



**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Consolidated Financial Statements

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Table of Contents

	Page(s)
Independent Auditors' Report	1–2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6–23
Supplementary Information:	
Consolidating Statement of Financial Position	24
Consolidating Statement of Activities	25
Consolidating Statement of Cash Flows	26



KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

Board of Directors

John D. and Catherine T. MacArthur Foundation:

Opinion

We have audited the consolidated financial statements of John D. and Catherine T. MacArthur Foundation (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, the consolidating statement of activities, and the consolidating statement of cash flows are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Chicago, Illinois
June 25, 2025

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Consolidated Statements of Financial Position

December 31, 2024 and 2023

(\$in thousands)

	<u>2024</u>	<u>2023</u>
Assets:		
Cash and cash equivalents	\$ 36,691	36,232
Investments	9,059,510	8,464,319
Program-related investments, net	197,495	175,944
Assets held for charitable use	15,933	13,676
Other assets	<u>13,196</u>	<u>15,988</u>
Total assets	<u><u>\$ 9,322,825</u></u>	<u><u>8,706,159</u></u>
Liabilities and net assets:		
Grants payable	\$ 306,608	368,999
Derivatives liability	106,508	24,993
Other liabilities	92,237	88,022
Excise and income taxes	30,637	27,848
Bonds payable	<u>125,000</u>	<u>125,000</u>
Total liabilities	<u>660,990</u>	<u>634,862</u>
Net assets	<u>8,661,835</u>	<u>8,071,297</u>
Total liabilities and net assets	<u><u>\$ 9,322,825</u></u>	<u><u>8,706,159</u></u>

See accompanying notes to consolidated financial statements.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Consolidated Statements of Activities

Years ended December 31, 2024 and 2023

(\$ in thousands)

	<u>2024</u>	<u>2023</u>
Net assets without donor restrictions		
Investments activity:		
Net investment gain on investments	\$ 884,419	609,194
Net unrealized gain on investments	112,982	231,769
Investment expenses	(13,543)	(12,210)
Excise and income taxes	<u>(15,129)</u>	<u>6,791</u>
Net investment return	968,729	835,544
Operating revenue:		
Gifts and other income	<u>10,042</u>	<u>2,302</u>
Total investment activity and operating revenue	<u>978,771</u>	<u>837,846</u>
Operating expenses:		
Grants authorized	302,690	333,431
Administrative:		
Operating support	77,676	69,088
Investment support	<u>6,770</u>	<u>6,632</u>
Total operating expenses	<u>387,136</u>	<u>409,151</u>
Non-operating activity:		
Change in postretirement benefit obligation	(2,396)	1,171
Gain (loss) on disposal of assets	<u>(7)</u>	<u>(472)</u>
Total non-operating activity	<u>(2,403)</u>	<u>699</u>
Change in net assets without donor restrictions	<u>589,232</u>	<u>429,394</u>
Net assets with donor restrictions:		
Operating revenue:		
Gifts and other income	<u>1,307</u>	<u>—</u>
Change in net assets with donor restrictions	<u>1,307</u>	<u>—</u>
Change in net assets	590,539	429,394
Net assets, beginning of year	<u>8,071,296</u>	<u>7,641,903</u>
Net assets, end of year	<u><u>\$ 8,661,835</u></u>	<u><u>8,071,297</u></u>

See accompanying notes to consolidated financial statements.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Consolidated Statements of Cash Flows

Years ended December 31, 2024 and 2023

(\$ in thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 590,540	429,394
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	2,206	2,145
Amortization of grant discount	219	26
Net investment (gain) on investments	(881,283)	(606,857)
Net unrealized (gain) on investments	(112,982)	(231,769)
(Increase) in non-investments assets	(15,457)	(1,677)
Increase (decrease) in grants payable	(59,890)	10,618
Increase (decrease) in other liabilities	85,690	(89,740)
Increase in excise and income taxes	2,789	2,425
Net cash provided by (used in) operating activities	<u>(388,168)</u>	<u>(485,435)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	4,381,001	6,231,974
Purchase of investments	(3,885,224)	(5,745,439)
Proceeds from sale of repurchase agreements	64,086,000	9,147,000
Purchase of repurchase agreements	<u>(64,193,000)</u>	<u>(9,147,000)</u>
Net cash provided by (used in) investing activities	<u>388,777</u>	<u>486,535</u>
Cash flows from financing activities:		
Repayments of notes payable	<u>(150)</u>	<u>(2,184)</u>
Net cash used in financing activities	<u>(150)</u>	<u>(2,184)</u>
Net increase (decrease) in cash and cash equivalents	459	(1,084)
Cash and cash equivalents at beginning of year	<u>36,232</u>	<u>37,316</u>
Cash and cash equivalents at end of year	<u>\$ 36,691</u>	<u>36,232</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,754	1,572
Cash paid for taxes	10,913	4,344

See accompanying notes to consolidated financial statements.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

(1) Organization

John D. and Catherine T. MacArthur Foundation (“MacArthur”) is a private, independent grantmaking foundation that supports creative people, effective institutions, and influential networks building a more just, verdant, and peaceful world. MacArthur is placing a few big bets with the potential to drive truly significant progress on some of the world’s most pressing social challenges, including over-incarceration, global climate change, nuclear risk, and significantly increasing financial capital for the social sector. In addition to the MacArthur Fellows Program, MacArthur continues its historic commitments to the role of journalism in a responsible and responsive democracy, as well as the strength and vitality of our headquarters city, Chicago. MacArthur is one of the nation’s largest independent foundations. Organizations supported by the Foundation work in about 40 countries. In addition to Chicago, MacArthur has offices in India and Nigeria.

