

**ST. LOUIS COMMUNITY FOUNDATION**  
**COMBINED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

**ST. LOUIS COMMUNITY FOUNDATION  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
St. Louis Community Foundation  
St. Louis, Missouri

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of the St. Louis Community Foundation, which comprise the combined statements of financial position as of December 31, 2019 and 2018, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
St. Louis Community Foundation

***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the St. Louis Community Foundation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
August 20, 2020

**ST. LOUIS COMMUNITY FOUNDATION  
COMBINED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018**

<b>ASSETS</b>	2019	2018
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 51,441,361	\$ 46,276,148
Investments	443,718,913	408,283,032
Accounts and Interest Receivable	334,733	270,216
Unconditional Promises to Give, Net	1,344,582	399,013
Contributions Receivable - Charitable Lead Trusts	61,725	58,857
Prepaid Expenses	93,157	82,943
Total Current Assets	496,994,471	455,370,209
<b>PROPERTY AND EQUIPMENT, NET</b>	1,365,576	1,447,790
<b>UNCONDITIONAL PROMISES TO GIVE - LONG-TERM, NET</b>	679,410	946,340
<b>CONTRIBUTIONS RECEIVABLE - CHARITABLE LEAD TRUSTS - LONG-TERM</b>	395,358	457,083
Total Assets	\$ 499,434,815	\$ 458,221,422
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 477,921	\$ 551,419
Gift Annuity Obligations	173,894	173,894
Grants Payable	11,161,994	12,973,970
Total Current Liabilities	11,813,809	13,699,283
<b>GIFT ANNUITY OBLIGATIONS - LONG-TERM</b>	553,956	579,409
<b>GRANTS PAYABLE - LONG-TERM</b>	12,842,413	16,371,833
Total Liabilities	25,210,178	30,650,525
<b>NET ASSETS</b>		
Without Donor Restrictions	473,767,554	427,054,957
With Donor Restrictions	457,083	515,940
Total Net Assets	474,224,637	427,570,897
Total Liabilities and Net Assets	\$ 499,434,815	\$ 458,221,422

See accompanying Notes to Combined Financial Statements.

**ST. LOUIS COMMUNITY FOUNDATION  
COMBINED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019**

	Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 75,965,205	\$ -	\$ 75,965,205
Investment Income	12,436,615	-	12,436,615
Change in Value of Split-Interest Agreements - Charitable Lead Trusts	-	22,218	22,218
Change in Value of Split-Interest Agreements - Annuity Payables	(148,441)	-	(148,441)
Fees and Other Revenues	466,696	-	466,696
Net Gain on Investments	55,058,974	-	55,058,974
Net Assets Released from Restrictions	81,075	(81,075)	-
Total Revenues, Gains, and Other Support	<u>143,860,124</u>	<u>(58,857)</u>	<u>143,801,267</u>
<b>EXPENSES</b>			
Program	96,025,424	-	96,025,424
Management and General	895,996	-	895,996
Fundraising	226,107	-	226,107
Total Expenses	<u>97,147,527</u>	<u>-</u>	<u>97,147,527</u>
<b>CHANGE IN NET ASSETS</b>	46,712,597	(58,857)	46,653,740
Net Assets - Beginning of Year	<u>427,054,957</u>	<u>515,940</u>	<u>427,570,897</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 473,767,554</u>	<u>\$ 457,083</u>	<u>\$ 474,224,637</u>

See accompanying Notes to Combined Financial Statements.

**ST. LOUIS COMMUNITY FOUNDATION  
COMBINED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

	Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 65,903,815	\$ -	\$ 65,903,815
Investment Income	10,549,865	-	10,549,865
Change in Value of Split-Interest Agreements - Charitable Lead Trusts	-	24,947	24,947
Change in Value of Split-Interest Agreements - Annuity Payables	(139,751)	-	(139,751)
Fees and Other Revenues	364,066	-	364,066
Net Loss on Investments	(28,595,393)	-	(28,595,393)
Net Assets Released from Restrictions	81,075	(81,075)	-
Total Revenues, Gains, and Other Support	<u>48,163,677</u>	<u>(56,128)</u>	<u>48,107,549</u>
<b>EXPENSES</b>			
Program	89,723,976	-	89,723,976
Management and General	836,988	-	836,988
Fundraising	293,812	-	293,812
Total Expenses	<u>90,854,776</u>	<u>-</u>	<u>90,854,776</u>
<b>CHANGE IN NET ASSETS</b>	(42,691,099)	(56,128)	(42,747,227)
Net Assets - Beginning of Year	<u>469,746,056</u>	<u>572,068</u>	<u>470,318,124</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 427,054,957</u>	<u>\$ 515,940</u>	<u>\$ 427,570,897</u>

See accompanying Notes to Combined Financial Statements.

