

**KANSAS CITY MEDICAL
SOCIETY FOUNDATION, INC.**

FINANCIAL STATEMENTS

December 31, 2024 and 2023

IFFT & CO. PA
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Kansas City Medical Society Foundation, Inc.
Merriam, Kansas

Opinion

We have audited the accompanying financial statements of Kansas City Medical Society Foundation, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kansas City Medical Society Foundation, Inc. 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kansas City Medical Society Foundation, Inc. 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 Kansas City Medical Society Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional 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 Kansas City Medical Society Foundation, Inc.'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 Kansas City Medical Society Foundation, Inc.'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.

Ifff + Co. PA

August 13, 2025

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 751,228	408,718
Investments	-	246,344
Grants receivable	342,940	95,000
Accounts receivable	1,500	11,053
Prepaid expenses	<u>2,817</u>	<u>1,628</u>
TOTAL CURRENT ASSETS	1,098,485	762,743
PROPERTY AND EQUIPMENT, net	<u>200</u>	<u>647</u>
TOTAL ASSETS	<u>\$ 1,098,685</u>	<u>763,390</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 14,688	188
Accrued expenses	<u>35,776</u>	<u>35,429</u>
TOTAL CURRENT LIABILITIES	50,464	35,617
NET ASSETS		
Without donor restrictions	314,391	210,164
With donor restrictions		
Purpose restrictions	733,390	477,609
Time-restricted for future periods	<u>440</u>	<u>40,000</u>
Total with donor restrictions	<u>733,830</u>	<u>517,609</u>
TOTAL NET ASSETS	<u>1,048,221</u>	<u>727,773</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,098,685</u>	<u>763,390</u>

The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions	\$ 50,645	9,530	60,175
Grants	-	950,440	950,440
Investment return	26,683	-	26,683
Special event income	21,966	-	21,966
Net assets released from restrictions	<u>743,749</u>	<u>(743,749)</u>	<u>-</u>
Total support and revenues	843,043	216,221	1,059,264
 Expenses			
Program services	516,794	-	516,794
Management and general	104,776	-	104,776
Fundraising	<u>117,246</u>	<u>-</u>	<u>117,246</u>
Total expenses	<u>738,816</u>	<u>-</u>	<u>738,816</u>
 CHANGE IN NET ASSETS	104,227	216,221	320,448
 NET ASSETS, BEGINNING OF YEAR	<u>210,164</u>	<u>517,609</u>	<u>727,773</u>
 NET ASSETS, END OF YEAR	<u>\$ 314,391</u>	<u>733,830</u>	<u>1,048,221</u>

The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions	\$ 21,862	2,552	24,414
Grants	-	360,386	360,386
Service income	29,000	-	29,000
Investment return	14,496	-	14,496
Miscellaneous income	(299)	-	(299)
Net assets released from restrictions	<u>636,705</u>	<u>(636,705)</u>	<u>-</u>
Total support and revenues	701,764	(273,767)	427,997
Expenses			
Program services	527,464	-	527,464
Management and general	94,961	-	94,961
Fundraising	<u>100,244</u>	<u>-</u>	<u>100,244</u>
Total expenses	<u>722,669</u>	<u>-</u>	<u>722,669</u>
CHANGE IN NET ASSETS	(20,905)	(273,767)	(294,672)
NET ASSETS, BEGINNING OF YEAR	<u>231,069</u>	<u>791,376</u>	<u>1,022,445</u>
NET ASSETS, END OF YEAR	<u>\$ 210,164</u>	<u>517,609</u>	<u>727,773</u>

The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program Services					Supporting Services				Total Expenses
	<u>Advocacy</u>	<u>Charitable Care</u>	<u>Diverse Workforce</u>	<u>Health Education</u>	<u>Retired Physicians</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries and wages	\$ 20,112	334,754	-	7,439	-	362,305	22,125	59,215	81,340	443,645
Employee benefits	2,153	25,559	-	538	-	28,250	7,045	4,962	12,007	40,257
Other payroll expense	-	-	-	-	-	-	6,336	-	6,336	6,336
Payroll taxes	1,537	25,312	-	548	-	27,397	3,069	4,559	7,628	35,025
Total salaries and related expenses	23,802	385,625	-	8,525	-	417,952	38,575	68,736	107,311	525,263
Office expenses	561	6,865	49	1,656	-	9,131	641	403	1,044	10,175
Professional fees	37,715	5,000	2,602	360	-	45,677	53,833	30,222	84,055	129,732
Insurance	-	-	-	-	-	-	3,017	-	3,017	3,017
Outreach	-	178	-	-	-	178	-	-	-	178
CareScope	-	24,095	-	-	-	24,095	-	-	-	24,095
Travel	1,830	4,005	-	-	-	5,835	-	-	-	5,835
Information technology	828	7,334	-	656	-	8,818	3,608	2,345	5,953	14,771
Meetings and meals	454	1,858	-	-	1,527	3,839	185	1,763	1,948	5,787
Staff and board development	-	464	-	-	-	464	2,825	45	2,870	3,334
Depreciation	-	-	-	-	-	-	447	-	447	447
Special event	-	-	-	-	-	-	-	13,448	13,448	13,448
Retired physicians programming	-	-	-	-	250	250	-	-	-	250
Miscellaneous expense	-	520	-	-	35	555	1,645	284	1,929	2,484
Total expenses	\$ 65,190	435,944	2,651	11,197	1,812	516,794	104,776	117,246	222,022	738,816