Arc Chicago, LLC (“Arc”) is a limited liability company organized under the laws of the State of Delaware. Arc was formed on April 20, 2016, and MacArthur is its sole member. Arc provides loans and other investments to eligible nonprofits and social enterprises that help meet significant community needs in the Chicago region, such as education and childcare, access to healthy food, quality affordable housing, energy conservation, job training, and more.

Lever for Change (“LfC”) is an affiliate of MacArthur and was incorporated as an Illinois not-for-profit corporation on January 4, 2019. LfC’s mission is to unlock significant philanthropic capital and accelerate social change around the world’s biggest challenges, by helping philanthropists source vetted, high-impact philanthropic opportunities and connecting nonprofits and problem solvers to significant amounts of philanthropic capital. This is accomplished through development and management of customized competitions for philanthropists or by matching donors with the top vetted proposals from such competitions in a searchable online database of solutions known as the Bold Solutions Network.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of MacArthur, Arc, and LfC (collectively referred to as the “Foundation”). All significant intercompany transactions between these entities have been eliminated from the accompanying consolidated financial statements.

(2) Summary of Significant Accounting Policies

The Foundation prepares its financial statements in conformity with accounting principles generally accepted in the United States of America. The Foundation’s significant accounting policies are as follows:

(a) Cash and Cash Equivalents

Cash and cash equivalents held by the Foundation for use in its operations include temporary investments with original maturities of three months or less. Cash and cash equivalents used by MacArthur in managing its investments are reported in investments.

(b) Investments

Investments are reported at fair value. Fair value is based on quoted market prices when available or quoted market prices of comparable instruments when prices are not available. For investments in limited partnerships and other similar instruments, the fair value is generally reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

value, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. As of December 31, 2024 and 2023, the Foundation had no plans to sell investments at amounts different from NAV.

Investments in limited partnerships and other similar instruments that do not meet the criteria to utilize NAV as a practical expedient to approximate fair value are valued based upon the unobservable inputs, such as appraised value or discounted cash flow analysis. Because some investments are not readily marketable, their estimated value is subject to uncertainty.

(c) *Program-Related Investments, Net*

In accordance with Section 4944 of the Internal Revenue Code (the Code), the Foundation is permitted to make investments that are related to its philanthropic programs. These investments are in the form of loans and equity interests and are anticipated to have a less than market return. In the year of the investment, the Foundation receives a credit toward its distribution requirement. Return of principal of program-related investments (PRIs) increases the Foundation's distribution requirement in the year of receipt. The loans are recorded net of appropriate reserves for collectability. Investments in equity interests are generally recorded at NAV as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. As of December 31, 2024 and 2023, the Foundation had no plans to sell investments at amounts different from NAV.

Outstanding program-related investments totaled \$224.0 million and \$197.5 million as of December 31, 2024 and 2023, respectively. Reserves are based on a review of borrowers' credit risks, including consideration of the financial strength of borrowers, the nature of the investments, payment history, and current economic conditions. The Foundation has reserved \$26.6 million and \$21.4 million as of December 31, 2024 and 2023, respectively. Debts that were written off as bad debt were zero and \$0.9 million in 2024 and 2023, respectively. No loans were more than 30 days past due as of December 31, 2024 and 2023.

The Foundation had open program-related investment commitments of \$40.3 million and \$63.6 million as of December 31, 2024 and 2023, respectively.

(d) *Mission-Related Investments, Net*

The Foundation makes certain investments to further its charitable purpose. These investments are made with an objective of a financial return and achieving a social impact or otherwise advancing the Foundation's charitable purpose. Mission-related Investments (MRI), which are generally recorded at net asset value, are included with investments in the Consolidated Statements of Financial Position, Consolidated Statements of Activities, and Consolidated Statements of Cash Flows and related disclosures. The MRIs totaled \$26.3 million and \$21.2 million as of December 31, 2024 and 2023, respectively. The Foundation has reserved \$2.6 million and \$0.7 million as of December 31, 2024 and 2023, respectively.

The Foundation had open mission-related investment commitments of \$10.8 million and \$14.5 million as of December 31, 2024 and 2023, respectively.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

(e) Assets Held for Charitable Use

MacArthur holds certain assets, primarily real estate, for charitable purposes. MacArthur receives a credit toward its distribution requirement equal to the fair value, as determined by appraisal, of the assets at the time they are put into charitable use.

(f) Grants

Unconditional grant awards are expensed when approved by the Board of Directors. Grants payable that are expected to be paid in future years are reported at the present value of expected future payments. MacArthur discounted grants payable using an average rate of 4.33% and 3.93% as of December 31, 2024 and 2023, respectively.

(g) Investment Return

Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date. Other income is recognized on the accrual basis.

(h) Federal Taxes

The Foundation is a private foundation within the meaning of Section 509(a) of the Code and is exempt from federal income tax under Section 501(c)(3) of the Code. Accordingly, the Foundation is generally not subject to income taxes except to the extent the Foundation has unrelated business taxable income from activities that are not related to its exempt purpose.

The Foundation is also subject to federal excise taxes imposed upon private foundations at 1.39 percent of net investment income. Net investment income, as defined under federal tax law, includes dividends, interest, and realized gains on the sale of any investments. Deferred taxes are also provided for the Foundation's unrealized appreciation of securities.

Deferred tax expense or benefit results from certain income and expense items, primarily unrealized gains or losses on investments, being accounted for in different time periods for financial statement purposes than for federal excise and income tax purposes. Appropriate provisions are made in the financial statements for deferred taxes in recognition of these timing differences.

Arc is a single-member limited liability company treated as a disregarded entity for federal income tax purposes. Accordingly, all tax effects of Arc's income or loss are passed through to the Foundation.

