

William T. Grant Foundation, Inc.

Financial Statements

December 31, 2024

Independent Auditors' Report

The Board of Trustees
William T. Grant Foundation, Inc.

Opinion

We have audited the accompanying financial statements of the William T. Grant Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, functional expenses and cash flows for the year 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 the William T. Grant Foundation, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 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.

Report on Summarized Comparative Information

We have previously audited the William T. Grant Foundation, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The portfolio asset allocation schedule and the fair value measurements of portfolio assets on pages 19 and 20 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

November 14, 2025

William T. Grant Foundation, Inc.

Statement of Financial Position
Year Ended December 31, 2024
(with comparative amounts at December 31, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 4,385,447	\$ 6,238,949
Grants receivable, net	1,813,396	416,104
Accrued investment income and other receivables	6,501,737	80,238
Prepaid federal excise tax	449,388	592,195
Investments	399,267,313	387,368,575
Prepaid expenses and other assets	213,901	373,277
Right of use asset, operating lease, net	<u>7,365,832</u>	<u>8,071,847</u>
	<u>\$ 419,997,014</u>	<u>\$ 403,141,185</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 466,080	\$ 243,745
Grants payable	15,942,812	16,520,387
Postretirement benefit obligation	3,616,666	3,546,987
Deferred federal excise tax	1,316,000	1,233,000
Lease liability	<u>8,129,331</u>	<u>8,850,415</u>
Total Liabilities	<u>29,470,889</u>	<u>30,394,534</u>
Net Assets		
Net assets without donor restrictions	387,921,045	371,676,284
Net assets with donor restrictions	<u>2,605,080</u>	<u>1,070,367</u>
Total Net Assets	<u>390,526,125</u>	<u>372,746,651</u>
	<u>\$ 419,997,014</u>	<u>\$ 403,141,185</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statement of Activities Year Ended December 31, 2024 (with summarized totals for the year ended December 31, 2023)

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Investment Return				
Interest and dividends	\$ 8,047,543	\$ -	\$ 8,047,543	\$ 4,469,840
Net realized and unrealized gain on investments	<u>32,678,052</u>	<u>-</u>	<u>32,678,052</u>	<u>34,449,894</u>
	40,725,595	-	40,725,595	38,919,734
Less direct investment expenses	<u>1,006,723</u>	<u>-</u>	<u>1,006,723</u>	<u>653,531</u>
Investment Return	39,718,872	-	39,718,872	38,266,203
Contributions	-	2,480,626	2,480,626	1,282,449
Other income	8,935	-	8,935	1,901
Net assets released from restrictions	<u>945,913</u>	<u>(945,913)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>40,673,720</u>	<u>1,534,713</u>	<u>42,208,433</u>	<u>39,550,553</u>
EXPENSES				
Program services	22,228,618	-	22,228,618	21,095,848
Operations and governance	1,613,154	-	1,613,154	1,463,514
Federal excise tax	500,991	-	500,991	136,412
Deferred excise tax expense	83,000	-	83,000	278,000
Unrelated business income tax and other taxes	<u>24,768</u>	<u>-</u>	<u>24,768</u>	<u>8,951</u>
Total Expenses	<u>24,450,531</u>	<u>-</u>	<u>24,450,531</u>	<u>22,982,725</u>
Change in Net Assets Before Postretirement Benefit				
Obligation Adjustment	16,223,189	1,534,713	17,757,902	16,567,828
Postretirement benefit obligation adjustment	<u>21,572</u>	<u>-</u>	<u>21,572</u>	<u>114,503</u>
Change in Net Assets	16,244,761	1,534,713	17,779,474	16,682,331
NET ASSETS				
Beginning of year	<u>371,676,284</u>	<u>1,070,367</u>	<u>372,746,651</u>	<u>356,064,320</u>
End of year	<u>\$ 387,921,045</u>	<u>\$ 2,605,080</u>	<u>\$ 390,526,125</u>	<u>\$ 372,746,651</u>

See notes to financial statements

William T. Grant Foundation, Inc.