The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services					Supporting Services				Total Expenses
	<u>Advocacy</u>	<u>Charitable Care</u>	<u>Diverse Workforce</u>	<u>Health Education</u>	<u>Retired Physicians</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries and wages	\$ 219	358,409	-	-	-	358,628	25,752	62,203	87,955	446,583
Employee benefits	-	27,148	-	-	-	27,148	10,606	5,380	15,986	43,134
Other payroll expense	-	-	-	-	-	-	7,234	-	7,234	7,234
Payroll taxes	95	29,876	-	-	-	29,971	2,095	5,185	7,280	37,251
Total salaries and related expenses	314	415,433	-	-	-	415,747	45,687	72,768	118,455	534,202
Office expenses	-	9,531	119	-	-	9,650	637	1,467	2,104	11,754
Professional fees	16,023	11,365	24,040	4,070	525	56,023	38,592	24,569	63,161	119,184
Insurance	-	-	-	-	-	-	2,983	-	2,983	2,983
Outreach	-	2,398	245	690	-	3,333	-	40	40	3,373
CareScope	-	24,095	-	-	-	24,095	-	-	-	24,095
Travel	-	1,404	-	-	-	1,404	-	-	-	1,404
Information technology	1,392	7,321	-	473	-	9,186	3,020	634	3,654	12,840
Meetings and meals	136	599	505	-	1,917	3,157	775	216	991	4,148
Staff and board development	-	4,165	90	-	-	4,255	1,043	360	1,403	5,658
Depreciation	-	-	-	-	-	-	626	-	626	626
Miscellaneous expense	-	227	217	168	2	614	1,598	190	1,788	2,402
Total expenses	\$ 17,865	476,538	25,216	5,401	2,444	527,464	94,961	100,244	195,205	722,669

The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 320,448	(294,672)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	447	626
Loss on disposal of property and equipment	-	299
Changes in operating assets and liabilities		
Grants receivable	(247,940)	382,500
Accounts receivable	9,553	(9,776)
Prepaid expenses	(1,189)	2,616
Accounts payable	14,500	172
Accrued expenses	<u>347</u>	<u>1,508</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	96,166	83,273
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investment securities	950,000	500,000
Purchases of investment securities	<u>(703,656)</u>	<u>(746,344)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>246,344</u>	<u>(246,344)</u>
 NET CHANGE IN CASH	342,510	(163,071)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>408,718</u>	<u>571,789</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 751,228</u>	<u>408,718</u>

The accompanying notes are an integral part of these financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Kansas City Medical Society Foundation, Inc. (the Foundation), is a 501(c)(3) not-for-profit organization dedicated to improving access to medical care along with advancing the overall wellness of people across greater Kansas City. Affiliated with the Kansas City Medical Society (KCMS), the Foundation operates WyJo Care and Metro Care charitable care programs that deliver over \$9 million worth of donated specialty care to uninsured patients each year. In addition, the Foundation carries out health equity initiatives to increase wellness among vulnerable populations.

For the people served, donated care directly translates into better health outcomes, restored ability to work, improved capacity to care for family members, and reduced risk of medical debt. Patients are spared the economic devastation that can result from untreated illness, emergency room reliance, or prolonged time away from work.

For primary care clinics, connecting patients with timely specialty services and diagnostics allows providers to more effectively manage complex cases at the primary care level. This enhances the quality of care, reduces preventable complications, and helps clinics serve a larger patient population with confidence that follow-up care is available.

For donating hospitals and providers, providing care in a planned, outpatient setting is a more cost-effective and clinically sound alternative to emergency or crisis-driven interventions. These contributions reduce uncompensated care costs, improve continuity of care, and allow hospitals and practices to invest in community health in a strategic and meaningful way.

For the community, this model reduces the burden on emergency departments, increases the efficiency of the local health system, and fosters a healthier, more economically stable population. It also reinforces trust in the healthcare system, demonstrating that community partners can work together to meet critical health needs compassionately and effectively.

