Hall Family Foundation

Financial Report
December 31, 2022

Contents

RSM US LLP

Independent Auditor's Report

Audit Committee
Hall Family Foundation

Opinion
We have audited the financial statements of Hall Family Foundation (the Foundation), which comprise the statements of financial position—modified cash basis as of December 31, 2022 and 2021, the related statements of activities and changes in net assets—modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022 and 2021, and the changes in its net assets for the years then ended in accordance with modified cash basis of accounting described in Note 1.

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 Financial Statements section of our report. We are required to be independent of the Foundation 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.

Emphasis of Matter—Basis of Accounting
We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

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

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

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

RSM US LLP

Kansas City, Missouri
December 19, 2023

Hall Family Foundation

Statements of Financial Position—Modified Cash Basis
December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	**$ 33,773,472**	$ 31,477,425
Investments, at fair value	**965,447,353**	1,137,929,669
Investment funds receivable	**236,948**	1,060,655
Stock fund income receivable	**263,660**	296,100
Other assets	**1,420,180**	883,005
Total assets	**$ 1,001,141,613**	$ 1,171,646,854
Commitments and contingencies (Notes 2, 4 and 5)		
Fund balance	**$ 672,643,007**	$ 688,143,562
Net unrealized gains on investments	**328,498,606**	483,503,292
Total net assets without donor restrictions	**$ 1,001,141,613**	$ 1,171,646,854

See notes to financial statements.

Hall Family Foundation

Statements of Activities and Changes in Net Assets—Modified Cash Basis
Years Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
Net investment (loss) income	**$ (116,439,904)**	$ 195,446,245
Expenditures:		
Grants	**47,625,523**	37,304,749
Operating expenditures:		
Investment	**4,881,221**	2,253,066
Charitable	**1,558,594**	1,453,220
Total operating expenditures	**6,439,815**	3,706,286
Foreign and excise taxes paid (refunds received)	**-**	(50,737)
Total expenditures	**54,065,338**	40,960,298
(Decrease) increase in net assets without donor restrictions	**(170,505,242)**	154,485,947
Net assets, beginning of year	**1,171,646,854**	1,017,160,907
Net assets, end of year	**$ 1,001,141,612**	$ 1,171,646,854

See notes to financial statements.

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

Nature of operations: Hall Family Foundation (the Foundation) is a private foundation dedicated to purposes that are strictly charitable, educational, scientific, religious, literary, benevolent and philanthropic. The Foundation was established in 1943 by Joyce C. Hall; his wife, Elizabeth Ann Hall; and his brother, Rollie B. Hall (the Founders). As outlined in the original bylaws, the Founders intended that the Foundation should promote the health, welfare and happiness of school-age children; the advancement and diffusion of knowledge; activities for the improvement of public health; and the advancement of social welfare.

The Foundation's mission statement reads: The Hall Family Foundation is a private philanthropic organization dedicated to enhancing the quality of human life. Programs that enrich the community, help people and promote excellence are considered to be of prime importance. The Foundation views its critical function as that of a catalyst. It seeks to be responsible to programs which are innovative, yet strive to create permanent solutions to community needs in the greater Kansas City area. In keeping with the Founders' mission, the Foundation concentrates its philanthropic efforts in five areas of interest in the greater Kansas City area: (1) children, youth and families, (2) education, (3) the arts, (4) community development and (5) additional interests. The Foundation provides contributions to charitable organizations that qualify as tax exempt under section 501(c)(3) of the Internal Revenue Code.

Significant accounting policies:

Basis of accounting: The accompanying financial statements have been prepared on the modified cash basis of accounting. Under this method, revenue is recognized when received rather than when earned, and contributions and expenses are recognized when paid rather than when the obligation is incurred. Exceptions from the modified cash basis are as follows:

- The Foundation reports its investments at fair value, using the fair value hierarchy established by accounting principles generally accepted in the United States of America (U.S. GAAP), rather than at cost.
- Income earned related to the stock fund investment is recorded when earned rather than when received, recording income when required for tax purposes.
- Distributions from certain investments that are authorized before year-end but for which cash is not received until after year-end is recorded as investment funds receivable.

