W. K. KELLOGG FOUNDATION AND
W. K. KELLOGG FOUNDATION TRUST

Consolidated Financial Statements and
Supplemental Schedule
For the Years Ended August 31, 2022 and 2021
With Independent Auditor's Report

MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

W. K. KELLOGG FOUNDATION AND
W. K. KELLOGG FOUNDATION TRUST
Consolidated Financial Statements and Supplemental Schedule
For the Years Ended August 31, 2022 and 2021

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MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and Senior Management of
W. K. Kellogg Foundation and
W. K. Kellogg Foundation Trust

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of W. K. Kellogg Foundation (the Foundation) and W. K. Kellogg Foundation Trust (the Trust), which comprise the consolidated statements of financial position as of August 31, 2022 and 2021, 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 consolidated financial position of the Foundation and the Trust as of August 31, 2022 and 2021, and the changes in its consolidated net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and the Trust 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 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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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 and the Trust's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 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 and the Trust'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 and the Trust'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

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Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of gifts and receipts from inception through August 31, 2022 is presented for purposes of additional analysis and is 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.

Mitchell & Titus, LLP

December 5, 2022

W. K. KELLOGG FOUNDATION AND
W. K. KELLOGG FOUNDATION TRUST
Consolidated Statements of Financial Position
As of August 31, 2022 and 2021

	2022			2021		
	Consolidated	W. K. Kellogg Foundation	W. K. Kellogg Foundation Trust	Consolidated	W. K. Kellogg Foundation	W. K. Kellogg Foundation Trust
ASSETS						
Cash and cash equivalents	$ 144,203,348	$ 110,296,901	$ 33,906,447	$ 275,050,728	$ 68,048,661	$ 207,002,067
Kellogg Company common stock	4,126,673,896	-	4,126,673,896	3,733,584,251	-	3,733,584,251
Diversified investments	4,268,827,220	183,565,428	4,085,261,792	4,572,038,752	201,411,568	4,370,627,184
Mission-driven investments	94,325,163	94,325,163	-	93,747,457	93,747,457	-
Program-related investments	48,805,970	48,805,970	-	37,711,709	37,711,709	-
Accrued interest and dividends	34,806,234	225,101	34,581,133	35,583,004	270,245	35,312,759
Property and equipment	47,144,496	47,144,496	-	49,556,039	49,556,039	-
Other assets**	3,122,088	1,928,894	1,604,248	1,472,755	2,254,425	564,883
Grant receivable - social bond*	-	-	-	-	150,000,000	-
Interest in irrevocable trusts	1,419,313	1,419,313	-	28,135,157	28,135,157	-
Total assets	$ 8,769,327,728	$ 487,711,266	$ 8,282,027,516	$ 8,826,879,852	$ 631,135,261	$ 8,347,091,144
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable	$ 4,248,894	4,248,894	$ -	$ 1,312,279	$ 1,312,279	$ -
Accrued liabilities**	3,621,340	3,621,340	411,054	5,508,250	5,508,250	1,346,553
Grant commitments payable	151,370,282	151,370,282	-	272,925,004	272,925,004	-
Grant commitments payable - social bond*	-	-	-	-	-	150,000,000
Long-term debt - social bond	300,000,000	-	300,000,000	300,000,000	-	300,000,000
Social bond accrued interest expense	3,053,750	-	3,053,750	3,053,750	-	3,053,750
Deferred federal excise tax liability	71,494,367	1,131,939	70,362,428	72,047,822	1,446,810	70,601,012
Postretirement liability	61,035,337	61,035,337	-	90,102,739	90,102,739	-
Total liabilities	594,823,970	221,407,792	373,827,232	744,949,844	371,295,082	525,001,315
Net assets						
Without donor restrictions	264,884,161	264,884,161	-	231,705,022	231,705,022	-
With donor restrictions	7,909,619,597	1,419,313	7,908,200,284	7,850,224,986	28,135,157	7,822,089,829
Total net assets	8,174,503,758	266,303,474	7,908,200,284	8,081,930,008	259,840,179	7,822,089,829
Total liabilities and net assets	$ 8,769,327,728	$ 487,711,266	$ 8,282,027,516	$ 8,826,879,852	$ 631,135,261	$ 8,347,091,144

*Intercompany grant receivable - social bond and grant commitments payable - social bond of $150,000,000 are eliminated in the consolidated total at August 31, 2021.

**An intercompany receivable reported within other assets and payable reported within accrued liabilities of $411,054 and $1,346,553 are eliminated in the consolidated totals at August 31, 2022 and 2021, respectively.

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

W. K. KELLOGG FOUNDATION AND
W. K. KELLOGG FOUNDATION TRUST
Consolidated Statements of Activities
For the Years Ended August 31, 2022 and 2021

