

# The Annie E. Casey Foundation, Inc. and Subsidiaries

Consolidated Financial Statements as of and for the  
Years Ended December 31, 2023 and 2022, and  
Independent Auditor's Report

# THE ANNIE E. CASEY FOUNDATION, INC. AND SUBSIDIARIES

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
The Annie E. Casey Foundation, Inc.:

### **Opinion**

We have audited the consolidated financial statements of The Annie E. Casey Foundation, Inc. and subsidiaries (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

*Deloitte + Touche LLP*

May 24, 2024

# THE ANNIE E. CASEY FOUNDATION, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
<b>ASSETS</b>		
CASH	\$ 22,481,538	\$ 2,517,037
RESTRICTED CASH	195,408	311,271
INVESTMENTS	3,263,760,046	3,256,172,337
PROGRAM RELATED INVESTMENTS—net	70,211,170	73,263,166
OTHER ASSETS:		
Collateral under securities lending program	807,545	1,642,704
Security sales receivable	21,136,721	19,980,359
Interest and dividends receivable	2,355,773	1,695,853
Note receivable—net	16,221,304	17,886,950
Property and equipment—net	31,629,054	34,785,835
Beneficial interest in charitable remainder trusts	18,874,490	16,828,675
Other assets	<u>5,794,547</u>	<u>7,467,347</u>
Total other assets	<u>96,819,434</u>	<u>100,287,723</u>
TOTAL ASSETS	<u>\$ 3,453,467,596</u>	<u>\$ 3,432,551,534</u>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Accounts payable and other liabilities	\$ 7,770,074	\$ 8,100,035
Debt	40,530,626	74,497,826
Payable under securities lending program	807,545	1,642,704
Security purchases payable	7,435,336	940,677
Deferred federal excise tax	15,609,303	14,207,206
Postretirement benefit obligation	<u>34,608,132</u>	<u>34,264,931</u>
Total liabilities	<u>106,761,016</u>	<u>133,653,379</u>
NET ASSETS:		
Without donor restrictions	3,327,832,090	3,282,069,480
With donor restrictions	<u>18,874,490</u>	<u>16,828,675</u>
Total net assets	<u>3,346,706,580</u>	<u>3,298,898,155</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,453,467,596</u>	<u>\$ 3,432,551,534</u>

See notes to consolidated financial statements.

# THE ANNIE E. CASEY FOUNDATION, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue and support:		
Donations, grants and other income	\$ 959,670	\$ 899,143
Investment return (losses)—net	<u>207,305,340</u>	<u>(601,736,001)</u>
Total revenue and support	<u>208,265,010</u>	<u>(600,836,858)</u>
Grants and other expenses:		
Grants and direct charitable activities	103,672,158	97,684,159
Administrative and grants management expenses:		
General	55,400,754	50,213,912
Postretirement benefit service cost	<u>495,719</u>	<u>864,182</u>
Total administrative and grants management expenses	<u>55,896,473</u>	<u>51,078,094</u>
Other expenses (income):		
Other components of net periodic postretirement benefit cost	(2,661,656)	(2,059,396)
Postretirement changes other than net periodic benefit cost	4,161,566	(7,751,125)
Interest expense	<u>1,433,859</u>	<u>1,758,153</u>
Total grants and other expenses	<u>162,502,400</u>	<u>140,709,885</u>
Changes in net assets without donor restrictions	<u>45,762,610</u>	<u>(741,546,743)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS—		
Change in value of charitable remainder trusts	<u>2,045,815</u>	<u>(3,837,257)</u>
Changes in net assets with donor restrictions	<u>2,045,815</u>	<u>(3,837,257)</u>
CHANGES IN NET ASSETS	47,808,425	(745,384,000)
NET ASSETS—Beginning of year	<u>3,298,898,155</u>	<u>4,044,282,155</u>
NET ASSETS—End of year	<u>\$ 3,346,706,580</u>	<u>\$ 3,298,898,155</u>

See notes to consolidated financial statements.

# THE ANNIE E. CASEY FOUNDATION, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 47,808,425	\$ (745,384,000)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization of fixed assets	3,648,040	3,254,381
Loss on disposal of fixed assets	88,883	-
Gain on sale of land	(10,566,921)	-
Change in credit loss allowance	8,042,902	-
Net realized and unrealized (gain) loss on investments	(68,157,486)	823,094,511
Change in allowance for losses on program related investments	(280,159)	(17,438,210)
(Increase) decrease in interest and dividends receivable	(659,920)	256,263
(Increase) decrease in charitable remainder trusts	(2,045,815)	3,837,257
Increase in other assets	(1,034,986)	(3,569,503)
(Decrease) increase in payables and other liabilities	(329,961)	3,227,268
Increase (decrease) in deferred federal excise tax	1,402,097	(11,473,327)
Increase (decrease) in postretirement benefit obligation	343,201	(10,399,376)
Net cash provided by (used in) operating activities	<u>(21,741,700)</u>	<u>45,405,264</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments and cash distributions	1,219,912,539	1,301,654,407
Purchases of investments	(1,152,834,447)	(1,400,339,888)
Loans disbursed for program related investments	(6,882,000)	(7,086,000)
Repayments from program related investments	2,666,881	28,325,796
Capital expenditures	(613,811)	(464,235)
Proceeds from sale of land	13,308,376	-
Net cash provided by (used in) investing activities	<u>75,557,538</u>	<u>(77,909,920)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt proceeds	-	61,000,000
Repayment of debt	(33,967,200)	(28,967,200)
Net cash (used in) provided by financing activities	<u>(33,967,200)</u>	<u>32,032,800</u>
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	19,848,638	(471,856)
CASH AND RESTRICTED CASH—Beginning of year	<u>2,828,308</u>	<u>3,300,164</u>
CASH AND RESTRICTED CASH—End of year	<u>\$ 22,676,946</u>	<u>\$ 2,828,308</u>
Cash	\$ 22,481,538	\$ 2,517,037
Restricted cash	<u>195,408</u>	<u>311,271</u>
Total cash and restricted cash	<u>\$ 22,676,946</u>	<u>\$ 2,828,308</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 1,868,493</u>	<u>\$ 1,767,359</u>

# THE ANNIE E. CASEY FOUNDATION, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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### 1. ORGANIZATION OF THE FOUNDATION

The Annie E. Casey Foundation, Inc. and subsidiaries' (the "Foundation") work focuses on strengthening families, building stronger communities and ensuring access to opportunity, because children need all three to succeed.