LfC has received a determination letter from the Internal Revenue Service indicating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Code and is not subject to federal income taxes except for income from its unrelated business activities.

The Foundation follows the accounting standards for contingencies in evaluating uncertain tax positions. The guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Foundation for uncertain tax positions as of December 31, 2024 and 2023. The Foundation's tax returns are subject to review and examination by federal and state authorities for the years ended December 31, 2021 through December 31, 2023.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

(i) Employee Retirement Plan

MacArthur sponsors a defined contribution retirement plan (the Plan) for its eligible employees. Plan participants are fully vested after one year of service. Employer contributions are discretionary based on a percentage of the participant's compensation as defined in the Plan. For 2024 and 2023 Plan years, employer contributions were calculated based on 14.3% of the participant's compensation up to the Social Security wage base limit, plus an additional 5.7% for the wage above the Social Security wage base limit, up to the IRS annual compensation wage limit. MacArthur is current with its contributions to the Plan. Employer contributions to the Plan totaled \$4.9 million and \$4.4 million in 2024 and 2023, respectively.

(j) Postretirement Benefits

MacArthur provides healthcare and life insurance benefits to certain retired employees and their eligible dependents. MacArthur has recorded a liability for postretirement benefit obligation of \$28.3 million and \$27.2 million as of December 31, 2024 and 2023, respectively, and is included in other liabilities in the Consolidated Statements of Financial Position.

(k) Estimates

The preparation of the Foundation's financial statements in conformity with accounting principles generally accepted in the United States of America 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 income and expenses during the reporting period. Actual results could differ from those estimates.

(3) Investments

MacArthur's investment objective is to provide a return on its investments sufficient to fund in perpetuity the grants, operating costs, and other qualifying distributions of MacArthur. Investments are made in accordance with an asset allocation policy with the objective of earning a five percent real return over time and preserving the portfolio corpus in real terms. Assets in the investment portfolio may include marketable debt and equity securities traded on public exchanges anywhere in the world, foreign currency investments, private debt and equity securities and partnerships, venture capital partnerships, commodities, real estate, derivative instruments, and cash and cash equivalents. The investment portfolio is diversified to minimize the concentration risk of any single security, class of securities, or asset class.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

Investments at fair value as of December 31, 2024 and 2023 are as follows (000s omitted):

	2024	2023
Cash and cash equivalents	\$ 393,059	685,754
Public equities	890,667	473,041
Public fixed income	727,279	717,327
Private equity	1,938,547	1,845,333
Private debt	355,330	425,575
Private real estate	423,078	375,361
Natural resources ¹	263,192	273,049
Sustainable investments ¹	76,130	42,835
Hedge funds:		
Equity oriented	2,180,611	2,140,873
Fixed income oriented	1,004,725	841,181
Global macro	180,601	213,177
Other strategies	626,291	430,813
Total investments	9,059,510	8,464,319
Derivatives liability	(106,508)	(24,993)
Total investments and derivatives liability, net	\$ 8,953,002	8,439,326

¹Prior year balances have been reclassified to conform to current year presentation

Cash and cash equivalents include cash held for investments of \$109.1 million and \$132.3 million and cash held by MacArthur's custodian totaling \$284.0 million and \$553.5 million as of December 31, 2024 and 2023, respectively. Cash held by the custodian is at the direction of MacArthur and used to implement MacArthur's investment strategies. Cash held at the direction of MacArthur associated with derivative strategies totaled \$223.5 million and \$500.4 million as of December 31, 2024 and 2023, respectively. Cash held as required margin for outstanding securities trades totaled \$26.0 million and \$26.7 million as of December 31, 2024, and 2023, respectively. Cash held for other investments totaled \$34.5 million and \$26.4 million as of December 31, 2024, and 2023, respectively. The amount of cash held on the reporting dates is a function of the timing of executing the investment strategies.

Public investments include transactions associated with marketable equity and fixed income securities that are regularly traded on public exchanges, and public securities held by funds structured either as corporations in which MacArthur owns stock or as partnerships in which MacArthur is a limited partner. Private investments include equity and fixed income investments that are not regularly traded, and private securities held by corporations in which MacArthur owns stock or held by partnerships in which MacArthur is a limited partner. Hedge funds include investments with managers who have the authority to invest in various asset classes at their discretion including the ability to invest long and short.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

MacArthur had pending security trade purchases of \$1.1 million as of December 31, 2024 and \$1.4 million as of December 31, 2023, and pending security trade sales of \$2.0 million and \$1.8 million as of December 31, 2024 and 2023, respectively.

Funds sent and held uninvested with investment managers were \$10.0 million and zero as of December 31, 2024 and 2023, respectively. Investment related receivables as a result of undistributed redemptions or funds sent but not received from investment managers totaled \$208.5 million and \$54.1 million as of December 31, 2024 and 2023, respectively. These amounts are included in investments.

In October 2023, MacArthur entered into a Fixed Income Clearing Corp (FICC) Sponsored repurchase agreement program, a vehicle that provides a short-term cash investment option offered by its custodian to institutional investors. As part of this program, MacArthur had \$64.2 billion and \$9.1 billion of repurchase agreements entered into for the years ended December 31, 2024 and 2023, respectively. MacArthur had \$64.1 billion and \$9.1 billion of repurchase agreements sold for the years ended December 31, 2024 and 2023, respectively. MacArthur held \$107.0 million in repurchase agreements as of December 31, 2024 and no positions as of December 31, 2023.