Statement of Functional Expenses
Year Ended December 31, 2024

(with comparative amounts for the year ended December 31, 2023)

	2024			2023		
	Program Services	Operations and Governance	Total	Program Services	Operations and Governance	Total
Grants authorized, net of refunded and rescinded amounts of \$61,140 and \$110,022 in 2024 and 2023	\$ 17,108,111	\$ -	\$ 17,108,111	\$ 16,283,734	\$ -	\$ 16,283,734
Salaries and wages	2,270,720	767,567	3,038,287	2,167,806	702,247	2,870,053
Payroll taxes and employee benefits	819,858	268,814	1,088,672	770,976	249,752	1,020,728
Net periodic benefit costs, other than service costs	118,175	48,268	166,443	123,683	50,518	174,201
Occupancy	675,185	275,780	950,965	616,648	251,870	868,518
Furniture and maintenance	21,722	8,872	30,594	19,253	7,864	27,117
Office expenses	36,206	14,790	50,996	29,934	12,227	42,161
General expenses	70,745	28,896	99,641	34,204	13,971	48,175
Staff travel and expense	106,390	43,455	149,845	88,340	36,083	124,423
Telecommunications	29,209	11,931	41,140	27,148	11,088	38,236
Computer purchases and maintenance	116,915	47,754	164,669	82,038	33,509	115,547
Professional fees	89,092	36,390	125,482	80,202	32,758	112,960
Insurance	31,561	12,891	44,452	27,557	11,256	38,813
Trustee and committee expenses	116,896	47,746	164,642	125,709	50,371	176,080
Publications	6,035	-	6,035	7,904	-	7,904
Grant review advisory expenses	611,798	-	611,798	610,712	-	610,712
Total	\$ 22,228,618	\$ 1,613,154	\$ 23,841,772	\$ 21,095,848	\$ 1,463,514	\$ 22,559,362

See notes to financial statements

William T. Grant Foundation, Inc.

Statement of Cash Flows
Year Ended December 31, 2024
(with comparative amounts for the year ended December 31, 2023)

	Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 17,779,474	\$ 16,682,331
Adjustments to reconcile change in net assets to net cash from operating activities		
Amortization of right of use assets - operating lease	706,015	694,729
Discount on grants receivable	119,375	17,229
Net realized gain on sale of investments	(26,692,532)	(13,927,163)
Unrealized gain on investments	(5,985,520)	(20,522,731)
Postretirement benefit obligation adjustment	(21,572)	(114,503)
Deferred federal excise tax	83,000	278,000
Net changes in operating assets and liabilities		
Grants receivable	(1,516,667)	(433,333)
Accrued investment income and other receivables	(6,421,499)	16,101
Prepaid federal excise tax	142,807	(308,355)
Prepaid expenses and other assets	159,376	(275,518)
Accounts payable and accrued expenses	222,335	(19,897)
Grants payable	(577,575)	148,812
Postretirement benefit obligation	91,251	93,125
Lease liability	(721,084)	(677,986)
Net Cash from Operating Activities	(22,632,816)	(18,349,159)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	77,776,665	66,878,881
Purchase of investments	(56,997,351)	(47,262,965)
Net Cash from Investing Activities	20,779,314	19,615,916
Net Change in Cash and Cash Equivalents	(1,853,502)	1,266,757
CASH AND CASH EQUIVALENTS		
Beginning of year	6,238,949	4,972,192
End of year	\$ 4,385,447	\$ 6,238,949
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for Federal and state taxes on investment income	\$ 358,185	\$ 444,767

See notes to financial statements

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

1. Organization

William T. Grant Foundation, Inc. (the “Foundation”) was established by William T. Grant in 1936. The goal of the Foundation is to support research that improves the lives of young people. The primary source of revenue for the Foundation is its investment activities.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which 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 revenue and expenses during the reporting period. Accordingly, actual results could differ for those estimates.

Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP.

