

THE JOYCE FOUNDATION

FINANCIAL STATEMENTS

December 31, 2024 and 2023

THE JOYCE FOUNDATION

FINANCIAL STATEMENTS
December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Joyce Foundation
Chicago, Illinois

Opinion

We have audited the financial statements of The Joyce Foundation ("the Foundation"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities 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 The Joyce 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, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year from the date 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.


Crowe LLP

Chicago, Illinois
July 9, 2025

THE JOYCE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 2,185,213	\$ 1,428,924
Due from brokers for sales of securities	409,824	437,261
Investments at fair value (Note 2)	1,279,907,059	1,238,396,482
Federal excise tax receivable	869,347	975,120
Other assets	<u>13,707,576</u>	<u>2,099,072</u>
 Total assets	 <u>\$ 1,297,079,019</u>	 <u>\$ 1,243,336,859</u>
 LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 80,528	\$ 104,008
Due to brokers for purchases of securities	565,981	480,211
Grants payable	17,924,016	20,138,189
Deferred federal excise tax payable	2,890,000	2,400,000
Other liabilities	<u>1,083,124</u>	<u>1,417,338</u>
Total liabilities	22,543,649	24,539,746
 Commitments (Notes 2, 5, 7)	-	-
 Net assets without donor restrictions	 <u>1,274,535,370</u>	 <u>1,218,797,113</u>
 Total liabilities and net assets	 <u>\$ 1,297,079,019</u>	 <u>\$ 1,243,336,859</u>

See notes to financial statements.

THE JOYCE FOUNDATION
STATEMENTS OF ACTIVITIES
Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Investment return, net	\$ 120,473,922	\$ 145,374,590
Expenses		
Grants awarded, net of grants returned of \$258,141 and \$210,951 in 2024 and 2023, respectively	49,887,451	59,379,627
General and administrative expenses	12,303,583	11,379,247
Federal tax expense	2,054,631	1,300,261
Deferred federal excise tax expense	490,000	1,282,300
Total expenses (Note 3)	<u>64,735,665</u>	<u>73,341,435</u>
Increase in net assets without donor restrictions	55,738,257	72,033,155
Net assets, beginning of year	<u>1,218,797,113</u>	<u>1,146,763,958</u>
Net assets, end of year	<u><u>\$ 1,274,535,370</u></u>	<u><u>\$ 1,218,797,113</u></u>

See notes to financial statements.

THE JOYCE FOUNDATION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Cash paid to employees and suppliers	\$ (12,082,744)	\$ (11,952,869)
Taxes paid	(2,960,878)	(879,400)
Grants paid	(52,359,765)	(55,828,961)
Grants returned	<u>258,141</u>	<u>210,951</u>
Net cash from operating activities	(67,145,246)	(68,450,279)
 Cash flows from investing activities		
Proceeds from sales of investments	391,600,607	133,284,077
Purchase of investments	(322,377,301)	(63,705,812)
Purchase of property and equipment	(182,399)	(167,100)
Other investment expense	<u>(1,139,372)</u>	<u>(668,424)</u>
Net cash from investing activities	<u>67,901,535</u>	<u>68,742,741</u>
 Net increase in cash	756,289	292,462
 Cash, beginning of the year	<u>1,428,924</u>	<u>1,136,462</u>
 Cash, end of year	<u><u>\$ 2,185,213</u></u>	<u><u>\$ 1,428,924</u></u>

See notes to financial statements.

THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: The Joyce Foundation (the Foundation) is a nonprofit organization that invests in policies to advance racial equity and economic mobility for the next generation in the Great Lakes region.

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting policies applicable to nonprofit organizations.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Income Taxes: The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable state law. However, as a private charitable foundation, it is subject to a federal excise tax based on net investment income. Deferred federal excise tax represents a provision for taxes on the net unrealized appreciation on investments. For the years ended December 31, 2024 and 2023, the federal excise tax rate was 1.39%. The Foundation is subject to income tax at corporate rates on certain income that is considered unrelated business income under the IRC.

Tax positions for open tax years were reviewed by management, and it was determined that no provision for uncertain tax positions is required to be recorded. The Foundation would recognize any corresponding interest or penalties associated with an income tax position in income tax expense, if applicable; any associated interest or penalties are expected to be minimal for 2024 or 2023.

Investment Valuation: The investments of the Foundation are reported at fair value. The fair value of a financial instrument is the amount 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 exit price). The fair value is generally based on year-end published quotations or the net asset value (NAV) of investment funds. The Foundation is permitted to measure the fair value of an investment that does not have a readily determinable fair value, based on the NAV of the investment as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a value significantly different from the NAV. If the practical expedient NAV is not as of the reporting entity's measurement date, then the NAV is adjusted to reflect any significant events that may change the valuation. These prices are only used for financial reporting purposes and do not necessarily represent the ultimate realizable values of such securities.