The Annie E. Casey Foundation, Inc. is a nonprofit organization founded in 1948 devoted to developing a brighter future for children at risk of poor educational, economic, social and health outcomes across the country.

AECF Atlanta Realty LLC ("Atlanta Realty") is a limited liability company organized under the laws of the State of Georgia. Atlanta Realty was formed on November 12, 2005 and the Foundation is its sole member. Atlanta Realty maintained 31.2 acres of undeveloped real property in the Neighborhood Planning Unit V ("NPU-V") in the City of Atlanta, Georgia. On December 15, 2015, Atlanta Realty established a wholly owned nonprofit subsidiary, 352 University Avenue Associates LLC ("Atlanta 352"), a limited liability company organized under the laws of the State of Georgia. Atlanta 352 works to address the unemployment and underemployment within NPU-V. During 2017, Atlanta Realty established a wholly owned nonprofit subsidiary, UA Associates I LLC ("UA"). UA's purpose is to develop 13.2 acres of the land transferred to it by Atlanta Realty. This development is financed with a New Market Tax Credit ("NMTC") transaction. Atlanta Realty sold approximately 14 acres of the undeveloped property in 2023 and 2020, respectively. Atlanta Realty maintains the remaining acreage.

AECF Atlanta Homes LLC ("Atlanta Homes") is a limited liability company organized under the laws of the State of Georgia. Atlanta Homes was formed on December 6, 2012 and the Foundation is its sole member. Atlanta Homes was formed to own, hold and manage real property in NPU-V in the City of Atlanta, Georgia.

In 2017, AECF-ECLF Leverage Lender I LLC ("Leverage Lender") was established as a joint venture through total capital contributions of \$10,000. The entity is owned 95% by the Foundation and 5% by Enterprise Community Loan Fund, a nonprofit organization. Leverage Lender's sole purpose is to provide a leveraged loan in the NMTC transaction. The joint venture is consolidated in the Foundation's consolidated financial statements. The non-controlling interest of \$5,372 is not considered significant and is included in net assets without donor restrictions on the Consolidated Statements of Financial Position.

The Annie E. Casey Foundation, Inc.'s subsidiaries are included in the accompanying consolidated financial statements. These subsidiaries are engaged primarily to support program activities.



## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The Foundation’s consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

**Principles of Consolidation**—The accompanying consolidated financial statements include the accounts of the Foundation and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

**Cash**—Cash consists of funds held in commercial interest-bearing accounts for operating purposes.

**Restricted Cash**—Restricted cash consists of amounts set aside by contractual agreements as it relates to the NMTC transaction (as described in Note 7) as well as other security deposits.

**Investments**—Investments are stated at fair value where a readily determinable fair value exists. Fair value is determined using the closing prices for investments traded on any global stock exchange. The Foundation utilizes a practical expedient for the estimation of the fair value of investments in limited partnerships and similar interests, with no readily determinable fair value. The practical expedient used by the Foundation to value these investments is the net asset value (“NAV”) per share, or its equivalent. In using this practical expedient, the recorded fair value could differ from the fair value that would have been used had a readily available market existed for such investments.

Realized gains and losses on sales of investments in United Parcel Service, Inc. (“UPS”) common stock, if any, are calculated based on the specific identification method. The realized gains and losses for other investments are calculated based on the first-in, first-out method.

Realized gains or losses, unrealized gains or losses and interest income and dividends are reported in the consolidated statements of activities within investment return, net.

**Program Related Investments**—The Foundation makes program related investments (“PRIs”) that advance philanthropic purposes. These investments consist of various partnerships, bonds and loans. The partnerships, loans and bonds are stated at estimated fair value. At December 31, 2023 and 2022, the partnerships were valued at \$33,446,313 and \$34,616,331, with unfunded commitments totaling \$8,569,542 and \$11,838,237, respectively. The amortized cost basis of loans outstanding was \$39,037,906 and \$41,200,043 with unfunded commitments of \$6,078,000 and \$598,285 as of December 31, 2023 and 2022, respectively. Interest rates range from 1.00% to 4.25% and principal is scheduled to be paid in full to the Foundation at maturity dates ranging from December 2024 through December 2033.

**Receivables** — Receivables arise from program related investment loans, and other transactions occurring through the normal course of business. Program related investment loans are recorded at fair value. All receivables are recorded net of allowance for credit losses. The Foundation evaluates the collectability of its trade and other receivables and determines the appropriate allowance for expected credit losses based on a combination of factors. The Foundation maintains an allowance for expected credit losses, which is based upon historical experience, quarterly and annual financial reports received, and the borrower’s ability to meet financial covenants. The Foundation uses specific criteria to determine uncollectible receivables to be written off, including current receivables and the historical observed collectability of receivables over specified periods. Management has reviewed all program related investments and other receivables and for the years ended December 31, 2023 and 2022, has recorded an allowance for credit losses in the amount of \$2,273,049 and \$2,553,208.