Accordingly, such information should be read in conjunction with the Foundation’s financial statements as of and for the year ended December 31, 2023 from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with maturities of three months or less at time of purchase except for those short-term investments managed by the Foundation’s investment managers as part of their long-term investment strategies.

Fair Value Measurements

The Foundation follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to U.S. GAAP, alternative investments where fair value is measured using the Net Asset Value (“NAV”) per share as a practical expedient are not categorized with the fair value hierarchy.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies *(continued)*

Leases

The Foundation determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Foundation does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Foundation has lease agreements with lease and non-lease components, which are general accounted for separately. Variable lease components in these leases are recognized in operating expenses in the period in which obligation is incurred.

Investments Valuation and Income Recognition

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains and losses on the sale of investments are computed on the specific identification basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Investment Expenses

Investment expenses on the statement of activities include those fees paid directly to the Foundation's investment advisor as well as an allocation of direct internal costs that the Foundation incurs in the generation of investment return. These costs include salaries, benefits, professional fees, and other costs associated with the officers and staff responsible for the development and execution of the Foundation's investment strategy as well as allocable costs associated with the internal investment management, supervising, selecting and monitoring of external investment management firms.

Property and Equipment

The cost of office furniture, leasehold improvements, fixtures, and equipment purchased during the course of normal business activities is charged to operations when purchased, as such purchases are not significant.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Contributions

Contributions are reported as an increase in net assets without donor restriction unless their use is limited by donor-imposed restrictions. Contributions received with donor restrictions are reported as net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Grants

Grants are recorded when authorized by either the Board of Trustees or by officers of the Foundation within limits specified by the Board of Trustees.

Postretirement Benefit Plan

The Foundation follows U.S. GAAP guidance on Defined Benefit Plans which requires the Foundation to recognize the funded status of the Foundation's postretirement medical and health benefits as an asset or liability in its statement of financial position with a corresponding adjustment to change in net assets in the statement of activities. The adjustment to change in net assets represents the balance of unrecognized actuarial gains that will be recognized within net periodic cost in the future.

Net Asset Presentation

Net assets are categorized as without donor restrictions and with donor restrictions.

Without donor restrictions - Resources that are fully available at the discretion of management and the Board of Trustees (the Board), for use in activities within the Foundation's mission.

With donor restrictions - Funds that are limited by donors to a specific time period or purpose or are limited by donors for investment in perpetuity.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or operations and governance of the Foundation. These expenses include grants, salaries and wages, payroll taxes and employee benefits, occupancy; and advisory expenses and are allocated based on time and cost studies of efforts made on behalf of each program.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies *(continued)*

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of tax positions only if they are more likely than not to be sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement disclosure and/or recognition. The Foundation is no longer subject to examinations by the applicable jurisdictions for periods prior to December 31, 2021.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 14, 2025.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

3. Investments

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by fair value hierarchy for those investments subject to categorization within such hierarchy:

Description	2024			
	Level 1	Level 2	Investments Measured at NAV (*)	Total
Equity Securities				
Diversified emerging markets	\$ 26,489,726	\$ -	\$ -	\$ 26,489,726
Global equity portfolio	18,981,287	-	-	18,981,287
Financial services	7,345,687	-	-	7,345,687
Technology	4,944,292	-	-	4,944,292
Consumer staples	714,062	-	-	714,062
Healthcare	12,629,195	-	-	12,629,195
Other	21,628,471	-	-	21,628,471
Fixed Income				
Short term bond	9,053,227	-	-	9,053,227
Emergings markets bond	-	12,691,435	-	12,691,435
Government Treasury Securities	-	10,373,888	-	10,373,888
Alternative Investments				
Hedge funds(a)	-	-	171,594,397	171,594,397
Private equities(a)	-	-	101,559,591	101,559,591
Total Investments at Fair Value	<u>\$ 101,785,947</u>	<u>\$ 23,065,323</u>	<u>\$ 273,153,988</u>	398,005,258
Cash held for investment, at cost				1,262,055
Total Investments				<u>\$ 399,267,313</u>