Cash, securities transactions receivable, and obligations are carried at cost which approximates fair value because of the short maturity of these instruments.

Marketable securities, including cash equivalents, public equities, and fixed income are reflected at market values based on quoted prices. Public equities, which include common stock, preferred stock, and equity mutual funds, and fixed income securities, which include U.S. government and corporate obligations, and fixed income mutual funds, are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of each period presented. Securities traded in markets that are not considered active are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the Foundation's investment managers' best estimates.

(Continued)

THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Alternative investments (which are primarily categorized as having underlying values that cannot be readily determined based on published prices of the funds or underlying securities (Note 2) are stated at their NAV, which approximates its estimated fair value. Alternative investments are generally subject to certain withdrawal restrictions. These interests are valued on the basis of the Foundation's equity in the net assets of such investments. Values for these investments, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner or administrator and may be based on appraisals, market values discounted for concentration of ownership, or other estimates. Because of inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnerships, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the alternative investments in which the Foundation invests are audited annually by independent public accounting firms.

Some of the Foundation's assets are held in various limited partnerships that invest in the securities of companies that may not be immediately liquid. The partnerships' general partners, who must follow the valuation guidelines stipulated in their respective limited partnership agreements, determine the value of such investments. Given the inherent risks associated with this type of investment, there can be no guarantee that there will not be widely varying gains or losses on these limited partnership investments in future periods.

The Foundation has systems and procedures in place to monitor the fair value of its investments measured at the NAV. Generally, management evaluates the fair value of these assets by using the NAV provided by the investment managers or general partners through the quarterly statements and the respective fund's annual audited financial statements as well as discussions with management.

Investment Income Recognition: Investment sales and purchases are recorded on a trade-date basis, which results in both investment receivables and payables on unsettled investment trades. Dividend income is recorded based upon the ex-dividend date and interest income is recorded as earned on an accrual basis. Realized and unrealized gains and losses from changes in market values are reflected in the Statements of Activities.

Other Assets: The Foundation capitalizes the cost of leasehold improvements, furniture and equipment, and website development/redesign costs and is depreciating/amortizing the assets using the straight-line method. Leasehold improvements are amortized over the lesser of the estimated useful life of the improvements or the term of the lease; furniture and equipment are depreciated over five to seven years, the estimated useful life; and website development/redesign costs are amortized over three years, the estimated useful life.

Unrelated business income tax receivables and fixed assets are included in other assets on the statements of financial position. Depreciation and amortization expense was \$250,200 and \$226,098 for the years ended December 31, 2024 and 2023, respectively.

Operating leases are also included within other assets and other liabilities in the statement of financial position. The right-of-use asset balance was \$929,911 and \$1,229,245 at December 31, 2024 and 2023, respectively, and the right-of-use liability balance was \$1,083,124 and \$1,417,338 at December 31, 2024 and 2023, respectively, of which \$347,490 and \$334,215, respectively, are the current portion.

(Continued)

THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, as of December 31, 2024, the Foundation had a pending investment subscription of \$11 million. Although funds were transferred prior to year-end, the effective date of the investment per the fund manager is January 1, 2025. As such, the subscription is presented as an other asset rather than an investment as of year-end.

Grants: Unconditional grants are recorded as expense in the period the grant is approved. Conditional grants, with a barrier and a right of return, are recorded as expense during the year in which the conditions are substantially met or waived by the Foundation. Grants payable within one year are recorded at their fair value at the date of authorization. Future minimum grant disbursements are \$16,453,016 and \$1,471,000 for the years ended December 31, 2025 and 2026, respectively.

Concentration of Credit Risk: The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

Net Assets: The net assets of the Foundation are reported in the following class: net assets without donor restrictions.

Net assets without donor restrictions include resources which are not subject to donor-imposed restrictions plus those resources for which donor-imposed restrictions have been satisfied. Contributions are reported as increases in the appropriate category of net assets. Contributions of assets other than cash are recorded at their estimated fair value. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. The Foundation does not have any net assets with donor restrictions or Board-designated net assets at December 31, 2024 or 2023.

Reclassification: Certain prior year amounts in the investment footnote and the liquidity footnote have been reclassified to align with the current year presentation. These reclassifications, which relate to the characteristics of certain investments, did not impact total net assets or changes in net assets.