Throughout the year, the KCMS Wellness and Prevention Committee advanced initiatives that elevated physician well-being and addressed urgent community health needs in greater Kansas City. Their work to reform hospital credentialing language helped reduce stigma around mental health, aligning with the Dr. Lorna Breen Act, and supporting the development of peer support and mentorship programs. These efforts culminated in the inaugural Physician Suicide Awareness Campaign, which included community events, educational materials, and peer-led discussions to promote wellness across the medical profession.

In addition, the committee expanded opioid overdose prevention efforts through Narcan™ training in schools and community organizations and supported the launch of a student-led social media campaign focused on harm reduction. The group also contributed to the development of a Diabetes Self-Management curriculum centered on health equity and social determinants of health.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Nature of Organization - Continued

This physician-led committee, a joint project with KCMS, continues to serve as a vital force for wellness, prevention, and advocacy, impacting both the medical community and the broader population it serves.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions.
- Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a donor-imposed restriction is released, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Foundation recognizes contributions when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Foundation's revenue is service income derived from contracts, which are conditioned upon certain performance requirements. Amounts received are recognized as revenue when the Foundation has provided services in compliance with specific contract provisions. Any amounts received prior to providing qualifying services are reported as deferred revenue in the accompanying statements of financial position.

Cash Equivalents

The Foundation considers highly liquid investments purchased with initial maturities of three months or less to be cash equivalents.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Grants Receivable

The Foundation's grants receivable are recorded at amounts due, net of an allowance for doubtful accounts. Grants receivable are generally due at the donor's discretion. Grants outstanding beyond the time agreed are considered past due. The Foundation determines its allowance by considering a number of factors, including the length of time grants receivable are past due, the Foundation's previous loss history, the grantor's current ability to pay its obligations to the Foundation, and the condition of the general economy as a whole. The Foundation writes off grants receivable when they become uncollectible. At December 31, 2024 and 2023, the Foundation considered grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts was recorded.

Property and Equipment

The Foundation capitalizes all significant acquisitions of property and equipment, which are recorded at cost or fair value, if donated. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets.

Income Taxes

The Foundation is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been included in the accompanying financial statements.

The Foundation recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Foundation is subject to income tax regulations in the U.S. federal jurisdiction and certain state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Foundation is no longer subject to income tax examinations by the applicable tax authorities for the years before 2021. If any were to be incurred, the Foundation's policy is to record penalties and interest assessed by income tax authorities as operating expenses.

In-Kind Donations and Services

The Foundation periodically receives in-kind donations of goods and services. Donated services from physicians and various facilities facilitated by the Foundation are discussed further in Note 8. The value of these services is not recorded in the accompanying financial statements.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the accompanying statements of activities. The accompanying statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Subsequent Events

Subsequent events have been evaluated through August 13, 2025, which is the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Computer equipment	\$ 3,670	3,670
Less accumulated depreciation	<u>3,470</u>	<u>3,023</u>
	<u>\$ 200</u>	<u>647</u>

NOTE 3 - FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salary and related expenses are allocated on the basis of estimates of time and effort, while office related expenses are allocated based on usage.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Specialty care for uninsured and low-income	\$ 568,600	356,472
Community health education	10,890	10,751
Health care coverage gap analysis	75,000	-
Opioid grant	923	-
Health Care Access Network	72,977	40,386
Media campaign for expanded Medicaid program	-	70,000
Medicaid expansion coalition wellness	<u>5,000</u>	<u>-</u>
	733,390	477,609
Subject to the passage of time:		
Contributions for future year	<u>440</u>	<u>40,000</u>
Total net assets with donor restrictions	<u>\$ 733,830</u>	<u>517,609</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Specialty care for uninsured and low-income	\$ 587,872	546,197
Community health education	1,812	2,444
Health Care Access Network	42,409	31,035
Opioid grant	1,656	-
Media campaign for expanded Medicaid program	70,000	-
Health Care Workforce Diversity Career Guide	<u>-</u>	<u>57,029</u>
	703,749	636,705
Expiration of time restrictions	<u>40,000</u>	<u>-</u>
	<u>\$ 743,749</u>	<u>636,705</u>

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprised the following at December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 751,228	408,718
Investments	-	246,344
Grants receivable	342,940	95,000
Accounts receivable	<u>1,500</u>	<u>11,053</u>
Financial assets at year-end	1,095,668	761,115
Less those unavailable for general expenditure within one year, due to:		
Donor restricted for specified purpose	<u>733,390</u>	<u>477,609</u>
 Financial assets available to meet cash needs for general expenditure within one year	 <u>\$ 362,278</u>	 <u>283,506</u>

NOTE 6 - CONCENTRATIONS OF RISK

A significant donor is defined as any donor that accounts for 10% or more of total support and revenues. Funding from two significant donors represented 75% of the Foundation's total support and revenues during the years ended December 31, 2024 and 2023. One of the significant donors accounted for 73% and 71% of receivables at December 31, 2024 and 2023, respectively.