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

3. Investments (continued)

Description	2023			Total
	Level 1	Level 2	Investments Measured at NAV (*)	
Equity Securities				
Diversified emerging markets	\$ 28,660,874	\$ -	\$ -	\$ 28,660,874
Global equity portfolio	17,638,304	-	-	17,638,304
Financial services	6,498,305	-	-	6,498,305
Technology	3,940,547	-	-	3,940,547
Consumer staples	518,861	-	-	518,861
Healthcare	16,520,525	-	-	16,520,525
Other	23,657,805	-	-	23,657,805
Fixed Income				
Short term bond	19,658,174	-	-	19,658,174
Emergings markets bond	-	11,195,336	-	11,195,336
Alternative Investments				
Hedge funds(a)	-	-	167,869,950	167,869,950
Private equities(a)	-	-	89,497,202	89,497,202
Total Investments at Fair Value	<u>\$ 117,093,395</u>	<u>\$ 11,195,336</u>	<u>\$ 257,367,152</u>	<u>385,655,883</u>
Cash held for investment, at cost				1,712,692
Total Investments				<u>\$ 387,368,575</u>

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

- a. Based on its analysis of the nature and risk of these investments, the Foundation has determined that presenting them as a single class is appropriate.

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2024 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge funds (see "a" below)	\$ 171,594,397	\$ -	Monthly - Annually	7-90 days
Private equities (see "b" below)	101,559,591	57,130,125	Locked	N/A
	<u>\$ 273,153,988</u>	<u>\$ 57,130,125</u>		

- a. This category includes investments in "hedge funds" that invest predominantly in limited partnerships, similar pooled investment vehicles and direct investments in securities and loans. These funds were primarily formed with the purpose of achieving long-term growth of capital with reduced volatility by allocating its capital among various money managers.
- b. This category includes several private equity funds that invest primarily in private equity investment partnerships. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through liquidation of the underlying assets of the fund. Management has estimated that the underlying assets of these funds will be liquidated over 1 to 8 years.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

3. Investments (*continued*)

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

4. Grants Receivable

Grants receivable consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Due less than one year	\$ 650,000	\$ 216,667
Due more than one year	<u>1,300,000</u>	<u>216,666</u>
Total	1,950,000	433,333
Less: Discount for present value	<u>(136,604)</u>	<u>(17,229)</u>
	<u>\$ 1,813,396</u>	<u>\$ 416,104</u>

Grants receivable due in more than one year are discounted to their present value at the time grants are received using an interest rate ranging from 4.23% to 4.27% as of December 31, 2024 and 2023. Management determined no allowance for doubtful accounts is necessary at December 31, 2024 and 2023.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

5. Liquidity and Availability of Resources Financial Assets

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows for December 31:

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 4,385,447	\$ 6,238,949
Grants receivable, net	1,813,396	416,104
Accrued investment income and other receivables	6,501,737	80,238
Investments	399,267,313	387,368,575
Total Financial Assets	411,967,893	394,103,866
Less:		
Security deposit held in a certificate of deposit	212,000	413,362
Illiquid investments	101,559,591	89,497,202
Restricted by donor with purpose restrictions	2,605,080	1,070,367
	104,376,671	90,980,931
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 307,591,222	\$ 303,122,935

As part of the Foundation's liquidity management strategy, the Foundation structures its financial assets to be available as its grant payments and other general liabilities come due. The withdrawals are adjusted based on the grants to be disbursed and other factors affecting available cash such as capital calls on investments, investment income and capital distributions, general operating expenses, program costs and other factors affecting available cash.