**Accounting Standards Update Adopted in the Current Year** - In June 2016, the Financial Accounting Standard Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”). The standard changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking expected loss model that will result in the earlier recognition of allowance for losses. ASU 2019-10 deferred the effective date of ASU 2016-13. The Foundation adopted ASU 2016-13 as of January 1, 2023. The Foundation determined ASU 2016-13 impacted its notes receivable for program related investments. The Foundation adopted the discounted cash flow method to value the allowance for credit losses related to notes receivable for the year ended December 31, 2023.

ASU 2016-13 requires an assessment of the factors existing on December 31, 2022 that would change the allowance for credit losses under the new standard, and record a prior-period cumulative-effect adjustment as of January 1. On January 1, 2023, the Foundation recorded a prior period cumulative-effect adjustment of \$8,742,912 in relation to notes receivable. The adoption of ASU 2016-13 did not have any other material impacts to the consolidated financial statements.

**Charitable Remainder Trusts**—The Foundation is the beneficiary of charitable remainder trusts that are administered by third parties and are donor restricted until the termination of the trust. At December 31, 2023 and 2022, the Foundation recognized the charitable remainder trust liabilities at their net present value based upon actuarially determined calculations using a discount rate of 6%. The discount rate used is commensurate with the risks involved. As of December 31, 2023 and 2022, the Foundation recorded a beneficial interest in charitable remainder trusts of \$18,874,490 and \$16,828,675, respectively, on the consolidated statements of position. These amounts also comprise the net assets with donor restrictions on the consolidated statements of position.

Under the terms of these trusts, payments of income are made from the trusts to the donees or other specified parties over the terms of the trusts. Upon termination of the trusts, the remaining net assets will be transferred to the Foundation for its unrestricted use. There were no funds transferred to the Foundation for the years ended December 31, 2023 and 2022.

**Property and Equipment**—Property and equipment, which consists primarily of buildings and building improvements, is recorded at cost. Depreciation of property is calculated using straight-line methods over 10 to 25 years for buildings and improvements, 5 years for furniture and fixtures, and 3 years for computer and equipment. Leasehold improvements are depreciated over the shorter of their estimated useful lives or lease terms. Repairs and maintenance costs are expensed as incurred. Property and equipment is assessed annually for impairment. Gains and losses on disposals of property and equipment are recorded in the period incurred and are included in general administrative expenses.

**Derivatives**—The Foundation uses derivative instruments to manage its exposure to market risks and to rebalance asset categories within the portfolio. The Foundation’s management believes the use of such instruments in its investment management program is appropriate to provide for the long- and short-term financial needs of the Foundation. Though use of these instruments reduces certain investment risks and generally adds value to the portfolio, the instruments themselves do involve some investment and counterparty risk.

The Foundation may also enter into futures contracts to manage exposure to financial markets. Futures contracts are standardized contracts traded on an exchange to buy or sell a particular financial instrument at a predetermined price in the future. During the period futures contracts are open, changes in the values of the contracts are recognized as unrealized gains and losses. When the futures contracts are closed, the Foundation records a realized gain or loss equal to the difference between the proceeds from, or the cost of, the closeout and the original contract price. The futures contracts are recorded in the consolidated statements of financial position at fair value. At December 31, 2023 and 2022, the Foundation had futures contracts with notional amounts of \$79,646,585 and \$82,124,640, respectively. Such contracts involve centralized, third-party counterparties.

**Use of Estimates**—The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management made significant estimates and assumptions in the valuation of certain investments, postretirement benefit costs and valuation allowances. Actual results could differ from those estimates.

**Leases**—The Foundation recognizes and measures its leases in accordance with the FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The Foundation is a lessee in several noncancellable operating leases, for office space, storage space and office equipment. The Foundation determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Foundation recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate is the implicit rate if it is readily determinable or otherwise the Foundation uses the risk-free rate based on the information available at the commencement date for the lease. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term. The Foundation adopted Topic 842 effective January 1, 2022. The standard did not materially impact the Foundation's change in net assets and did not have a material impact on cash flows. The most significant impact was the recognition of right-of-use assets and lease liabilities for operating leases, which are included with Other Assets and Accounts Payable and Other Current Liabilities on the Consolidated Statements of Financial Position, respectively. The adoption of Topic 842 resulted in the recording of additional lease assets and lease liabilities for operating leases of \$1,570,859 and \$1,570,859, respectively, as of January 1, 2022.

The Foundation has elected, for all underlying classes of asset, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Foundation is reasonably certain to exercise. The costs associated with our short-term leases are recognized on a straight-line basis over the lease term.

### 3. INVESTMENTS

The investment goal of the Foundation is to maintain or grow its assets to support the Foundation's grant-making and operations. In order to achieve this goal, the Foundation's assets are invested in accordance with a long-term asset allocation policy with a level of risk that is appropriate to the Foundation's spending objectives. The Foundation's investments are diversified across multiple asset classes and investment strategies, with the majority of assets managed by external investment management firms selected by the Foundation. All investments are held in custody at BNY Mellon, except for assets invested with partnerships, LLCs, and commingled funds, which have separate arrangements related to their legal structure.

The Foundation's custodian maintains a securities lending program on behalf of the Foundation and maintains collateral at all times in excess of the value of securities on loan. Under the terms of its securities lending agreement, the Foundation requires collateral of a value at least equal to 102% of the fair value of loaned investments. Securities lending is not subject to a master netting arrangement. Loaned investments consist of equity and exchange traded securities. Securities loaned are fully collateralized. Investment of this collateral is in accordance with specified guidelines and is part of a collateral pool that invests in high-quality debt securities with a managed short-term duration. The Foundation maintains effective control of the loaned securities during the term of the arrangement wherein they may be recalled at any time. As of December 31, 2023 and 2022, the Foundation had loaned securities with a total market value of approximately \$791,208 and \$1,607,205, respectively, and received related collateral of \$807,545 and \$1,642,704, respectively. In accordance with authoritative guidance, the collateral amount is shown as both an asset and a liability on the consolidated statements of financial position.

