The Greater Kansas City Community Foundation and Supporting Organizations
Independent Auditor's Report and Consolidated Financial Statements
December 31, 2018 and 2017
The Greater Kansas City Community Foundation and Supporting Organizations
December 31, 2018 and 2017

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Independent Auditor’s Report

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

We have audited the accompanying 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, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Greater Kansas City Community Foundation and Supporting Organizations as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the consolidated financial statements, in 2018, the Foundations adopted ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to this matter.

BKD, LLP

Kansas City, Missouri
October 9, 2019
### The Greater Kansas City Community Foundation and Supporting Organizations

#### Consolidated Statements of Financial Position

##### December 31, 2018 and 2017

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 323,756,329</td>
<td>$ 278,633,644</td>
</tr>
<tr>
<td>Investments</td>
<td>2,689,344,591</td>
<td>2,755,397,717</td>
</tr>
<tr>
<td>Contributions receivable, net</td>
<td>53,538,903</td>
<td>47,598,174</td>
</tr>
<tr>
<td>Notes and other receivables</td>
<td>28,605,931</td>
<td>29,014,329</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>45,277,092</td>
<td>46,745,725</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 3,140,522,846</td>
<td>$ 3,157,389,589</td>
</tr>
</tbody>
</table>

#### Liabilities and Net Assets

**Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and other payables</td>
<td>$ 37,471,426</td>
<td>$ 38,239,198</td>
</tr>
<tr>
<td>Notes and bonds payable</td>
<td>10,659,901</td>
<td>18,000,029</td>
</tr>
<tr>
<td>Charitable remainder trusts and gift annuities</td>
<td>23,030,703</td>
<td>26,410,353</td>
</tr>
<tr>
<td>Funds held for agencies</td>
<td>938,270,987</td>
<td>863,991,611</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,099,433,017</td>
<td>946,641,191</td>
</tr>
</tbody>
</table>

**Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restrictions</td>
<td>2,097,835,216</td>
<td>2,174,734,682</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td>33,254,613</td>
<td>36,013,716</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>2,131,089,829</td>
<td>2,210,748,398</td>
</tr>
</tbody>
</table>

**Total liabilities and net assets**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 3,140,522,846</td>
<td>$ 3,157,389,589</td>
</tr>
</tbody>
</table>

*See Notes to Consolidated Financial Statements*
## Consolidated Statements of Activities

**Years Ended December 31, 2018 and 2017**

### Revenues and Support Without Donor Restrictions

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions – total amount raised</td>
<td>$ 576,459,229</td>
<td>$ 499,831,731</td>
</tr>
<tr>
<td>Less amounts raised on behalf of others</td>
<td>256,965,646</td>
<td>142,039,452</td>
</tr>
<tr>
<td>Net contributions</td>
<td>319,493,583</td>
<td>357,792,279</td>
</tr>
</tbody>
</table>

- Net investment return (loss)  
  (92,314,133)  
  263,223,195

- Change in value of charitable remainder trust obligations  
  1,559,954  
  (4,070,635)

- Income from services  
  2,690,137  
  2,084,037

- Other  
  3,012,260  
  2,958,604

- Net assets released from restriction  
  6,566,949  
  7,652,991

Total revenues and support without donor restrictions  
241,008,750  
629,640,471

### Expenses and Losses

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>405,644,646</td>
<td>403,400,067</td>
</tr>
<tr>
<td>Less amounts distributed on behalf of others</td>
<td>108,232,049</td>
<td>139,915,592</td>
</tr>
<tr>
<td>Net grants</td>
<td>297,412,597</td>
<td>263,484,475</td>
</tr>
</tbody>
</table>

- Donor services expenses  
  10,888,939  
  6,843,966

- Program direct fund expenses  
  5,930,187  
  5,198,092

Total program services  
314,231,723  
275,526,533

- Administrative expenses  
  1,791,709  
  1,550,843

- Development expenses  
  1,884,784  
  1,894,412

Total support services  
3,676,493  
3,445,255

Total expenses and losses  
317,908,216  
278,971,788

Change in net assets without donor restrictions  
(76,899,466)  
350,668,683

### Net Assets With Donor Restrictions

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>3,807,846</td>
<td>12,796,069</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>(6,566,949)</td>
<td>(7,652,991)</td>
</tr>
</tbody>
</table>

