

**JEWISH COMMUNITY FOUNDATION  
OF GREATER KANSAS CITY**

**AUDITED FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2023 AND 2022**

# **JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Jewish Community Foundation of Greater Kansas City

### **Opinion**

We have audited the accompanying financial statements of Jewish Community Foundation of Greater Kansas City, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Community Foundation of Greater Kansas City as of December 31, 2023 and 2022, and the change 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Jewish Community Foundation of Greater Kansas City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Management's Responsibility for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Community Foundation of Greater Kansas City's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgement 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 Jewish Community Foundation of Greater Kansas City '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 Jewish Community Foundation of Greater Kansas City'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.

The image shows a handwritten signature in black ink that reads "UHY LLP". The letters are stylized and cursive.

Kansas City, Missouri  
September 25, 2024

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**STATEMENTS OF FINANCIAL POSITION**

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,582,553	\$ 13,877,139
Receivables	632,196	305,945
Prepaid expenses	25,907	30,136
Investments	256,916,815	238,286,215
Investments held for split interest agreements	1,807,577	1,703,988
Cash surrender value of life insurance	928,601	1,088,059
Property and equipment	15,935	24,759
Total assets	<u>\$ 280,909,584</u>	<u>\$ 255,316,241</u>
<b>LIABILITIES AND NET ASSETS</b>		
Grants payable	\$ 108,071	\$ 64,903
Accrued expenses	24,594	2,595
Liabilities under split interest agreements	1,224,754	1,180,852
Agency depository funds	78,147,431	71,772,795
Due to unaffiliated beneficiaries	33,593,914	30,980,032
Total liabilities	<u>113,098,764</u>	<u>104,001,177</u>
<b>NET ASSETS</b>		
Without donor restrictions	130,074,894	122,039,881
With donor restrictions	37,735,926	29,275,183
Total net assets	<u>167,810,820</u>	<u>151,315,064</u>
Total liabilities and net assets	<u>\$ 280,909,584</u>	<u>\$ 255,316,241</u>

*See notes to financial statements.*

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

	Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 19,309,291	\$ 2,435,038	\$ 21,744,329
Investment return	15,479,748	4,383,586	19,863,334
Decrease in cash surrender value value of life insurance	(128,185)	(16,193)	(144,378)
Increase in value of split interest agreements	48,478	2,142	50,620
Administrative fees	487,947	-	487,947
Other income	202,706	-	202,706
Transfers	(3,527,855)	3,527,855	-
Net assets released from donor restrictions	1,871,685	(1,871,685)	-
Total revenues and support	<u>33,743,815</u>	<u>8,460,743</u>	<u>42,204,558</u>
EXPENSES			
Program services	24,472,456	-	24,472,456
Management and general	1,027,097	-	1,027,097
Fundraising	209,249	-	209,249
Total expenses	<u>25,708,802</u>	<u>-</u>	<u>25,708,802</u>
CHANGE IN NET ASSETS	8,035,013	8,460,743	16,495,756
NET ASSETS, Beginning of year	<u>122,039,881</u>	<u>29,275,183</u>	<u>151,315,064</u>
NET ASSETS, End of year	<u>\$ 130,074,894</u>	<u>\$ 37,735,926</u>	<u>\$ 167,810,820</u>

See notes to financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**

	Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 17,686,125	\$ 1,509,515	\$ 19,195,640
Investment return	(16,141,944)	(3,884,504)	(20,026,448)
Decrease in cash surrender value value of life insurance	-	(27,631)	(27,631)
Decrease in value of split interest agreements	-	(82,499)	(82,499)
Administrative fees	467,703	-	467,703
Net assets released from donor restrictions	<u>3,884,448</u>	<u>(3,884,448)</u>	<u>-</u>
Total revenues and support	<u>5,896,332</u>	<u>(6,369,567)</u>	<u>(473,235)</u>
EXPENSES			
Program services	29,472,845	-	29,472,845
Management and general	976,141	-	976,141
Fundraising	<u>201,291</u>	<u>-</u>	<u>201,291</u>
Total expenses	<u>30,650,277</u>	<u>-</u>	<u>30,650,277</u>
CHANGE IN NET ASSETS	(24,753,945)	(6,369,567)	(31,123,512)
NET ASSETS, Beginning of year	<u>146,793,826</u>	<u>35,644,750</u>	<u>182,438,576</u>
NET ASSETS, End of year	<u>\$ 122,039,881</u>	<u>\$ 29,275,183</u>	<u>\$ 151,315,064</u>