6. Grants Payable

The following summarizes changes in grants payable for the years ended December 31:

	2024	2023
Balance at beginning of year	\$ 16,520,387	\$ 16,371,575
Addition:		
Grants authorized, net	17,108,111	16,283,734
Deductions:		
Payments made	(17,685,686)	(16,134,922)
	\$ 15,942,812	\$ 16,520,387

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

6. Grants Payable (continued)

Grants payable are scheduled to be disbursed as follows:

2025		\$ 9,959,934
2026		4,500,432
2027		1,149,144
2028		333,302
		<u>\$ 15,942,812</u>

7. Lease Commitment

In January 2018, the Foundation signed a lease beginning September 2018 which expires January 2034. The lease requires the Foundation to keep the security deposit in an interest bearing account. Operating rent expense for the years ended December 31, 2024 and 2023 amounted to \$843,868 for each year. The variable rent expense component amounted to \$107,096 and \$24,650 for the years ended December 31, 2024 and 2023, respectively. Total cash paid for the years ended December 31, 2024 and 2023 amounted to \$858,938 for each year.

The Foundation amortizes the operating lease right of use asset over the life of the lease agreements. Right-of-use assets consist of the following at December 31:

	2024	2023
Right of use assets	\$ 9,450,351	\$ 9,450,351
Less: accumulated amortization	<u>(2,084,519)</u>	<u>(1,378,504)</u>
	<u>\$ 7,365,832</u>	<u>\$ 8,071,847</u>

The Foundation has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities was 1.63% for 2024 and 2023.

The future minimum annual rental commitment under this lease as of December 31, 2024 are:

2025		\$ 890,750
2026		890,750
2027		890,750
2028		890,750
2029		922,563
Thereafter		4,294,687
Total undiscounted operating lease payments		8,780,250
Less: present value discount		(650,919)
Present value of operating lease liabilities		\$ 8,129,331

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

8. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit, and investments in its investment portfolio. The Foundation does not believe that a significant risk of loss due to the failure of a financial institution presently exists. The investment portfolio is diversified by type of investments and industry concentrations with the intention that no individual investment, investment advisor, investment manager or group of investments should represent a significant concentration of credit risk. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed the FDIC and/or the SIPC limit.

9. Federal Excise Taxes

The Foundation is a nonprofit organization exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the Code), and is a private foundation as defined in Section 509(a) of the Code. The Foundation is subject to a Federal excise tax of 1.39% on its net investment income, as defined, for tax purposes. Deferred taxes arise from differences between the cost and fair value of investments and are calculated at a rate of 1.39%.

10. Retirement Benefits

Retirement benefits under a defined contribution plan are provided through the Teacher's Insurance and Annuity Association to all permanent employees who have completed six months of continuous service. Contributions are expensed when incurred. Plan expenses in 2024 and 2023 were \$401,705 and \$369,744.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

11. Postretirement Healthcare Benefits

In addition to the retirement plan described in Note 10, the Foundation sponsors an unfunded plan to provide certain health care benefits for retirees of the Foundation. The Foundation funds its postretirement benefits costs on a pay as you go basis.

Information as of and for the years ended December 31 for the plan is as follows:

	2024	2023
Benefit Obligation		
at End of Year	\$ 3,616,666	\$ 3,546,987
Net postretirement benefit costs	235,624	233,823
Unrecognized actuarial gain	(21,572)	(114,503)
Benefits paid	144,373	140,698
Discount rate used	5.48%	4.79%
Components of Net Periodic Expense		
for the Year		
Service cost	\$ 69,181	\$ 59,622
Interest cost	166,443	174,201
	\$ 235,624	\$ 233,823
Effect of a one-percent point		
increase in HCCTR* on		
Year end benefit obligation	\$ 441,755	\$ 464,788
Total of service and interest		
cost component	293,885	267,425
Effect of a one-percent point		
decrease in HCCTR* on		
Year end benefit obligation	(369,894)	(385,787)
Total of service and interest		
cost component	(221,253)	(196,105)

* Health Care Cost Trend Rate

Measurements used to determine the postretirement benefit obligation for the years ended December 31, 2024 and 2023 were computed as of December 31.

For measurement purposes, a 6.75% annual rate of increase in per capita cost of covered health benefits was assumed for 2024, decreasing to 5.25% by 2031.

