



FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

BARR FOUNDATION

Contents
December 31, 2024 and 2023

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Independent Auditor's Report

To the Board of Trustees of
Barr Foundation:

Opinion

We have audited the financial statements of Barr Foundation (a Massachusetts charitable trust, not for profit) (the Foundation) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Barr Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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, which raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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, which 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.

AAFCPAs, Inc.

Boston, Massachusetts
December 10, 2025

(000 Omitted)

BARR FOUNDATION

Statements of Financial Position
December 31, 2024 and 2023

Assets	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 92,452	\$ 110,480
Prepaid expenses and other	202	196
Taxes receivable	1,770	1,341
Total current assets	94,424	112,017
Investments, at fair value	2,742,402	2,506,116
Program Related Investments	2,500	-
Property and Equipment, net	437	293
Total assets	<u>\$ 2,839,763</u>	<u>\$ 2,618,426</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 865	\$ 1,474
Payable to related party	1,164	1,162
Total current liabilities	2,029	2,636
Deferred Federal Excise Taxes	12,959	9,922
Total liabilities	14,988	12,558
Net Assets Without Donor Restrictions	2,824,775	2,605,868
Total liabilities and net assets	<u>\$ 2,839,763</u>	<u>\$ 2,618,426</u>

The accompanying notes are an integral part of these statements.

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(000 Omitted)

BARR FOUNDATION

Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenue:		
Investment return, net	\$ 377,183	\$ 197,217
Contributions	343	20,866
	<u>377,526</u>	<u>218,083</u>
Operating Expenses:		
Grants awarded	123,130	106,464
Program consultants and professional services	14,857	15,585
Salary and related	14,345	13,012
Deferred federal excise tax expense	3,037	1,374
Office and other	1,913	2,012
Current provision for taxes	1,275	3,628
Depreciation	62	88
	<u>158,619</u>	<u>142,163</u>
Changes in net assets without donor restrictions	218,907	75,920
Net Assets Without Donor Restrictions:		
Beginning of year	<u>2,605,868</u>	<u>2,529,948</u>
End of year	<u>\$ 2,824,775</u>	<u>\$ 2,605,868</u>

(000 Omitted)

BARR FOUNDATION

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Changes in net assets without donor restrictions	\$ 218,907	\$ 75,920
Adjustments to reconcile changes in net assets without donor restrictions to net cash used in operating activities:		
Depreciation	62	88
Donated securities	(343)	(20,866)
Net unrealized and realized gains on investments	(257,800)	(184,533)
Deferred Federal excise tax expense	3,037	1,374
Changes in operating assets and liabilities:		
Prepaid expenses and other	(6)	(15)
Taxes receivable	(429)	1,260
Accounts payable and accrued expenses	(609)	179
Payable to related party	2	(1,511)
Net cash used in operating activities	<u>(37,179)</u>	<u>(128,104)</u>
Cash Flows from Investing Activities:		
Distributions receivable	-	158
Purchase of property and equipment	(206)	(147)
Purchase of investments	(376,454)	(410,720)
Cash paid for program related investments	(2,500)	-
Proceeds from sale of investments	398,311	571,390
Net cash provided by investing activities	<u>19,151</u>	<u>160,681</u>
Net Change in Cash and Cash Equivalents	(18,028)	32,577
Cash and Cash Equivalents:		
Beginning of year	<u>110,480</u>	<u>77,903</u>
End of year	<u>\$ 92,452</u>	<u>\$ 110,480</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for taxes	<u>\$ 846</u>	<u>\$ 4,888</u>

BARR FOUNDATION

Notes to Financial Statements
December 31, 2024 and 2023
(000 Omitted)

1. FOUNDATION AND TAX STATUS

The Barr Foundation (the Foundation) was formed on December 12, 1987, as a non-operating private foundation. Unrestricted contributions may be accepted by the Foundation at the discretion of the Board of Trustees. Donations are made to charitable Foundations also at the discretion of the Board of Trustees.

The Foundation is exempt from Federal income taxes as a Foundation formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (the Code). The Foundation is also exempt from state income taxes. Donors may deduct contributions made to the Foundation within the requirements of the Code. The Code imposes an excise tax on private foundations equal to a flat rate of 1.39% of the net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income).