	2022			2021		
	Consolidated	W. K. Kellogg Foundation	W. K. Kellogg Foundation Trust	Consolidated	W. K. Kellogg Foundation	W. K. Kellogg Foundation Trust
REVENUE AND GAINS (LOSSES)						
Contributions from W. K. Kellogg Foundation Trust*	$ -	$ 384,020,372	$ -	$ -	$ 358,000,000	$ -
Contributions from W. K. Kellogg Foundation Trust - social bond**	-	-	-	-	300,000,000	-
Contributions from irrevocable trusts	69,396	69,396	-	240,016	240,016	-
Total contributions	69,396	384,089,768	-	240,016	658,240,016	-
Interest and dividends	147,608,026	3,734,973	143,873,053	130,514,099	3,133,040	127,381,059
Net realized gains on investments, net of costs of earning income	362,723,264	7,557,541	355,165,723	335,864,695	6,413,497	329,451,198
Change in unrealized gains (losses) on investments and change in value in interest in irrevocable trusts	(38,338,718)	(23,760,132)	(14,578,586)	266,145,859	59,044,703	207,101,156
Net investment income (loss)	471,992,572	(12,467,618)	484,460,190	732,524,653	68,591,240	663,933,413
Total revenue and gains	472,061,968	371,622,150	484,460,190	732,764,669	726,831,256	663,933,413
EXPENSES						
Distributions to the W. K. Kellogg Foundation*	-	-	384,020,372	-	-	358,000,000
Grant to the W.K. Kellogg Foundation - social bond**	-	-	-	-	-	300,000,000
Grants	306,363,015	306,363,015	-	496,959,820	496,959,820	-
Debt issuance costs - social bond	-	-	-	2,743,383	-	2,743,383
Interest expense - social bond	7,329,000	-	7,329,000	6,290,725	-	6,290,725
Program expenses	54,653,429	54,653,429	-	49,608,095	49,608,095	-
Supporting expenses	32,073,388	32,073,388	-	28,829,097	28,829,097	-
Federal excise tax provision (benefit)	6,880,159	(120,204)	7,000,363	(20,458,387)	680,549	(21,138,936)
Total expenses	407,298,991	392,969,628	398,349,735	563,972,733	576,077,561	645,895,172
Other components of net periodic benefit cost	(2,081,692)	(2,081,692)	-	(3,069,655)	(3,069,655)	-
Accumulated postretirement benefit gain	29,892,465	29,892,465	-	9,437,791	9,437,791	-
Total increase in net assets	92,573,750	6,463,295	86,110,455	175,160,072	157,121,831	18,038,241
Net assets, at beginning of year	8,081,930,008	259,840,179	7,822,089,829	7,906,769,936	102,718,348	7,804,051,588
Net assets, at end of year	$ 8,174,503,758	$ 266,303,474	$ 7,908,200,284	$ 8,081,930,008	$ 259,840,179	$ 7,822,089,829
CHANGES IN NET ASSETS BY CATEGORY						
Increase in net assets without restrictions	$ 33,179,139	$ 33,179,139	$ -	$ 151,410,214	$ 151,410,214	$ -
Increase (decrease) in net assets with donor restrictions	59,394,611	(26,715,844)	86,110,455	23,749,858	5,711,617	18,038,241
Total increase in net assets	$ 92,573,750	$ 6,463,295	$ 86,110,455	$ 175,160,072	$ 157,121,831	$ 18,038,241

*Intercompany contributions and distributions of $384,020,372 and $358,000,000 for the years ended August 31, 2022 and 2021, respectively, have been eliminated in the consolidated totals.
**Intercompany contribution and grant expense - social bond of $300,000,000 is eliminated in the consolidated total for the period ended August 31, 2021.

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

W. K. KELLOGG FOUNDATION AND
W. K. KELLOGG FOUNDATION TRUST

Consolidated Statements of Cash Flows
For the Years Ended August 31, 2022 and 2021

	2022			2021		
	Consolidated	W. K. Kellogg Foundation	W. K. Kellogg Foundation Trust	Consolidated	W. K. Kellogg Foundation	W. K. Kellogg Foundation Trust
CASH FLOWS FROM OPERATING ACTIVITIES						
Increase in net assets	$ 92,573,750	$ 6,463,295	$ 86,110,455	$ 175,160,072	$ 157,121,831	$ 18,038,241
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities						
Depreciation	4,213,683	4,213,683	-	3,492,335	3,492,335	-
Net realized (gains) on long-term investments	(382,316,974)	(8,842,199)	(373,474,775)	(356,824,995)	(7,965,100)	(348,859,895)
Change in net unrealized (gains) losses on investments and change in value in interest in irrevocable trusts	37,861,234	23,282,648	14,578,586	(266,493,655)	(59,392,499)	(207,101,156)
Adjustment for inherent contribution - program-related loans receivable and related amortization and unrealized loss	205,309	205,309	-	88,962	88,962	-
Provision (benefit) for deferred excise tax	(553,455)	(314,871)	(238,584)	(26,409,379)	441,651	(26,851,030)
Change in operating assets and liabilities						
Accrued interest and dividends	776,770	45,144	731,626	470,670	59,738	410,932
Other assets	(713,834)	325,531	(1,039,365)	(1,210,711)	(1,066,824)	(143,887)
Grant receivable - social bond*	-	150,000,000	-	-	(150,000,000)	-
Accounts payable	2,936,615	2,936,615	-	608,850	608,850	-
Accrued liabilities	(2,822,409)	(1,886,910)	(935,499)	(523,208)	(756,395)	233,187
Grant commitments payable	(121,554,722)	(121,554,722)	-	95,248,058	95,248,058	-
Grant commitments payable - social bond*	-	-	(150,000,000)	-	-	150,000,000
Social bond accrued interest expense	-	-	-	3,053,750	-	3,053,750
Postretirement liability	(29,067,402)	(29,067,402)	-	(7,525,346)	(7,525,346)	-
Net cash (used in) provided by operating activities	(398,461,435)	25,806,121	(424,267,556)	(380,864,597)	30,355,261	(411,219,858)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(1,508,358,671)	(34,825,400)	(1,473,533,271)	(1,384,664,421)	(12,997,144)	(1,371,667,277)
Proceeds from sale of investments	1,789,074,437	64,369,230	1,724,705,207	1,576,869,229	23,952,158	1,552,917,071
Proceeds from payments on loan receivables	2,000,430	2,000,430	-	1,042,318	1,042,318	-
Disbursements for program-related investments	(13,300,000)	(13,300,000)	-	(2,757,350)	(2,757,350)	-
Acquisition of fixed assets	(1,802,140)	(1,802,140)	-	(3,846,845)	(3,846,845)	-
Net cash provided by investing activities	267,614,056	16,442,120	251,171,936	186,642,931	5,393,137	181,249,794
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from long-term debt - social bond	-	-	-	300,000,000	-	300,000,000
Net cash provided by financing activities	-	-	-	300,000,000	-	300,000,000
(Decrease) Increase in cash and cash equivalents	(130,847,379)	42,248,241	(173,095,620)	105,778,334	35,748,398	70,029,936
Cash and cash equivalents, beginning of year	275,050,728	68,048,661	207,002,067	169,272,394	32,300,263	136,972,131
Cash and cash equivalents, end of year	$ 144,203,349	$ 110,296,902	$ 33,906,447	$ 275,050,728	$ 68,048,661	$ 207,002,067

*Changes in the intercompany grant receivable - social bond and grant commitments payable - social bond of $150,000,000 are eliminated in the consolidated total at August 31, 2022 and 2021.