Change in net assets with donor restrictions  
(2,759,103)  
5,143,078

Change in Net Assets  
(79,658,569)  
355,811,761

### Net Assets, Beginning of Year

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,210,748,398</td>
<td>1,854,936,637</td>
<td></td>
</tr>
</tbody>
</table>

### Net Assets, End of Year

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 2,131,089,829</td>
<td>$ 2,210,748,398</td>
<td></td>
</tr>
</tbody>
</table>
### The Greater Kansas City Community Foundation and Supporting Organizations

#### Consolidated Statements of Cash Flows

**Years Ended December 31, 2018 and 2017**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(79,658,569)</td>
<td>$355,811,761</td>
</tr>
<tr>
<td>Items not requiring (providing) operating activities cash flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized and unrealized (gains) losses on investments</td>
<td>130,991,904</td>
<td>(235,498,521)</td>
</tr>
<tr>
<td>Contributions of investments</td>
<td>(7,148,602)</td>
<td>(57,645,133)</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>161,384</td>
<td>2,404,068</td>
</tr>
<tr>
<td>Contribution revenue resulting from issuance of a note receivable</td>
<td>-</td>
<td>(19,090,000)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,163,483</td>
<td>2,312,611</td>
</tr>
<tr>
<td>Changes in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and other receivables</td>
<td>(6,901,868)</td>
<td>8,199,201</td>
</tr>
<tr>
<td>Grants and other payables</td>
<td>(372,911)</td>
<td>(8,993,448)</td>
</tr>
<tr>
<td>Charitable remainder trust liability</td>
<td>(3,379,650)</td>
<td>(2,200,817)</td>
</tr>
<tr>
<td>Funds held for agencies</td>
<td>74,279,376</td>
<td>99,271,798</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>110,134,547</td>
<td>144,571,520</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(856,234)</td>
<td>(236,673)</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(781,027,416)</td>
<td>(687,417,689)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>723,237,240</td>
<td>547,625,891</td>
</tr>
<tr>
<td>Advances made on notes receivable</td>
<td>(906,315)</td>
<td>(1,094,710)</td>
</tr>
<tr>
<td>Principal payments received on notes receivable</td>
<td>2,275,852</td>
<td>4,218,278</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(57,276,873)</td>
<td>(136,904,903)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payments on notes and bonds payable</td>
<td>(7,734,989)</td>
<td>(13,929,024)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(7,734,989)</td>
<td>(13,929,024)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (Decrease) in Cash and Cash Equivalents</td>
<td>45,122,685</td>
<td>(6,262,407)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents, Beginning of Year</td>
<td>278,633,644</td>
<td>284,896,051</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents, End of Year</td>
<td>$323,756,329</td>
<td>$278,633,644</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supplemental Cash Flows Information</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note receivable issued in exchange for future estate distribution</td>
<td>$</td>
<td>$19,090,000</td>
</tr>
</tbody>
</table>

See Notes to Consolidated Financial Statements
The Greater Kansas City Community Foundation
and Supporting Organizations
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

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
- Blue River Land Trust LTD
- Community Foundation of Wyandotte County *
- Greater Northwest Kansas Community
- Gary Dickinson Family Foundation
- George A. and Dolly F. Larue Trust
- Greater Horizons Foundation
- Greater Horizons Trust
- Greater Lee’s Summit Healthcare Foundation
- Highland Kansas City Foundation
- Irvin E. and NeVada P. Linscomb Foundation
- Jack and Helyn Miller Foundation
- Kansas City Area Life Sciences Institute, Inc. *
- Kansas City Public Library Foundation
- Parsons Area Community Foundation
- Polsky Family Supporting Foundation
- Real Estate Charitable Foundation
- Rehabilitation Institute Foundation
- Ross Family Foundation
- Stanley H. Durwood Foundation
- The K Foundation *

*These supporting organizations retired during 2018 or 2017.

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

At December 31, 2018 and 2017, cash equivalents consisted primarily of money market funds and temporary cash investments with maturities of three months or less. At December 31, 2018, 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.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Certificates of deposit are stated at cost and life insurance policies are carried at their cash surrender value. Other investments are valued at fair value.

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

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.

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 monthly 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 doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Payments are due as specified in the note agreements. Notes are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the note.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation expense is computed on a straight-line basis over the estimated useful lives of each asset.
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, 2018 and 2017.