Derivative Instruments – MacArthur's investment strategy utilizes financial instruments that involve, to varying degrees, elements of market risk, credit risk, currency risk, and counterparty risk. These instruments are held in separately managed accounts, limited partnerships, and other fund structures. Financial instruments include securities sold but not yet purchased and derivative contracts including forward currency contracts, futures, options, and swaps. All of MacArthur's derivative positions are marked to fair value as a component of investment income. The fair value of these instruments is included in investments and derivatives liability. The derivatives asset is included in public equities and public fixed income in the fair value hierarchy table.

In the opinion of MacArthur's management, the use of financial derivative instruments in its investment program is appropriate and customary for the investment strategies employed. Using these instruments may reduce certain investment risks and add value to the portfolio.

MacArthur enters into forward currency contracts, futures, options, and swaps for tactical investment and hedging purposes. Currency forward contracts and options may be used to hedge or take positions in non-U.S. dollar exposure. Futures and swap contracts may be used to rebalance asset categories within the portfolio or to manage market exposures in portfolios. Futures, options, and swaps may be used to hedge or leverage positions within certain risk parameters.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

The net notional and fair values of forward contracts, futures, options, and swaps as of December 31, 2024 and 2023, are as follows (000s omitted):

	2024			2023		
	Net notional value	Fair value asset	Fair value (liability)	Net notional value	Fair value asset	Fair value (liability)
Forward contracts	\$ 588,750	16,779	(106)	543,599	56	(11,976)
Futures	1,151,341	—	—	1,071,321	—	—
Swaps	2,963,387	54,148	(106,402)	3,041,627	177,262	(13,017)
	<u>\$ 4,703,478</u>	<u>70,927</u>	<u>(106,508)</u>	<u>4,656,547</u>	<u>177,318</u>	<u>(24,993)</u>

MacArthur is a seller of certain credit default swap contracts, which are included in the net notional value and fair value of swaps. These contracts provide MacArthur exposure to, or hedge against, a diversified portfolio of credit risks through a liquid, transparent, and standardized basket of securities. The referenced obligations under MacArthur's credit default swap contracts are composed of baskets of securities sharing similar characteristics. The individual baskets to which MacArthur has exposure under separate contracts are high-yield securities and investment grade debt. The number of individual, underlying securities referenced in each of the contracts range from 100 to 125. MacArthur is required to make payments that are proportionate to the overall notional exposure as credit events occur for individual securities in the referenced baskets. The notional value of these investments reflects the maximum amount of future payments (undiscounted) that MacArthur could be required to make should each individual security in the referenced basket experience a credit event.

The following table sets forth the notional value, fair value, and maturity dates of credit default swap contracts as of December 31, 2024 and 2023, respectively (000s omitted):

	2024		2023	
	High-yield	Investment grade	High-yield	Investment grade
Net notional value	\$ 518,000	270,000	492,930	259,000
Fair value	40,728	6,117	29,144	5,096
Maturity date range	through 2029	through 2029	through 2028	through 2028

Fair Value – The fair value of investments is reported using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

- Level 2** Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and observable market indices. Additionally, the inputs are observable for the asset either directly or indirectly, for substantially the full term of the financial instrument. This includes securities that are infrequently traded, derivatives, and mortgage-backed securities.
- Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Inputs include recent transaction prices for similar assets, secondary market transaction prices for MacArthur interests in limited partnerships, independent appraisals, and private indices.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. MacArthur has certain investments categorized as Level 3 where the inputs are not readily observable, but the underlying assets are public investments.

The following tables set forth by level, within the fair value hierarchy, investment assets at fair value as of December 31, 2024 and 2023 (000s omitted). Investments using NAV per share (or its equivalent) as a practical expedient for fair value have not been classified in the fair value hierarchy. These investments are presented as "Other" in the following tables to permit reconciliation of the fair value hierarchy table to the total investments at fair value presented in the consolidated statements of financial position. The unfunded commitments, which are not included in investments, represent contractual obligations for future investments.

Investment-related assets and liabilities as of December 31, 2024:

	Investment assets by Level					Unfunded commitments
	Level 1	Level 2	Level 3	Other	Total	
Cash and cash equivalents	\$ 366,205	26,854	—	—	393,059	—
Public equities	886,917	3,584	166	—	890,667	—
Public fixed income	—	727,279	—	—	727,279	—
Private equity	—	—	—	1,938,547	1,938,547	478,340
Private debt	—	—	6,896	348,434	355,330	171,388
Private real estate	—	—	36,657	386,421	423,078	242,995
Natural resources	—	—	145	263,047	263,192	22,200
Sustainable investments	—	—	—	76,130	76,130	115,727
Hedge funds:						
Equity oriented	—	—	5,057	2,175,554	2,180,611	—
Fixed income oriented	—	—	—	1,004,725	1,004,725	—
Global macro	—	—	—	180,601	180,601	—
Other strategies	—	—	—	626,291	626,291	—
Total investments	1,253,122	757,717	48,921	6,999,750	9,059,510	1,030,650
Derivatives liability	(106)	(106,402)	—	—	(106,508)	—
Total investments and derivatives liability, net	\$ 1,253,016	651,315	48,921	6,999,750	8,953,002	1,030,650

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

Investment-related assets and liabilities as of December 31, 2023:

