 and 2023

	2024	2023
Revenues, Support, Gains, and Losses Without Donor Restrictions		
Contributions – total amount raised	\$ 1,268,298,735	\$ 1,194,518,628
Less amounts raised on behalf of others	<u>37,717,550</u>	<u>62,236,341</u>
Net contributions	1,230,581,185	1,132,282,287
Net investment return (loss)	701,847,251	554,483,589
Change in value of charitable remainder trust obligations	(1,571,109)	(1,623,349)
Income from services	1,806,759	1,915,649
Other income (loss)	5,191,103	(2,796,723)
Net assets released from restrictions	<u>2,842,263</u>	<u>5,913,810</u>
Total Revenues, Support, Gains, and Losses Without Donor Restrictions	<u>1,940,697,452</u>	<u>1,690,175,263</u>
Expenses		
Grants	676,659,064	1,200,435,005
Less amounts distributed on behalf of others	<u>91,209,186</u>	<u>707,395,626</u>
Net grants	585,449,878	493,039,379
Donor services expenses	6,029,221	5,612,380
Program direct fund expenses	<u>10,828,572</u>	<u>10,429,204</u>
Total program services	<u>602,307,671</u>	<u>509,080,963</u>
Administrative expenses	4,346,236	3,424,768
Development expenses	<u>2,092,062</u>	<u>1,929,281</u>
Total support services	<u>6,438,298</u>	<u>5,354,049</u>
Total Expenses	<u>608,745,969</u>	<u>514,435,012</u>
Change in net assets without donor restrictions	<u>1,331,951,483</u>	<u>1,175,740,251</u>
Net Assets With Donor Restrictions		
Contributions	634,873	714,864
Net assets released from restrictions	<u>(2,842,263)</u>	<u>(5,913,810)</u>
Change in net assets with donor restrictions	<u>(2,207,390)</u>	<u>(5,198,946)</u>
Change in Net Assets	1,329,744,093	1,170,541,305
Net Assets, Beginning of Year	<u>4,906,359,019</u>	<u>3,735,817,714</u>
Net Assets, End of Year	<u><u>\$ 6,236,103,112</u></u>	<u><u>\$ 4,906,359,019</u></u>

The Greater Kansas City Community Foundation and Supporting Organizations
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ 1,329,744,093	\$ 1,170,541,305
Items not requiring (providing) cash		
Net realized and unrealized gains on investments	(587,759,569)	(460,976,584)
Loss in value of trust and annuity obligations	1,571,109	1,623,349
Contributions of investments	(52,147,214)	(260,935,229)
Loss on disposal of property and equipment	-	915
Contribution revenue resulting from issuance of a note receivable	-	(24,118,300)
Grant expense incurred and related to forgiveness of notes receivable	263,708	-
Depreciation	2,065,948	2,186,723
Noncash operating lease expense	481,057	476,699
Changes in		
Contributions and other receivables	(10,216,957)	9,188,492
Grants and other payables	63,916,903	(153,383,096)
Operating lease liability	(471,037)	(466,678)
Charitable remainder trust and annuity obligations	82,551	93,501
Funds held for agencies	3,628,978	(549,220,860)
Net Cash Provided by (Used in) Operating Activities	<u>751,159,570</u>	<u>(264,989,763)</u>
Investing Activities		
Purchase of property and equipment	(218,409)	(118,772)
Purchase of investments	(2,614,467,335)	(1,560,996,315)
Proceeds from sale of investments	2,110,342,601	1,643,487,007
Advances made on notes receivable	(10,014,512)	(5,017,074)
Principal payments received on notes receivable	6,726,578	907,302
Net Cash Provided by (Used In) Investing Activities	<u>(507,631,077)</u>	<u>78,262,148</u>
Financing Activities		
Principal payments on notes payable	(177,583)	(173,452)
Payments on trusts and annuities obligations	(1,027,524)	(895,720)
Net Cash Used in Financing Activities	<u>(1,205,107)</u>	<u>(1,069,172)</u>
Increase (Decrease) in Cash and Cash Equivalents	242,323,386	(187,796,787)
Cash and Cash Equivalents, Beginning of Year	<u>522,349,142</u>	<u>710,145,929</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 764,672,528</u></u>	<u><u>\$ 522,349,142</u></u>
Supplemental Cash Flows Information		
Grant expense incurred and related to the assignment of notes receivable	\$ 263,708	\$ -
Contributions of investments	52,147,214	260,935,229

The Greater Kansas City Community Foundation and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of The Greater Kansas City Community Foundation (the Community Foundation), its wholly-owned limited liability companies, its controlled not-for-profit organization Greater Horizons and the following supporting organizations (collectively, the Foundations):

- Allen and Gloria Block Foundation
- Ann and Gary Dickinson Family Charitable Foundation
- Becky Bailey Foundation
- Bicknell Family Foundation
- Casalena Foundation
- George A. and Dolly F. Larue Trust
- Greater Horizons Foundation
- Greater Horizons Trust
- Greater Lee's Summit Healthcare Foundation
- Hatch Family Foundation
- Highland Kansas City Foundation Inc.
- Irvn E. and NeVada P. Linscomb Foundation
- Jack and Helyn Miller Foundation*
- Kansas City Public Library Foundation
- Nacarato Family Trust
- PGP Charitable Fund
- Polsky Family Supporting Foundation
- Rehabilitation Institute Foundation
- Stanley H. Durwood Foundation
- The Kansas City Symphony Foundation
- The Real Estate Charitable Foundation

*This supporting organization retired during 2023.