**Charitable Remainder Trusts and Charitable Gift Annuities**

**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. Assets held in the charitable remainder trusts are recorded at fair value 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 Greater Kansas City Community Foundation 
and Supporting Organizations 
Notes to Consolidated Financial Statements 
December 31, 2018 and 2017

The assets received from the donor are recorded at fair value. The Foundations have recorded a liability at December 31, 2018 and 2017, 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 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.

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 restriction are those whose use by the Foundations has been limited by donors to a specific time period or purpose. At December 31, 2018 and 2017, net assets with donor restrictions consisted of contributions receivable totaling $8,990,707 and $13,990,707, respectively, restricted for the purpose of repaying the outstanding lines of credits. The remaining balance with donor restriction at December 31, 2018 and 2017 of $24,263,906 and $22,023,009, respectively, consisted of time restrictions related to charitable remainder and annuity trusts and contributions receivable.
Contributions and Contributions Receivable

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. 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. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as restricted revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

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.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Grants

Grant expenses are recorded when approved. In some instances, grants are approved subject to receipt of future gifts and investment income. These are not considered conditional and, therefore, are recognized when approved.
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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revision

Certain immaterial revisions have been made to the 2017 consolidated financial statements to present the gross presentation of changes in net assets with donor restrictions and the disclosure associated with the level particular investments fall in the fair value hierarchy for fair value measurements. These revisions did not have a significant impact on the financial statement line items impacted.

Subsequent Events

Subsequent events have been evaluated through October 9, 2019, which is the date the consolidated financial statements were available to be issued.
Note 2: Change in Accounting Principle

In 2018, the Foundation adopted ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. A summary of the changes is as follows:

Statement of Financial Position

- The consolidated statement of financial position distinguishes between two new classes of net assets—those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets—unrestricted, temporarily restricted and permanently restricted.

Statement of Activities

- Investment income is shown net of external and direct internal investment expenses. Disclosure of the expenses netted against investment income is no longer required.

Notes to the Financial Statements

- Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one year from the date of the statement of financial position.

- Amounts and purposes of Governing Board designations and appropriations as of the end of the period are disclosed.

This change had no impact on previously reported total change in net assets.