Subsequent Events: The Foundation has evaluated subsequent events through July 9, 2025, the date the financial statements were available to be issued. No material subsequent events have occurred through this date that required recognition or disclosure in these financial statements.

NOTE 2 - INVESTMENTS

The Board has delegated certain responsibilities for portfolio oversight to the Investment Committee, the Foundation President, the Chief Investment Officer (the "CIO"), and the investment advisor (the "Advisor"). The Investment Committee oversees the implementation of the portfolio's investment strategy allocation in accordance with the Investment Policy Statement including:

- Approve the hiring and termination of investment managers.
- Monitor portfolio performance, positioning, and relevant risk metrics, on a periodic basis.
- Evaluate progress against performance benchmarks and other success metrics for the portfolio.

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THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 - INVESTMENTS (Continued)

Foundation investments consist of the following at December 31:

	2024		2023	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash equivalents	\$ 13,661,808	\$ 13,661,808	\$ 24,922,869	\$ 24,922,869
Public equities	152,739,322	174,958,249	171,134,459	197,267,987
Fixed income	251,023,529	227,986,419	219,218,038	197,928,577
Alternative investments:				
Collective trusts	383,570,121	483,097,342	378,638,967	419,079,284
Hedge funds	31,543,713	43,282,672	31,515,240	40,215,081
Private investments	239,809,334	336,728,694	242,705,963	358,790,809
Real assets	191,875	191,875	191,875	191,875
Total	<u>\$ 1,072,539,702</u>	<u>\$ 1,279,907,059</u>	<u>\$ 1,068,327,411</u>	<u>\$ 1,238,396,482</u>

Fair Value Measurements: Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements*, established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based upon market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions of what market participants would use in pricing the asset or liability based upon the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 – This level consists of quoted prices in active markets for identical investments.
- Level 2 – This level consists of other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.).
- Level 3 – This level consists of significant unobservable inputs (including assumptions in determining the fair value of investments).

Cash equivalents consist primarily of cash and short-term investments with initial maturities of three months or less. Such investments are reflected at cost, plus accrued interest, if applicable. Public equities consist primarily of direct or indirect investments in U.S. and international common stock. Fixed income consists primarily of indirect investments in U.S. government agency and treasury securities, mortgage-backed securities, collateralized mortgage obligations, corporate securities, non-U.S. corporate securities, and government securities. Collective trusts are comingled funds or funds structured as partnerships which invest in publicly traded securities. Hedge funds consist primarily of commingled vehicles that invest in both nonmarketable and market-traded securities. Collective trust and hedge fund investments may include both long and short positions, as well as leveraged positions. Private investments consist of limited partnerships, including equity, funds that invest in private debt securities, and real assets (partnerships investing in equity real estate and energy related investments). Redemptions are not permitted until the termination of the partnerships and the time at which the redemption restrictions might lapse is unknown.

(Continued)

THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 - INVESTMENTS (Continued)

The following is a summary of the inputs used as of December 31, 2024 in valuing the Foundation's investments:

	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2024</u>				
Cash equivalents	\$ 13,661,808	\$ 13,661,808	\$ -	\$ -
Public equities	174,958,249	174,958,249	-	-
Fixed income	227,986,419	227,986,419	-	-
Total	<u>\$ 416,606,476</u>	<u>\$ 416,606,476</u>	<u>\$ -</u>	<u>\$ -</u>
Investments valued at net asset value: *				
Alternative investments:				
Collective trusts	483,097,342			
Hedge funds	43,282,672			
Private investments	336,728,694			
Real assets	<u>191,875</u>			
Total	<u>\$ 1,279,907,059</u>			

The following is a summary of the inputs used as of December 31, 2023 in valuing the Foundation's investments:

	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2023</u>				
Cash equivalents	\$ 24,922,869	\$ 24,922,869	\$ -	\$ -
Public equities	197,267,987	197,267,987	-	-
Fixed income	197,928,577	197,928,577	-	-
Total	<u>\$ 420,119,433</u>	<u>\$ 420,119,433</u>	<u>\$ -</u>	<u>\$ -</u>
Investments valued at net asset value: *				
Alternative investments:				
Collective trusts	419,079,284			
Hedge funds	40,215,081			
Private investments	358,790,809			
Real assets	<u>191,875</u>			
Total	<u>\$ 1,238,396,482</u>			

* The investments, which are measured at fair value using the NAV per share (or its equivalent) practical expedient, have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the statements of financial position.

(Continued)

THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 - INVESTMENTS (Continued)

The Foundation's policy is to evaluate the classification of Level 1, 2, and 3 assets at the end of each reporting period. The Foundation's policy is to record transfers in or out of the levels at the fair value of the investment at the date of transfer. There were no transfers for 2024 or 2023.