Supporting organizations are affiliated charitable organizations that enjoy the continuing involvement of their boards of directors, yet gain public charity status through their affiliation with the Community Foundation.

The Foundations' revenues and support are derived principally from contributions and their activities are conducted primarily in the Greater Kansas City metropolitan area.

Cash and Cash Equivalents

The Foundations consider all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are considered to be cash and cash equivalents. At December 31, 2024 and 2023, cash equivalents consisted primarily of money market funds and temporary cash investments with maturities of three months or less. At December 31, 2024, substantially all of the Foundations' cash and cash equivalents were held in financial institutions and investment brokerage firms in excess of federally insured limits; however, management is constantly evaluating the financial stability of these institutions and believes the risk of loss is minimal.

The Greater Kansas City Community Foundation and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Investments and Net Investment Return

The Foundations measure securities and other investments at fair value. Certificates of deposit are stated at cost and life insurance policies are carried at their cash surrender value.

Investments in hedge funds, common trust funds and certain limited partnerships are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments.

The Foundations measure certain equity securities and equity investments without a readily determinable fair value at cost, minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or a similar investment. For equity securities and equity investments measured under the practicability exception, the Foundations perform a qualitative assessment for equity investments without readily determinable fair values considering impairment indicators to evaluate whether an impairment exists. If an impairment exists, the Foundations will recognize a loss based on the difference between carrying value and fair value.

Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

The Community Foundation's board of directors has adopted policies for the allocation of investment income and administrative expenses to various funds for which the underlying assets are "pooled." Investment income earned by these pooled assets is allocated to each fund participating in the pool based on the average daily balance invested. Certain investments related to donor advised funds are maintained outside the pooled assets. Investment return for these funds is based on the actual investment performance of the related assets.

Notes Receivable

Notes receivable are stated at the amounts loaned to other organizations or individuals plus any accrued and unpaid interest. The Foundations provide an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. Payments are due as specified in the note agreements. Notes are considered delinquent and subsequently written off as credit loss based on individual credit evaluation and specific circumstances of the note.

Property and Equipment

Property and equipment acquisitions over \$1,000 are stated at cost, less accumulated depreciation. Depreciation expense is computed on a straight-line basis over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and leasehold improvements	10-50 years
Furniture and fixtures	5-10 years
Computer equipment and software	3 years

The Foundations evaluate the recoverability of the carrying value of property and equipment whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2024 and 2023.

The Greater Kansas City Community Foundation and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Charitable Remainder Trusts and Charitable Gift Annuities

Charitable Remainder Trusts

The Foundations administer various revocable and irrevocable charitable remainder trusts. A charitable remainder unitrust pays a fixed percentage of the net fair market value of the trust assets value at least annually. A charitable remainder annuity trust pays a fixed dollar amount that will not vary from year to year. Each trust is a separate legal entity. At the end of the trust term, the remainder interest is paid to the Foundations.

The portion of the trust attributable to the future interest of the Foundations is recorded in the consolidated statements of activities as contributions with donor restriction in the period the trust is established and becomes irrevocable. Assets held in the charitable remainder trusts are recorded at fair value of approximately \$14,300,000 and \$13,400,000 as of December 31, 2024 and 2023, respectively, and are included in investments in the Foundations' consolidated statements of financial position. On an annual basis, the Foundations revalue the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using discount rates provided by the Internal Revenue Service and applicable mortality tables.

Charitable Gift Annuities

The Foundations have entered into irrevocable agreements with donors whereby, in exchange for the gift from the donor, the Foundations are obligated to provide annual distributions to a designated beneficiary.

A charitable gift annuity pays a fixed dollar amount for the life of the beneficiary/beneficiaries. The assets gifted by the donor become the assets of the Foundations at the time of the gift. Unlike the charitable remainder trusts, the annuities are private contracts between the charity and the donor.

The assets received from the donor are recorded at fair value of approximately \$3,160,000 and \$3,060,000 as of December 31, 2024 and 2023, respectively, and are included in investments in the Foundations' consolidated statements of financial position. The Foundations have recorded a liability at December 31, 2024 and 2023, which represents the present value of the future annuity obligations. The liability has been determined using discount rates as provided by the Internal Revenue Service.

Funds Held for Agencies

The Community Foundation acts as a fiscal agent for other not-for-profit organizations that wish to establish a fund at the Community Foundation with its own funds and specified itself as the beneficiary of that fund. The Community Foundation refers to such funds as agency funds and accounts for the transfer of such assets as a liability. For financial reporting purposes, contributions to and distributions from agency funds are netted with the gross activity on the consolidated statements of activities.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve (see Note 13) and board-designated endowments (see Note 12). Most funds of the Foundations are classified as net assets without donor restrictions because the governing instruments of the Foundations and donor agreements provide the Foundations with variance power.