Note 3: 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 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, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018 Fair Value Measurements Using</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>$309,182,173</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>Investments at fair value</td>
<td></td>
</tr>
<tr>
<td>Equity strategies</td>
<td></td>
</tr>
<tr>
<td>Berkshire Hathaway</td>
<td>231,090,667</td>
</tr>
<tr>
<td>U.S. equities</td>
<td>361,021,539</td>
</tr>
<tr>
<td>Foreign equities</td>
<td>17,452,350</td>
</tr>
<tr>
<td>Vanguard institutional index fund</td>
<td>325,271,572</td>
</tr>
<tr>
<td>Domestic mutual funds</td>
<td>358,240,138</td>
</tr>
<tr>
<td>Foreign mutual funds</td>
<td>333,684,367</td>
</tr>
<tr>
<td>Exchange traded notes</td>
<td>489,344</td>
</tr>
<tr>
<td>Fixed income strategies</td>
<td></td>
</tr>
<tr>
<td>U.S. treasury and agency securities</td>
<td>48,015,933</td>
</tr>
<tr>
<td>Corporate and municipal bonds</td>
<td>68,000,186</td>
</tr>
<tr>
<td>Domestic bond funds</td>
<td>585,806,637</td>
</tr>
<tr>
<td>Foreign bond funds</td>
<td>9,739,275</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>340,345</td>
</tr>
<tr>
<td>Other investment strategies</td>
<td></td>
</tr>
<tr>
<td>Balanced mutual funds</td>
<td>15,188,166</td>
</tr>
<tr>
<td>Master limited partnership mutual funds</td>
<td>5,612,628</td>
</tr>
<tr>
<td>Commodities and commodity funds</td>
<td>5,821,897</td>
</tr>
<tr>
<td>Real estate investment trusts</td>
<td>12,763,250</td>
</tr>
<tr>
<td>Alternative mutual funds</td>
<td>18,271,371</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>75,401,960</td>
</tr>
<tr>
<td>Closely held stock</td>
<td>48,305,212</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>2,141,956</td>
</tr>
<tr>
<td>Real estate</td>
<td>10,228,890</td>
</tr>
<tr>
<td>Total investments at fair value</td>
<td>2,532,887,683</td>
</tr>
<tr>
<td>Investments at net asset value (NAV)</td>
<td></td>
</tr>
<tr>
<td>Hedge funds</td>
<td>13,526,386</td>
</tr>
<tr>
<td>Common trust funds</td>
<td>73,674,018</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>58,614,604</td>
</tr>
<tr>
<td>Total investments at NAV</td>
<td>145,815,008</td>
</tr>
<tr>
<td>Investments at cost</td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>9,466,320</td>
</tr>
<tr>
<td>Life insurance</td>
<td>1,175,580</td>
</tr>
<tr>
<td>Total investments at cost</td>
<td>10,641,900</td>
</tr>
<tr>
<td>Total investments</td>
<td>2,689,344,591</td>
</tr>
<tr>
<td></td>
<td>$2,998,526,764</td>
</tr>
<tr>
<td>Investments</td>
<td>Total</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>$241,811,760</td>
</tr>
<tr>
<td>Investments at fair value</td>
<td></td>
</tr>
<tr>
<td>Equity strategies</td>
<td></td>
</tr>
<tr>
<td>Berkshire Hathaway</td>
<td>325,710,089</td>
</tr>
<tr>
<td>U.S. equities</td>
<td>353,805,902</td>
</tr>
<tr>
<td>Foreign equities</td>
<td>22,531,683</td>
</tr>
<tr>
<td>Vanguard institutional index fund</td>
<td>352,949,118</td>
</tr>
<tr>
<td>Domestic mutual funds</td>
<td>358,279,434</td>
</tr>
<tr>
<td>Foreign mutual funds</td>
<td>333,845,883</td>
</tr>
<tr>
<td>Exchange traded notes</td>
<td>1,596,694</td>
</tr>
<tr>
<td>Fixed income strategies</td>
<td></td>
</tr>
<tr>
<td>U.S. treasury and agency securities</td>
<td>47,874,846</td>
</tr>
<tr>
<td>Corporate and municipal bonds</td>
<td>57,657,474</td>
</tr>
<tr>
<td>Domestic bond funds</td>
<td>514,742,302</td>
</tr>
<tr>
<td>Foreign bond funds</td>
<td>7,390,873</td>
</tr>
<tr>
<td>Foreign bonds</td>
<td>420,595</td>
</tr>
<tr>
<td>Other investment strategies</td>
<td></td>
</tr>
<tr>
<td>Balanced mutual funds</td>
<td>14,659,903</td>
</tr>
<tr>
<td>Master limited partnership mutual funds</td>
<td>5,571,402</td>
</tr>
<tr>
<td>Commodities and commodity funds</td>
<td>4,128,838</td>
</tr>
<tr>
<td>Real estate investment trusts</td>
<td>13,030,952</td>
</tr>
<tr>
<td>Alternative mutual funds</td>
<td>18,636,899</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>106,902,848</td>
</tr>
<tr>
<td>Closely held stock</td>
<td>46,606,287</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>2,804,533</td>
</tr>
<tr>
<td>Real estate</td>
<td>6,272,749</td>
</tr>
<tr>
<td>Total investments at fair value</td>
<td>2,595,419,304</td>
</tr>
<tr>
<td>Investments at net asset value (NAV)</td>
<td></td>
</tr>
<tr>
<td>Hedge funds</td>
<td>6,252,422</td>
</tr>
<tr>
<td>Common trust funds</td>
<td>77,361,683</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>66,583,406</td>
</tr>
<tr>
<td>Total investments at NAV</td>
<td>150,197,511</td>
</tr>
<tr>
<td>Investments at cost</td>
<td></td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>8,424,953</td>
</tr>
<tr>
<td>Life insurance</td>
<td>1,355,949</td>
</tr>
<tr>
<td>Total investments at cost</td>
<td>9,780,902</td>
</tr>
<tr>
<td>Total investments</td>
<td>2,755,397,717</td>
</tr>
</tbody>
</table>

| $2,997,209,477 | $2,570,989,312 | $107,438,448 | $158,803,304 |
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, 2018.

**Level 3 Activity**

Level 3 activities are as follows:

<table>
<thead>
<tr>
<th>Real Estate &amp; Real Estate Investment Trusts</th>
<th>Closely Held Stock</th>
<th>Alternative Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the year ended December 31, 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 436,199</td>
<td>$ 4,406,764</td>
</tr>
<tr>
<td>Sales and redemptions</td>
<td>-</td>
<td>(20,921,683)</td>
</tr>
<tr>
<td>Grants</td>
<td>(5,000,000)</td>
<td>-</td>
</tr>
<tr>
<td>For the year ended December 31, 2017</td>
<td>$ 34,407,149</td>
<td>$ 22,443,647</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>(577,271)</td>
</tr>
<tr>
<td>Sales and redemptions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at December 31, 2018 and 2017.