	Investment assets by Level					Unfunded commitments
	Level 1	Level 2	Level 3	Other	Total	
Cash and cash equivalents	\$ 549,770	135,984	—	—	685,754	—
Public equities	333,435	139,440	166	—	473,041	—
Public fixed income	—	717,327	—	—	717,327	—
Private equity	—	—	451	1,844,882	1,845,333	521,179
Private debt	—	—	6,604	418,971	425,575	210,994
Private real estate	—	—	33,131	342,230	375,361	227,346
Natural resources ¹	—	—	297	272,752	273,049	33,065
Sustainable investments ¹	—	—	—	42,835	42,835	72,205
Hedge funds:						
Equity oriented	—	—	5,057	2,135,816	2,140,873	—
Fixed income oriented	—	—	—	841,181	841,181	—
Global macro	—	—	—	213,177	213,177	—
Other strategies	—	—	—	430,813	430,813	—
Total investments	883,205	992,751	45,706	6,542,657	8,464,319	1,064,789
Derivatives liability	(11,976)	(13,017)	—	—	(24,993)	—
Total investments and derivatives liability, net	\$ 871,229	979,734	45,706	6,542,657	8,439,326	1,064,789

¹Prior year balances have been reclassified to conform to current year presentation

The following tables are a rollforward of those investment assets classified as Level 3 as of December 31, 2024 and 2023 (000s omitted):

Rollforward of Level 3 investment assets for the year ended December 31, 2024:

	Public equities	Public fixed income	Private equity	Private debt	Private real estate	Natural resources	Hedge funds	Total
Beginning balance								
January 1, 2024	\$ 166	—	451	6,604	33,131	297	5,057	45,706
Contributions	—	—	—	1,600	—	—	—	1,600
Distributions	—	—	—	—	—	(165)	—	(165)
Net realized gain (loss)	(886)	—	—	12	—	(21,874)	—	(22,748)
Net unrealized gain (loss)	886	—	—	(1,320)	3,526	21,887	—	24,979
Transfers out	—	—	(451)	—	—	—	—	(451)
Ending balance								
December 31, 2024	\$ 166	—	—	6,896	36,657	145	5,057	48,921

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

Rollforward of Level 3 investment assets for the year ended December 31, 2023:

	Public equities	Public fixed income	Private equity	Private debt	Private real estate	Natural resources ¹	Hedge funds	Total
Beginning balance								
January 1, 2023	\$ —	36	6,376	6,969	35,626	2,768	5,057	56,832
Contributions	166	—	557	—	—	—	—	723
Distributions	—	—	—	—	—	(1,340)	—	(1,340)
Net realized gain (loss)	—	—	—	—	295	1	—	296
Net unrealized gain (loss)	—	—	(258)	(365)	(10)	(1,132)	—	(1,765)
Transfers out	—	(36)	(6,224)	—	(2,780)	—	—	(9,040)
Ending balance								
December 31, 2023	\$ 166	—	451	6,604	33,131	297	5,057	45,706

¹Prior year balances have been reclassified to conform to current year presentation

The following tables set forth investment assets by the amount of time, including notice period and redemption period, in which MacArthur has the legal right to receive redemptions of its investments as of December 31, 2024 and 2023 (000s omitted). For investment assets with a redemption period greater than 365 days, MacArthur's capital is expected to be liquidated over a weighted average period of 3.2 years, ranging from 1 to 15 years, as of December 31, 2024, and 3.4 years, ranging from 1 to 15 years, as of December 31, 2023. MacArthur has certain investments classified as Level 3 where it has the right to give notice and exit the investments if the investments have sufficient liquidity available. These investments are categorized with a redemption period of 90 days or less.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

Investment assets by redemption periods as of December 31, 2024:

		90 days or less	91 to 365 days	> 365 days	Total
Cash and cash equivalents	\$	393,059	—	—	393,059
Public equities		890,667	—	—	890,667
Public fixed income		727,279	—	—	727,279
Private equity		—	—	1,938,547	1,938,547
Private debt		—	—	355,330	355,330
Private real estate		—	—	423,078	423,078
Natural resources		—	—	263,192	263,192
Sustainable investments		—	—	76,130	76,130
Hedge funds:					
Equity oriented		392,400	1,520,947	267,264	2,180,611
Fixed income oriented		124,194	766,127	114,404	1,004,725
Global macro		108,887	71,714	—	180,601
Other strategies		79,404	179,409	367,478	626,291
Total investments	\$	<u>2,715,890</u>	<u>2,538,197</u>	<u>3,805,423</u>	<u>9,059,510</u>

Investment assets by redemption periods as of December 31, 2023:

		90 days or less	91 to 365 days	> 365 days	Total
Cash and cash equivalents	\$	685,754	—	—	685,754
Public equities		473,041	—	—	473,041
Public fixed income		717,327	—	—	717,327
Private equity		—	—	1,845,333	1,845,333
Private debt		—	—	425,575	425,575
Private real estate		—	—	375,361	375,361
Natural resources ₁		—	—	273,049	273,049
Sustainable investments ₁		—	—	42,835	42,835
Hedge funds:					
Equity oriented		360,098	1,525,614	255,161	2,140,873
Fixed income oriented		117,011	616,012	108,158	841,181
Global macro		109,285	103,892	—	213,177
Other strategies		—	95,688	335,125	430,813
Total investments	\$	<u>2,462,516</u>	<u>2,341,206</u>	<u>3,660,597</u>	<u>8,464,319</u>

₁Prior year balances have been reclassified to conform to current year presentation

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

(4) Excise and Income Taxes

Excise and income taxes reported in the consolidated financial statements for the years ended December 31, 2024 and 2023, include the following components (000s omitted):

	<u>2024</u>	<u>2023</u>
Federal excise taxes:		
Current	\$ 15,202	(5,600)
Deferred taxes included in unrealized gain	<u>1,700</u>	<u>3,347</u>
Total federal excise taxes	16,902	(2,253)
Federal and state income taxes:		
Current	<u>(73)</u>	<u>(1,191)</u>
Total excise and income taxes	\$ <u><u>16,829</u></u>	<u><u>(3,444)</u></u>

(5) Postretirement Benefits

MacArthur provides healthcare and life insurance benefits to eligible retired employees and their eligible dependents. Beginning in 2019, MacArthur implemented an Employer Group Waiver Plan (EGWP) for pharmacy costs. EGWP is a group Medicare Part D prescription drug plan available to employers that offer postretirement medical benefits. All Medicare eligible retirees, and their eligible dependents, were enrolled in Medicare Part D and pharmacy costs are covered by the EGWP. Most recently, beginning January 1, 2023, the Foundation adopted a Medicare Advantage Prescription Drug (MAPD) plan for retirees 65 and older.