The Greater Kansas City Community Foundation and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Contributions received by the Foundations are separated as Donor Advised Funds, Designated Funds, Field of Interest Funds or Undesignated Funds at the request of the donor. Donor Advised Funds are available for grant disbursement generally based on donor recommendation. Designated Funds are generally used for a specific charitable organization as recommended by the donor. Field of Interest Funds are available for grant disbursement within a charitable field of interest as recommended by the Community Foundation's board of directors. Undesignated Funds are carried in the name of the donor, if applicable, and are available for disbursement at the discretion of the Community Foundation's board of directors.

Net assets with donor restrictions are those whose use by the Foundations has been limited by donors to a specific time period or purpose. At December 31, 2024 and 2023, net assets with donor restrictions of \$12,548,729 and \$14,756,119, respectively, consisted of time restrictions related to charitable remainder and annuity trusts, use of real estate and contributions receivable.

Contributions

Contributions are provided to the Foundations either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on the Foundations overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restrictions</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method. The Foundations provide an allowance for uncollectible contributions receivable, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Contributions are due as indicated by the donor in the pledge agreement. Contributions receivable are considered delinquent and reserved for or written off based on the individual credit evaluation and specific circumstances of the pledge.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

The Greater Kansas City Community Foundation and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue and net assets without donor restrictions.

Income from Services

Revenue from contracts with customers (e.g., other non-profit organizations) is reported at the amount that reflects the consideration to which the Foundations expect to be entitled to in exchange for providing back-office accounting services. Contracts for back-office accounting services are generally considered a single performance obligation and generally are a flat contract fee that is billed monthly. Revenue is recognized as the performance obligation is satisfied, which is ratably over the contract term.

The Foundations also allow other entities to invest in their pools and they charge an administrative fee for this service. The amount of the fee is based on the average asset balance of the fund for a given month as set forth in agreements. Revenue is recognized over the term of the contract on a monthly basis, as the performance obligation of the fund administration is met.

These revenues are recognized as income from services in the consolidated statements of activities. The Foundations have determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Organization size of back-office accounting customers
- Market and economic performance of investments held

For the years ended December 31, 2024 and 2023, the Foundations recognized revenue of \$1,806,759 and \$1,915,649, respectively, from services that transfer to the customer over time.

Grants

Grant expenses are recorded when approved. Grants authorized and unpaid at year end are reported as liabilities in the consolidated statements of financial position.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the donor services, program direct fund expenses, administrative and development categories based on time expended, usage and other methods.

Income Taxes

The Internal Revenue Service has determined the Community Foundation is a publicly supported organization as defined in Section 509(a)(1) of the Internal Revenue Code. The supporting organizations are organizations of the type described in Section 509(a)(3). All organizations are exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. The Foundations file tax returns in the U.S. federal jurisdiction.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

The Greater Kansas City Community Foundation and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Leases

The Foundations determine if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundations determine lease classification as operating or finance at the lease commencement date.

The Foundations adopted a lease capitalization policy and capitalize ROU assets and lease liabilities for leases with annual payments over \$100,000 and terms over five years.

The Foundations separate lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office building.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Foundations have made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Foundations are reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Foundations have elected not to record leases with an initial term of 12 months or less on the consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Revision

Certain revisions have been made to the 2023 consolidated financial statements for the disclosure of investments of equity securities without readily determinable fair values and the disaggregation of investment security types within the fair value disclosures. Equity securities without readily determinable fair values of approximately \$313,000,000 were removed from a level 3 investment to be reported at the practicability exception consistent with the Foundations' actual recognition within the financial statements. Additionally, approximately \$78,000,000 of debt securities were reclassified from U.S. treasury and agency securities to be presented as asset backed securities. These revisions impacted *Note 2* in the consolidated financial statements related to items disclosed as level 3 and 2 investments. These revisions did not impact the recorded value of investments.

Reclassification

Certain reclassifications have been made to the 2023 consolidated financial statements to conform to the 2024 consolidated financial statement presentation. These reclassifications had no effect on changes in net assets.