See notes to financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**STATEMENT OF FUNCTIONAL EXPENSES**

	Year Ended December 31, 2023			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants				
Jewish Federation of Greater Kansas City	\$ 4,431,107	\$ -	\$ -	\$ 4,431,107
Local Jewish organizations	8,023,746	-	-	8,023,746
National Jewish organizations	1,619,101	-	-	1,619,101
Secular organizations	<u>9,810,988</u>	<u>-</u>	<u>-</u>	<u>9,810,988</u>
Total grants	23,884,942	-	-	23,884,942
Personnel and related expenses	502,372	756,625	185,587	1,444,584
Communications and marketing	-	-	20,032	20,032
Depreciation	-	10,255	-	10,255
Development	19,794	-	-	19,794
Dues and subscriptions	-	1,095	-	1,095
Federation accounting and administrative services	-	18,999	-	18,999
Insurance	-	23,808	-	23,808
Life insurance premiums	65,348	-	-	65,348
Meetings	-	11,237	-	11,237
Mileage	-	620	-	620
Occupancy	-	73,096	-	73,096
Office expenses	-	18,586	3,630	22,216
Professional fees	-	23,483	-	23,483
Technology	-	80,039	-	80,039
Telephone	-	6,725	-	6,725
Training and conferences	<u>-</u>	<u>2,529</u>	<u>-</u>	<u>2,529</u>
	<u>\$ 24,472,456</u>	<u>\$ 1,027,097</u>	<u>\$ 209,249</u>	<u>\$ 25,708,802</u>

See notes to financial statements.



**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**STATEMENT OF FUNCTIONAL EXPENSES**

	Year Ended December 31, 2022			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants				
Jewish Federation of Greater Kansas City	\$ 2,515,358	\$ -	\$ -	\$ 2,515,358
Local Jewish organizations	15,127,946	-	-	15,127,946
National Jewish organizations	1,336,466	-	-	1,336,466
Secular organizations	<u>9,982,571</u>	<u>-</u>	<u>-</u>	<u>9,982,571</u>
Total grants	28,962,341	-	-	28,962,341
Personnel and related expenses	466,825	704,374	168,870	1,340,069
Communications and marketing	-	-	29,182	29,182
Depreciation	-	13,149	-	13,149
Development	35,029	-	-	35,029
Dues and subscriptions	-	680	-	680
Federation accounting and administrative services	-	19,513	-	19,513
Insurance	-	23,427	-	23,427
Life insurance premiums	8,650	-	-	8,650
Meetings	-	6,559	-	6,559
Mileage	-	507	-	507
Occupancy	-	69,122	-	69,122
Office expenses	-	17,314	3,239	20,553
Professional fees	-	35,315	-	35,315
Technology	-	77,298	-	77,298
Telephone	-	4,877	-	4,877
Training and conferences	<u>-</u>	<u>4,006</u>	<u>-</u>	<u>4,006</u>
	<u>\$ 29,472,845</u>	<u>\$ 976,141</u>	<u>\$ 201,291</u>	<u>\$ 30,650,277</u>

See notes to financial statements.