**ST. LOUIS COMMUNITY FOUNDATION  
COMBINED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributions	\$ 41,706,361	\$ 37,972,395
Cash Paid to Gift Annuitants	(151,676)	(148,947)
Cash Received from Fees and Other Revenues	431,861	332,066
Cash Paid for Charitable Grants	(96,760,345)	(85,602,664)
Cash Paid to Trustees, Suppliers, Employees, and Service Providers	(5,695,022)	(6,993,283)
Interest and Dividends Received	12,436,615	10,549,865
Net Cash Used by Operating Activities	<u>(48,032,206)</u>	<u>(43,890,568)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(54,819,525)	(49,455,816)
Sales of Investments	108,051,998	102,727,126
Purchase of Property and Equipment	(35,054)	(93,021)
Net Cash Provided by Investing Activities	<u>53,197,419</u>	<u>53,178,289</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,165,213	9,287,721
Cash and Cash Equivalents - Beginning of Year	<u>46,276,148</u>	<u>36,988,427</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 51,441,361</u></u>	<u><u>\$ 46,276,148</u></u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 46,653,740	\$ (42,747,227)
Contributed Investments	(33,609,379)	(28,568,931)
Net (Gain) Loss on Investments	(55,058,974)	28,595,393
Depreciation and Amortization	117,268	108,470
Change in Value of Split-Interest Agreements - Charitable Lead Trusts	(22,218)	(24,947)
Change in Value of Split-Interest Agreements - Annuity Payables	148,441	139,751
(Increase) Decrease in Assets:		
Prepaid Expenses	(10,214)	110,285
Accounts and Interest Receivable	(64,517)	52,025
Contributions Receivable - Charitable Lead Trusts	81,075	81,075
Unconditional Promises to Give	(678,639)	(1,041,707)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(73,499)	(230,663)
Gift Annuity Obligations	(173,894)	(173,894)
Grants Payable	(5,341,396)	(190,198)
Net Cash Used by Operating Activities	<u><u>\$ (48,032,206)</u></u>	<u><u>\$ (43,890,568)</u></u>

See accompanying Notes to Combined Financial Statements.



**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The St. Louis Community Foundation (the Foundation) is a tax-exempt, nonprofit, autonomous, publicly supported, nonsectarian philanthropic institution established in 1915. The Foundation is dedicated to improving the quality of life throughout the metropolitan St. Louis region by helping individuals, families, and businesses make a difference through charitable giving. The Foundation represents thousands of donors through hundreds of separate component funds supporting a broad range of community interests.

**Combined Statement Presentation**

The combined financial statements include the accounts of the St. Louis Community Foundation (the Trust), the St. Louis Community Foundation, Inc. (the Corporation), the St. Louis Real Estate Foundation (the Real Estate), and the Alberici Foundation (the Alberici). The Corporation is a publicly supported charity as described by IRC Section 509(a)(1) whose directors also serve as the governing body for the Trust. The Real Estate and Alberici entities are separate corporations with separate boards of directors. The Corporation is the sole member of Alberici and as such maintains significant control over Alberici's board, its governing documents, and certain aspects of its operations, in particular, approving certain financial transactions, acceptance of certain gifts, and any modifications to its governing documents. All assets of the Corporation, the Real Estate, and the Alberici entities are administratively managed by the Trust. The Real Estate entity had no activity during the years ended December 31, 2019 and 2018.

Significant intercompany transactions have been eliminated in these combined financial statements.