Note 2. Investments and Fair Value Measurements

Investments and Fair Value Measurements

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The Greater Kansas City Community Foundation and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

The following tables detail the investment balances and present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024 and 2023:

	December 31, 2024			
	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 764,341,909	\$ 764,341,909		
Investments				
Investments at fair value				
Equity strategies				
Berkshire Hathaway	185,341,226	185,341,226		
Equities	1,215,464,843	1,215,399,818	\$ 65,025	
Vanguard institutional index fund	585,332,544	585,332,544		
Mutual funds	1,379,452,539	1,379,452,539		
Fixed income strategies				
U.S. treasury and agency securities	221,566,179		221,566,179	
Asset backed securities	87,559,747		87,559,747	
Corporate and municipal bonds	58,342,955		58,342,955	
Bond funds	831,085,346	830,578,643	506,703	
Other investment strategies				
Master limited partnership mutual funds	814,035	814,035		
Commodities and commodity funds	333,927	333,927		
Real estate investment trusts	16,859,110	13,668,817		\$ 3,190,293
Alternative mutual funds	18,180,471	18,174,796	5,675	
Alternative investments	191,743,986	58,454	79,837,415	111,848,117
Closely held stock	49,142,647			49,142,647
Real estate	8,514,385			8,514,385
Total investments at fair value	4,849,733,940	4,229,154,799	447,883,699	172,695,442
Investments at net asset value (NAV)				
Hedge funds	32,513,408			
Common trust funds	57,199,284			
Limited partnerships	458,565,726			
Total investments at NAV	548,278,418			
Investments at cost				
Certificates of deposit	4,707,700			
Life insurance	1,173,442			
Equity securities without readily determinable fair values	575,286,997			
Total investments at cost	581,168,139			
Total investments	5,979,180,497	4,229,154,799	447,883,699	172,695,442
	<u>\$ 6,743,522,406</u>	<u>\$ 4,993,496,708</u>	<u>\$ 447,883,699</u>	<u>\$ 172,695,442</u>

The Greater Kansas City Community Foundation and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

	December 31, 2023			
	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 526,272,459	\$ 526,272,459		
Investments				
Investments at fair value				
Equity strategies				
Berkshire Hathaway	176,203,722	176,203,722		
Equities	971,143,522	971,102,555	\$ 40,967	
Vanguard institutional index fund	539,164,666	539,164,666		
Mutual funds	1,291,664,494	1,291,664,494		
Fixed income strategies				
U.S. treasury and agency securities	248,640,512		248,640,512	
Asset backed securities	78,252,967		78,252,967	
Corporate and municipal bonds	54,750,800		54,750,800	
Bond mutual funds	724,060,780	723,571,228	489,552	
Other investment strategies				
Master limited partnership mutual funds	2,347,817	2,347,817		
Commodities and commodity funds	356,229	356,229		
Real estate investment trusts	18,064,073	17,732,789		\$ 331,284
Alternative mutual funds	17,894,727	17,891,522	3,205	
Alternative investments	142,513,577	61,493	35,609,791	106,842,293
Closely held stock	29,061,790			29,061,790
Real estate	9,580,667			9,580,667
Total investments at fair value	4,303,700,343	3,740,096,515	417,787,794	145,816,034
Investments at net asset value (NAV)				
Hedge funds	20,031,900			
Common trust funds	48,983,839			
Limited partnerships	142,254,477			
Total investments at NAV	211,270,216			
Investments at cost				
Certificates of deposit	5,127,450			
Life insurance	1,156,129			
Equity securities without readily determinable fair values	313,894,842			
Total Investments at Cost	320,178,421			
Total investments	4,835,148,980	3,740,096,515	417,787,794	145,816,034
	\$ 5,361,421,439	\$ 4,266,368,974	\$ 417,787,794	\$ 145,816,034

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Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Level 3 securities are estimated through internal analysis and through the use of independent appraisals. See the table below for inputs and valuation techniques used for Level 3 securities. There have been no significant changes in the valuation techniques during the year ended December 31, 2024.

Transfers To and From Level 3

Transfers to and from Level 3 are as follows:

	Closely Held Stock	Alternative Investments	Real Estate & Real Estate Investment Trusts
For the year ended December 31, 2024			
Purchases	\$ -	\$ 5,162,898	\$ 2,472,140
Contributions	38,187,035	12,792,000	-
Sales and redemptions	(20,358,445)	(10,251,193)	(302,309)
Transfers	238,708	(48,421)	(4,107)
For the year ended December 31, 2023			
Purchases	\$ -	\$ 15,933,155	\$ 2,628,000
Contributions	9,829,389	2,623,691	18,500
Sales and redemptions	(16,105,619)	(2,033,152)	(2,993,500)
Grants	(17,097,187)	(1,500,000)	(1,990,000)
Transfers	-	3,418,335	-

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Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at December 31, 2024 and 2023.

	Fair Value at		Valuation	Unobservable	Range at	
	12/31/2024	12/31/2023	Technique	Inputs	12/31/2024	12/31/2023
Closely held stock	\$ 49,142,647	\$ 29,061,790	Adjusted net asset method	Discount for lack of control Discount for minority interest Marketability yield adjustment	10% - 30%	20% - 30%
			Income approach	Weighted average cost of capital Increase in revenues Terminal value - revenue	22.5% 46-69% 16.76x	
			Market approach - guideline transaction method	Revenue multiple	16.76x	
Alternative investments	111,848,117	106,842,293	Asset based approach	Discount for lack of control Marketability yield adjustment	7%-9% 6%-7%	7%-9% 6%-7%
Real estate & real estate investment trusts	11,704,678	9,911,951	Sales comparison approach Income capitalization rate	Probability of success Capitalization rate	9%	9%

Investments at Net Asset Value

At December 31, 2024 and 2023, the Foundations held the following investments in certain entities that calculate net asset value per share or its equivalent.