**Concentration of Risk**—The Foundation is a holder of Class A and B UPS stock. The price per share of the Class A stock is equal to Class B stock. As of December 31, 2023 and 2022, the market value of UPS Class B common stock was \$157.23 and \$173.84 per share, respectively. UPS stock represented approximately 12.0% and 14.1% of the market value of the Foundation's investment portfolio at December 31, 2023 and 2022, respectively.

#### 4. FAIR VALUE MEASUREMENTS

The Foundation accounts for assets and liabilities measured at fair value using Accounting Standards Codification (“ASC”) Topic 820, *Fair Value Measurements and Disclosures*. Under ASC Topic 820, fair value refers to 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. The guidance enables the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Investments with readily available actively quoted prices, or for which fair value can be measured from actively quoted prices, generally, will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. In the absence of actively quoted prices and observable inputs, the Foundation estimates prices based on available historical data and near-term future pricing information that reflects its market assumptions. The guidance requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

**Level 1**—Quoted market prices in active markets for identical assets and liabilities.

**Level 2**—Observable market-based inputs or unobservable inputs that are corroborated by market data.

**Level 3**—Unobservable inputs that are not corroborated by market data.

Level 1 investments include equities and UPS common stock. The value is based on quoted market prices in active markets.

Level 2 investments include short-term investments such as certificates of deposits, fixed income securities, and repurchase agreements. The fair value is estimated using third-party quotations.

The Foundation has no Level 3 investments.

For investments with little or no market data available, the determination of fair value is based on the best information available in the circumstances and incorporates management’s own assumptions, including appropriate risk adjustments. A quoted market exchange does not exist for the Level 2 and Level 3 investments, therefore the fair value is generally based on management’s estimate of fair value in the most advantageous exit market.

ASC Topic 820 permits the estimation of the fair value of an investment using NAV per share (or its equivalent) for certain investments that do not have readily determinable fair values. The inputs to value these investments may include the Foundation’s capital accounts for its partnership interests in various alternative investments, including hedge funds, public equity, private equity, real estate and commodities. The various partnerships are investment companies, which record their underlying investments at fair value based on fair value policies established by management of the underlying fund. Fair value policies at the underlying fund generally require the fund to utilize pricing/valuation information from third-party sources, including independent appraisals. However, in some instances, current valuation information for illiquid securities or securities in markets that are not active may not be available from any third-party source or fund management may conclude that the valuations that are available from third-party sources are not reliable. In these instances, fund management may perform model-based analytical valuation that may be used as an input to value these investments. As disclosed in Note 2, *Significant Accounting Policies*, these investments are measured at fair value using NAV (or its equivalent) as a practical expedient and are not included in the fair value hierarchy.

At December 31, 2023, the redemption frequency for hedge funds is: quarterly (91%), annually (5%) and other (4%). With redemption notice periods ranging from 30 to 90 days, the Foundation has the ability to redeem 80% of these funds through the end of 2024, 10% through the end of 2025, 5% through the end of 2026, and 1% of these funds through the end of 2027. An additional 4% are held in side pockets or restricted assets with no redemption rights. The hedge funds had additional unfunded capital commitments to various partnerships of \$1,752,007 at December 31, 2023.

At December 31, 2022, the redemption frequency for hedge funds is: quarterly (88%), annually (9%) and other (3%). With redemption notice periods ranging from 30 to 90 days, the Foundation has the ability to redeem 82% of these funds through the end of 2023, 8% through the end of 2024 and 7% through the end of 2025. An additional 3% are held in side pockets or restricted assets with no redemption rights. The hedge funds had additional unfunded capital commitments to various partnerships of \$8,800,278 at December 31, 2022.

At December 31, 2023, the redemption frequency for public securities measured at NAV is: quarterly (65%), annually (16%) and other (19%). With redemption notice periods ranging from 30 to 120 days, the Foundation has the ability to redeem 89% through the end of 2024, and 11% through the end of 2025 and beyond.

At December 31, 2022, the redemption frequency for public securities measured at NAV is: quarterly (68%), annually (27%) and other (5%). With redemption notice periods ranging from 30 to 150 days, the Foundation has the ability to redeem 79% of these funds through the end of 2023, and 21% through the end of 2024 and beyond.

The private securities are not subject to redemption, however certain funds may be sold or transferred with general partner approval. Due to the nature of these investments, the fund values are reduced through distributions that are received from liquidation of the underlying assets. For the years ended December 31, 2023 and 2022, it is estimated that the underlying assets of these funds will be liquidated over a period of approximately 14 years. At December 31, 2023 and 2022, the private securities had unfunded capital commitments to various partnerships of \$401,754,351 and \$429,980,892, respectively.