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

NOTE 1 NATURE OF BUSINESS

W.K. Kellogg Foundation (the Foundation) was established in 1930 as a Michigan nonprofit corporation functioning as a private grantmaking foundation. The W.K. Kellogg Foundation Trust (the Trust) was established in 1931 as a charitable trust under Michigan law and subsequently restated in 1934. Both entities were established by breakfast cereal innovator and entrepreneur Will Keith Kellogg for the purpose of improving the health, happiness and well-being of children. The Foundation is guided by the belief that all children should have an equal opportunity to thrive and has a goal to promote equitable outcomes for children of all races and ethnicities. To achieve this goal, it works with communities to create conditions for vulnerable children to realize their full potential in school, work, and life.

The Foundation is based in Battle Creek, Michigan, and works throughout the U.S. and internationally, as well as with sovereign tribes. Special emphasis is paid to priority places where there are high concentrations of poverty and where children face significant barriers to success. The Foundation’s priority places are Michigan, Mississippi, New Mexico, and New Orleans in the U.S.; and internationally, in Mexico and Haiti.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of Presentation</u>

The consolidated financial statements and accompanying notes have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the U.S. (U.S. GAAP).

The Foundation and the Trust recognize contributions as revenue and expense, respectively, in the period received/made. Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. Refer to Note 8–Net Assets With Donor Restrictions for additional information.

<u>Principles of Consolidation</u>

The consolidated financial statements include the accounts of the Foundation and the Trust, of which the Foundation is the sole beneficiary. The Foundation and the Trust have separate boards, with the majority of the Trust’s board members in common with the Foundation and are under common management. All material intercompany transactions and account balances were eliminated in the consolidation of accounts.

<u>Cash and Cash Equivalents</u>

Cash and cash equivalents include cash and highly liquid securities with original maturities of 90 days or less at the date of acquisition.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Program-Related Investments (PRIs)

The Foundation makes PRIs to other organizations in the U.S. and internationally. PRIs are strategic investments, beyond grants, made by the Foundation for the primary objective of furthering the Foundation's charitable purpose. These investments are comprised primarily of loans and equity investments. The production of income is not the primary driver of a PRI. For the fiscal years ended August 31, 2022 and 2021, the Foundation entered into four and one new PRIs, respectively.

The Foundation's loan portfolio includes loans invested in not-for-profit and private sector entities. These investments enable partner organizations to support the Foundation's mission. The partners use community-led strategies to improve the health, happiness and well-being of children and ensure equitable outcomes for children of all races and ethnicities. Interest payments are due on the outstanding loan amounts at interest rates ranging from 0%-2.5%. Repayment of the outstanding loan amounts is scheduled by the maturity dates, ranging from March 2025 to August 2032.

Loan PRIs consist of loans outstanding bearing a below-market interest rate. Loans are measured at fair value at inception to determine if a contribution element exists. Loans are recorded on a net basis, reflecting a discount on loan receivable (if a contribution element exists) or a reasonable loss reserve. The loss reserve is reviewed on an annual basis and adjusted if collectability risk has significantly changed based on the Foundation's understanding of the borrower's financial health and/or payment history. Management has reviewed all PRIs for the years ended August 31, 2022 and 2021, and no loss reserve has been recorded. Any costs of making loans are expensed as incurred.

Loans receivable are reported net of a discount of $3,045,817 and $3,297,833 at August 31, 2022 and 2021, respectively.

Equity PRIs include investments in equity funds. Equity investments are recorded at fair value. To arrive at the fair value, the Foundation obtains regular valuations from the investees, as well as the audited financial statements. The Foundation records unrealized gains or losses throughout the life of the investments and realized gains or losses upon liquidation or sale.

Investments

The Foundation and the Trust report investments at fair value. Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values could affect the amounts reported in the accompanying consolidated financial statements. On March 11, 2020, the World Health Organization declared an outbreak of a coronavirus (COVID-19) pandemic. As a result, additional economic uncertainties have arisen that could negatively impact the Foundation's and Trust's investment portfolios.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments *(continued)*

In June 2022, the Kellogg Company, the Trust's largest investment holding, announced the process of separating into three independent companies. That process is not expected to be completed until the end of 2023. Due to transaction uncertainties, the impact on the Trust's investment portfolio is unknown at this time.

Three major categories of investments are presented in the consolidated statements of financial position: Kellogg Company common stock, diversified investments, and mission-driven investments (MDIs). Diversified investments represent investments in public equity securities, fixed-income debt securities, mutual funds, commingled funds, hedge funds, real estate funds, and private equity funds.

MDIs consist of temporary investments (see Note 3–Investments and Fair Value for description), fixed-income securities, and private equity investments. MDIs focus on providing both social and financial returns closely aligned with the Foundation's program elements, approaches, and geographic areas of focus as described in Note 1–Nature of Business.

Property and Equipment

Property and equipment are recorded at cost. Depreciation of property and equipment is generally computed on the straight-line basis over the estimated useful lives of the assets that range from three to 40 years. For the years ended August 31, 2022 and 2021, depreciation expense was $4,213,683 and $3,492,335, respectively.

Interest in Irrevocable Trusts

During the year ended August 31, 2022, the last survivor of an irrevocable trust that the Foundation had an interest in passed away. The irrevocable trust of $26,086,834 was liquidated, distributed to the Foundation and the trust was terminated.