	Fair Value 2024	Fair Value 2023	Restrictions on Redemption	Redemption Notice Period
Hedge funds (A)	\$ 32,513,408	\$ 20,031,900	Initial lock-up of 1 - 2 years	65 - 95 days
Common trust funds (B)	57,199,284	48,983,839	Limited to month-end redemption	6 days
Limited partnerships (C)	458,565,726	142,254,477	Limited to month-end or quarter-end redemption	30 - 90 days
Total	<u>\$ 548,278,418</u>	<u>\$ 211,270,216</u>		

(A) This category includes investments in multi-strategy hedge funds that primarily utilize directional (long/short domestic and global equity) and absolute return strategies with the objective of protecting capital, providing returns uncorrelated to the broad United States of America equity market and earning attractive rates of return over time.

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The Foundations' hedge funds have lock-up periods ranging from one to two years, and thereafter require between 65 and 95 days of advance notice prior to redemption. Redemption payments may be delayed in the event of certain extraordinary circumstances including, but not limited to, an inability to liquidate existing positions or the default or delay in payments due the funds from brokers, banks or other persons, or when the disposal of part or all of the assets of the funds, or the determination of the net asset value of the shares, would not be reasonably practicable or would be seriously prejudicial to the non-redeeming shareholders.

- (B) This category includes investments in common trust funds, which permit the commingling or pooling of investors' money into one account (known as a common fund) for the purpose of creating a single investment. Because they are a bank product, common trust funds are not required to be registered with the Securities and Exchange Commission and they are not considered to be a security under state and federal securities laws. Much like mutual funds, common trust funds strike a net asset value on a periodic basis and have varying investment strategies that primarily include investments in traditional assets such as domestic and international equity, fixed income securities and other securities.

The Foundations' investments in common trust funds can be redeemed monthly with six business days' notice.

- (C) This category includes several partnerships. Each partnership operates in accordance with the terms of a limited partnership agreement and continues to operate year to year, unless dissolved in accordance with the agreements. The partnerships' investment objectives vary, but generally seek to maximize risk adjusted returns over the long term horizon by employing a strategy under which the partnerships invest in multiple asset classes, including traditional assets (such as marketable equity, fixed income and other securities) and alternative assets (such as real estate, commodities, timber, absolute return/hedge funds, private equity and venture capital investments).

The Foundations' investment partnerships are priced at varying intervals, generally allowing exit at month-end or quarter-end. Advance notice periods range from 30 to 90 days. In certain situations where redemptions comprise 10% of partnership assets at quarter-end or 25% at year-end, the partnerships may suspend redemptions.

At December 31, 2024 and 2023, the Community Foundation's unfunded commitments amounted to \$87,940,518 and \$24,124,466 respectively.

Equity Securities Without Readily Determinable Fair Values

The Foundations measure certain equity securities without a readily determinable fair value at cost minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or a similar investment. As of and for the years ended December 31, 2024 and 2023, amounts related to equity securities without a readily determinable fair value are as follows:

	2024	2023
Carrying amount of investments without readily determinable fair values	\$ 575,286,997	\$ 313,894,842
Impairments and downward adjustments recognized during the year	(954,843)	-
Upward adjustments recognized during the year	27,377,888	1,122,860
Cumulative impairments and downward adjustments	(954,843)	-
Cumulative upward adjustments	34,455,753	-

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Note 3. Contributions Receivable

Contributions receivable at December 31, 2024 and 2023, consisted of the following unconditional promises to give with discount rates ranging from 0.36% to 4.38%:

	<u>2024</u>	<u>2023</u>
Due less than one year	\$ 7,247,633	\$ 3,305,156
Due in one to five years	5,317,851	7,226,185
Due in more than five years	<u>2,426,086</u>	<u>2,977,997</u>
	14,991,570	13,509,338
Allowance for uncollectible contributions	(313,658)	(436,978)
Unamortized discount	<u>(1,433)</u>	<u>(2,193)</u>
	<u><u>\$ 14,676,479</u></u>	<u><u>\$ 13,070,167</u></u>

The Foundations are the beneficiary under one irrevocable trust which is not included in the consolidated statements of financial position or activities as adequate reliable and verifiable evidence to measure the amount of the interest is currently not available.