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**STATEMENTS OF CASH FLOWS**

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	<b>\$ 16,495,756</b>	<b>\$ (31,123,512)</b>
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	<b>10,255</b>	13,149
Change in value of split-interest agreements	<b>(103,589)</b>	399,088
Realized (gains) losses on investments	<b>2,581,586</b>	(2,175,909)
Unrealized (gains) losses on investments	<b>(37,563,058)</b>	37,036,306
Changes in operating assets and liabilities		-
Receivables	<b>(326,251)</b>	(199,786)
Prepaid expenses	<b>4,229</b>	7,205
Grants payable	<b>43,168</b>	(58,028)
Accrued expenses	<b>21,999</b>	2,107
Liabilities under split interest agreements	<b>43,902</b>	(265,435)
Agency depository funds	<b>6,374,636</b>	(1,178,409)
Due to unaffiliated beneficiaries	<b>2,613,882</b>	(3,945,228)
Net cash used by operating activities	<b>(9,803,485)</b>	<b>(1,488,452)</b>
<b>INVESTING ACTIVITIES</b>		
Decrease in cash surrender value of life insurance	<b>159,458</b>	16,888
Purchase of property and equipment	<b>(1,431)</b>	(5,102)
Cash received (paid) related to sale/purchase of investments	<b>16,350,872</b>	(6,417,118)
Net cash provided (used) by investing activities	<b>16,508,899</b>	<b>(6,405,332)</b>
<b>NET CHANGE IN CASH</b>	<b>6,705,414</b>	<b>(7,893,784)</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<b>13,877,139</b>	<b>21,770,923</b>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<b>\$ 20,582,553</b>	<b>\$ 13,877,139</b>

*See notes to financial statements.*

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Jewish Community Foundation of Greater Kansas City (Foundation) was established in 1959 to serve as the central endowment fund for the Kansas City Jewish community. Substantially all of the Foundation's revenues and support is generated from within the Greater Kansas City area.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis and in accordance with U.S. generally accepted accounting principles (U.S. GAAP) on a consistent basis and include the activities of the Foundation and the following supporting foundations.

Edward S. Rose Family Supporting Foundation  
The Frances Wang Gershon Supporting Foundation  
JCFRE Supporting Foundation  
Jewish Community Center Supporting Foundation  
Louis and Frances Swinken Foundation  
Lowenstein Family Supporting Foundation  
Menorah Heritage Foundation  
Stanley J. Bushman Supporting Foundation  
Vision Associates, Inc.  
White Family Supporting Foundation

The financial transactions are recorded in and reported by the following net asset groups:

**Net Assets Without Donor Restrictions** - Net assets without donor restrictions represent resources over which the Foundation Trustees have discretionary control and are used to carry out operations of the Foundation in accordance with its by-laws. The philanthropic unrestricted funds are named funds whose living donors make grant recommendations to the Foundation. However, the Foundation Trustees have ultimate decision-making authority. Supporting foundations are separately incorporated entities, directed by separate boards but controlled by the Foundation, whose primary purpose is to support the Foundation.

**Net Assets With Donor Restrictions** - Net assets with donor restrictions represent resources available for use currently or in the future, but expendable only for purposes specified by the donor or within a donor-designated time period. These assets include philanthropic funds, endowment funds and split interest agreements.

The Foundation administers various split interest agreements, including charitable remainder trusts and charitable gift annuity agreements. These agreements provide for the payment of distributions to the donor over the agreement's term, usually the donor (or donors') lifetime(s). Certain of these agreements provide for a portion of the remainder interest to be transferred to the Foundation for specified restricted use at the end of the trust or annuity period. The portion of the assets attributable to the future interest of the Foundation is recorded as a contribution with donor restrictions in the period the trust or annuity account is established, and thereafter the income and expenses related to these assets are reported in the statements of activities and change in net assets.

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

**Net Assets With Donor Restriction (Continued)**

Assets held under split interest agreements are recorded at fair value in the Foundation's statements of financial position. On an annual basis, the Foundation revalues the liabilities under the agreements based on actuarial assumptions. The present value of the estimated future payments is calculated using the applicable discount rate and mortality tables.

**Liabilities Due to Agencies and Unaffiliated Beneficiaries**

The Foundation provides asset management services under agreements with charitable, religious and other not-for-profit organizations. Net assets held under these agreements, and the related activities, are reported as agency depository funds liabilities in the statements of financial position.