William T. Grant Foundation, Inc.

Notes to Financial Statements
December 31, 2024

11. Postretirement Healthcare Benefits (continued)

Net benefits expected to be paid in each of the next five years and the following five years in the aggregate are as follows:

2025	\$	196,228
2026		210,225
2027		249,923
2028		241,777
2029		257,577
2030-2034		<u>1,246,663</u>
	\$	<u>2,402,393</u>

12. Net Assets with Donor Restrictions

During 2024, the Foundation partnered with two other foundations to co-fund research-practice partnership projects selected through the Foundation's Institutional Challenge Grant. These grants will be used to improve the use of research evidence for policy and practice.

Net assets with donor restrictions available for this project amounted to \$2,605,080 and \$1,070,367 for the years ended December 31, 2024 and 2023.

Net assets amounting to \$945,913 and \$725,416 were released from restrictions for the years ended December 31, 2024 and 2023.

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William T. Grant Foundation, Inc.

Supplementary Information

December 31, 2024

William T. Grant Foundation, Inc.

Portfolio Asset Allocation Schedule
December 31, 2024

	Investments	% of Portfolio	Target Allocation	Target Range
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 16,076,851			
Eagle Capital Equity	22,818,163			
Royalty Pharma plc	8,366,693			
Subtotal U.S.	<u>47,261,707</u>	11.8%		
GLOBAL				
Harding & Loevner	18,981,287			
Subtotal Global	<u>18,981,287</u>	4.8%		
EMERGING MARKETS				
Dimensional Fund Advisors	12,098,866			
DFA Small Cap Growth	14,390,860			
Subtotal Emerging Markets	<u>26,489,726</u>	6.6%		
Subtotal Long Equity	<u>92,732,720</u>	23.2%		
HEDGED (Hedge Funds)				
First Eagle International Value Fund, LP	13,332,095			
Steelhead Pathfinder Fund, Ltd	15,977,081			
Raging Capital Offshore Fund	292,654			
Altimeter Offshore Limited	10,445,264			
Armistice Capital LLC	14,201,739			
Verdad Leverage Company Fund	1,349,785			
Verdad Japan Fund, LP	5,300,212			
Verdad Europe Fund, LP	1,252,054			
Verdad Japan Small Value Fund, LP	3,991,578			
Verdad Deephaven Fund, LP	8,750,521			
Fact Global Long Short Offshore Fund, Ltd	2,051,646			
Fact Global Long Only Fund, LP	7,312,181			
Rose Grove Offshore Fund I, Ltd	16,128,353			
Fundsmith Equity Fund, LP	13,529,712			
Quinn Opportunities Offshore Ltd	8,439,427			
Condire Resource Partners, LP	7,129,052			
Heard High Conviction Long Only Fund, LLC	6,909,530			
Gator Capital Management	5,623,513			
Mountain Lake Partners, LP	6,426,168			
Darwin Global Offshore Fund, Ltd	5,105,922			
Portolan Equity Fund, LP	18,045,910			
Subtotal Hedged	<u>171,594,397</u>	43.0%		
Total Equity (including limited partnerships)	<u>264,327,117</u>	66.2%	58.0%	40.0-70.0%
Private Equity				
Brightwood Capital SBIC I, LP	931,534			
Brightwood Capital SBIC III, LP	4,290,832			
HRJ Capital VC IV, LP	21,493			
North Atlantic Venture Fund V, LP	6,939,935			
PeakSpan Capital Growth Partners I, LP	5,791,205			
Seacoast Capital Partners IV LP	1,223,186			
Seacoast Capital Partners V LP	1,051,190			
TIFF Partners V-US, LLC	97,500			
TIFF Private Equity Partners 2007, LLC	2,013,814			
TIFF Private Equity Partners 2008, LLC	1,608,289			
TIFF Secondary Partners II, LLC	123,162			
TIFF Special Opportunities Fund, LLC	2,476,426			
TIFF Special Opportunities Fund III, LLC	10,282,273			
TIFF Private Equity Partners 2022, LLC	6,737,739			
TIFF Private Equity Partners 2023, LLC	2,689,593			
Venture Investment Associated VII, LP	4,476,077			
Makena RE Fund II LP	3,207,920			
MCR Hospitality Fund LP	7,208,430			
Torchlight Debt Fund VI LP	8,009,683			
Torchlight Debt Fund VII LP	3,162,495			
Torchlight Debt Fund VIII - Distressed Co-Investments, LP	1,061,369			
Hanover Active Eq II SCA	6,470,545			
Hanover Active Eq III SCA	2,416,230			
Accolade Partnes Blockchain II, LP	2,026,334			
PeakSpan Capital Growth Partners II, LP	6,252,362			
PeakSpan Capital Growth Partners III, LP	5,526,205			
Riverside Mirco-Cap Fund VI, LP	5,463,770			
Total Alternatives Investments	<u>101,559,591</u>	25.3%	12.0%	10.0-20.0%
FIXED INCOME				
GMO Emerging Country Debt Fund	12,691,435			
JPM Short Duration Bond	9,053,227			
Government Treasury Securities	10,373,888			
Total Fixed Income	<u>32,118,550</u>	8.0%	30.0%	20.0-50.0%
CASH HELD FOR INVESTMENT				
Silvercrest Asset Management Group	55,573			
Eagle Capital Equity	1,206,482			
Total Cash Held for Investment	<u>1,262,055</u>	0.3%		
Total Portfolio	<u>\$ 399,267,313</u>	100%	100.0%	