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Note 4. Notes and Other Receivables

Notes and other receivables at December 31, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Due from local for-profit organization; matured June 5, 2022 with an informal payment arrangement going forward; interest accrues at 4.13% per annum and is due annually; collateralized by investments	\$ 3,575,000	\$ 4,475,000
Due from an estate trustee; matures January 1, 2028; interest accrues at 1.97% per annum and due annually commencing January 1, 2018; principal is due in full on maturity date	9,358,371	11,365,806
Due from non-profit organization; matures June 30, 2027; interest free and is due annually; unsecured receivable; subsequent to year end the entire recoverable grant was forgiven and recorded as a grant expense	24,000,000	20,000,000
Due from limited liability partnership; matures August 1, 2043; interest accrues at 3.94% per annum; outstanding principal and accrued interest shall be due and payable in equal semi-annual installments of \$513,393 commencing August 1, 2023	13,643,139	14,118,300
Due from limited liability company; matures March 29, 2036; interest accrues at 1.62% per annum;	9,458,504	9,658,877
Due from limited liability company; matures March 21, 2026; interest accrues at 10% per annum through March 21, 2025; and 11% per annum through March 21, 2026 and is payable quarterly	5,000,000	-
Accrued interest receivable	509,252	572,288
Other receivables	15,908,181	7,721,077
	<u>81,452,447</u>	<u>67,911,348</u>
Allowance for credit losses	<u>(14,591,487)</u>	<u>(12,685,259)</u>
	<u>\$ 66,860,960</u>	<u>\$ 55,226,089</u>

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Note 5. Property and Equipment

Property and equipment at December 31, 2024 and 2023, consisted of:

	2024	2023
Land	\$ 2,385,000	\$ 2,385,000
Buildings and leasehold improvements	57,535,602	57,497,339
Furniture and fixtures	2,123,141	2,113,670
Computer equipment and software	3,126,707	2,656,660
Construction in progress	42,000	409,624
	<u>65,212,450</u>	<u>65,062,293</u>
Less accumulated depreciation and amortization	<u>26,473,341</u>	<u>24,475,645</u>
	<u><u>\$ 38,739,109</u></u>	<u><u>\$ 40,586,648</u></u>

Note 6. Grants Payables

Grants payables at December 31, 2024 and 2023, consisted of the following unconditional promises to give with discount rates ranging from .36% to 4.38%:

	2024	2023
Due less than one year	\$ 79,241,671	\$ 33,560,990
Due in one to five years	25,032,004	6,161,760
Due in more than five years	50,000	100,000
	<u>104,323,675</u>	<u>39,822,750</u>
Unamortized discount	<u>(2,613,467)</u>	<u>(614,664)</u>
	<u><u>\$ 101,710,208</u></u>	<u><u>\$ 39,208,086</u></u>

Grants payables are reconciled to the consolidated statements of financial position as follows:

	2024	2023
Grants payable	\$ 101,710,208	\$ 39,208,086
Accounts payable and accrued expenses	<u>4,385,132</u>	<u>2,970,351</u>
Total grants and other payables	<u><u>\$ 106,095,340</u></u>	<u><u>\$ 42,178,437</u></u>

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Note 7. Notes Payable

	<u>2024</u>	<u>2023</u>
Promissory note payable (A)	\$ 558,749	\$ 736,332
Other	<u>124,762</u>	<u>124,762</u>
	<u>\$ 683,511</u>	<u>\$ 861,094</u>

(A) Promissory note dated December 14, 2012 for \$2,300,000, with a fixed interest rate of 2.36%. Quarterly principal and interest payments of \$48,349 are due, maturing on December 13, 2027.

Aggregate annual maturities of long-term debt at December 31, 2024, are:

2025	\$ 181,811
2026	186,140
2027	190,798
2028	-
2029	-
Thereafter	<u>124,762</u>
	<u>\$ 683,511</u>

Note 8. Leases

Nature of Leases

The Foundations have entered into a lease arrangement for office space that expires in 2030. This lease contains a renewal option for a period of five years and requires the Foundations to pay all executory costs (property taxes, maintenance and insurance). Lease payments have an escalating fee schedule, which increase a specific amount over the lease term. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

The Foundations have no material related-party leases.

The Foundations' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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Quantitative Disclosures

The lease cost and other required information for the years ended December 31, 2024 and 2023, are:

	<u>2024</u>	<u>2023</u>
Lease cost		
Operating lease cost	<u>\$ 511,585</u>	<u>\$ 511,585</u>
Other information		
Weighted-average remaining lease term		
Operating leases	6 years	7 years
Weighted-average discount rate		
Operating leases	0.93%	0.93%

Future minimum lease payments and reconciliation to the consolidated statements of financial position at December 31, 2024, are as follows:

	<u>Operating Leases</u>
2025	\$ 509,594
2026	520,835
2027	520,835
2028	520,835
2029	520,835
Thereafter	<u>520,835</u>
Total future undiscounted lease payments	3,113,769
Less interest	<u>(86,698)</u>
Lease liabilities	<u><u>\$ 3,027,071</u></u>

Note 9. Employee Benefit Plan

The Community Foundation sponsors a defined contribution plan. The plan allows for all full-time employees to participate upon reaching age 21 and completion of three months of service. All part-time employees are eligible to participate upon reaching age 21 and completion of one year of service. The Community Foundation may contribute a discretionary contribution to the participant's account. During the years ended December 31, 2024 and 2023, the Community Foundation's contributions to the plan amounted to approximately \$911,000 and \$804,000, respectively.

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Note 10. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the programs and supporting services benefited.