The following table presents the plan's funded status reconciled with amounts recognized in MacArthur's consolidated statements of financial position at December 31, 2024 and 2023 (000s omitted):

	<u>2024</u>	<u>2023</u>
Accumulated postretirement healthcare benefit obligation:		
Active participants immediately eligible for benefits	\$ 4,591	4,849
Active participants not immediately eligible for benefits	7,708	7,433
Inactive participants	<u>16,027</u>	<u>14,890</u>
Accumulated postretirement healthcare benefits	28,326	27,172
Fair value of plan assets	<u>—</u>	<u>—</u>
Accumulated post-retirement healthcare benefit obligations in excess of plan assets	\$ <u><u>28,326</u></u>	<u><u>27,172</u></u>

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

Net periodic postretirement healthcare benefit costs for the years ended December 31, 2024 and 2023, include the following components (000s omitted):

	<u>2024</u>	<u>2023</u>
Service cost of benefits earned	\$ 782	762
Interest cost on accumulated post-retirement healthcare benefit obligations	1,344	1,476
Amortization of actuarial (gain) loss	<u>(1,565)</u>	<u>(1,387)</u>
Net periodic benefit cost	<u>\$ 561</u>	<u>851</u>

Future expected healthcare payments are as follows (000s omitted):

2025	\$ 1,307
2026	1,362
2027	1,351
2028	1,393
2029	1,446
2030–2034	8,331

The following table presents the status of the plan reconciled with the amounts reported in MacArthur's consolidated statements of financial position and statements of activities as of and for the years ended December 31, 2024 and 2023 (000s omitted):

	<u>2024</u>	<u>2023</u>
Accumulated benefit obligation, beginning of year	\$ 27,172	29,359
Service cost of benefits earned	782	762
Interest cost on obligations	1,345	1,476
Actuarial (gain) loss	269	(3,409)
Less: Net employer benefits paid	<u>1,242</u>	<u>1,016</u>
Accumulated benefit obligation	<u>\$ 28,326</u>	<u>27,172</u>

The change in experience (new census data, new claims, and passage of time), the elements of the actuarial (gain) or loss including interest rate, assumption, and methodology changes since the last valuation resulted in a slight increase in the post-retirement liability as of December 31, 2024.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

Information about assumptions as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Weighted average assumptions:		
Discount rate (benefit obligation)	5.51 %	4.81 %
Discount rate (net periodic costs)	4.81	5.00
Expected return on plan assets	N/A	N/A
Healthcare cost trend rate assumptions:		
Trend rate for the next year	5.70 %	5.80 %
Ultimate trend rate	3.65	3.61
Year ultimate trend rate is reached	2060	2060

(6) Bonds Payable and Lines of Credit

On August 27, 2020, MacArthur issued Social Bonds, Series 2020 (Taxable) bonds totaling \$125.0 million. The bonds are unsecured general obligations of MacArthur and are not restricted by Bond Indenture or otherwise from incurring additional indebtedness, and additional indebtedness, if incurred, may be either secured or unsecured. The bonds mature on December 1, 2030. The interest rate is 1.299%, and interest payments are due on June 1 and December 1 each year through maturity.

MacArthur used the proceeds of the bonds to provide grant funding to address the consequences of the COVID-19 pandemic across a range of issues, particularly as it has affected communities of color and the not-for-profit sector generally, and issues exposed by the pandemic and the protests in response to police use of violence against persons of color, especially African Americans, as well as to pay costs related to the issuance of the Bonds. The Foundation also used a portion of the Bond proceeds to fund organizations seeking to address systemic inequities, discrimination, and racism in America through a variety of strategies, including voter registration, voter protection, and get out the vote efforts in compliance with applicable law.

On June 17, 2016, Arc established a line of credit (the "facility") with Calvert Social Investment Foundation, Inc. ("Lender"). On the same day, Arc entered into a promissory note with Lender, wherein Arc promises to repay any principal amount due, up to the maximum amount of \$50.0 million, to Lender on June 17, 2031. As of December 31, 2024 and 2023, a total of \$42.1 million and \$42.3 million, respectively, was drawn on the facility.

As a registered investment adviser, Lender is selling up to \$50.0 million in Chicago-based Community Investment Notes ("CINs") to investors who wish to participate indirectly in the mission and impact investments of Arc. Lender will set certain borrowing thresholds for Arc based on the outstanding balances of targeted Chicago CINs purchased ("TCCPs") by investors, and Arc must make quarterly draw requests equal to the borrowing threshold. Each draw matures quarterly, and upon maturity, each draw is required to be rolled over for at least the "Minimum Balance," which represents the amount Lender has in outstanding balances on TCCPs at that time.

As of December 31, 2024 and 2023, Arc was in compliance with all debt covenants.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

MacArthur has an unsecured line of credit for \$250.0 million, of which \$175.0 million is committed and \$75.0 million is uncommitted carrying an interest rate of either SOFR plus 55 basis points or a prime-based rate as defined by the lender. MacArthur has no amounts outstanding under this line-of-credit agreement as of December 31, 2024 and 2023.