<table>
<thead>
<tr>
<th>Fair Value at</th>
<th>Valuation Technique</th>
<th>Unobservable Inputs</th>
<th>Range at</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2018</td>
<td>12/31/2017</td>
<td>12/31/2018</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>Closely held stock</td>
<td>$ 48,305,212</td>
<td>$ 46,606,287</td>
<td>Discounted cash flow</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Marketability yield adjustment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Projected cash flows</td>
</tr>
<tr>
<td></td>
<td>Adjusted net asset method</td>
<td>Discount for lack of control</td>
<td>20% - 30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marketability yield adjustment</td>
<td>20% - 30%</td>
</tr>
<tr>
<td></td>
<td>Market approach</td>
<td>Enterprise value market multiples</td>
<td>3% - 7%</td>
</tr>
<tr>
<td></td>
<td>Sales comparison approach</td>
<td>Index change in value</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Weighted discount cash flow (50%), guideline public company analysis (30%) and guideline transaction analysis (20%)</td>
<td>Cost of capital</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase in revenue</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Terminal value</td>
<td>6.5x</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Revenue multiple</td>
<td>5.7 - 8.7x</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discount for minority interest</td>
<td>35%</td>
</tr>
<tr>
<td>Alternative investments</td>
<td>75,376,737</td>
<td>105,914,875</td>
<td>Asset based approach</td>
</tr>
<tr>
<td>Real estate &amp; real estate investment trusts</td>
<td>10,238,343</td>
<td>6,282,142</td>
<td>Sales comparison approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Income capitalization rate</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capitalization rate</td>
<td>9%</td>
</tr>
</tbody>
</table>

Investments at Net Asset Value

At December 31, 2018 and 2017, the Foundations held the following investments in certain entities that calculate net asset value per share or its equivalent.

<table>
<thead>
<tr>
<th>Fair Value 2018</th>
<th>Fair Value 2017</th>
<th>Restrictions on Redemption</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedge funds (A)</td>
<td>$ 13,526,386</td>
<td></td>
<td>Initial lock-up of 1 - 2 years</td>
</tr>
<tr>
<td>Common trust funds (B)</td>
<td>73,674,018</td>
<td>77,361,683</td>
<td>Limited to month-end redemption</td>
</tr>
<tr>
<td>Limited partnerships (C)</td>
<td>58,614,604</td>
<td>66,583,406</td>
<td>Limited to month-end or quarter-end redemption</td>
</tr>
<tr>
<td>Total</td>
<td>$ 145,815,008</td>
<td>$ 150,197,511</td>
<td></td>
</tr>
</tbody>
</table>
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.

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.

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 five business days’ notice.

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 ten percent of partnership assets at quarter-end or 25 percent at year-end, the partnerships may suspend redemptions.

At December 31, 2018 and 2017, the Community Foundation’s unfunded commitments amounted to $16,535,802 and $13,483,796, respectively.
**Note 4: Contributions Receivable**

Contributions receivable at December 31, 2018 and 2017 consisted of the following unconditional promises to give with discount rates ranging from 2 percent to 3 percent:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due less than one year</td>
<td>$28,339,611</td>
<td>$20,202,873</td>
</tr>
<tr>
<td>Due in one to five years</td>
<td>26,943,225</td>
<td>29,106,042</td>
</tr>
<tr>
<td></td>
<td>55,282,836</td>
<td>49,308,915</td>
</tr>
<tr>
<td>Less allowance for uncollectible contributions</td>
<td>(1,474,785)</td>
<td>(1,402,349)</td>
</tr>
<tr>
<td>Unamortized discount</td>
<td>(269,148)</td>
<td>(308,392)</td>
</tr>
<tr>
<td></td>
<td><strong>$53,538,903</strong></td>
<td><strong>$47,598,174</strong></td>
</tr>
</tbody>
</table>
### Note 5: Notes and Other Receivables