The following tables present the fair value of the Foundation's financial instruments for each level at December 31, 2023 and 2022:

<b>Fair Value Measurement at December 31, 2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Investments Measured at NAV <sup>1</sup></b>	<b>Total</b>
<b>Assets:</b>				
<b>Public securities:</b>				
<b>U.S. securities:</b>				
Large cap	\$ 401,411,335	\$ -	\$ 237,099,671	\$ 638,511,006
Fixed income fund	-	191,312,388	-	191,312,388
Small cap	36,303,820	-	-	36,303,820
<b>Foreign securities:</b>				
Emerging markets	-	-	42,713,082	42,713,082
Developed countries	223,631,707	-	-	223,631,707
<b>Global securities:</b>				
Developed countries	-	-	142,842,785	142,842,785
	<u>661,346,862</u>	<u>191,312,388</u>	<u>422,655,538</u>	<u>1,275,314,788</u>
<b>Private securities:</b>				
Venture	-	-	888,978,813	888,978,813
Real estate	-	-	49,860,325	49,860,325
Buyout	-	-	210,846,473	210,846,473
Commodities	-	-	83,259,502	83,259,502
Private credit	-	-	34,665,999	34,665,999
Opportunistic	-	-	24,058,782	24,058,782
	<u>-</u>	<u>-</u>	<u>1,291,669,894</u>	<u>1,291,669,894</u>
<b>Hedge funds:</b>				
Long/short	-	-	275,279,940	275,279,940
Opportunistic	-	-	83,772,427	83,772,427
Diversified arbitrage	-	-	62,434,184	62,434,184
Tactical trading	-	-	46,820,651	46,820,651
Distressed/credit	-	-	30,971,860	30,971,860
	<u>-</u>	<u>-</u>	<u>499,279,062</u>	<u>499,279,062</u>
Short-term investments	<u>26,655,906</u>	<u>170,840,396</u>	<u>-</u>	<u>197,496,302</u>
<b>Total investments</b>	<u>688,002,768</u>	<u>362,152,784</u>	<u>2,213,604,494</u>	<u>3,263,760,046</u>
<b>Program related Investments:</b>				
<b>Private Securities:</b>				
Venture cap	-	-	32,067,266	32,067,266
Private credit	-	-	1,379,048	1,379,048
	<u>-</u>	<u>-</u>	<u>33,446,314</u>	<u>33,446,314</u>
<b>Total assets</b>	<u>\$ 688,002,768</u>	<u>\$ 362,152,784</u>	<u>\$ 2,247,050,808</u>	<u>\$ 3,297,206,360</u>

<sup>1</sup> Amounts are comprised of certain investments measured at fair value using NAV (or its equivalent) as a practical expedient. These investments have not been classified in the fair value hierarchy.

**Fair Value Measurement at December 31, 2022**

	Level 1	Level 2	Investments Measured at NAV <sup>1</sup>	Total
<b>Assets:</b>				
<b>Public securities:</b>				
<b>U.S. securities:</b>				
Large cap	\$ 468,589,197	\$ -	\$ 183,927,593	\$ 652,516,790
Fixed income fund	-	119,531,553	-	119,531,553
Small cap	44,781,796	-	-	44,781,796
<b>Foreign securities:</b>				
Emerging markets	-	-	43,176,653	43,176,653
Developed countries	208,208,388	-	-	208,208,388
<b>Global securities:</b>				
developed countries	-	-	141,846,889	141,846,889
	<u>721,579,381</u>	<u>119,531,553</u>	<u>368,951,135</u>	<u>1,210,062,069</u>
<b>Private securities:</b>				
Venture	-	-	897,667,430	897,667,430
Real estate	-	-	33,478,839	33,478,839
Buyout	-	-	200,290,047	200,290,047
Commodities	-	-	93,854,443	93,854,443
Private credit	-	-	50,153,587	50,153,587
Opportunistic	-	-	26,723,761	26,723,761
Secondary	-	-	44,496	44,496
	<u>-</u>	<u>-</u>	<u>1,302,212,603</u>	<u>1,302,212,603</u>
<b>Hedge funds:</b>				
Long/short	-	-	355,981,452	355,981,452
Opportunistic	-	-	62,803,772	62,803,772
Diversified arbitrage	-	-	58,175,363	58,175,363
Tactical trading	-	-	49,741,476	49,741,476
Distressed/credit	-	-	32,387,699	32,387,699
	<u>-</u>	<u>-</u>	<u>559,089,762</u>	<u>559,089,762</u>
Short-term investments	-	184,807,903	-	184,807,903
	<u>-</u>	<u>184,807,903</u>	<u>-</u>	<u>184,807,903</u>
<b>Total investments</b>	<u>721,579,381</u>	<u>304,339,456</u>	<u>2,230,253,500</u>	<u>3,256,172,337</u>
<b>Program related Investments</b>				
<b>Private securities:</b>				
Venture cap	-	-	33,090,812	33,090,812
Private credit	-	-	1,525,519	1,525,519
	<u>-</u>	<u>-</u>	<u>34,616,331</u>	<u>34,616,331</u>

<sup>1</sup> Amounts are comprised of certain investments measured at fair value using NAV (or its equivalent) as a practical expedient. These investments have not been classified in the fair value hierarchy.

There were no transfers between levels for the years ended December 31, 2023 and 2022. There was no Level 3 activity for the years ended December 31, 2023 and 2022.

The tables above do not reflect the data associated with the securities lending program as there is no net impact on fair value. The collateral and securities on loan under this program are classified as Level 1 assets under ASC Topic 820.



## 5. PROPERTY AND EQUIPMENT—NET

Property and equipment consists of the following at December 31:

	2023	2022
Land	\$ 3,526,668	\$ 3,526,668
Buildings and improvements	58,283,773	58,465,447
Leasehold improvements	577,674	577,673
Furniture and fixtures	570,533	730,930
Computer and office equipment	4,201,203	4,062,784
	<u>67,159,851</u>	<u>67,363,502</u>
Less accumulated depreciation and amortization	<u>(35,530,797)</u>	<u>(32,577,667)</u>
Total property and equipment—net	<u>\$ 31,629,054</u>	<u>\$ 34,785,835</u>

## 6. DEBT AND DERIVATIVE

On November 18, 2020, the Foundation entered into a line of credit agreement with BNY Mellon. The agreement has a credit limit of \$80 million. In 2022 interest payable was based on the higher of the federal funds effective rate or the sum of 11.5 basis points plus the secured overnight financing rate plus 85 basis points. The interest rate was 5.27% at December 31, 2022. In 2023 the agreement was amended to modify the interest rate to the secured overnight financing rate plus 85 basis points. The interest rate was 6.23% at December 31, 2023. There were \$0 borrowings outstanding on the line of credit at December 31, 2023. There were \$33 million in borrowings outstanding on the line of credit at December 31, 2022. Interest expense and fees related to the line of credit were \$574,717 and \$613,755 at December 31, 2023 and 2022, respectively. The expiration date of the line of credit is November 13, 2025.