(7) Commitments and Contingencies

(a) Guarantees

MacArthur enters into guarantees to advance its program goals. Total outstanding guarantees were \$67.9 million and \$69.0 million as of December 31, 2024 and 2023, respectively. MacArthur records a liability if it is more likely than not a guarantee will be called and the expected amount to be called can be estimated. These liabilities totaled \$9.9 million and \$6.5 million as of December 31, 2024 and 2023.

(b) Legal Actions

MacArthur is not currently involved in any legal actions or aware of any legal claims that would upon final disposition based on the opinion of legal counsel have a material effect on the consolidated financial statements.

(8) Grants Payable

On December 31, 2024 and 2023, grants payable totaled (000s omitted):

	<u>2024</u>	<u>2023</u>
Grants payable balance, beginning of year	\$ 368,999	358,381
Current year activity:		
New grants	293,648	331,288
Payments	<u>(356,039)</u>	<u>(320,670)</u>
Grants payable balance, end of year	\$ <u>306,608</u>	<u>368,999</u>

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

As of December 31, 2024, based on specific grant agreements, grants payable expected to be paid in the following years (000s omitted):

2025	\$	198,009
2026		74,733
2027		20,345
2028		8,645
2029		3,520
Thereafter		<u>9,800</u>
		315,052
Less discount to reflect grant payable at present value		<u>(8,444)</u>
Grants payable, net	\$	<u>306,608</u>

(9) Natural and Functional Classification of Expenses

Expenses are reported below by natural and functional classifications. The natural classification of expenses groups expenses based on the benefits received, such as salaries and services. The functional classification of expenses groups expenses according to the purpose for which expenses are incurred, and includes Program Activities of Grantmaking, Program Evaluation, External Competitions, Communications, and Supporting Activities of Management and General and Fundraising Activities. Grantmaking expenses include activities such as reviewing proposals, and awarding, monitoring, and evaluating grants. Communications expenses are incurred to develop communication strategies for the grantmaking function. External Competitions include activities such as design of competition, development of platform and website, due diligence on finalists, and technical review of proposals. Program Evaluation expenses provide assessment and development of grantmaking strategies. Management and General and Fundraising Activities are incurred to support the program activities. Expenses attributable to more than one functional expense category are allocated using various allocation methods such as square footage, salaries, and time and effort.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

Expenses by natural classification and function as of December 31, 2024 (000s omitted):

<u>Expense classification</u>	<u>Grant- making</u>	<u>Program evaluation</u>	<u>External competitions</u>	<u>Communi- cations</u>	<u>Programs subtotal</u>	<u>Management and general</u>	<u>Fundraising activities</u>	<u>Total</u>
Salaries and employee benefits	\$ 25,757	1,740	—	2,451	29,948	13,090	—	43,038
Supplies and equipment	114	—	—	—	114	270	—	384
Professional services	1,131	5,005	6,528	2,019	14,683	14,356	289	29,328
Travel, conferences, meetings	3,227	456	459	188	4,330	1,061	—	5,391
Occupancy	18	—	151	—	169	418	6	593
Grants	302,515	—	175	—	302,690	—	—	302,690
Depreciation	—	—	—	—	—	2,206	—	2,206
Interest and finance fees	3,381	—	—	—	3,381	125	—	3,506
Total	<u>\$ 336,143</u>	<u>7,201</u>	<u>7,313</u>	<u>4,658</u>	<u>355,315</u>	<u>31,526</u>	<u>295</u>	<u>387,136</u>

Expenses by natural classification and function as of December 31, 2023 (000s omitted):

<u>Expense classification</u>	<u>Grant- making</u>	<u>Program evaluation</u>	<u>External competitions</u>	<u>Communi- cations</u>	<u>Programs subtotal</u>	<u>Management and general</u>	<u>Fundraising activities</u>	<u>Total</u>
Salaries and employee benefits	\$ 23,361	1,605	—	2,020	26,986	11,640	—	38,626
Supplies and equipment	124	—	10	—	134	242	—	376
Professional services	(238)	4,880	6,320	2,242	13,204	13,283	184	26,671
Travel, conferences, meetings	2,833	193	410	149	3,585	(70)	1	3,516
Occupancy	28	—	160	—	188	508	—	696
Grants	333,431	—	135	—	333,566	—	5	333,571
Depreciation	—	—	—	—	—	2,145	—	2,145
Interest and finance fees	3,426	—	—	—	3,426	124	—	3,550
Total	<u>\$ 362,965</u>	<u>6,678</u>	<u>7,035</u>	<u>4,411</u>	<u>381,089</u>	<u>27,872</u>	<u>190</u>	<u>409,151</u>

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Notes to Consolidated Financial Statements

Years ended December 31, 2024 and 2023

(10) Liquidity

The Foundation's financial assets readily available within one year of December 31, 2024 and 2023 to meet general expenditures include (000s omitted):

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 36,691	36,232
Principal and interest payments from program-related investments	11,460	8,937
Investment assets	<u>5,254,087</u>	<u>4,803,722</u>
Total	<u>\$ 5,302,238</u>	<u>4,848,891</u>

The Foundation's investments consist almost exclusively of unrestricted funds and are not subject to donor restrictions. The Foundation's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Foundation has a line of credit in the amount of \$250.0 million, which can be drawn upon if needed to meet liquidity needs and will only be used to fund grant and program-related obligations. Additional information is detailed in Note 6 Bonds Payable and Lines of Credit.

(11) Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2024, to determine the need for any adjustments to or disclosures within the audited consolidated financial statements for the year ended December 31, 2024. Management has performed its analysis through June 25, 2025, the date the financial statements were available to be issued, and noted no material subsequent events that require disclosure.