The modified cash basis of accounting differs from U.S. GAAP in the following significant respects: (a) the Foundation's obligations for contributions to be paid in future years, as discussed in Notes 4 and 5, are recognized when paid rather than being recorded as obligations when approved by the governing body, (b) the fair value of the interest rate swap agreement, discussed in Note 5, is not recorded in the financial statements, (c) the fair values of the rent-free space and services provided to the Foundation, as described in Note 6, are not recorded as contribution revenue and operating expenses, (d) nonfinancial contributions made are recorded at the Foundation's cost, rather than fair value, (e) no liability would be recorded for uncertain tax positions, if any, in accordance with Financial Accounting Standards Board (FASB) guidance on uncertain tax positions and (f) income (other than that related to the stock fund investment and investment funds receivable) and expenses are recognized when received or paid rather than when earned or incurred.

Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with the Foundation's basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets as of the date of the 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.

Cash and cash equivalents: The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2022 and 2021, cash equivalents consisted primarily of money market funds.

Investments and investment return: All investments having a readily determinable fair value are carried at fair value based on quoted market prices at the reporting date. Investments without readily available market prices consist of limited partnerships, limited liability companies and other nonreadily marketable investments. The Foundation establishes their value based on information gathered from the investees, including audited financial statements and other reports provided by the investees. For more information on the valuation of investments, see Notes 2 and 3.

Net investment (loss) income includes dividend, interest and other investment income, and realized and unrealized gains and losses on investments, and is reflected in the statements of activities and changes in net assets—modified cash basis as without donor restriction. The stock fund income receivable represents the fourth-quarter income distribution due to the Foundation from its equity partnership interests, as required for tax purposes.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the risk inherent in certain investment vehicles, it is possible that changes in their risk profile could occur in the near term and those changes could materially affect the value of those investments reported in the statements of financial position—modified cash basis.

Investment funds receivable: Distributions from certain investments that are authorized before year-end but for which cash is not received until after year-end is recorded as investment funds receivable.

Fair value of financial instruments: Financial instruments consist of cash and cash equivalents, investments and income receivable. The carrying amounts for cash and cash equivalents and income receivable approximate fair value because of the short maturity of these instruments. The Foundation's estimate of the fair value of investments is further described in Notes 2 and 3.

Income taxes: The Foundation is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. As a private foundation, it is subject to federal excise tax at the rate of 1.39% on net investment income for the years ended December 31, 2022 and 2021. Annually, the excise tax rate can be reduced to 1% if statutory distribution requirements are met. The Foundation met this requirement in 2022 and 2021. The excise tax liabilities are approximately $971,700 and $ 2,110,800 as of December 31, 2022 and 2021, respectively, and are not recorded on the statement of financial position—modified cash basis due to the modified cash basis of accounting followed by the Foundation. As of December 31, 2022, approximately $52,916,000 of undistributed income remains, which is required and expected to be distributed in 2023.

Note 2. Investments

The historical cost and current fair value of investments at December 31, 2022 and 2021, are as follows:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Treasury inflation-protected securities	$ 66,451,861	$ 60,892,256	$ 47,079,748	$ 50,434,613
Mortgage-backed debt	-	-	16,739	16,691
Mutual funds:				
Non-US Equities	16,086,156	13,904,996	12,679,393	11,931,627
Bonds	30,644,248	30,487,251	15,378,251	15,343,934
Fixed-income securities	52,587,106	49,925,410	86,539,723	86,312,462
Stocks:				
Non-U.S. equities	-	58,682	47,480	143,176
Total stocks	-	58,682	47,480	143,176
Futures	-	-	4,398,300	4,398,300
Common trust funds:				
Non-U.S. equities	55,186,748	54,167,658	56,688,417	66,221,334
Limited partnerships and limited liability companies:				
Marketable:				
U.S. equities	31,888,192	155,008,477	26,041,171	175,716,628
Non-U.S. equities	63,847,113	68,054,529	82,247,621	127,391,147
Global long/short equities	144,935,988	167,350,839	146,935,988	163,283,214
Absolute return strategies	46,912,715	61,733,071	48,016,073	74,366,285
Nonmarketable alternatives	128,908,619	303,864,184	128,357,471	362,370,257
Total limited partnerships and limited liability companies	416,492,627	756,011,100	431,598,324	903,127,531
	$ 637,448,746	$ 965,447,353	$ 654,426,375	$ 1,137,929,669

Note 2. Investments (Continued)

Investments are recorded on a trade-date basis at fair value. The fair values of the Treasury inflation-protected securities (TIPS), mutual funds, U.S. and non-U.S. equity stocks and real estate investment trusts are based primarily on quoted market prices. Mortgage-backed debt and asset-backed debt are valued using discounted cash flows or various pricing models.