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William T. Grant Foundation, Inc.

**Fair Value Measurements of Portfolio Assets
December 31, 2024**

	Fair Value	Level 1	Level 2	Investments Measured at NAV
EQUITY				
U.S.:				
Silvercrest Asset Management Group	\$ 16,076,851	\$ 16,076,851	\$ -	\$ -
Eagle Capital Equity	22,818,163	22,818,163	-	-
Royalty Pharma plc	8,366,693	8,366,693	-	-
Subtotal U.S.	<u>47,261,707</u>	<u>47,261,707</u>	-	-
GLOBAL				
Harding & Loevner	18,981,287	18,981,287	-	-
Subtotal Global	<u>18,981,287</u>	<u>18,981,287</u>	-	-
EMERGING MARKETS				
Dimensional Fund Advisors	12,098,866	12,098,866	-	-
DFA Small Cap Growth	14,390,860	14,390,860	-	-
Subtotal Emerging Markets	<u>26,489,726</u>	<u>26,489,726</u>	-	-
Subtotal Long Equity	<u>92,732,720</u>	<u>92,732,720</u>	-	-
HEDGED (Hedge Funds)				
First Eagle International Value Fund, LP	13,332,095	-	-	13,332,095
Steelhead Pathfinder Fund, Ltd	15,977,081	-	-	15,977,081
Raging Capital Offshore Fund	292,654	-	-	292,654
Altimeter Offshore Limited	10,445,264	-	-	10,445,264
Armistice Capital LLC	14,201,739	-	-	14,201,739
Verdad Leverage Company Fund	1,349,785	-	-	1,349,785
Verdad Japan Fund, LP	5,300,212	-	-	5,300,212
Verdad Europe Fund LP	1,252,054	-	-	1,252,054
Verdad Japan Small Value Fund, LP	3,991,578	-	-	3,991,578
Verdad Deephaven Fund, LP	8,750,521	-	-	8,750,521
Fact Global Long Short Offshore Fund, Ltd	2,051,646	-	-	2,051,646
Fact Global Long Only Fund, LP	7,312,181	-	-	7,312,181
Rose Grove Offshore Fund I, Ltd	16,128,353	-	-	16,128,353
Fundsmith Equity Fund, LP	13,529,712	-	-	13,529,712
Quinn Opportunities Offshore Ltd	8,439,427	-	-	8,439,427
Condire Resource Partners, LP	7,129,052	-	-	7,129,052
Heard High Conviction Long Only Fund, LLC	6,909,530	-	-	6,909,530
Gator Capital Management	5,623,513	-	-	5,623,513
Mountain Lake Partners, LP	6,426,168	-	-	6,426,168
Darwin Global Offshore Fund, Ltd	5,105,922	-	-	5,105,922
Portolan Equity Fund, LP	18,045,910	-	-	18,045,910
Subtotal Hedged	<u>171,594,397</u>	<u>-</u>	<u>-</u>	<u>171,594,397</u>
Total Equity (including limited partnerships)	<u>264,327,117</u>	<u>92,732,720</u>	<u>-</u>	<u>171,594,397</u>
ALTERNATIVE INVESTMENTS (Private Equity)				