2. SIGNIFICANT ACCOUNTING POLICIES

The Foundation prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance with U.S. GAAP 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.

Net Assets

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Foundation. The Foundation has no donor-restricted resources.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid fixed term securities with initial maturities of three months or less.

Distributions Receivable

Distributions receivable are recorded by the Foundation when an investment position is deemed to be liquidated during the year and the payment is not received until the following year. There was no distribution receivable as of December 31, 2024 and 2023.

Property and Equipment and Depreciation

Property and equipment having a value of \$10k or more and a useful life of at least three years are capitalized. Purchased property and equipment are recorded at cost. Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Furniture, fixtures and equipment	7 years
Software and computer equipment	3 years

BARR FOUNDATION

Notes to Financial Statements
December 31, 2024 and 2023
(000 Omitted)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Foundation follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Foundation would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Foundation uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Foundation. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Investments

The Foundation records investments in marketable securities at fair market value. If an investment is directly held by the Foundation and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the year. These investments consist of highly liquid securities, such as money market funds and bank deposit agreements. Limited liquidity investments are stated at estimated fair value. Limited liquidity investments are primarily made under agreements to participate in limited partnerships or limited liability companies (LLC) and are generally subject to certain withdrawal restrictions. In accordance with standards pertaining to *Fair Value Measurements of Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the Foundation uses each fund's net asset value per share to calculate and report the fair value of these investments. Values for these limited partnerships and LLCs, which may invest in both marketable and non-marketable securities, are determined by the Foundation's management based on information provided by each limited partnership's general partner or LLC's managing member and may be based on historical cost, appraisals, market values discounted for concentration of ownership, or other estimates.

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Notes to Financial Statements
December 31, 2024 and 2023
(000 Omitted)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Investments (Continued)

Because of the inherent uncertainty of valuing the investments in such limited partnerships and LLCs, and uncertainty of the value of the underlying investments held by the limited partnerships and LLCs, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a readily available market value for the investments existed, and that difference may be material. If a valuation was not available from the general partner or managing member as of year-end, the financial statements report the most recent prior valuation updated by subsequent capital calls and distributions. The Foundation believes that the carrying amount of its limited liquidity investments is a reasonable estimate of fair value as of December 31, 2024 and 2023.

All Other Assets and Liabilities

The carrying value of all other qualifying assets and liabilities does not differ materially from its estimated fair value and are considered Level 1 in the fair value hierarchy.

Revenue Recognition

Contributions

In accordance with ASC Subtopic 958-605, *Revenue Recognition*, the Foundation must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barriers or other measurable barriers, stipulations that limit discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Foundation should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. There were no conditional awards as of December 31, 2024 or 2023. Contributions without donor restrictions are recognized when received or unconditionally pledged.

Investment Returns

Interest and dividends are recorded when earned. Gains and losses are recognized as incurred upon sales or based on market value changes during the period (see Note 3).

Expense Allocation

The financial statements report certain categories of expenses that are attributable to one of the functions of the Foundation (program or administrative). The allocation percentages of program or administrative expenses will be reviewed annually to ensure that an accurate depiction of the Foundation's activities is clearly presented in the financial statements each year. The expenses that are allocated are salary and related, travel, and office and other, which are allocated based on estimates of time and effort spent on respective functions (see Note 10).

BARR FOUNDATION

Notes to Financial Statements
December 31, 2024 and 2023
(000 Omitted)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Awarded

The Foundation recognizes grants once the Board of Trustees approves the grants, and all significant conditions are met. The Foundation paid grants totaling \$123,130 and \$106,464 during the years ended December 31, 2024 and 2023, respectively. In addition, the Trustees of the Foundation have made conditional commitments (see Note 8).

Income Taxes

The Foundation accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Foundation has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2024 and 2023.