The Foundation is invested in various common trust funds. Common trust funds 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 not 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 law. 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 and other securities. The Foundation's investments in common trust funds may be redeemed at net asset value (NAV) on a daily or monthly basis, depending on the fund.

The Foundation is invested directly in various credit-related instruments, including debt securities, instruments and obligations of U.S. and non-U.S. government, corporate and other non-governmental entities and issuers, and preferred securities that include fixed income features (e.g., payment of income distribution). These securities are actively managed by an external manager with an objective to generate income and long-term capital appreciation.

The Foundation may use futures contracts to manage its exposure to the securities markets, currency values, or commodities. Futures contracts are agreements to buy or sell a security or other asset for a set price on a future date and are traded on an exchange. The primary risks associated with the use of futures contracts are the imperfect correlation between the change in market value of the underlying asset and the prices of futures contracts and the possibility of an illiquid market. Futures contracts are valued based upon their quoted daily settlement prices and are marked to market daily and based on such movements in the price of the contracts. Upon entering into a futures contract, the Foundation is required to deposit with its futures broker an amount of cash, or cash equivalents, in accordance with the initial margin requirements of the broker or exchange.

The Foundation also owns interests in various limited partnerships and limited liability companies (LLCs). These investments employ a number of strategies that utilize a variety of securities and financial instruments in sophisticated trading and portfolio management techniques. The fair value of the limited partnerships and LLCs has been estimated using the NAV per share of the investment. These assets include marketable and nonmarketable alternatives.

Limited partnerships and LLCs that are classified as marketable consist of equity investment pools, real asset category, fixed income, equity hedge funds (U.S. long/short, global long/short and sector-specific investments) and absolute return strategies (diversified arbitrage, distressed investment and convertible arbitrage). Fair value has been estimated using the NAV per share of the investment. These investments are typically redeemable at NAV on a monthly or annual basis, depending on the respective investment agreement. However, it is possible that these redemption rights may be restricted, suspended or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the Foundation's interests in the funds.

Note 2. Investments (Continued)

Nonmarketable alternatives are limited partnerships and LLCs invested in various venture capital, hard assets, and distressed and private equity partnerships. Fair value has been estimated using the NAV per share of the investment. Each fund operates in accordance with the terms of a limited partnership agreement and continues to operate year to year, until dissolved in accordance with the agreements. There are significant restrictions on the transfer and assignment of these interests. Distributions from each fund are received as the underlying investments of the funds are liquidated. The Foundation estimates that the underlying assets of the funds will be liquidated over the next one to 15 years. Outstanding capital commitments to these partnerships as of December 31, 2022, approximated $102,461,539. Although a secondary market exists for these investments, it is not active, and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported NAV. It is, therefore, reasonably possible that if the Foundation were to sell these investments in the secondary market, a buyer may require a discount to the reported NAV, and the discount could be significant.

Note 3. Disclosures About Fair Value of Assets

The accounting guidance for fair value measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in its principal market, or in the absence of a principal market, the most advantageous market for the investment. The Foundation accounts for its investments at fair value. The Foundation has elected to report the fair value of certain NAV investments, primarily those included in other investments on the statements of financial position—modified cash basis, using the practical expedient. The practical expedient allows for the use of NAV, either as reported by the investee fund or as adjusted by the Foundation based on various factors, to be used to determine fair value, under certain conditions. The fair value of the investment is based on a combination of audited financial statements of the investees and monthly or quarterly statements received from the investees. In accordance with the guidance, the Foundation has categorized its investments, based on the priority of the inputs to the valuation technique, which gives the highest priority to quoted prices in active markets and the lowest priority to unobservable inputs, into a three-level fair value hierarchy. These levels are as follows:

Level 1: Inputs are quoted prices in active markets for identical instruments traded in active markets that the Foundation has the ability to access as of the measurement date. Level 1 securities include Treasury inflation-protected securities, mutual funds invested in bonds and equities, exchange traded real estate investment trusts, stocks, and futures.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable, or can be corroborated by, observable market data. Level 2 securities include mortgage-backed debt, structured and asset-backed debt, high yield debt and levered loans.

Level 3: Inputs are significant and unobservable and reflect the Foundation's own assumption about the assumptions that market participants would use in pricing an asset or liability. Valuation techniques may include use of option pricing models, discounted cash flow models and similar techniques. Level 3 securities include collateralized loan obligations and fixed income securities.