The Foundation has irrevocable rights as the beneficiary to one remaining trust and reports the fair value of its interest in irrevocable trust on the consolidated statements of financial position. The change in value in interest in the irrevocable trust is the gains or losses of the investments held in the trust reported on the consolidated statement of activities.

Grants

Unconditional grants are recorded as an expense in the year they are committed. Conditional grants are recorded as an expense when the conditions have been met. As of August 31, 2022 and 2021, the Foundation had conditional grants outstanding of $40,072,186 and $61,412,714, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Line of Credit

The Trust has entered into an unsecured, committed credit facility agreement that totaled $200 million. Interest on outstanding borrowings was charged at the 30-day LIBOR rate plus an additional stated number of basis points through June 30, 2022. Beginning July 1, 2022, the interest rate on outstanding borrowings was updated to SOFR plus an additional stated number of basis points. There were no outstanding borrowings as of August 31, 2022 and 2021.

Long-Term Debt – Social Bond

In October 2020, the Trust and the Foundation executed a historic transaction with the Trust's issuance of an AAA-rated, 30-year, $300 million taxable social bond. All proceeds of the social bond were then distributed to the Foundation, increasing grantmaking 50% over two fiscal years, to respond to critical and urgent needs within our communities created by the impact of the COVID-19 pandemic (see Note 6–Long-Term Debt – Social Bond).

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Actual results could differ from those estimates.

Distribution of Trust Receipts

Under the Trust agreement, the Trust is required to distribute to the Foundation, at a minimum, its net interest income and dividends at least quarterly. As funds are distributed to the Foundation from the Trust, net assets are released from restriction.

Tax Status

The Foundation and the Trust are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). As private foundations described in Section 509(a) of the IRC, the Trust and Foundation are subject to federal excise tax of 1.39% on net investment income. The Foundation and the Trust are invested in certain alternative investments that may generate unrelated business taxable income (UBTI) and, therefore, may be subject to unrelated business income tax at applicable corporate and trust rates.

Pension and Other Postretirement Benefits Plan

The Foundation recognizes the funded status of the pension and other postretirement benefit plans on the consolidated statements of financial position, measures the fair value of plan assets and benefit obligations as of the date of the fiscal year-end consolidated statements of financial position, and provides additional disclosures in Note 7–Postretirement Benefits.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Reclassifications

Certain prior-year amounts reported in the consolidated financial statements were reclassified to conform to the current-year presentation.

Recent Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases*. ASU 2016-02 changes the accounting for leases, primarily by lessees in operating leases, by requiring (a) the recognition of (i) a lease asset (right of use) and a lease liability, initially measured at the present value of the lease payments, in the statement of financial position and (ii) a single lease cost, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis, and (b) the classification of all lease payments within the operating activities in the statement of cash flows. In June 2020, the effective date of ASU 2016-02 was deferred to fiscal years beginning after December 15, 2021, which will be fiscal year ending August 31, 2023 for the Foundation and Trust. The Foundation and Trust are evaluating the requirements of ASU 2016-02 and its impact on the presentation of the consolidated financial statements and disclosures.

NOTE 3 INVESTMENTS AND FAIR VALUE

The investment goal of the Foundation and the Trust is to maintain or grow its spending power in real (inflation-adjusted) terms, with risk at a level appropriate for the Foundation’s programmatic spending and objectives. The Foundation and the Trust diversify investments among various financial instruments and asset categories by using multiple investment strategies.

The financial assets of the Foundation and the Trust are managed by a select group of investment managers and held in custody by a major commercial bank, except for assets invested with private equities, hedge funds, and commingled funds that have separate arrangements appropriate to their legal structure.

Temporary investments consist of cash and cash equivalents, demand deposits, and short-term investment funds maintained at commercial banks. These investments are held as part of the Foundation’s and the Trust’s long-term investment strategy. Temporary investments are considered highly liquid instruments with maturities of 90 days or less at the time of purchase. The Foundation and the Trust maintain their cash and cash equivalents with high-quality financial institutions and such amounts may exceed Federal Deposit Insurance Corporation limits.

NOTE 3 INVESTMENTS AND FAIR VALUE *(continued)*

Public equity securities and fixed-income securities, which include stocks and bonds that are listed on national securities exchanges, quoted on the NASDAQ or on the over-the-counter market, are valued at the last reported sale price, or in the absence of a recorded sale, at the most recent bid price at the reporting date. These securities include U.S. and foreign government debt and corporate bonds. The Foundation's and the Trust's investments in corporate and government bonds are exposed to issuer credit risk until these bonds are sold or mature. Futures, forwards, and options, which are traded on exchanges, are valued at the last reported sale price or at the most recent bid price if they are traded over-the-counter market.

The Trust is invested in Kellogg Company common stock and held 56,731,838 and 59,131,838 shares as of August 31, 2022 and 2021, respectively. The Foundation and the Trust are potentially subject to market risk, resulting from its concentration in Kellogg Company common stock.

Commingled, hedge, real estate, and private equity funds are valued based on the net asset value (NAV) reported by the investment manager, which are generally calculated based on the last reported sale price of the underlying assets held by such funds. These funds are typically structured as limited partnerships and limited liability companies.

Since there is no readily available market for investments in limited partnerships and limited liability companies, such investments are stated at fair value as estimated in an inactive market. These investments include securities of companies that may not be immediately liquid, such as private debt and private equity securities and real estate or other assets. The valuations of these investments are based upon values provided by the investment managers, based on guidelines established with those investment managers and in consideration of other factors related to the Foundation's and the Trust's interests in these investments.

The Foundation and the Trust obtain and consider the audited financial statements of such investees when evaluating the overall reasonableness of carrying value. The financial statements of the investees are audited annually by independent auditors, although the fiscal year end for the investees does not coincide with the Foundation's and the Trust's fiscal year end. The Foundation and the Trust utilize the practical expedient methodology in compliance with U.S. GAAP and use NAVs reported in the manager statements to estimate fair value.