The Foundation follows the concept of the "practical expedient" under U.S. GAAP. The practical expedient is an acceptable method to determine the fair value of certain NAV investments which (1) do not have readily determinable fair value and (2) have financial statements prepared consistent with the measurement principles of an investment company or have attributes of an investment company.

The following tables describe such investments by major category and redemption frequency:

<u>December 31, 2024</u>	<u>Redemption Frequency</u>				<u>Fair Value</u>	<u>Unfunded Commitments</u>
	<u>90 Days or Less</u>	<u>91 to 365 Days</u>	<u>>365 Days</u>	<u>Liquidated</u>		
Cash and cash equivalents	\$ 13,661,808	\$ -	\$ -	\$ -	\$ 13,661,808	\$ -
Public equities (a)	174,947,485	-	-	10,764	174,958,249	-
Public fixed income (a)	227,986,419	-	-	-	227,986,419	-
Collective trusts (b)	458,253,303	24,844,039	-	-	483,097,342	-
Hedge funds (c)	40,483,112	-	2,753,687	45,873	43,282,672	-
Private investments (d)	-	-	336,728,694	-	336,728,694	122,141,463
Real assets (d)	-	-	191,875	-	191,875	-
Total	<u>\$ 915,332,127</u>	<u>\$ 24,844,039</u>	<u>\$ 339,674,256</u>	<u>\$ 56,637</u>	<u>\$ 1,279,907,059</u>	<u>\$ 122,141,463</u>

<u>December 31, 2023</u>	<u>Redemption Frequency</u>				<u>Fair Value</u>	<u>Unfunded Commitments</u>
	<u>90 Days or Less</u>	<u>91 to 365 Days</u>	<u>>365 Days</u>	<u>Liquidated</u>		
Cash and cash equivalents	\$ 24,922,869	\$ -	\$ -	\$ -	\$ 24,922,869	\$ -
Public equities (a)	197,257,156	-	-	10,831	197,267,987	-
Public fixed income (a)	197,928,577	-	-	-	197,928,577	-
Collective trusts (b)	397,776,249	21,303,035	-	-	419,079,284	-
Hedge funds (c)	36,901,234	3,261,446	-	52,401	40,215,081	-
Private investments (d)	13,526,540	-	345,264,269	-	358,790,809	114,865,506
Real assets (d)	-	-	191,875	-	191,875	-
Total	<u>\$ 868,312,625</u>	<u>\$ 24,564,481</u>	<u>\$ 345,456,144</u>	<u>\$ 63,232</u>	<u>\$ 1,238,396,482</u>	<u>\$ 114,865,506</u>

- (a) Public equities and public fixed income – These categories include investments associated with marketable equity and fixed income securities that are regularly traded on public exchanges.
- (b) Collective trusts – This category includes comingled funds or funds structured as partnerships in which the Foundation is a limited partner which invest in publicly traded securities.
- (c) Hedge funds – This category includes multiple strategies to diversify risk and reduce volatility that are delegated to investment managers who have authority to invest in various asset classes on a discretionary basis. These strategies may include distressed and non-distressed bond strategies, long/short equity strategies, event-oriented strategies, real assets, and private equity.
- (d) Private investments and real assets – These categories include equity, fixed income, and real asset investments that are not regularly traded and private securities or entities in which the Foundation may own shares, or investments held by partnerships in which the Foundation is a limited partner.

(Continued)

THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 - INVESTMENTS (Continued)

Investment Partnerships Open Commitments: The Foundation had open commitments to make additional partnership investments of \$122,141,463 and \$114,865,506 at December 31, 2024 and 2023, respectively. Returned unused capital contributions may be recalled and all distributions are subject to repayment to cover liabilities of the partnerships. The amount of this contingency cannot be determined.

NOTE 3 - FUNCTIONAL EXPENSES

This Note presents expenses by function and natural classification. Natural expenses are defined by their nature, such as compensation, depreciation, and occupancy. Functional expenses are classified by type of activity for which the expenses were incurred. Expenses were allocated using a reasonable and consistent approach based on staffing attributable to each function. Costs which are associated with grant making are applied directly.