Total contributions by entity are as follows for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Corporation Entity	\$ 70,919,032	\$ 59,122,416
Trust Entity	4,046,173	5,531,399
Alberici Foundation	1,000,000	1,250,000
Total	<u>\$ 75,965,205</u>	<u>\$ 65,903,815</u>

**Basis of Accounting**

The accompanying combined financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

Under the accounting standards set forth by the Financial Accounting Standards Board, the Foundation is required to report contributions received as without donor restriction or with donor restriction, depending on the existence of any donor restrictions. In addition, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. Net assets with donor restriction are for the support of specific operating activities. At present, the Foundation has no net assets with donor restriction in perpetuity.

The Foundation maintains its internal accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure whereby resources with various restrictions as to expendability or user purpose are classified for accounting purposes in accordance with activities or objectives specified by donors.

These combined financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. As stated in the Foundation's gift instrument agreements, the Foundation's board of directors, in furtherance of the purposes of the Foundation, has the ultimate authority and control over all property gifted to them and the related income derived therefrom. Such authority includes the ability to remove a donor restriction.

Accordingly, the accompanying combined financial statements classify all net assets (fund balances) as net assets without donor restriction except for certain contributions received under charitable lead trust agreements as more fully described under Note 4. However, to assist with the classification of resources in accordance with the activities or objectives specified by donors, the following categories of net assets without donor restriction are used by the Foundation:

*Designated* – Contributions whereby donors are able to designate a specific organization to be the recipient of the income generated from these funds. However, the Foundation retains the authority to rescind a donor's designation if the charitable organization is no longer operating in an efficient manner, is no longer operating within the tax-exempt purpose for which it was established, or is no longer in existence.

*Donor Advised* – Contributions that are subject to donor recommendations regarding the particular organizations and projects that are to receive grants from these funds. The donor recommendations are solely advisory and the Foundation's board of directors is not bound by such recommendations.

*Field of Interest* – Contributions whereby the donors are able to channel their resources into broad areas of interest, e.g., arts, education, health care, work with the elderly, or youth services. The Foundation's board of directors uses these resources to make grants to programs or organizations that are most likely to achieve positive results for that area of interest.

**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

*Scholarship* – Contributions whereby donors may name the scholarship, designate a particular field of study, designate a specific educational institution or program, and select eligibility requirements. Scholarship funds may be established to benefit any level of education from preschool to postgraduate studies and vocational training.

*Discretionary* – Contributions not having donor-imposed recommendations that are used to respond to changing community needs as determined by the Foundation's board of directors.

*Supporting Organization* – Contributions to an independent foundation legally affiliated with the Foundation. The supporting organization has its own board, grant-making program, and investment structure.

*Operating* – Used in connection with administrative services provided by the Foundation.

*Temporarily Restricted Fund* – Holds certain beneficial interests in the underlying assets of certain charitable lead trusts.

All transfers made between funds are authorized by the board.

**Estimates and Assumptions**

The preparation of combined 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Credit Risk**

The Foundation maintains its cash-in-bank deposit accounts at various financial institutions. The balances at times may exceed federally insured limits. Also, the Foundation's investments are subject to the inherent risks associated with the securities market.

**Concentrations**

During the years ended December 31, 2019 and 2018, the Foundation received approximately 12% of its total contribution revenue from one individual donor.

**Cash and Cash Equivalents**

Cash and cash equivalents represent cash in banks, money market funds, certificate of deposits, and similar short-term investment vehicles. The Foundation considers investment vehicles not intended to be held for long-term investment purposes to be cash equivalents. The majority of the Foundation's cash is maintained in uninsured money market accounts.

**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

The Foundation maintains its investment portfolio with over 20 financial institutions. An investment committee monitors the performance of these institutions and reports quarterly to the board of directors. An external investment consultant is engaged to independently report to the investment committee the investment returns on a quarterly basis.

Investments in mutual funds, equities, and fixed income securities are carried at fair value based upon quoted market prices on established exchanges. Cash and cash equivalents are carried at cost which approximates fair value. Investment in limited partnership consists of a single partnership that holds assets comprised of marketable debt and equity securities. The Foundation's prorata limited partner share equals 99% of the partnership's holdings and is valued at quoted market prices. Other investments consist of notes receivable, private investment funds, ownership interest in a limited partnership, ownership interest in a limited liability corporation, and other miscellaneous holdings, and are carried at estimated fair value or cost.