Certain restricted funds were established by donors who designated the use of all or a portion of the assets held in the funds for the benefit of specified unaffiliated beneficiaries. Net assets held under these agreements, and the related activities, are reported as due to unaffiliated beneficiaries in the statements of financial position.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and support, and expenses. Actual results could differ from those estimates.

**Expense Allocation**

The Foundation allocates its expenses on a functional basis among programs, management and general services, and fundraising. Expenses that can be directly identified with a specific program are allocated directly according to their natural expense classification. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

**Cash Equivalents**

The Foundation considers all cash in banks and money market accounts to be cash equivalents.

**Investments and Concentrations of Credit Risk**

Financial instruments which potentially subject the Foundation to significant concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation maintains its bank accounts at institutions where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Foundation maintains cash account balances in excess of the insured limit throughout the year. Management considers this a normal business risk.

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments and Concentrations of Credit Risk (Continued)**

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. 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 changes could materially affect the amounts reported as net assets in the statements of financial position.

Certain assets are pooled for investment purposes. Related investment income, net of investment expenses, and net realized and unrealized gains and losses are allocated to each component fund based on a ratio of the individual weighted average fund balance to total weighted average fund balance.

**Property and Equipment**

Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value as of the date of the donation. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets of three to ten years.

**Split Interest Agreements**

The Foundation has entered into various charitable gift annuity and charitable remainder trust agreements with donors. The Foundation is obligated to make payments to the annuitants and trust beneficiaries for the remainder of their lives. Assets received are recorded at fair value and a liability is recorded equal to the present value of the estimated future obligations based on mortality rates derived from ordinary life annuity tables. The difference between the fair value of the assets received and the obligation recorded is recognized as either a liability to unaffiliated beneficiaries to the extent that other entities are named as remainder beneficiaries or as contribution income to the extent that the Foundation is named as remainder beneficiary. The various deferred gift obligations have imputed interest rates of between 5.0% and 9.0%. The statements of activities and change in net assets reflect the Foundation's allocated portion of the change in value of split interest agreements for 2023 and 2022.

**Revenues and Support**

The Foundation recognizes revenue when goods or services are transferred to customers in an amount that reflects the consideration which it expects to receive in exchange for those goods or services. In determining when and how revenue is recognized from contracts with customers, the Foundation performs the following five step analysis: (1) identification of contract with customer, (2) determination of performance obligations, (3) measurement of the transactions price, (4) allocation of the transaction price to the performance obligation, and (5) recognition of revenue when or as the Foundation satisfies each performance obligation.

Revenue from administrative fees is recorded when the performance obligation is fulfilled, usually at the time services have been rendered, at the net transaction price.

The Foundation records contributions as support when received as either with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statements of activities and change in net assets.

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

The Foundation is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. The Foundation's accounting policy is to provide liabilities for uncertain income tax provisions when a liability is probable and estimable. The Foundation has no uncertain income tax positions for the years ended December 31, 2023 and 2022. Management is not aware of any violation of its tax status as an organization exempt from income taxes. The Foundation is subject to audits for federal and state purposes for the statutory period.

**Reclassification**

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation on the current year financial statements.

**Subsequent Events**

Subsequent events have been evaluated through September 25, 2024, which is the date the financial statements were available to be issued.

**NOTE 2 — LIQUIDITY**

The Foundation maintains sufficient cash reserves to meet weekly granting requirements and operating expenses. Cash not needed for the week is typically invested in a U.S. Government based money market account. When additional cash is needed, a formal request is made to the investment manager to liquidate part of the portfolio.