On March 9, 2022, the Foundation entered into a line of credit agreement with Truist Bank. The agreement has a credit limit of \$100 million and interest payable is based on the secured overnight financing rate plus 75 basis points (6.13% and 5.05% at December 31, 2023 and 2022, respectively). There were \$0 borrowings outstanding on the line of credit at December 31, 2023 and 2022. Interest expense and fees related to the line of credit were \$0 and \$475,143 at December 31, 2023 and 2022, respectively. The expiration date of the line of credit is March 9, 2026.

On June 1, 2017, the Foundation entered into a note payable agreement (the “note”) with Compass Mortgage Corporation. The note proceeds were used solely to finance the renovation of the Foundation’s two office buildings in Baltimore, Maryland. In June 2021, Compass Mortgage Corporation was acquired by The PNC Financial Services Group, Inc. (“PNC”) and, as a result, the note was transferred to PNC. The note had a principal balance of \$8,140,626 and \$9,107,826 at December 31, 2023 and 2022, respectively, and matures on June 1, 2032. In 2022 interest was payable based on 1.12% plus 65% of the one-month LIBOR. On May 17, 2023 the note was amended to modify the interest to 65% of the secured overnight financing rate plus 10 basis points plus 1.12% (4.72% and 3.97% at December 31, 2023 and 2022, respectively). Interest expense related to this note was \$383,842 and \$193,956 for the years ended December 31, 2023 and 2022, respectively. The Foundation’s two buildings located in Baltimore, MD were pledged as collateral for the note payable.

As of December 31, 2023, scheduled annual principal payments on the note are as follows:

	<b>Amount</b>
2024	\$ 967,202
2025	967,202
2026	967,202
2027	967,202
2028	967,202
Thereafter	<u>3,304,616</u>
	<u>\$ 8,140,626</u>

On July 24, 2018, the Foundation entered into two note payable agreements (“Northern notes”) with The Northern Trust Company for \$4,000,000 (“Northern A”) and \$3,000,000 (“Northern B”), respectively. The note proceeds were used solely to assist in financing UA’s development in Atlanta (as described in Note 1). There are no scheduled principal payments due on the Northern notes until the scheduled maturity date of June 30, 2025. Interest on the Northern A note is payable based on a fixed fee of 5.16%. Interest on the Northern B note is payable based on a fixed fee 0.5%. Interest expense related to the Northern notes was \$221,400 for both years ended December 31, 2023 and 2022.

## 7. NEW MARKET TAX CREDIT TRANSACTION

During 2017, the Foundation entered into a debt transaction to make additional funds available to it through the NMTC Program. As part of this transaction, the Foundation created a new entity named UA Associates I LLC (as described in Note 1). The NMTC Program permits taxpayers to claim a credit against federal incomes taxes for Qualified Equity Investments (“QEIs”) in designated Community Development Entities (“CDEs”). These designated CDEs must use substantially all (85%) of the proceeds to make Qualified Low-Income Community Investments (“QLICs”). The investor is provided with a tax credit, which is claimed over a seven-year period. The credit is equal to 5% of the total amount paid for the capital investment over the first three years and 6% annually for the final four years.

On December 21, 2017, the Foundation loaned \$17,876,950 to AECF-ECLF Leverage Lender I LLC (the “Fund”)(as described in Note 1). The Fund then made QEIs, totaling \$17,886,950, in ENMP 73 LP (“Enterprise”), Brownfield Revitalization 50 (“Brownfield”), LLC and AEMI Fund XVIII, LLC (“AEMI”)(collectively, “CDEs”). Finally, the CDEs made loans in the form of notes payable to UA Associates I LLC in the amount of \$25,390,000.

Notes payable balances as of December 31, 2023 and 2022, consisted of the following:

	<b>2023</b>	<b>2022</b>
AEMI Note A	\$ 4,474,550	\$ 4,474,550
AEMI Note B	1,895,450	1,895,450
Brownfield Note A	7,464,369	7,464,369
Brownfield Note B	2,825,631	2,825,631
Enterprise Note A	5,948,031	5,948,031
Enterprise Note B	<u>2,781,969</u>	<u>2,781,969</u>
Total notes payable	<u>\$ 25,390,000</u>	<u>\$ 25,390,000</u>

The loans between UA Associates I LLC and the CDEs require interest to be paid at the rate of 1% per annum, commencing on December 22, 2017. The full amount of the unpaid principal is required to be paid on December 1, 2047. There are no scheduled principal payments due on the notes payable balances until December 1, 2025. The Foundation is the guarantor of these debt obligations.

Total interest income on the loan totaled \$248,875 for both years ended December 31, 2023 and 2022 and was classified in investment income.

As of December 31, 2023, scheduled annual principal payments on the note are as follows:

	<b>Amount</b>
2024	\$ -
2025	1,103,913
2026	1,103,913
2027	1,103,913
2028	1,103,913
Thereafter	<u>20,974,348</u>
	<u>\$ 25,390,000</u>

The Foundation has recorded the above loans receivable and payable in the consolidated financial statements of the Foundation at the face value of the notes, which is the amount of cash that was exchanged. The Foundation is recording interest income as incurred.