Brightwood Capital SBIC I, LP	931,534	-	-	931,534
Brightwood Capital SBIC III, LP	4,290,832	-	-	4,290,832
HRJ Capital VC IV, LP	21,493	-	-	21,493
North Atlantic Venture Fund V, LP	6,939,935	-	-	6,939,935
PeakSpan Capital Growth Partners I, LP	5,791,205	-	-	5,791,205
Seacoast Capital Partners IV LP	1,223,186	-	-	1,223,186
Seacoast Capital Partners V LP	1,051,190	-	-	1,051,190
TIFF Partners V-US, LLC	97,500	-	-	97,500
TIFF Private Equity Partners 2007, LLC	2,013,814	-	-	2,013,814
TIFF Private Equity Partners 2008, LLC	1,608,289	-	-	1,608,289
TIFF Secondary Partners II, LLC	123,162	-	-	123,162
TIFF Special Opportunities Fund, LLC	2,476,426	-	-	2,476,426
TIFF Special Opportunities Fund III, LLC	10,282,273	-	-	10,282,273
TIFF Private Equity Partners 2022, LLC	6,737,739	-	-	6,737,739
TIFF Private Equity Partners 2023, LLC	2,689,593	-	-	2,689,593
Venture Investment Associated VII, LP	4,476,077	-	-	4,476,077
Makena RE Fund II LP	3,207,920	-	-	3,207,920
MCR Hospitality Fund LP	7,208,430	-	-	7,208,430
Torchlight Debt Fund VI LP	8,009,683	-	-	8,009,683
Torchlight Debt Fund VII LP	3,162,495	-	-	3,162,495
Torchlight Debt Fund VIII - Distressed Co-Investments, LP	1,061,369	-	-	1,061,369
Hanover Active Eq II SCA	6,470,545	-	-	6,470,545
Hanover Active Eq III SCA	2,416,230	-	-	2,416,230
Accolade Partnes Blockchain II, LP	2,026,334	-	-	2,026,334
PeakSpan Capital Growth Partners II, LP	6,252,362	-	-	6,252,362
PeakSpan Capital Growth Partners III, LP	5,526,205	-	-	5,526,205
Riverside Micro-Cap Fund VI, LP	5,463,770	-	-	5,463,770
Total Alternatives Investments	<u>101,559,591</u>	<u>-</u>	<u>-</u>	<u>101,559,591</u>
FIXED INCOME				
GMO Emerging Country Debt Fund	12,691,435	-	12,691,435	-
JPM Short Duration Bond	9,053,227	9,053,227	-	-
Government Treasury Securities	10,373,888	-	10,373,888	-
Total Fixed Income	<u>32,118,550</u>	<u>9,053,227</u>	<u>23,065,323</u>	<u>-</u>
Total Investments at Fair Value	<u>398,005,258</u>	<u>\$ 101,785,947</u>	<u>\$ 23,065,323</u>	<u>\$ 273,153,988</u>
CASH HELD FOR INVESTMENT				
Silvercrest Asset Management Group	55,573			
Eagle Capital Equity	1,206,482			
Total Cash Held for Investment	<u>1,262,055</u>			
Total Portfolio	<u>\$ 399,267,313</u>			

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