The table below presents expenses by both their nature and function for fiscal year 2024:

<u>December 31, 2024</u>	<u>General and Administrative</u>	<u>Grant Making</u>	<u>Total</u>
Compensation and benefits	\$ 2,615,607	\$ 4,896,649	\$ 7,512,256
Legal fees	121,389	227,251	348,640
Accounting fees	32,229	60,336	92,565
Other professional	715,453	1,339,392	2,054,845
Tax expense	885,986	1,658,645	2,544,631
Depreciation and amortization	87,115	163,085	250,200
Occupancy	265,243	496,557	761,800
Travel, conferences and meetings	323,025	604,732	927,757
Printing and publications	20,433	38,252	58,685
Other	103,352	193,483	296,835
Grants awarded (net of grants returned)	-	49,887,451	49,887,451
Total expenses by nature and function	<u>\$ 5,169,832</u>	<u>\$ 59,565,833</u>	<u>\$ 64,735,665</u>

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THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 - FUNCTIONAL EXPENSES (Continued)

The table below presents expenses by both their nature and function for fiscal year 2023:

<u>December 31, 2023</u>	<u>General and Administrative</u>	<u>Grant Making</u>	<u>Total</u>
Compensation and benefits	\$ 2,387,976	\$ 4,619,846	\$ 7,007,822
Legal fees	31,019	60,010	91,029
Accounting fees	72,866	140,968	213,834
Other professional	347,611	672,497	1,020,108
Tax expense	880,030	1,702,531	2,582,561
Depreciation and amortization	77,045	149,053	226,098
Occupancy	240,513	465,304	705,817
Travel, conferences and meetings	374,216	723,969	1,098,185
Printing and publications	20,812	40,263	61,075
Other	325,520	629,759	955,279
Grants awarded (net of grants returned)	-	59,379,627	59,379,627
Total expenses by nature and function	<u>\$ 4,757,608</u>	<u>\$ 68,583,827</u>	<u>\$ 73,341,435</u>

NOTE 4 - DEFINED CONTRIBUTION PENSION PLAN

The Foundation maintains a defined contribution pension plan for eligible employees. Employer contributions are discretionary and are calculated as a percentage of salaries as determined by the Board of Directors. Total employer and employee contributions may not exceed the lesser of 100% of salaries or \$69,000 per employee for 2024. Pension expense was \$781,118 and \$732,455 for 2024 and 2023, respectively.

NOTE 5 - LEASES

On May 17, 2012, the Foundation entered into a 15-year lease agreement with a lease commencement date of February 1, 2013. The noncancelable operating lease for the office space provides for minimum monthly payments through January 31, 2028 plus additional amounts to cover the proportionate share of the cost of operating the property. Fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term and right-of-use assets are periodically evaluated for impairment. Rent expense, including related operating expenses, totaled \$761,800 in 2024 and \$705,817 in 2023.

(Continued)

THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5 - LEASES (Continued)

At December 31, 2024, future undiscounted minimum payments under the lease are as follows:

2025	\$	363,604
2026		371,699
2027		379,794
2028		<u>31,706</u>
Total		1,146,803
Less imputed interest		<u>(63,679)</u>
Right-of-use liability balance	\$	<u><u>1,083,124</u></u>

Supplemental Lease Information

	<u>2024</u>	<u>2023</u>
Operating lease remaining term (years)	4	5
Operating lease discount rate	1.55%	1.55%
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ <u>356,184</u>	\$ <u>316,444</u>

(Continued)

THE JOYCE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available within one year of the statements of financial position date for general expenditures and grant obligations are as follows:

	<u>2024</u>	<u>2023</u>
Total assets	\$ 1,297,079,019	\$ 1,243,336,859
Less: leased assets	(929,911)	(1,229,245)
Less: fixed assets	<u>(878,884)</u>	<u>(946,683)</u>
Total financial assets available to management	1,295,270,224	1,241,160,931
Less:		
Amounts unavailable for general expenditures and grant obligations within one year, due to:		
Redemption restrictions:		
Alternative investments:		
Collective trusts	(24,844,039)	(21,303,036)
Hedged equity funds	(2,753,687)	(3,261,445)
Private investments	(336,728,694)	(345,264,269)
Real assets	<u>(191,875)</u>	<u>(191,875)</u>
Total amounts unavailable for general expenditures and grant obligations within one year	<u>(364,518,295)</u>	<u>(370,020,625)</u>
Total financial assets available to management for general expenditures and grant obligations within one year	<u>\$ 930,751,929</u>	<u>\$ 871,140,306</u>

The Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Foundation maintains a line of credit that can be drawn upon as needed during the year to manage cash flows.

NOTE 7 - LINE OF CREDIT

The Foundation holds an uncommitted revolving line of credit. Borrowings on the revolver are subject to an interest rate at either the prime rate, daily simple SOFR-based rate, or term SOFR-based rate. There was no outstanding balance on the line of credit at December 31, 2024 and 2023, and the agreement matures on August 11, 2025.