Notes and other receivables at December 31, 2018 and 2017 consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from local for-profit organization; matures June 5, 2022; interest accrues at 4.13% per annum and is due annually; collateralized by investments</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Due from local for-profit organization; matures January 1, 2030; monthly principal and interest at 5.5% beginning February 1, 2009; collateralized by real estate and equipment</td>
<td>2,622,975</td>
<td>2,801,908</td>
</tr>
<tr>
<td>Due from an estate trustee; matures January 1, 2026; interest accrues at 1.97% per annum and due annually commencing January 1, 2018; principal is due in full on maturity date</td>
<td>15,288,554</td>
<td>17,171,153</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>551,091</td>
<td>574,774</td>
</tr>
<tr>
<td>Other receivables</td>
<td>5,143,311</td>
<td>3,466,494</td>
</tr>
</tbody>
</table>

**Total**                                                                 $28,605,931  $29,014,329
Note 6: Property and Equipment

Property and equipment at December 31, 2018 and 2017 consists of:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$1,910,000</td>
<td>$1,910,000</td>
</tr>
<tr>
<td>Buildings and leasehold improvements</td>
<td>52,129,968</td>
<td>50,291,825</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>1,949,972</td>
<td>2,017,416</td>
</tr>
<tr>
<td>Computer equipment and software</td>
<td>1,977,661</td>
<td>1,807,946</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>396,378</td>
<td>54,534</td>
</tr>
<tr>
<td>Total</td>
<td>$58,363,979</td>
<td>$56,081,721</td>
</tr>
<tr>
<td>Less accumulated depreciation and amortization</td>
<td>13,086,887</td>
<td>9,335,996</td>
</tr>
<tr>
<td></td>
<td>$45,277,092</td>
<td>$46,745,725</td>
</tr>
</tbody>
</table>

Note 7: Notes and Bonds Payable

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lines of credit (A)</td>
<td>$8,990,707</td>
<td>$13,990,707</td>
</tr>
<tr>
<td>Promissory note payable (B)</td>
<td>1,564,184</td>
<td>1,718,384</td>
</tr>
<tr>
<td>Bonds payable (C)</td>
<td>-</td>
<td>2,580,789</td>
</tr>
<tr>
<td>Other</td>
<td>105,010</td>
<td>96,339</td>
</tr>
<tr>
<td>Total</td>
<td>$10,659,901</td>
<td>$18,386,219</td>
</tr>
<tr>
<td>Less unamortized debt issuance costs</td>
<td>-</td>
<td>(386,190)</td>
</tr>
<tr>
<td></td>
<td>$10,659,901</td>
<td>$18,000,029</td>
</tr>
</tbody>
</table>

(A) There are two lines of credit. The first is a revolving line of credit not to exceed $12,000,000 maturing March 31, 2019. Subsequent to year end, the line of credit was renewed and extended to March 31, 2021. Interest is due on June 30 and then on the last day of each quarter until paid in full. The loan carries an interest rate of London Interbank Offered Rate (LIBOR) plus 0.5 percent. Interest was 2.94 percent and 2.0 percent at December 31, 2018 and 2017, respectively. The line of credit is secured by the personal property of a donor. The second is a revolving line of credit not to exceed $8,000,000 expiring June 30, 2020. The loan carries an interest rate of 30 day LIBOR plus .6 percent or bank offered rate. Interest was 2.92 percent and 1.93 percent at December 31, 2018 and 2017, respectively. Interest is charged periodically until paid in full. The line of credit is guaranteed by the personal property of a donor. The purposes of the lines of credit are to
fund contributions to charitable organizations and both lines of credit are renewed annually.

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

The promissory note was issued to purchase land and buildings from the private foundation and the bonds were issued to construct a charter school on the property. In connection with the project, the Foundations have entered into a lease agreement with a separate non-profit organization to lease the land, buildings and equipment for a term of 15 years with lease payments being equal to the debt service payments on the promissory note and bonds plus $100,000 annually.

(C) Leasehold Revenue Bonds, Series 2012, issued by the Health and Educational Facilities Authority of the State of Missouri. The bonds were set to mature December 1, 2027 with a fixed interest rate of 2.17 percent. The bonds were guaranteed by a private foundation. During 2017, $8,825,308 of the bonds were redeemed. During 2018, the remaining balance of the bonds were fully redeemed and paid off.