The following reflects the Foundation's financial assets available within one year of the statements of financial position reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	December 31,	
	2023	2022
Cash and Cash Equivalents	\$ 7,809,820	\$ 6,647,681
Receivables	390,485	99,890
Investments	<u>122,007,013</u>	<u>115,305,909</u>
	<u>\$ 130,207,318</u>	<u>\$ 122,053,480</u>

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 3 — INVESTMENTS**

Investments and assets held for split interest agreements include the following:

	December 31, 2023		
	Cost	Fair Value	Excess of Fair Value (Cost)
Cash and cash equivalents*	\$ 20,920,823	\$ 20,920,823	
Equities	25,904,035	27,977,606	
Fixed income	26,143,730	25,344,759	
Limited partnerships – hedge funds	14,035,468	16,197,947	
Limited partnerships – pooled investment funds	43,230,589	44,609,374	
Limited partnerships – venture capital funds	78,292	131,456	
Private equity	-	35,731	
Real estate	2,549,458	2,549,458	
Strategic Investment Trusts and Funds	<u>32,348,576</u>	<u>120,957,238</u>	
Balance, end of year	<u>\$165,210,971</u>	<u>\$258,724,392</u>	\$ 93,513,421
Balance, beginning of year	<u>\$184,039,840</u>	<u>\$239,990,203</u>	<u>55,950,363</u>
Unrealized gains on investments for the year			37,563,058
Less unrealized gains allocated			
To assets related to			
Split interest agreements			(319,457)
Agency depository funds			(11,152,005)
Due to unaffiliated beneficiaries			<u>(6,079,231)</u>
Net unrealized gains for the year			20,012,365
Realized losses for the year			<u>(2,581,586)</u>
Net realized and unrealized gains on investments and split interest agreements			<u>\$ 17,430,779</u>

\* Cash and cash equivalents over which the Foundation does not have variance power are included in investments.

**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 3 — INVESTMENTS** (Continued)

	December 31, 2022		
	Cost	Fair Value	Excess of Fair Value (Cost)
Cash and cash equivalents*	\$ 11,314,816	\$ 11,314,816	
Equities	65,042,716	60,326,644	
Fixed income	32,710,792	30,263,398	
Limited partnerships – hedge funds	14,035,468	15,265,638	
Limited partnerships – pooled investment funds	10,127,189	9,880,558	
Limited partnership – venture capital funds	68,305	87,063	
Private equity	-	42,025	
Real estate	2,549,458	2,549,458	
Strategic investment trusts and funds	<u>48,191,096</u>	<u>110,260,603</u>	
Balance, end of year	<u>\$184,039,840</u>	<u>\$239,990,203</u>	\$ 55,950,363
Balance, beginning of year	<u>\$175,845,901</u>	<u>\$268,832,570</u>	<u>92,986,669</u>
Unrealized losses on investments for the year			(37,036,306)
Less unrealized losses allocated to assets related to			
Split interest agreements			(267,164)
Agency depository funds			(8,614,482)
Due to unaffiliated beneficiaries			<u>(4,313,581)</u>
Net unrealized losses for the year			(23,841,079)
Realized gains for the year			<u>2,175,909</u>
Net realized and unrealized losses on investments and split interest agreements			<u>\$ (21,665,170)</u>

\* Cash and cash equivalents over which the Foundation does not have variance power are included in investments.



**JEWISH COMMUNITY FOUNDATION OF GREATER KANSAS CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 3 — INVESTMENTS** (Continued)

Investment return consists of the following:

	Years Ended December 31,	
	2023	2022
Interest and dividend income	\$ 3,007,335	\$ 2,225,062
Investment expenses	(574,780)	(586,340)
Realized gains (losses)	(2,581,586)	2,175,909
Unrealized gains (losses)	<u>20,012,365</u>	<u>(23,841,079)</u>
	<u>\$ 19,863,334</u>	<u>\$ (20,026,448)</u>

Investments held on behalf of others is as follows:

	December 31,	
	2023	2022
Agency Depository Funds	\$ 78,147,431	\$ 71,786,832
Funds for Benefit of Unaffiliated Beneficiaries	33,248,649	30,668,869
Charitable Remainder Trusts	34,716	30,654
Charitable Gift Annuities	<u>86,678</u>	<u>81,675</u>
	<u>\$ 111,517,474</u>	<u>\$ 102,568,030</u>

The Foundation values investments at fair value. Fair value is defined as the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs including quoted prices in active markets for similar assets and Level 3 inputs consist of unobservable inputs that are supported by little or no market activity and have the lowest priority.