As a part of the loan agreements, the Foundation is required to obtain approval from the CDEs prior to the payment of any costs, fees and other expenses. In 2023 and 2022, the Foundation obtained approval to expend a portion of the debt proceeds for related project costs. The remaining debt proceeds of \$121,471 and \$245,743 are included in restricted cash on the consolidated statements of financial position as of December 31, 2023 and 2022, respectively.

## **8. FEDERAL EXCISE TAX**

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. However, the Foundation is classified as a private foundation and is subject to a federal excise tax of 1.39% on investment income less investment expenses, and on net realized taxable gains on capital transactions.

The total amount of cash paid for excise taxes was \$235,000 and \$3,575,000 for the years ended December 31, 2023 and 2022, respectively. In addition, during 2023 and 2022, the Foundation paid taxes on unrelated business income incurred through certain partnership investments. These taxes were not material to the consolidated financial statements as a whole.

Deferred federal excise tax arises from timing differences between consolidated financial statement and tax reporting related to investment income and the difference between the cost basis and market value of investments. Current income tax benefit was \$1,166,275 for the year ended December 31, 2023 and current income tax expense was \$1,914,210 for the year ended December 31, 2022. The deferred income tax expense was \$1,402,097 for the year ended December 31, 2023 and deferred income tax benefit was \$11,473,327 for the year ended December 31, 2022. Income tax benefit/expense is included in investment return, net on the consolidated statements of activities.

## 9. DEFINED CONTRIBUTION AND OTHER POSTRETIREMENT PLANS

The Foundation maintains defined contribution plans for its employees. The Foundation recorded \$3,234,435 and \$2,845,066 in expense for the years ended December 31, 2023 and 2022, respectively.

In addition, the Foundation provides postretirement medical and dental benefits to all eligible employees. The benefit obligation for 2023 and 2022 is summarized as follows:

	<b>2023</b>	<b>2022</b>
Benefit obligation at December 31	\$ 34,608,132	\$ 34,264,931
Fair value of plan assets at December 31	<u>-</u>	<u>-</u>
Funded status and accrued benefit cost recognized in the consolidated statements of financial position	<u>\$ (34,608,132)</u>	<u>\$ (34,264,931)</u>

The following amounts not yet reflected in net periodic benefit cost are included in net assets at December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Net prior service cost	\$ (28,022,264)	\$ (31,160,312)
Accumulated loss	<u>(15,558,329)</u>	<u>(16,581,847)</u>
Change in net assets	<u>\$ (43,580,593)</u>	<u>\$ (47,742,159)</u>

Assumptions used to determine the postretirement benefit obligation at December 31, 2023 and 2022, are as follows:

	<b>2023</b>	<b>2022</b>
Weighted-average assumptions:		
Discount rate (benefit obligation)	4.8 %	5.0 %
Discount rate (net periodic costs)	5.0 %	2.4 %
Expected return on plan assets	N/A	N/A
Health care cost trend rate assumptions:		
Initial trend rate	7.5 %	5.8 %
Ultimate trend rate	4.0 %	3.5 %
Year ultimate trend rate is reached	2075	2075

The initial trend rate gradually grades down to the ultimate trend rate.

Benefit information for the years ended December 31, 2023 and 2022, is summarized as follows:

	<b>2023</b>	<b>2022</b>
Benefit cost	<u>\$ (2,165,937)</u>	<u>\$ (1,195,214)</u>
Employer contributions	\$ 1,707,697	\$ 1,495,993
Plan participants' contributions	<u>(55,269)</u>	<u>(43,990)</u>
Total benefits paid	<u>\$ 1,652,428</u>	<u>\$ 1,452,003</u>

The Foundation expects to make the following benefit disbursements:

2024	\$ 2,203,000
2025	2,205,000
2026	2,252,000
2027	2,225,000
2028	2,261,000
2029 – 2033	11,378,000

## 10. LEASES

The Foundation has obligations as a lessee for office space with an initial noncancelable term in excess of one year. The Foundation classifies the office space lease as an operating lease. The Foundation's lease does not include a termination option for either party to the lease or restrictive covenants. Payments due under the lease contract include fixed payments plus variable payments, such as real estate taxes, common area maintenance and insurance. These components comprise the majority of the Foundation's variable lease cost and are excluded from the present value of the lease obligations.

As of December 31, 2023, the Foundation does not have any finance leases or any additional operating and finance leases that have not yet commenced.

The Foundation's office space lease has a remaining lease term of 76 months and has an option which the Foundation can elect to extend the lease term. The Foundation has concluded it is not reasonably certain that it would exercise the option. Therefore, as of the lease commencement date, the Foundation's lease term does not include the option. The Foundation will include the option to extend the lease when it is reasonably certain that it will exercise that option.

Supplemental information related to the Company's operating leases are as follows:

	<u>2023</u>	<u>2022</u>
Weighted-average remaining lease term	6.33 years	7.33 years
Weighted-average discount rate	1.63 %	1.63 %

Future minimum lease payments required and maturities of operating lease liabilities as of December 31, 2023, are as follows:

<b>December 31</b>	
2024	\$ 193,772
2025	198,616
2026	203,582
2027	208,671
2028	213,888
Thereafter	<u>292,913</u>
	1,311,442
Less imputed interest	<u>(67,883)</u>
Total reported lease liability	<u>1,243,559</u>

Supplemental balance sheet information related to leases as of December 31, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Operating lease right-of-use assets	<u>\$ 1,212,658</u>	<u>\$ 1,393,090</u>
Current operating lease liabilities	\$ 174,795	\$ 167,287
Long-term operating lease liabilities	<u>1,068,764</u>	<u>1,243,559</u>
Total lease liabilities	<u>\$ 1,243,559</u>	<u>\$ 1,410,846</u>

Lease expense for 2023 and 2022 was \$238,319 and \$219,441, respectively.