Subsequent Events

Subsequent events have been evaluated through December 10, 2025, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. INVESTMENTS

Investments (see Note 2) consist of the following at December 31, 2024:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Long Only *	\$ 34,863	\$ -	\$ -	\$ 371,946	\$ 406,809
Private Equity *	-	-	-	1,544,785	1,544,785
Hedge *	-	-	-	704,619	704,619
Real Assets *	-	-	-	16,566	16,566
US Equities	1,485	-	-	-	1,485
Mutual Funds	<u>68,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,138</u>
Total investments	<u>\$ 104,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,637,916</u>	<u>\$ 2,742,402</u>

Investments (see Note 2) consist of the following at December 31, 2023:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Long Only *	\$ 35,865	\$ -	\$ -	\$ 307,492	\$ 343,357
Private Equity *	-	-	-	1,392,075	1,392,075
Hedge *	-	-	-	679,643	679,643
Real Assets *	-	-	-	19,773	19,773
Mutual Funds	<u>71,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,268</u>
Total investments	<u>\$ 107,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,398,983</u>	<u>\$ 2,506,116</u>

* In accordance with ASC Topic, *Fair Value Measurements*, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

BARR FOUNDATION

Notes to Financial Statements
December 31, 2024 and 2023
(000 Omitted)

3. INVESTMENTS (Continued)

Investment return, net consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
Net unrealized gains	\$ 216,161	\$ 99,654
Investment income	119,673	13,014
Net realized gains	41,639	84,879
Investment management fees	<u>(290)</u>	<u>(330)</u>
Total net investment return	<u>\$ 377,183</u>	<u>\$ 197,217</u>

Investment management fees paid directly to managers totaled \$290 and \$330 for 2024 and 2023, respectively. Additional investment fees that were not paid directly to the managers have been netted against the return on certain investments. Investments are not insured and are subject to ongoing market fluctuations. Investments are classified as non-current assets regardless of instrument liquidity.

As of December 31, 2024 and 2023, the Foundation was committed to contribute \$363,071 and \$404,014 respectively, in additional capital to various types of investments throughout the terms of those investments, normally not to exceed ten years.

4. PROVISION FOR TAXES

The current provision for taxes consists of a Federal excise tax on net investment income and Federal and state taxes on unrelated business income tax (UBIT) as follows:

	<u>2024</u>	<u>2023</u>
Excise tax	\$ 1,212	\$ 3,550
Foreign taxes	<u>63</u>	<u>78</u>
Current provision for taxes	<u>\$ 1,275</u>	<u>\$ 3,628</u>

The UBIT benefit denoted is attributable to the fact that due to the timing of available tax information for some investments, the Foundation has elected to account for its UBIT activity for a given fiscal year in the subsequent fiscal year.

The Foundation also records a deferred tax provision based on the change in unrealized appreciation on investments. The provision for deferred taxes was \$3,037 and \$1,374 in 2024 and 2023, respectively, based on a flat rate of 1.39% under the Code (see Note 1). These provisions are reflected as increases to deferred Federal excise taxes in the accompanying statements of activities and changes in net assets.

Taxes receivable consist of overpayments of Federal excise tax and Federal and state taxes on UBIT as follows:

	<u>2024</u>	<u>2023</u>
Excise tax	\$ 1,622	\$ 1,052
UBIT	<u>148</u>	<u>289</u>
Taxes receivable	<u>\$ 1,770</u>	<u>\$ 1,341</u>

BARR FOUNDATION

Notes to Financial Statements
December 31, 2024 and 2023
(000 Omitted)

5. LINE OF CREDIT

The Foundation has available up to \$100 million under a revolving demand note, which is secured by certain investments of the Foundation. The revolving demand note bears interest at the Secured Overnight Financing Rate (SOFR) (4.49% and 5.38% on December 31, 2024 and 2023, respectively), plus 2.5%, and borrowings are due on demand. As of December 31, 2024 and 2023, there were no outstanding balances under this agreement. The line of credit is secured by a first priority interest in certain investments with a total net asset value of \$400 million. In addition, the Foundation must maintain certain financial ratios and covenants under this agreement. The Foundation was in compliance with these financial ratios and covenants on December 31, 2024 and 2023.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Furniture, fixtures and equipment	\$ 1,000	\$ 892
Software and computer equipment	<u>172</u>	<u>74</u>
	1,172	966
Less - accumulated depreciation	<u>735</u>	<u>673</u>
	<u>\$ 437</u>	<u>\$ 293</u>

7. RELATED PARTY TRANSACTIONS

The Foundation purchases personnel services for grant making activities, administrative functions and investment management from disqualified persons, as defined by the Code. These amounts are recorded as expenses in the accompanying financial statements as incurred. Payments to related parties totaled \$14,028 and \$13,930 for the years ended December 31, 2024 and 2023, respectively. Amounts due to related parties were \$1,164 and \$1,162 as of December 31, 2024 and 2023, respectively.