Including renewals of debt occurring subsequent to year end, aggregate annual maturities of long-term debt at December 31, 2018, are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$157,872</td>
</tr>
<tr>
<td>2020</td>
<td>2,228,299</td>
</tr>
<tr>
<td>2021</td>
<td>7,089,517</td>
</tr>
<tr>
<td>2022</td>
<td>169,419</td>
</tr>
<tr>
<td>2023</td>
<td>173,453</td>
</tr>
<tr>
<td>Thereafter</td>
<td>841,341</td>
</tr>
<tr>
<td>Total</td>
<td>$10,659,901</td>
</tr>
</tbody>
</table>
Note 8: Employee Benefit Plan

The Community Foundation sponsors a defined contribution plan. All full-time employees and part-time employees working 1,500 or more hours per year are eligible to participate upon reaching age twenty-one and completion of three months of service. The Community Foundation contributes an amount to the participant’s account equal to 10 percent of the participant’s salary, subject to certain limitations. During the years ended December 31, 2018 and 2017, the Community Foundation’s contributions to the Plan amounted to approximately $463,000 and $433,000, respectively.

Note 9: 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.
### Donor Program

<table>
<thead>
<tr>
<th></th>
<th>Services</th>
<th>Program</th>
<th>Total Program</th>
<th>Administrative</th>
<th>Development</th>
<th>Total Support</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$263,484,475</td>
<td>$ -</td>
<td>$263,484,475</td>
<td>$794,617</td>
<td>$971,198</td>
<td>$1,765,815</td>
<td>$263,484,475</td>
</tr>
<tr>
<td>Salaries</td>
<td>-</td>
<td>163,496</td>
<td>2,648,725</td>
<td>2,812,219</td>
<td>794,617</td>
<td>971,198</td>
<td>1,765,815</td>
</tr>
<tr>
<td>Payroll taxes and benefits</td>
<td>-</td>
<td>25,354</td>
<td>981,762</td>
<td>1,007,116</td>
<td>294,529</td>
<td>359,980</td>
<td>654,509</td>
</tr>
<tr>
<td>Office and program materials</td>
<td>-</td>
<td>12,225</td>
<td>408,196</td>
<td>420,421</td>
<td>122,459</td>
<td>149,672</td>
<td>272,131</td>
</tr>
<tr>
<td>Conferences and training</td>
<td>-</td>
<td>59,783</td>
<td>32,547</td>
<td>92,334</td>
<td>9,764</td>
<td>11,934</td>
<td>21,698</td>
</tr>
<tr>
<td>Telephone and utilities</td>
<td>-</td>
<td>865</td>
<td>22,469</td>
<td>23,334</td>
<td>6,741</td>
<td>8,239</td>
<td>14,980</td>
</tr>
<tr>
<td>Office and equipment repairs and maintenance</td>
<td>-</td>
<td>17,089</td>
<td>22,488</td>
<td>31,322</td>
<td>6,747</td>
<td>8,246</td>
<td>14,993</td>
</tr>
<tr>
<td>Promotional and local travel</td>
<td>-</td>
<td>17,089</td>
<td>50,886</td>
<td>67,975</td>
<td>15,266</td>
<td>18,658</td>
<td>33,924</td>
</tr>
<tr>
<td>Printing and postage</td>
<td>-</td>
<td>2,101,362</td>
<td>43,014</td>
<td>43,014</td>
<td>12,904</td>
<td>15,772</td>
<td>28,676</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
<td>2,101,362</td>
<td>126,749</td>
<td>2,228,111</td>
<td>38,025</td>
<td>46,475</td>
<td>84,500</td>
</tr>
<tr>
<td>Professional services</td>
<td>-</td>
<td>706,957</td>
<td>400,717</td>
<td>1,107,674</td>
<td>120,215</td>
<td>146,930</td>
<td>267,145</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>7,720</td>
<td>57,531</td>
<td>65,251</td>
<td>17,259</td>
<td>21,095</td>
<td>38,354</td>
</tr>
<tr>
<td>Marketing</td>
<td>-</td>
<td>17,377</td>
<td>128,770</td>
<td>146,147</td>
<td>38,631</td>
<td>47,216</td>
<td>85,847</td>
</tr>
<tr>
<td>Rent</td>
<td>-</td>
<td>90</td>
<td>242,659</td>
<td>242,749</td>
<td>72,798</td>
<td>88,975</td>
<td>161,773</td>
</tr>
<tr>
<td>Unrelated business income tax</td>
<td>-</td>
<td>3,722,814</td>
<td>30,719</td>
<td>3,723,676</td>
<td>870</td>
<td>870</td>
<td>31,589</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>3,722,814</td>
<td>862</td>
<td>3,723,676</td>
<td>18</td>
<td>22</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$263,484,475</td>
<td>$6,843,966</td>
<td>$275,526,533</td>
<td>$1,550,843</td>
<td>$1,894,412</td>
<td>$3,445,255</td>
<td>$278,971,788</td>
</tr>
</tbody>
</table>
Note 10: Transactions in Funds Held for Agencies