Note 3. Disclosures About Fair Value of Assets (Continued)

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position—modified cash basis measured at fair value on a recurring basis and level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022 and 2021:

	2022				
		Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued at Net Asset Value
Treasury inflation-protected securities	$ 60,892,256	$ 60,892,256	$ -	$ -	$ -
Mutual funds:					
Non-US Equities	13,904,996	13,904,996	-	-	-
Bonds	30,487,251	30,487,251	-	-	-
Fixed-income securities	49,925,410	1,453,196	30,496,561	17,975,653	-
Stocks:					
Non-U.S. equities	58,682	58,682	-	-	-
Common trust funds:					
Non-U.S. equities	54,167,658	-	-	-	54,167,658
Limited partnerships and limited liability companies (Note 2):					
Marketable:					
U.S. equities	155,008,477	-	-	-	155,008,477
Non-U.S. equities	68,054,529	-	-	-	68,054,529
Global long/short equities	167,350,839	-	-	-	167,350,839
Absolute return strategies	61,733,071	-	-	-	61,733,071
Nonmarketable alternatives	303,864,184	-	-	-	303,864,184
Total limited partnerships and limited liability companies	756,011,100	-	-	-	756,011,100
	$ 965,447,353	$ 106,796,381	$ 30,496,561	$ 17,975,653	$ 810,178,758

Note 3. Disclosures About Fair Value of Assets (Continued)

	2021				
	Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Valued at Net Asset Value
Treasury inflation-protected securities	$ 50,434,613	$ 50,434,613	$ -	$ -	$ -
Mortgage-backed debt	16,691	-	16,691	-	-
Mutual funds:					
Global Equities	11,931,627	11,931,627	-	-	-
Bonds	15,343,934	15,343,934	-	-	-
Fixed-income securities	86,312,463	-	65,119,669	21,192,794	-
Stocks:					
Non-U.S. equities	143,176	143,176	-	-	-
Common trust funds:					
Non-U.S. equities	66,221,334	-	-	-	66,221,334
Futures	4,398,300	4,398,300	-	-	-
Limited partnerships and limited liability companies (Note 2):					
Marketable:					
U.S. equities	175,716,629	-	-	-	175,716,629
Non-U.S. equities	127,391,147	-	-	-	127,391,147
Real asset category	-	-	-	-	-
Global long/short equities	163,283,214	-	-	-	163,283,214
Absolute return strategies	74,366,285	-	-	-	74,366,285
Nonmarketable alternatives	362,370,256	-	-	-	362,370,256
Total limited partnerships and limited liability companies	903,127,531	-	-	-	903,127,531
	$ 1,137,929,669	$ 82,251,650	$ 65,136,360	$ 21,192,794	$ 969,348,865

There were no purchases of fixed income securities, measured at Level 3, for the year ended December 31, 2022.

The following is a summary of the market value techniques for ending balances of assets, measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2022 and 2021:

Instrument	Fair Value 2022	Fair Value 2021	Principal Valuation Technique	Unobservable Inputs
Fixed-income securities	$ 17,975,653	$ 21,192,794	Fair market value	Value of underlying assets

Note 4. Grant Commitments

As of December 31, 2022, the Foundation's Board of Directors has authorized grants to be paid in varying amounts and at various dates in future years of $58,879,667, excluding commitments discussed in Note 5.

During 2022 and 2021, the Foundation donated a portion of the photography collection totaling $525,000 and $279,740, respectively, to the Nelson-Atkins Museum of Art. These donations are reflected at cost and are classified as grants on the statements of activities and changes in net assets—modified cash basis.

Note 5. Donation Agreement With the Nelson Gallery Foundation

In April 2004, the Foundation entered into a donation agreement with the Nelson Gallery Foundation (the Donee). Under the agreement, the Foundation is responsible for the payment of principal and interest on the $60,000,000 Missouri Development Finance Board Cultural Facilities Revenue, Series 2004A Bonds (the Bonds), through periodic charitable donations to the Donee's agent. The primary use of the proceeds of the Bonds is to finance the costs of the Donee's Campus Enhancement Project (the Project). The Bonds are the third series of bonds issued by the Missouri Development Finance Board for purposes of financing the Project. The 2004A series is the only series under which the Foundation has any direct or indirect obligation for payment.

Any amendment (including termination) of the Bonds, the loan agreement or the bank agreement is subject to prior written consent of the Foundation. The Donee shall not cause or permit any of the Bonds to be called for redemption (other than a scheduled, mandatory sinking fund redemption or a special mandatory redemption, if any) without the prior written consent of the Foundation. In addition, the Donee must obtain prior written consent of the Foundation prior to changing the interest rate mode or replacing the remarketing agent on the Bonds.