SUPPLEMENTARY INFORMATION

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Consolidating Statements of Financial Position

December 31, 2024

(\$ in thousands)

	MacArthur	Arc	Lever for change	Eliminations	Total
Assets:					
Cash and cash equivalents	\$ 20,041	5,613	11,037	—	36,691
Investments	9,052,615	6,895	—	—	9,059,510
Program-related investments, net	131,867	65,628	—	—	197,495
Assets held for charitable use	15,933	—	—	—	15,933
Other assets	12,105	874	2,787	(2,570)	13,196
Equity interest in Arc Chicago, LLC	36,540	—	—	(36,540)	—
Total assets	\$ 9,269,101	79,010	13,824	(39,110)	9,322,825
Liabilities and net assets:					
Grants payable	\$ 309,108	—	—	(2,500)	306,608
Derivatives liability	106,508	—	—	—	106,508
Other liabilities	47,051	42,470	2,786	(70)	92,237
Excise and income taxes	30,637	—	—	—	30,637
Bonds payable	125,000	—	—	—	125,000
Total liabilities	618,304	42,470	2,786	(2,570)	660,990
Net assets without donor restrictions	8,650,797	36,540	11,038	(39,040)	8,659,335
Net assets with donor restrictions	—	—	—	2,500	2,500
Net assets	8,650,797	36,540	11,038	(36,540)	8,661,835
Total liabilities and net assets	\$ 9,269,101	79,010	13,824	(39,110)	9,322,825

See accompanying independent auditors' report.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Consolidating Statement of Activities

Year ended December 31, 2024

(\$ in thousands)

	MacArthur	Arc	Lever for change	Eliminations	Total
Net assets without donor restrictions:					
Investment activity:					
Net investment gain (loss) on investments	\$ 881,283	3,136	—	—	884,419
Net unrealized gain (loss) on investments	110,533	—	—	2,449	112,982
Investment expenses	(13,543)	—	—	—	(13,543)
Excise and income taxes	(15,129)	—	—	—	(15,129)
Net investment return (loss)	963,144	3,136	—	2,449	968,729
Operating revenue:					
Gifts and other income	—	—	12,203	(2,161)	10,042
Total investment activity and operating revenue	963,144	3,136	12,203	288	978,771
Operating expenses:					
Grants authorized	299,078	3,630	175	(193)	302,690
Administrative:					
Operating support	67,585	1,955	8,797	(661)	77,676
Investment support	6,770	—	—	—	6,770
Total operating expenses	373,433	5,585	8,972	(854)	387,136
Non-operating activity:					
Change in postretirement benefit obligation	(2,396)	—	—	—	(2,396)
Gain (loss) on disposal of assets	(7)	—	—	—	(7)
Total non-operating activity	(2,403)	—	—	—	(2,403)
Change in net assets without donor restrictions	587,308	(2,449)	3,231	1,142	589,232
Net assets with donor restrictions:					
Operating revenue:					
Gifts and other income	—	—	—	1,307	1,307
Change in net assets with donor restrictions	—	—	—	1,307	1,307
Change in net assets	587,308	(2,449)	3,231	2,449	590,539
Net assets, beginning of year	8,063,489	33,989	7,807	(33,989)	8,071,296
Equity contribution from member	—	5,000	—	(5,000)	—
Net assets, end of year	\$ 8,650,797	36,540	11,038	(36,540)	8,661,835

See accompanying independent auditors' report.

**JOHN D. AND CATHERINE T.
MACARTHUR FOUNDATION**

Consolidating Statement of Cash Flows

Year ended December 31, 2024

(\$ in thousands)

	MacArthur	Arc	Lever for change	Eliminations	Total
Cash flows from operating activities:					
Changes in net assets	\$ 587,308	(2,448)	3,231	2,449	590,540
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:					
Depreciation	2,200	—	6	—	2,206
Amortization of grant discount	—	26	193	—	219
Net investment (gain) loss on investments	(881,283)	—	—	—	(881,283)
Net unrealized (gain) loss on investments	(110,533)	—	—	(2,449)	(112,982)
(Increase) decrease in non-investment assets	(16,132)	3,100	(2,425)	—	(15,457)
(Decrease) in grants payable	(59,890)	—	—	—	(59,890)
Increase in other liabilities	84,172	4	1,514	—	85,690
Increase in excise and income taxes	2,789	—	—	—	2,789
Net cash provided by (used in) operating activities	(391,369)	682	2,519	—	(388,168)
Cash flows from investing activities:					
Proceeds from sale of investments	4,379,351	1,650	—	—	4,381,001
Purchase of investments	(3,875,188)	(10,036)	—	—	(3,885,224)
Proceeds from sale of repurchase agreements	64,086,000	—	—	—	64,086,000
Purchase of repurchase agreements	(64,193,000)	—	—	—	(64,193,000)
Net cash provided by (used in) investing activities	397,163	(8,386)	—	—	388,777
Cash flows from financing activities:					
Proceeds (redemptions) from notes payable	—	(150)	—	—	(150)
Capital Contribution	(5,000)	5,000	—	—	—
Net cash provided (used in) financing activities	(5,000)	4,850	—	—	(150)
Net increase (decrease) in cash and equivalents	794	(2,854)	2,519	—	459
Cash and cash equivalents at beginning of year	19,247	8,467	8,518	—	36,232
Cash and cash equivalents at end of year	\$ 20,041	5,613	11,037	—	36,691
Supplemental disclosure of cash flow information:					
Cash paid for interest	\$ —	1,556	198	—	1,754
Cash paid for taxes	10,913	—	—	—	10,913

See accompanying independent auditors' report.