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following is a description of the valuation methodologies used for assets measured at fair value:

**Equities**

Equities traded on a national securities exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Equities invested in mutual funds represent open ended funds which transact at a net asset value on a daily basis. Since the market for these securities is active and observable, such investments are reported at the unadjusted net asset value at the end of each trading day.

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**NOTE 3 — INVESTMENTS (Continued)**

**Fixed Income**

Fixed income investments are valued based on yields currently available on comparable securities of issuers of similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks. Fixed income investments in U.S. treasury bonds are valued using proprietary valuation models incorporating live data from active market makers and brokers as reported on electronic communication networks. The valuation models incorporate benchmark yields, reported trades, broker/dealer quotes, bids, offers and other data. Evaluated pricing models that vary by type of security and incorporate available market data are utilized to determine fair market value of agency bonds. Standard inputs include issuer and type of security, benchmark yields, reported trades, broker/dealer quotes and issuer spreads.

**Private Equity, Limited Partnerships, and Strategic Investment Trusts and Funds**

The value of private equity securities, which are not readily marketable, are valued by the fund manager using methodology relevant to each asset class as provided by the respective investment custodians. The value of limited partnerships (hedge funds, pooled, and venture capital), and Strategic Investment trusts and funds, which are not readily marketable, are based on the value determined in audited financial statements. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

**Real Estate**

The value of real estate is valued at appraised value as of the date of donation. Management evaluates such investments for impairment on an annual basis and obtains updated appraisals as necessary.

The following is a summary of the inputs used in valuing the Foundation's investments carried at fair value:

	Total Fair Value	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs
<b>December 31, 2023</b>				
Cash and cash equivalents	\$ 20,920,823	\$ 20,920,823	\$ -	\$ -
Equities	27,977,606	27,977,606	-	-
Fixed income	25,344,759	-	25,344,759	-
Private equity	35,731	-	-	35,731
Real estate	<u>2,549,458</u>	<u>-</u>	<u>-</u>	<u>2,549,458</u>
Total investments at fair value	76,828,377	<u>\$ 48,898,429</u>	<u>\$ 25,344,759</u>	<u>\$ 2,585,189</u>
Investments reported at NAV	<u>181,896,015</u>			
Total investments	<u>\$ 258,724,392</u>			

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**NOTE 3 — INVESTMENTS (Continued)**

	Total Fair value	Level 1: Quoted Prices In Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs
<b>December 31, 2022</b>				
Cash and Cash equivalents	\$ 11,314,816	\$ 11,314,816	\$ -	\$ -
Equities	60,326,644	60,326,644	-	-
Fixed income	30,263,398	-	30,263,398	-
Private equity	42,025	-	-	42,025
Real estate	<u>2,549,458</u>	<u>-</u>	<u>-</u>	<u>2,549,458</u>
Total investments at fair value	104,496,341	<u>\$ 71,641,460</u>	<u>\$ 30,263,398</u>	<u>\$ 2,591,483</u>
Investments reported at NAV	<u>135,493,862</u>			
Total investments	<u>\$ 239,990,203</u>			

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, December 31, 2021	\$ 3,236,756
Unrealized gains	(23,297)
Payments on notes receivable	<u>(621,976)</u>
Balance, December 31, 2022	2,591,483
Unrealized gains	<u>(6,294)</u>
Balance, December 31, 2023	<u>\$ 2,585,189</u>

**NOTE 4 — NET ASSETS WITH DONOR RESTRICTIONS, RELEASES AND TRANSFERS**

Net assets with donor restrictions totaled \$37,735,926, including endowment funds of \$23,068,988 as of December 31, 2023 and \$29,275,183, including endowment funds of \$15,685,670 as of December 31, 2022. Net assets with donor restrictions are available for grants to local and national Jewish organizations as well as secular organizations. The organizations use the funds principally for educational, medical and research needs, general health and welfare programs and other charitable needs. Net assets with donor restriction of \$1,871,685 and \$3,884,448 were released from donor restrictions in 2023 and 2022, respectively. Net assets of \$3,527,855 were transferred to endowment funds and included in net assets with donor restrictions during the year ended December 31, 2023 in accordance with the terms of the underlying fund agreement upon the death of the original donor.