The Foundation maintains its cash balance in a financial institution in Merriam, Kansas. The balance was insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The uninsured balance at December 31, 2024 was \$81,745. There was no uninsured balance at December 31, 2023.

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with Topic 820, the Foundation classifies its investments into Level 1 (securities valued using quoted market prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies and inputs for investments measured at fair value pursuant to the valuation hierarchy.

- United States Treasury bills are valued at the quoted market prices in an active market.

The following table summarizes the valuation of investments measured at fair value on a recurring basis in the accompanying statement of financial position at December 31, 2023 including the additional requirement to classify securities by major category, which is defined as the major security type classifications within Topic 820.

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury bills	<u>\$ 246,344</u>	<u>-</u>	<u>-</u>	<u>246,344</u>

NOTE 8 - IN-KIND DONATIONS AND SERVICES

The charitable care program, WyJo Care and Metro Care, procures donated specialty medical care and coordinates that care for uninsured individuals in the Kansas City area. This program relies on donated healthcare services to execute its mission. The program facilitates the donation of healthcare services to individuals and does not receive or distribute goods or services.

In 2024, the Foundation deepened its commitment to improving access to specialty care for uninsured and underserved individuals across the Kansas City metropolitan region. Through strong partnerships with hospitals, physician practices, imaging centers, laboratories, and other healthcare providers, the Foundation coordinated approximately 2,460 medical services for people unable to access health insurance who also have incomes below 200% of the federal poverty level.

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 8 - IN-KIND DONATIONS AND SERVICES - Continued

These medical services, ranging from diagnostic imaging and specialist consultations to surgeries and ongoing treatments were provided entirely at no cost to the patient. Participating providers donate their time, expertise, equipment, and facilities, and report self-pay equivalent charges to document the value of care donated. The estimated value of these donated services in 2024 exceeded \$9 million (unaudited).

In 2024, the Retired Physicians Organization (RPO), a program of the Foundation, continued its mission of advancing community health education and mentoring the next generation of healthcare professionals. RPO volunteer physicians provided 243 hours of community service, including preparation, travel, and delivery of health education presentations across the Kansas City area. These presentations reached 2,163 individuals through 46 unique venue requests, including community centers, faith-based organizations, and partner agency events. Using the Independent Sector's 2024 estimated value of physician volunteer time at \$169.38 per hour, this contribution represents an in-kind service donation valued at \$41,159 (unaudited).

The impact of this service goes beyond economic value. RPO's efforts helped improve community health skills, addressed common medical concerns in accessible language, and provided trusted guidance from experienced physicians. By meeting the needs of community groups and agency partners with tailored, health-focused programming, RPO reinforced the Foundation's commitment to health equity and grassroots engagement. These presentations often serve as the only source of reliable, physician-led health information for many underserved populations in the area, strengthening public health outcomes, and building trust between medical professionals and the communities they serve.

In 2024, the physicians serving on the KCMS Wellness and Prevention Committee contributed a total of 104 volunteer hours, representing an in-kind value of \$17,625 (unaudited) (based on the Independent Sector's estimated hourly value of physician volunteer time of \$169.38 per hour).

NOTE 9 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Foundation's contracts with customers consist of service income for providing specified services to Johnson County, Kansas.

The following table provides information about contract receivables, contract assets, and contract liabilities from contracts with customers for the years ended December 31, 2024 and 2023:

KANSAS CITY MEDICAL SOCIETY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 9 - REVENUE FROM CONTRACTS WITH CUSTOMERS - Continued

	<u>Contract Receivables</u>	<u>Contract Assets</u>	<u>Contract Liabilities</u>
Balances, December 31, 2022	\$ -	-	-
Revenue recognized	29,000	-	-
Receipts	<u>(29,000)</u>	<u>-</u>	<u>-</u>
Balances, December 31, 2023	-	-	-
Revenue recognized	-	-	-
Receipts	<u>-</u>	<u>-</u>	<u>-</u>
Balances, December 31, 2024	<u>\$ -</u>	<u>-</u>	<u>-</u>

NOTE 10 - INVESTMENT RETURN

Investment return consisted of interest income of \$26,683 and \$14,496 for the years ended December 31, 2024 and 2023, respectively.

NOTE 11 - RETIREMENT PLAN

The Foundation has a 401(k) retirement plan for the benefit of employees. New in 2024, the Foundation makes matching contributions up to 5% of salary. Contributions to the plan were \$4,406 for the year ended December 31, 2024 and are included in employee benefits on the accompanying statement of functional expenses. There were no contributions for the year ended December 31, 2023.