The Foundation and the Trust believe this method provides a reasonable estimate of fair value. However, the recorded value may differ from the fair value had a readily available market existed for such investments.

NOTE 3 INVESTMENTS AND FAIR VALUE *(continued)*

Investment transactions are recorded on the trade-date. Dividend and interest income are accrued when earned. Realized gains or losses recognized upon sales and withdrawals and unrealized appreciation (depreciation) resulting from market fluctuations are recognized when they occur and are computed using the specific-identification method. Gains on distributions from private equity funds, which may be received in cash or securities, are reflected in investment income as realized gains and losses. Investment expenses are netted against realized gains for the years ended August 31, 2022 and 2021, respectively, as outlined in the table below.

Investment Expenses

	2022	2021
Trust	$ 18,309,052	$ 19,408,697
Foundation	1,070,379	1,481,750
Consolidated	$ 19,379,431	$ 20,890,447

Assets and liabilities denominated in foreign currencies at year end are translated into U.S. dollars based upon exchange rates as of August 31, with any resulting adjustment included in net unrealized gains and losses on investments. Transactions in foreign currencies during the year are translated into U.S. dollars at the exchange rate prevailing on the transaction date and are recorded as realized gains or losses.

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a fair value disclosure framework that prioritizes and ranks the level of observable inputs used in measuring investments at 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 the fair value hierarchy are as follows:

Level 1: Inputs based on quoted prices for identical assets or liabilities in an active market that the Foundation and the Trust can access. An active market for the asset or liability is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market usually provides the most reliable evidence of fair value and is generally used without adjustment if available. This classification includes public equities and other fixed-income securities with observable market prices.

Level 2: Inputs that are observable either directly or indirectly but are not Level 1 inputs. Level 2 inputs include quoted prices for similar instruments, broker quotes, or observable inputs that directly impact value such as interest rates, prepayment speeds, and credit risk. Pricing inputs, including broker quotes, are generally those other than exchange-quoted prices in active markets, and fair values are determined through the use of models or other valuation methodologies.

NOTE 3 INVESTMENTS AND FAIR VALUE *(continued)*

Level 3: Inputs that are unobservable. Level 3 inputs are generally used in situations where there is little, if any, market activity for the investment. These inputs into the determination of fair value require significant management judgment or estimation. Due to the inherent uncertainty of these estimates, these values may differ significantly from the values that would have been used had a ready market for these investments existed.

Investments that provide an NAV are considered to be recorded at management's best estimate at fair value. These securities are included in the fair value hierarchy table as investments measured at NAV. Investments in this category generally include private fund investment structures and limited partnership interests.

The following tables present the fair value of investments carried on the consolidated statements of financial position, by level within the fair value hierarchy, as of August 31, 2022 and 2021, respectively.

	2022			
	Total	**Level 1**	**Level 2**	**Level 3**
ASSETS				
Temporary investments	$ 73,867,537	$ 73,867,537	$ -	$ -
Kellogg Company common stock	4,126,673,896	4,126,673,896	-	-
Equities	450,522,744	450,522,744	-	-
Fixed-income securities	106,228,510	-	103,228,510	3,000,000
Private equities	9,520,662	-	-	9,520,662
Total fair value measurements	4,766,813,349	$ 4,651,064,177	$ 103,228,510	$ 12,520,662
Investments measured at NAV	3,781,533,302			
Total investments	$ 8,548,346,651			
Interests in irrevocable trusts	$ 1,419,313	$ -	$ -	$ 1,419,313

	2021			
	Total	**Level 1**	**Level 2**	**Level 3**
ASSETS				
Temporary investments	$ 97,559,011	$ 97,559,011	$ -	$ -
Kellogg Company common stock	3,733,584,251	3,733,584,251	-	-
Equities	471,932,418	471,932,418	-	-
Fixed-income securities	175,112,612	-	170,140,004	4,972,608
Private equities	9,520,662	-	-	9,520,662
Total fair value measurements	4,487,708,954	$ 4,303,075,680	$ 170,140,004	$ 14,493,270
Investments measured at NAV	3,987,702,525			
Total investments	$ 8,475,411,479			
Interests in irrevocable trusts	$ 28,135,157	$ -	$ -	$ 28,135,157

NOTE 3 INVESTMENTS AND FAIR VALUE *(continued)*

There was a net receivable/(payable) on unsettled trades of $567,514 and $(107,321,765) as of August 31, 2022 and 2021, respectively. The net receivables/(payables) are reported in diversified investments in the accompanying consolidated statements of financial position.

The following tables summarize foreign investment holdings as of August 31, 2022 and 2021:

	2022			
	Total	Level 1	Level 2	Level 3
FOREIGN HOLDINGS				
Equities	$ 101,255,390	$ 101,255,390	$ -	$ -
Fixed-income securities	3,444,981	-	3,444,981	-
Total fair value measurements	104,700,371	$ 101,255,390	$ 3,444,981	$ -
Investments measured at NAV	1,085,491,804			
Total investments	$ 1,190,192,175			

	2021			
	Total	Level 1	Level 2	Level 3
FOREIGN HOLDINGS				
Equities	$ 164,667,938	$ 164,667,938	$ -	$ -
Fixed-income securities	5,180,806	-	5,180,806	-
Total fair value measurements	169,848,744	$ 164,667,938	$ 5,180,806	$ -
Investments measured at NAV	1,164,150,300			
Total investments	$ 1,333,999,044			

The Foundation and the Trust invest in commingled funds and other alternative investments, which are typically structured as partnerships, limited liability companies, or offshore investment vehicles. The following table summarizes the investment strategy types of the funds as of August 31, 2022 and 2021:

	2022		2021	
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Commingled funds[(a)]	$ 546,821,658	$ -	$ 720,269,840	$ -
Hedge funds[(b)]	1,601,432,377	-	1,729,384,142	-
Fixed-income funds[(c)]	38,312,008	-	35,493,737	-
Private equity funds[(d)]	1,373,439,826	540,922,249	1,271,670,784	524,181,435
Real estate funds[(d)]	221,527,433	98,171,149	230,884,022	124,737,023
Total	$ 3,781,533,302	$ 639,093,398	$ 3,987,702,525	$ 648,918,458

(a) "Commingled funds" are highly liquid and the majority of these funds can be redeemed within short-term periods of time.