Transactions in funds held for agencies are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 256,965,646</td>
<td>$ 142,039,452</td>
</tr>
<tr>
<td>Transfer to agency funds</td>
<td>-</td>
<td>20,431,496</td>
</tr>
<tr>
<td>Net investment return (loss)</td>
<td>(48,581,962)</td>
<td>102,061,464</td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td>208,383,684</td>
<td>264,532,412</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions - grants</td>
<td>108,232,049</td>
<td>139,915,592</td>
</tr>
<tr>
<td>Distributions - other</td>
<td>23,411,553</td>
<td>22,881,259</td>
</tr>
<tr>
<td><strong>Total distributions</strong></td>
<td>131,643,602</td>
<td>162,796,851</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>2,460,706</td>
<td>2,463,763</td>
</tr>
<tr>
<td><strong>Total deductions</strong></td>
<td>134,104,308</td>
<td>165,260,614</td>
</tr>
<tr>
<td><strong>Change in balance</strong></td>
<td>74,279,376</td>
<td>99,271,798</td>
</tr>
<tr>
<td>Balance in agency funds, beginning of year</td>
<td>863,991,611</td>
<td>764,719,813</td>
</tr>
<tr>
<td>Balance in agency funds, end of year</td>
<td>$ 938,270,987</td>
<td>$ 863,991,611</td>
</tr>
</tbody>
</table>

The Foundations contributed approximately $20 million to agency funds during 2017. These contributions are eliminated on the face of the consolidated statement of activities and shown as a transfer into agency funds in the above summary of agency fund activities.

Note 11: 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.

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 percent, 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 percent). 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 percent 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, 2018 and 2017 were:

<table>
<thead>
<tr>
<th></th>
<th>2018 Without Donor Restrictions</th>
<th>2017 Without Donor Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$249,826,063</td>
<td>$221,870,038</td>
</tr>
<tr>
<td>Net investment return (loss)</td>
<td>(11,754,926)</td>
<td>32,866,073</td>
</tr>
<tr>
<td>Contributions</td>
<td>22,187,182</td>
<td>5,611,120</td>
</tr>
<tr>
<td>Amounts appropriated for expenditure</td>
<td>(9,884,694)</td>
<td>(8,580,879)</td>
</tr>
<tr>
<td>Net transfers from board-designated endowments</td>
<td>(15,955,500)</td>
<td>(1,940,289)</td>
</tr>
<tr>
<td>Change in endowment net assets</td>
<td>(15,407,938)</td>
<td>27,956,025</td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$234,418,125</td>
<td>$249,826,063</td>
</tr>
</tbody>
</table>
Note 12: 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 the consolidated statements of financial position date, comprise the following:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,057,105</td>
</tr>
<tr>
<td>Accounts receivable and other investments</td>
<td>130,072</td>
</tr>
<tr>
<td><strong>Financial assets available to be used within one year</strong></td>
<td><strong>$2,187,177</strong></td>
</tr>
</tbody>
</table>

In addition, the Foundation has established an operating reserve fund of at least 50 percent of budgeted annual operating expenses. While it is not the Foundation’s intention to make distributions that reduce the operating reserve fund below 50 percent of budgeted annual operating expenses, in the event of extraordinary circumstances, any portion or all of the balance of the operating reserve fund may be distributed to the operating fund, following approval by the Board of Directors. Financial assets at year-end for the operating reserve, comprise the following:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,879,087</td>
</tr>
<tr>
<td>Investments</td>
<td>8,523,881</td>
</tr>
<tr>
<td><strong>Operating reserve balance</strong></td>
<td><strong>$11,402,968</strong></td>
</tr>
</tbody>
</table>

Note 13: 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 Receivable

Approximately 89 percent and 92 percent of contributions receivable were due from three donors at December 31, 2018 and 2017, respectively.

Contributions Revenue

Approximately 10 percent of net contributions revenue was received from one donor during the year ended December 31, 2018.
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 21 percent and 25 percent of all investment holdings were held in two investment securities at December 31, 2018 and 2017, respectively.

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.