	2024							
	Program Services				Support Services			
	Grants	Donor Services Expenses	Program Direct Fund Expenses	Total Program Services	Administrative Expenses	Development Expenses	Total Support Services	Total
Grants	\$ 585,449,878	\$ -	\$ -	\$ 585,449,878	\$ -	\$ -	\$ -	\$ 585,449,878
Salaries	-	1,137,306	5,077,350	6,214,656	2,284,808	1,100,093	3,384,901	9,599,557
Payroll taxes and benefits	-	286,158	1,784,829	2,070,987	803,173	386,713	1,189,886	3,260,873
Office and program materials	-	49,118	942,780	991,898	424,251	204,269	628,520	1,620,418
Conferences and training	-	91,205	54,196	145,401	24,388	11,743	36,131	181,532
Telephone and utilities	-	20,729	82,756	103,485	37,240	17,931	55,171	158,656
Office and equipment repairs and maintenance	-	7,403	15,166	22,569	6,825	3,286	10,111	32,680
Promotional and local travel	-	146,059	54,834	200,893	24,675	11,881	36,556	237,449
Printing and postage	-	2,864	42,477	45,341	19,115	9,203	28,318	73,659
Depreciation	-	1,714,001	211,168	1,925,169	95,026	45,753	140,779	2,065,948
Professional services	-	1,039,917	817,911	1,857,828	368,060	177,214	545,274	2,403,102
Insurance	-	40,581	125,167	165,748	56,325	27,120	83,445	249,193
Marketing	-	37,532	99,074	136,606	44,583	21,466	66,049	202,655
Rent	-	693	347,758	348,451	156,491	75,348	231,839	580,290
Unrelated business income tax	-	-	1,171,571	1,171,571	1,189	-	1,189	1,172,760
Credit card fees and bank fees	-	216,825	1,341	218,166	-	-	-	218,166
Other	-	1,238,830	194	1,239,024	87	42	129	1,239,153
Total	\$ 585,449,878	\$ 6,029,221	\$ 10,828,572	\$ 602,307,671	\$ 4,346,236	\$ 2,092,062	\$ 6,438,298	\$ 608,745,969

	2023							
	Program Services				Support Services			
	Grants	Donor Services Expenses	Program Direct Fund Expenses	Total Program Services	Administrative Expenses	Development Expenses	Total Support Services	Total
Grants	\$ 493,039,379	\$ -	\$ -	\$ 493,039,379	\$ -	\$ -	\$ -	\$ 493,039,379
Salaries	-	1,005,156	4,837,182	5,842,338	1,738,362	982,553	2,720,915	8,563,253
Payroll taxes and benefits	-	239,466	1,641,472	1,880,938	589,904	333,424	923,328	2,804,266
Office and program materials	-	36,716	965,070	1,001,786	346,822	196,030	542,852	1,544,638
Conferences and training	-	53,057	61,411	114,468	22,069	12,474	34,543	149,011
Telephone and utilities	-	18,011	79,235	97,246	28,475	16,095	44,570	141,816
Office and equipment repairs and maintenance	-	444	6,576	7,020	2,363	1,336	3,699	10,719
Promotional and local travel	-	259,475	30,108	289,583	10,820	6,116	16,936	306,519
Printing and postage	-	2,164	44,400	46,564	15,956	9,019	24,975	71,539
Depreciation	-	1,792,390	252,373	2,044,763	90,697	51,263	141,960	2,186,723
Professional services	-	864,714	912,301	1,777,015	327,858	185,311	513,169	2,290,184
Insurance	-	39,885	138,224	178,109	49,674	28,077	77,751	255,860
Marketing	-	40,371	142,206	182,577	51,105	28,886	79,991	262,568
Rent	-	100	387,429	387,529	139,232	78,697	217,929	605,458
Unrelated business income tax	-	-	930,269	930,269	11,431	-	11,431	941,700
Other	-	1,260,431	948	1,261,379	-	-	-	1,261,379
Total	\$ 493,039,379	\$ 5,612,380	\$ 10,429,204	\$ 509,080,963	\$ 3,424,768	\$ 1,929,281	\$ 5,354,049	\$ 514,435,012

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Note 11. Transactions in Funds Held for Agencies

Transactions in funds held for agencies are summarized as follows:

	2024	2023
Additions		
Contributions	\$ 37,717,550	\$ 62,236,341
Net investment return	61,282,734	105,070,327
Total additions	<u>99,000,284</u>	<u>167,306,668</u>
Deductions		
Distributions - grants, including return of funds to agencies	91,209,186	707,395,626
Distributions - other	<u>2,472,720</u>	<u>7,394,739</u>
Total distributions	93,681,906	714,790,365
Administrative expenses	<u>1,689,400</u>	<u>1,737,163</u>
Total deductions	<u>95,371,306</u>	<u>716,527,528</u>
Change in balance	3,628,978	(549,220,860)
Balance in agency funds, beginning of year	<u>504,854,167</u>	<u>1,054,075,027</u>
Balance in agency funds, end of year	<u><u>\$ 508,483,145</u></u>	<u><u>\$ 504,854,167</u></u>

Note 12. Endowment Net Assets

The Foundations' net assets without donor restrictions include various funds established for a variety of purposes that function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Foundations to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundations are incorporated in the State of Missouri, which has adopted a version of the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA). The Foundations are governed by the *Rules for the Establishment and Operation of Funds*, as adopted by the boards of directors. The Foundations have determined that the majority of the Foundations' contributions are subject to its governing documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundations.