NOTE 3 INVESTMENTS AND FAIR VALUE *(continued)*

(b) The redemption frequency of "hedge funds" can be quarterly, semi-annually, annually, or multi-year, with a notice of redemption ranging from 30 to 180 days. This category includes hedge funds that invest using different strategies, such as long/short equity, credit focused, multi-strategy, arbitrage, and other means.

(c) "Fixed-income funds" represent participation in fixed-income instruments through private partnerships, which are highly liquid and can be redeemed within short-term periods of time.

(d) "Private equity funds" and "real estate funds" are liquidated through distributions generated upon the sale of the underlying investments. The private equity funds and real estate funds categories include private funds that invest globally in public and private companies across several industries.

Grant Commitments Payable

The fair value of grant commitments payable is determined at the time of award. The fair values of grants payable in more than one year, which totaled approximately $38,799,556 and $66,730,157 at August 31, 2022 and 2021, respectively, were evaluated based on discounted cash flows analyses, utilizing an assumed risk-free rate of interest. It should be noted that no change in the present value discount was recognized during these years as the Foundation asserts the fair value approximates the recorded value and the adjustment was deemed to be immaterial. Total grant commitments payable in more than one year at August 31, 2022, are expected to be paid to grantees as follows: approximately $32,057,536 in fiscal year 2024, $5,217,731 in fiscal year 2025, and $1,524,289 in fiscal year 2026.

NOTE 4 INCOME TAXES AND SUPPLEMENTAL CASH FLOW INFORMATION

The Foundation's and Trust's current provision for federal excise tax is based on a 1.39% rate for the fiscal years ended August 31, 2022 and 2021. The deferred provision is based on unrealized appreciation on investments at a 1.39% rate for the fiscal years ended August 31, 2022 and 2021. Unrelated business taxable income, as defined by the IRC, may be subject to tax at applicable corporate and trust rates and is included in the current tax provision. The current and deferred tax provisions and cash flows associated with taxes are reflected in the table below.

	Foundation		Trust	
	2022	2021	2022	2021
Current tax (benefit) provision	$ 194,667	$ 238,899	$ 7,238,947	$ 5,712,094
Deferred tax (benefit) provision	(314,871)	441,650	(238,584)	(26,851,030)
Total current and deferred tax (benefit) provision	$ (120,204)	$ 680,549	$ 7,000,363	$ (21,138,936)
Cash payments for federal excise tax	$ 126,302	$ 91,992	$ 8,200,000	$ 6,550,000
Cash payments (refunds) for federal UBI tax	76,000	(20,000)	5,026	(1,000,000)
Total cash payments for federal taxes	$ 202,302	$ 71,992	$ 8,205,026	$ 5,550,000

NOTE 4 INCOME TAXES AND SUPPLEMENTAL CASH FLOW INFORMATION *(continued)*

To ensure compliance with the Internal Revenue Service (IRS) guidelines, the Foundation continues to develop and manage internal budgets on the cash or modified-cash basis. Cash expenditures for the fiscal years ended August 31, 2022 and 2021, were as follows:

	2022	2021
Grants	$ 429,217,687	$ 403,351,430
Program activities and general operations	83,545,571	76,772,590
Costs of earning income and excise tax	1,297,095	1,551,604
	$ 514,060,353 *	$ 481,675,624 *

* Amounts presented are based on preliminary tax preparation. As the return is finalized, the listed amounts may be subject to change.

Management evaluated all tax positions and concluded that the Foundation and the Trust have no uncertain tax positions that require recognition in the accompanying consolidated financial statements or further disclosure in the notes to the consolidated financial statements. The Foundation and the Trust file annual informational returns with the IRS and state and local tax authorities. The entities are subject to audits by taxing jurisdictions; however, no audits for any periods are currently in progress. Management believes that the entities are no longer subject to audits for years prior to 2018 under federal, state, and local tax jurisdictions.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment at August 31, 2022 and 2021, are summarized as follows:

	2022	2021
Land and land improvements	$ 19,005,438	$ 19,005,438
Buildings and building improvements	63,274,428	62,762,130
Equipment	2,848,461	2,763,936
Furniture and fixtures	5,873,341	5,167,736
Capitalized software costs	20,716,403	27,770,902
Work in process	486,765	213,184
	112,204,836	117,683,326
Accumulated depreciation	(65,060,340)	(68,127,287)
Total	$ 47,144,496	$ 49,556,039

NOTE 6 LONG-TERM DEBT – SOCIAL BOND

In October 2020, the Trust issued $300,000,000 of Series 2020 taxable social bonds that will mature on October 1, 2050. The bonds were not registered with the U.S. Securities Act of 1933 or the securities laws of any jurisdiction, but instead were offered and sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Interest is due semiannually at a fixed rate of 2.443% and a balloon payment of principal is due at maturity on October 1, 2050. The outstanding balance of long-term debt related to this issuance was $300,000,000 as of August 31, 2022 and 2021.

NOTE 7 POSTRETIREMENT BENEFITS

The Foundation offers a defined contribution retirement plan to full- and part-time employees. New hires may participate immediately upon hire and receive a matching contribution from the Foundation. Additional employer contributions are made after the employee works 900 hours in a plan year. The Foundation funded and charged to expense contributions of $3,985,241 and $3,824,761 in 2022 and 2021, respectively, related to the defined contribution plan.

The Foundation has a defined benefit retirement plan funded in amounts sufficient to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974, as amended. The Foundation contributed $400,000 to the defined benefit retirement plan during each of the years ended August 31, 2022 and 2021. The defined benefit retirement plan was closed to employees hired after June 1, 2012, and the plan formula was changed for prospective benefit accruals beginning September 1, 2012. The pension plan’s assets consist of mutual funds that are considered Level 1 assets in accordance with ASC 820. The Foundation also provides postretirement medical and life insurance benefits (“Other benefits”) to employees who meet eligibility requirements.