The Foundation receives use of its office space free of rent and other facilities charges from these same disqualified persons. The estimated fair value of the annual rent and other building charges was \$705 and \$693 for 2024 and 2023, respectively. These amounts are not recorded as income or expense of the Foundation as they are immaterial to the financial statements as a whole.

The Trustees of the Foundation serve as trustees, advisors, or management for a number of charitable foundations to which the Foundation makes gifts from time-to-time. Additionally, the Foundation's co-founding trustees contributed \$343 and \$20,866 to the Foundation during 2024 and 2023, respectively.

8. COMMITMENTS AND CONTINGENCIES

As of December 31, 2024 and 2023, the Trustees of the Foundation have approved and made conditional commitments for grants totaling \$82,143 and \$87,628, respectively. These amounts are scheduled for payment through 2025 if conditions for payment are met.

BARR FOUNDATION

Notes to Financial Statements
December 31, 2024 and 2023
(000 Omitted)

9. CONCENTRATION OF CREDIT RISK

The Foundation maintains a portion of its cash and cash equivalent balances at a financial institution in Massachusetts. At times, balances may exceed the maximum amount of insurance provided by the Federal Deposit Insurance Corporation. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on its cash balances.

10. EXPENSES - NATURAL AND FUNCTIONAL CLASSIFICATION

The Foundation's operating expenses by their natural and functional classifications are as follows for the years ended December 31, 2024:

	<u>Program</u>	<u>Adminis- trative</u>	<u>Total</u>
Grants awarded	\$ 123,130	\$ -	\$ 123,130
Program consultants and professional services	14,201	656	14,857
Salary and related	8,883	5,462	14,345
Deferred Federal excise taxes	-	3,037	3,037
Office and other	558	1,355	1,913
Current provision for taxes	-	1,275	1,275
Depreciation	-	62	62
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 146,772</u>	<u>\$ 11,847</u>	<u>\$ 158,619</u>

The Foundation's operating expenses by their natural and functional classifications are as follows for the years ended December 31, 2023:

	<u>Program</u>	<u>Adminis- trative</u>	<u>Total</u>
Grants awarded	\$ 106,464	\$ -	\$ 106,464
Program consultants and professional services	15,116	469	15,585
Salary and related	7,717	5,295	13,012
Deferred Federal excise taxes	-	1,374	1,374
Office and other	565	1,447	2,012
Current provision for taxes	-	3,628	3,628
Depreciation	-	88	88
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 129,862</u>	<u>\$ 12,301</u>	<u>\$ 142,163</u>

11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As of December 31, 2024 and 2023, the Foundation had \$92,531 and \$110,608, respectively, of financial assets available within one year of the statements of financial position date to meet cash needs for expenditures. These assets consist of cash and cash equivalents of \$92,452 and \$110,480 and distribution receivables of \$79 and \$128 as of December 31, 2024 and 2023, respectively. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statements of financial position date. The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to support approximately one year of operating expenses. The Foundation also has a \$100 million line of credit (see Note 5), which it could draw upon in the event of unanticipated liquidity needs.

BARR FOUNDATION

Notes to Financial Statements
December 31, 2024 and 2023
(000 Omitted)

12. PROGRAM-RELATED INVESTMENTS (PRIs)

In accordance with Section 4944 of the IRC, the Foundation is permitted to make investments that further some aspects of its charitable mission rather than to generate income or capital appreciation. Program-related investments are loans made to certain not-for-profit organizations which are non-interest bearing through maturity at which time the loans can be forgiven. Like grants, these investments count toward the Foundation's payout requirement in the year of distribution. Return of PRI principal and capital affects the annual payout requirement in a similar manner as a grant refund.

PRIs are accounted for in accordance with ASC Subtopic 958-605, *Revenue Recognition*. The loans are treated as conditional contributions and recognized as contribution expense when conditions for forgiveness are substantially met at loan maturity. The loans are set to mature in 2029 and 2032. As of December 31, 2024, there was a remaining \$3,500,000 committed to fund PRIs based on certain conditions as outlined in the loan agreements.