In 2012, a $3,000,000 voluntary payment was made to reduce the principal to $57,000,000. No voluntary principal payments were made in 2022 or 2021.

The Bonds bear interest at a variable rate that is based on the BMA Daily Index, payable monthly. The Foundation's obligation to pay donations to fund principal on the Bonds is subject to a mandatory sinking fund redemption. The payment schedule for the remaining principal is as follows:

	Principal Amount
2029	$ 8,200,000
2030	11,600,000
2031	12,000,000
2032	12,400,000
2033	12,800,000
	$ 57,000,000

Note 5. Donation Agreement With the Nelson Gallery Foundation (Continued)

In connection with the donation agreement, the Foundation entered into a 10-year interest rate swap agreement in April 2004 that, in effect, fixed the interest on $25,000,000 of the $60,000,000 obligation at the rate of 3.880% per annum. In December 2011, the Foundation renewed the swap contract for 15 years at a rate of 2.426% per annum. The semiannual payments under the swap agreement are due January 1 and July 1 of each year. The swap agreement expires in 2027. The fair value of the swap contract due J.P. Morgan as of December 31, 2022 and 2021, was $518,611 and $(1,726,186), respectively.

All payments by the Foundation that are required under the donation and interest rate swap agreements will be reported for tax purposes as qualifying distributions. In the event the interest rate swap agreement causes payments to be received by the Foundation, these payments will result in adjustments to qualifying distributions for tax reporting purposes.

Note 6. Related-Party Transactions

Historically, a department of Hallmark Cards, Inc. (Hallmark) provided personnel and rent-free space for the Foundation's operations. The administrative expenses associated with the personnel provided included salaries, benefits and other personnel costs. These expenses were reimbursed by the Foundation directly to Hallmark. During 1999, this department of Hallmark was incorporated as Chinquapin Trust Company (Chinquapin). Since the incorporation of Chinquapin, it has provided the rent-free space and personnel needed to carry out the Foundation's charitable purposes. The administrative expenses are reimbursed, at actual cost, quarterly by the Foundation to Chinquapin, which in turn reimburses Hallmark. Expenses related to administrative services paid to Chinquapin for the years ended December 31, 2022 and 2021, were $1,454,810 and $1,324,344, respectively.

Note 7. Concentration of Grants

The Foundation awards grants primarily to organizations in the greater Kansas City area that focus on children, youth and families, education, the arts, community development and additional interests. During the years ended December 31, 2022 and 2021, the Foundation contributed a total of $18,471,000 and $8,002,000 to three organizations and one organization, respectively, which represents approximately 39% and 21%, respectively, of total grant expenditures.

Note 8. Liquidity

The Foundation regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. The table below represents the Foundation's financial assets available to meet annual operating needs of 2022 and 2021 fiscal years:

	2022	2021
Cash and cash equivalents	$ 33,773,472	$ 31,477,425
Receivables and other assets	1,683,840	1,179,105
Estimated investments maturing within one year available for general purposes	696,625,902	807,036,838
	732,083,214	839,693,368
Less commitments due in one year or less	(12,359,333)	(4,878,315)
	$ 719,723,881	$ 834,815,053

Note 8. Liquidity (Continued)

The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, common trust funds, limited partnerships and limited liability companies. See Note 2 for information about the Foundation’s investment holdings.

Principal and interest on (programmatic investments, program loans, etc.) are not included in the analysis as those amounts are used solely to make new loans and are therefore not available to meet current operating needs.

Note 9. Sublease Agreement

In October 2019, the Foundation entered into a no cost option for a building location in mid-town Kansas City. Under this sublease arrangement, the Foundation steps in as Sublandlord and acts as a pass-through by collecting rental payments from the subtenant and remitting the same rental payments to the landlord on a monthly basis through the life of the lease ending March 2028. Monthly rents are fixed at $10,000 per month. Subsequent to this arrangement, a rent deferral agreement was entered into for the period June 2020 to November 2020 allowing for 75% of the rent for the first three months (June, July and August) be deferred and 50% of the rent for the second three months (September, October and November) be deferred and repaid over the remaining term of the sublease, beginning January 1, 2021. The balance of the deferred rent payments at December 31, 2022, is $27,155. Effective January 1, 2021, the adjusted monthly rents will be $10,431 per month.

Note 10. Subsequent Events

Subsequent events have been evaluated through December 19, 2023, which is the date the financial statements were available to be issued.