The Foundation sponsored the Retiree Medical Plan, covering healthcare claims for retirees and eligible dependents. The plan was closed to employees hired after June 1, 2012 and was replaced by a Retiree HRA plan, a reimbursement-only plan, covering the value of premiums of other non-Foundation medical plans, beginning September 1, 2012. The total postretirement benefits liability of $61,035,337 and $90,102,739 at August 31, 2022 and 2021, respectively, is comprised of the following components:

NOTE 7 POSTRETIREMENT BENEFITS *(continued)*

	Pension Benefits		Other Benefits	
	2022	**2021**	**2022**	**2021**
Benefit obligation–August 31	$ 4,327,864	$ 8,475,393	$ 61,742,428	$ 87,620,149
Fair value of plan assets–August 31	5,034,955	5,992,803	-	-
Funded (unfunded) status	$ 707,091	$ (2,482,590)	$ (61,742,428)	$ (87,620,149)
Accrued benefit cost recognized in the consolidated statements of financial position	$ 707,091	$ (2,482,590)	$ (61,742,428)	$ (87,620,149)
Accumulated benefit obligation	$ 2,911,913	$ 3,896,836		
Amounts not yet reflected in net periodic benefit costs				
Accumulated gain (loss)	$ 1,275,961	$ (1,499,806)	$ 22,364,127	$ (4,752,572)
Total	$ 1,275,961	$ (1,499,806)	$ 22,364,127	$ (4,752,572)
Changes in amounts not yet reflected in net periodic benefit costs				
Net actuarial gain (loss)	$ 2,817,523	$ 1,257,951	$ 27,116,698	$ 7,353,365
Amortization of prior service cost (credit)	-	-	-	-
Amortization of actuarial (gain) loss	(41,756)	595,427	-	231,048
Total	$ 2,775,767	$ 1,853,378	$ 27,116,698	$ 7,584,413
Amortization amounts to be reflected in net periodic benefit costs for fiscal year 2023				
Net actuarial gain (loss)	$ 94,318	$ (76,022)	$ 1,236,813	$ -
Total	$ 94,318	$ (76,022)	$ 1,236,813	$ -
Benefit costs, employer contribution and benefits paid				
Benefit cost	$ (13,914)	$ 695,660	$ 3,822,853	$ 4,421,803
Employer contribution	400,000	400,000	2,583,876	2,805,018
Benefits paid	399,485	1,839,135	2,583,876	2,805,018
Assumptions to determine benefits obligations				
Discount rate	4.66%	2.64%	4.66%	2.64%
Expected rate of return on plan assets	6.50%	6.50%	N/A	N/A
Rate of compensation increase	4.00%	4.00%	N/A	N/A
Measurement date	August 31	August 31	August 31	August 31
Assumptions used to determine expense				
Discount rate	2.64%	2.58%	2.64%	2.58%
Expected rate of return on plan assets	6.50%	6.50%	N/A	N/A
Rate of compensation increase	4.00%	4.00%	N/A	N/A
Health care cost trend rate assumptions				
Immediate trend rate assumption pre-/post-Medicare	N/A	N/A	6.20%	6.20%
Ultimate trend rate	N/A	N/A	4.00%	4.00%
Year trend rate is reached pre-/post-Medicare	N/A	N/A	2041	2041

During fiscal year 2022, the Foundation changed its mortality assumption to the PRI-2012 table for non-annuitants, annuitants and contingent surviving spouses with the MP2021 projection scale. During fiscal year 2021, the Foundation changed its mortality assumption to the PRI-2012 table for non-annuitants, annuitants and contingent surviving spouses with the MP2020 projection scale.

NOTE 7 POSTRETIREMENT BENEFITS *(continued)*

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the defined benefit retirement plan and the postretirement medical plan based on the same assumptions used to measure the Foundation's benefit obligation at August 31, 2022:

Year Ending August 31	Pension	Postretirement
2023	$ 259,509	$ 2,883,469
2024	575,312	3,031,965
2025	242,322	3,165,801
2026	229,281	3,278,747
2027	460,006	3,410,708
2028-2032	2,353,179	18,864,670

Investment Policy

The Foundation's Retirement Plan Committee oversees and monitors the pension plan investment policy with technical expertise provided by the Fund Evaluation Group. To realize the plan's expected rate of return and be within an actuarial tolerance range based on asset allocation, pension plan assets are split (80%/20%) between the Vanguard Total World Stock Index Fund Institutional Shares (VTWIX) and the Western Asset Core Plus Bond Fund (WACPX), respectively, with accounts held at and reported by The Vanguard Group. The VTWIX equity fund tracks the performance of a benchmark index that measures the investment return for large-, mid-, and small-capitalization global stocks. The WACPX bond fund focuses mainly on a high-quality, U.S. domestic core fixed-income portfolio that may be enhanced with an allocation to high-yield, non-U.S. and emerging market debt. The asset allocation was selected to maximize the return as pension plan cash flow requirements may be met by the Foundation's operating budget, as needed.

Basis Used to Determine the Overall Expected Rate of Return on Plan Assets

To develop the expected long-term rate of return on plan assets assumption, the Foundation considered the historical returns and the future expectations for returns for each asset class in the fund, as well as its target asset allocation. This strategy resulted in the selection of the 6.50% long-term rate of return on plan assets assumption for each of 2022 and 2021.

Risks and Uncertainties

Contributions are made to the employee benefit plans based on the present value of accumulated plan benefits, which are based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the consolidated financial statements.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of the Trust include all net assets, which are restricted until released to the Foundation. Releases from restrictions of $384,020,372 and $358,000,000 were recorded for the years ended August 31, 2022 and 2021, respectively. Donor restrictions are deemed satisfied at the time the Trust makes a contribution to the Foundation.