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**NOTE 5 — RELATED PARTY TRANSACTIONS**

The Foundation provides custodial and endowment-building services and access to pooled investment accounts to the Jewish Federation of Greater Kansas City (the Federation) and Jewish Community Campus of Greater Kansas City (the Campus). The Federation fees of \$100,507 and \$99,496 in 2023 and 2022, respectively, and the Campus fees of \$55,465 and \$55,316 in 2023 and 2022, respectively, are included in administrative fees revenue in the accompanying financial statements.

The Federation provides accounting and administrative services to the Foundation. Expenses for these services totaled \$18,999 and \$19,513 for 2023 and 2022, respectively.

The Foundation rents office space from the Campus on a month-to-month basis. Related rent expense was \$64,418 and \$61,449 in 2023 and 2022, respectively.

**NOTE 6 — ENDOWMENT FUNDS**

The Foundation's donor restricted endowment funds consist of sixteen individual funds established for a variety of purposes. The Foundation's policy allows the spending of up to 4.5% of a fund's three-year average fair value at year-end, absent explicit donor stipulations to the contrary. In those years where the dollars granted would decline from the previous year, the rate can rise to as much as 5.25%. Additionally, the Foundation's policy is to add any unspent accounting income (as defined) from a fund at the end of each year to the endowment portion of the fund. Based on its interpretation of applicable state law (UPMIFA) regarding management of endowment funds, the Foundation classifies as donor restricted endowment funds the fair value of each fund as of the previous year-end, plus the unspent accounting income for the year.

The Foundation has investment and expenditure policies that consider the purpose of the donor-restricted fund, general economic conditions, and expected investment returns. The Foundation's return objective is to pursue long-term growth while seeking to minimize principal fluctuations and meet ongoing spending policy objectives. The Foundation's investment goal is to maximize total return while carefully weighing the risks involved. To help achieve return objectives, the Foundation has formed an Investment Committee for oversight of investments. The Foundation also utilizes the services of a paid investment advisor who has day-to-day responsibility and discretion for investing Foundation assets.

From time-to-time, the fair value of net assets associated with individual donor-restricted endowment funds may fall below the level the donor required the Foundation to retain as a fund of perpetual duration. In accordance with U.S. GAAP, such underwater endowments must be disclosed for the relevant reporting period. As of December 31, 2023 and 2022, there were no such underwater endowments.

Endowment net assets composition by type of fund:

December 31, 2023	
Donor-Restricted Endowment Funds	<u>\$ 23,068,988</u>
December 31, 2022	
Donor-Restricted Endowment Funds	<u>\$ 15,685,670</u>

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**NOTE 6 — ENDOWMENT FUNDS** (Continued)

Changes in endowment net assets are as follows:

Balance, December 31, 2021	17,135,822
Contributions	1,223,191
Interest and dividend income, net of expenses	(60,428)
Net realized and unrealized gains and losses	(1,895,027)
Increase in cash surrender value of life insurance	2,205
Grants	(650,636)
Transfers to net assets without donor restrictions	<u>(69,457)</u>
Balance, December 31, 2022	15,685,670
Contributions	1,988,322
Interest and dividend income, net of expenses	(61,578)
Net realized and unrealized gains and losses	2,821,016
Increase in cash surrender value of life insurance	21,119
Grants	(839,683)
Transfers from net assets without donor restrictions	<u>3,454,122</u>
Balance, December 31, 2023	<u>\$ 23,068,988</u>

**NOTE 7 — RETIREMENT PLAN**

The Foundation sponsors a 401(k) plan (the Plan). The Plan provides for safe-harbor contributions of employee deferrals, up to 4% of eligible employees' compensation. Additionally, the Foundation may make annual nonelective contributions. No such contributions were made in 2023 or 2022. Employer safe-harbor contributions to retirement plans totaled \$49,837 and \$46,097 for 2023 and 2022, respectively.