## **11. GRANT ALLOCATIONS**

As of December 31, 2023, the Foundation has approved grant funds for payments to various organizations and projects of up to approximately \$129 million, contingent upon the organizations' performance of obligations specified in the grant agreements. Accordingly, grant expense is recorded when the obligations are substantially met and the resulting payments made. These grant funds are not considered board-designated and are a part of the normal business operations of the Foundation. Such payments are expected to be made during the period January 1 through December 31, 2024.

## 12. ANALYSIS OF EXPENSES

The Foundation allocates its expenses on a functional basis among grants awarded, program-related expenses, direct charitable activities and general & administrative expenses. Expenditures which can be identified with a specific function are allocated directly, according to their natural expenditure. Costs that are common to several functions are allocated among program-related expenses and general & administrative expenses on the basis of overall number of staff in the various functional categories, space utilized and estimates made by the Foundation's management. Program-related expenses pertain to the general grant-making activities of the Foundation, such as monitoring and evaluating grants. Direct charitable activities pertain to charitable activities for the benefit of others initiated and conducted in whole or in part by the Foundation. General & administrative expenses include costs related to overhead and managing the Foundation and are not directly identifiable with other categories. The Foundation's functional expenses, displayed by natural expense classification, for the years ended December 31, 2023 and 2022 were as follows:

<b>Analysis of Expenses for the Year Ended December 31, 2023</b>					
	<b>Grants Awarded</b>	<b>Program- Related Expenses</b>	<b>Direct Charitable Activities</b>	<b>General and Administrative Expenses</b>	<b>Total</b>
Grants awarded	\$ 83,934,241	\$ -	\$ -	\$ -	\$ 83,934,241
Salaries and benefits	-	27,204,740	-	12,328,418	39,533,158
Office and occupancy	-	3,841,914	-	2,707,395	6,549,309
Services and professional fees	-	-	16,036,137	2,839,661	18,875,798
Travel, conferences and meetings	-	1,603,491	3,701,780	906,636	6,211,907
Depreciation	-	2,199,790	-	1,448,250	3,648,040
Other expenses	-	499,344	-	316,834	816,178
Interest expense	-	-	-	1,433,859	1,433,859
Postretirement changes other than net periodic benefit cost	-	2,545,317	-	1,616,249	4,161,566
Postretirement benefit cost— interest and amortization	-	(1,627,935)	-	(1,033,721)	(2,661,656)
	<u>\$ 83,934,241</u>	<u>\$ 36,266,661</u>	<u>\$ 19,737,917</u>	<u>\$ 22,563,581</u>	<u>\$ 162,502,400</u>

<b>Analysis of Expenses for the Year Ended December 31, 2022</b>					
	<b>Grants Awarded</b>	<b>Program- Related Expenses</b>	<b>Direct Charitable Activities</b>	<b>General and Administrative Expenses</b>	<b>Total</b>
Grants awarded	\$ 81,213,095	\$ -	\$ -	\$ -	\$ 81,213,095
Salaries and benefits	-	23,856,210	-	12,050,689	35,906,899
Office and occupancy	-	4,054,382	-	2,796,863	6,851,245
Services and professional fees	-	-	14,614,570	2,934,142	17,548,712
Travel, conferences and meetings	-	310,264	1,856,494	1,054,093	3,220,851
Depreciation	-	1,962,413	-	1,291,968	3,254,381
Other expenses	-	467,178	-	299,892	767,070
Interest expense	-	-	-	1,758,153	1,758,153
Postretirement changes other than net periodic benefit cost	-	(4,683,835)	-	(3,067,290)	(7,751,125)
Postretirement benefit cost— interest and amortization	-	(1,254,260)	-	(805,136)	(2,059,396)
	<u>\$ 81,213,095</u>	<u>\$ 24,712,352</u>	<u>\$ 16,471,064</u>	<u>\$ 18,313,374</u>	<u>\$ 140,709,885</u>

### 13. LIQUIDITY

The Foundation's financial assets available within one year of December 31, 2023 and 2022, to meet general expenditures include:

	<b>2023</b>	<b>2022</b>
Cash	\$ 22,481,538	\$ 2,517,037
Restricted cash	195,408	311,271
Interest and dividends receivable	2,355,773	1,695,853
Security sales receivable	21,136,721	19,980,359
Short-term investments	197,496,302	304,339,456
Public market equities	661,346,862	721,579,381
Fixed income securities	<u>191,312,388</u>	<u>119,531,553</u>
Available financial assets	<u>\$ 1,096,324,992</u>	<u>\$ 1,169,954,910</u>

The Foundation endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities and other obligations become due. The restricted cash (as described in Note 7) is restricted for the purposes of construction costs incurred in UA Associates I LLC. These construction costs are considered to be the general expenditures for UA Associates I LLC and are available and liquid to meet those obligations in the next year. In addition to the available financial assets listed above, the Foundation has two lines of credit totaling \$180 million (as described in Note 6), with no borrowings outstanding as of December 31, 2023. Therefore, the Foundation has \$180 million as of December 31, 2023 which can be drawn upon to reinforce liquidity and cash position. Furthermore, there are likely to be additional components of the Foundation's investments that may be available and liquid within one year. These components include return of capital, income and realized gains from certain portions of the Foundation's alternative investment holdings.

### 14. SUBSEQUENT EVENTS

The Foundation has evaluated the impact of significant subsequent events through May 24, 2024, the date that the Foundation's consolidated financial statements were available to be issued. No subsequent events were identified that require recognition or disclosure.

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