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Under the terms of the *Rules for the Establishment and Operation of Funds* and individual fund agreements, the Foundations have the ability to distribute as much of the corpus of any trust or separate gift, devise, bequest or fund as the boards of directors in their sole discretion shall determine. As a result, all contributions not classified as with donor restrictions are classified as net assets without donor restrictions for financial statement purposes. Although the Foundations retain variance power over the distributions from these funds without donor restrictions, to the extent that the donors or boards of directors have recommended that certain funds function as endowment funds, the Foundations manage these funds as endowment funds (funds functioning as endowments).

Endowment Investment and Spending Policies

The Foundations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by their funds.

The Foundations' primary long-term investment objectives are to seek competitive market returns so as to preserve and grow the capital of funds, provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs of the Foundations now and those in the future. Diversification of assets is employed to ensure that adverse results from one asset class will not have an unduly detrimental effect on total returns. Diversification is interpreted to include diversification by type, by characteristic and by number of investments, as well as by the hiring of managers that employ different management styles. The Foundations' current portfolio places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters. The current long-term return objective for endowment funds is to provide a total return, including interest, dividends and capital appreciation (realized and unrealized) of 8%, net of investment expenses. Actual returns in any given year will vary from this amount.

For endowment funds under the Foundations' direct oversight, annual dollars available for distribution shall be computed by multiplying the average of the past three year-end fund balances times five percent (5%). Calculations are made as of the beginning of each fiscal year and are distributed according to the terms of the fund agreement, or if not specified, distributions are made by December of each fiscal year. Accordingly, over the long term, the Foundations expect the current spending policy to allow endowment assets to grow at an average rate of 3% per year. This is consistent with the Foundations' objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the years ended December 31, 2024 and 2023, were:

	<u>2024</u>	<u>2023</u>
	<u>Without Donor</u>	<u>Without Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>
Endowment net assets, beginning of year	\$ 376,653,780	\$ 338,214,059
Net investment return (loss)	54,010,227	50,418,669
Contributions	4,855,962	4,853,131
Amounts appropriated for expenditure	(20,781,310)	(18,304,786)
Net transfers to board-designated endowments	34,027,672	1,472,707
Change in endowment net assets	72,112,551	38,439,721
Endowment net assets, end of year	<u>\$ 448,766,331</u>	<u>\$ 376,653,780</u>

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Note 13. Liquidity and Availability

Financial assets available for administrative and general expenses to operate The Greater Kansas City Community Foundation and its affiliates, without donor or other restrictions limiting their use, within one year of December 31, 2024 and 2023, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,622,787	\$ 1,146,182
Accounts receivable and other investments	<u>412,424</u>	<u>113,728</u>
Financial assets available to be used within one year	<u>\$ 2,035,211</u>	<u>\$ 1,259,910</u>

The Foundations pay all operating expenses, as outlined in the annual budget, from the operating fund. In addition, the Foundations have established an operating reserve fund of at least 50% of annual operating expenses. Net income will be added first to the operating reserve to maintain 50% of annual operating expenses. Any additional amount of net income will be added to the operating fund's board-designated endowment. Distributions from the operating reserve may be made with board approval to balance the budget. Financial assets at December 31, 2024 and 2023, for the operating reserve, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,828,071	\$ 1,580,210
Investments	<u>6,859,429</u>	<u>6,502,573</u>
Operating reserve balance	<u>\$ 8,687,500</u>	<u>\$ 8,082,783</u>

Note 14. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions Revenue

Approximately 17% and 18% of net contributions revenue was received from one donor during the years ended December 31, 2024 and 2023, respectively.

Investments

The Foundations invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated statements of financial position.

Approximately 13% and 15% of all investment holdings were held in two investment securities at December 31, 2024 and 2023, respectively. Additionally, the Foundations estimates that 85% and 83% of its investment portfolio were domestic securities and 15% and 17% were international securities at December 31, 2024 and 2023, respectively.

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Charitable Remainder Trusts and Charitable Gift Annuities

Estimates related to the valuation of charitable remainder trusts and gift annuities are described in Note 1.

Allowance for Contributions Receivable and Notes Receivable

Estimates related to the allowance for uncollectible contributions receivable and notes receivable are described in Note 1. It is at least reasonably possible that actual collection could differ materially from the contributions and notes receivable currently reported in the accompanying consolidated statements of financial position.

Functional Allocation of Expenses

Estimates related to the allocation of certain costs among the donor services, program direct fund expenses, administrative and development categories are described in Note 1.

Note 15. Subsequent Events

Subsequent events have been evaluated through November 12, 2025, which is the date the consolidated financial statements were available to be issued.