Net assets with donor restrictions of the Foundation consist of contributions receivable from irrevocable trusts, which are restricted until such assets are received. The Foundation's net assets with donor restrictions decreased by $26,715,844 and increased by $5,711,617 for the years ended August 31, 2022 and 2021, respectively, which represented the change in the fair value of the trusts to which the Foundation has irrevocable rights as beneficiary.

NOTE 9 FUNCTIONAL EXPENSES

The Foundation's grant and administrative expenses have been allocated between programs and supporting activities. Grants and charitable costs relate to activities of the Foundation, such as reviewing grant applications, awarding, monitoring and evaluating the grants, as well as the actual grant expenses. Certain costs, principally employee benefits, occupancy and telecommunication services, are allocated among the programs and supporting services on the basis of headcount in the respective functional areas.

The expenses are summarized on a functional basis in the tables below for 2022 and 2021:

	2022	
	Program	**Support**
Salaries and benefits	$ 28,186,850	$ 11,512,939
Professional services	17,919,254	15,890,659
Depreciation	3,160,262	1,053,421
Occupancy	1,238,066	1,054,648
Travel, conferences and meetings	454,128	213,707
Technology and equipment	2,754,307	1,760,950
Other expenses	940,562	587,064
	54,653,429	32,073,388
Grants	306,363,015	-
	$ 361,016,444	$ 32,073,388

NOTE 9 FUNCTIONAL EXPENSES *(continued)*

	2021	
	Program	**Support**
Salaries and benefits	$ 26,699,637	$ 10,857,726
Professional services	15,395,240	13,732,444
Depreciation	2,619,251	873,084
Occupancy	1,259,156	1,070,758
Travel, conferences and meetings	(76,964)	(44,563)
Technology and equipment	2,969,420	1,871,718
Other expenses	742,355	467,930
	49,608,095	28,829,097
Grants	496,959,820	-
	$ 546,567,915	$ 28,829,097

NOTE 10 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation and the Trust's financial assets available to meet cash needs for general expenditures within one year of the consolidated statement of financial position are as follows at August 31, 2022 and 2021:

		2022	
	Consolidated	**Foundation**	**Trust**
Cash, including cash held in investments	$ 159,428,478	$ 112,726,154	$ 46,702,324
Actively traded investments	4,680,425,149	100,868,000	4,579,557,149
Investments measured at NAV	1,810,941,224	59,380,575	1,751,560,649
Available financial assets	$ 6,650,794,851	$ 272,974,729	$ 6,377,820,122

		2021	
	Consolidated	**Foundation**	**Trust**
Cash, including cash held in investments	$ 296,567,448	$ 73,682,064	$ 222,885,384
Actively traded investments	4,375,656,674	134,295,302	4,241,361,372
Investments measured at NAV	2,243,793,396	44,400,297	2,199,393,099
Available financial assets	$ 6,916,017,518	$ 252,377,663	$ 6,663,639,855

NOTE 10 LIQUIDITY AND AVAILABILITY OF RESOURCES *(continued)*

The Foundation and the Trust structure their financial assets to be available for general expenditures, grant disbursements and other operational obligations as they arise. The Trust's assets are subject to an annual minimum spending policy of 5% and are appropriated annually by the Board of Directors for distribution to the Foundation as its sole beneficiary. The Foundation's assets are also subject to an annual minimum spending policy of 5% and are appropriated annually by the Board of Directors for grantmaking. While the amounts depicted in the table above are available to meet cash needs within one year of the date of the consolidated statement of financial position, they are further subject to the annual appropriations by the Board of Directors. Although the Foundation and Trust do not intend to liquidate assets other than for amounts needed for general expenditures appropriated during the year, these assets could be made available to increase the spending policy if necessary.

NOTE 11 SUBSEQUENT EVENTS

The Foundation and the Trust evaluated events and transactions occurring between September 1, 2022, and December 5, 2022, which is the date that the consolidated financial statements were available to be issued, for disclosure and recognition purposes.

SUPPLEMENTAL SCHEDULE

W. K. KELLOGG FOUNDATION AND
W. K. KELLOGG FOUNDATION TRUST
Supplemental Schedule of Gifts and Receipts
From Inception through August 31, 2022

This schedule represents an analysis of the Foundation's gifts and the Trust's receipts at historical value from inception through August 31, 2022. The Foundation and the Trust were established in 1930 and 1934, respectively.

Assets stated at estimated values at dates received		
Gifts from founder and his estate		$ 8,449,738
Distribution from W. K. Kellogg Foundation Trust		
Kellogg Company preferred stock	$ 7,541,625	
Securities received under terms of founder's will and W. K. Kellogg Distribution Trust	4,109,252	
		11,650,877
Gifts from others		
Pomona Ranch and Gull Lake Estate contributed by U.S. Government	1,077,562	
Assets contributed by Fellowship Corporation	203,207	
Gift from Morris estate	3,231,208	
Gift from Tuttle estate	677,568	
Miscellaneous gifts	208,108	
		5,397,653
Assets acquired through dissolution of trusts		
W. K. Kellogg Foundation Trust at Old Merchants National Bank and Trust Company	514,861	
Boys' Club Trust	171,076	
Gull Lake Estate Trust	358,538	
Palm Springs Trust	60,910	
Karl H. Kellogg Trust	108,654	
Chapin-Rhodes-Beldon Trust	229,020	
Belden-Chapin Trust	143,138	
Bernhard Peterson Trust	33,029	
Clara Way Trusts	380,370	
Williamson Trusts	1,389,816	
W. K. Kellogg Northwestern Mutual Insurance Trust	523,413	
J.H. Williamson Trust	258,401	
Glenn A. Cross Trust	4,353,834	
Carrie Staines Trust	52,463,328	
W.K. Kellogg Annuity Trust	26,086,834	
		87,075,222
		$ 112,573,490