Net changes in fair value of investments and realized gains and losses on investments disposed are reported in the combined statements of activities as net gains or losses on investments. Both the purchase and sale of investments are recorded effective on the trade date.

Donated securities are recorded at their fair value at the date of donation.

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the combined statements of financial position.

**Accounts and Interest Receivable and Unconditional Promises to Give**

Accounts receivable consists of consulting fees and accrued interest. Unconditional promises to give consist of nonoperating pledge donations from individuals. Unconditional promises to give are recognized as revenues in the period the promises are received. Accounts receivable and unconditional promises to give are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers and donors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Unconditional promises to give are recorded net of an allowance for doubtful accounts of \$22,387 as of December 31, 2019 and 2018. Management has deemed that no allowance is necessary for accounts receivable as of December 31, 2019 and 2018.

**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions Receivable – Charitable Lead Trusts**

The Foundation recognizes its beneficial interest in the underlying assets of these split-interest agreements as net assets with donor restriction. The initial transaction to recognize a new charitable lead trust is to record both a receivable and contribution revenue measured by the present value of the future cash flows. Distributions from the trusts and collected by the Foundation are reported both as reductions in the receivable and as reclassifications from net assets with donor restriction to net assets without donor restriction.

Amortization of the initial discount is recognized as payments are received by adjusting the receivable and recording as revenue the net change in the value of the split-interest agreement as is presented under the net asset with donor restriction class in the combined statements of activities.

**Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation. Policy is to capitalize amounts over \$1,000. Maintenance and repairs are charged to expense as incurred. When property and equipment are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any profit or loss arising from such disposition is included as an increase (or decrease) in net assets without donor restriction in the year disposed. The assets are depreciated over periods ranging from five to seven years, using the straight-line method. Significant additions to leasehold improvements will be depreciated over the life of the related lease term which is 25 years, using the straight-line method.

**Long-Lived Assets**

The Foundation's management reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Contributions**

Contributions are recognized as revenues in the period received. Conditional promises to give, which depend upon specified future and uncertain events, are recognized as revenue in the periods when the conditions upon which they depend are substantially met. The Foundation does not have any conditional promises to give as of December 31, 2019 and 2018.

**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Gift Annuity Obligations**

The Foundation is the beneficiary of several gift annuity agreements. Annuity agreements represent the present value of future annuities payable to the annuitants as of December 31, 2019 and 2018, as determined by the terms of the annuity agreement and present value factors provided by the Internal Revenue Service (IRS). The gift portion of the annuity agreement is calculated using methods and rates provided by the IRS and is recognized upon receipt. Discount rates range between 2% and 6.2% based on the year the gift was received.

Upon the donor's death, the excess, if any, of the initial gift received from the donor, plus investment earnings thereon, over the cumulative distributions paid to the donor, will be either expended as a grant or held as an endowment with the investment earnings distributed as stipulated by the gift annuity contract.

**Intra-Fund Loan**

During the year ended March 31, 2016, a new intra-fund loan was entered into to finance leasehold improvements for the Foundation's new office space. The balance of the loan was \$568,013 and \$620,373 at December 31, 2019 and 2018, respectively. Interest charged on the loan amounted to \$14,973 and \$16,258 for the years ended December 31, 2019 and 2018, respectively. The related interest and loan balance are eliminated for combined financial purposes. This intra-fund loan has an interest rate based on short-term rates at the time the loan was authorized by the board.

**Grants for Charitable Purposes**

Grants for charitable purposes are expensed in the period that they are approved by the board of directors.

**Income Taxes**

All four entities — the Trust, the Corporation, the Real Estate entity, and the Alberici Foundation — are exempt from federal income taxes under Section 501(a) by reason of being an organization described in Section 501(c)(3) of the Internal Revenue Code (the Code).

**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle**

In June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

**Allocation of Functional Expenses**

Expenses are allocated by functional expense between program, fundraising, and general and administrative services, based on management's estimates. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

**Fair Value Measurements**

The Foundation follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Foundation has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Level 1 includes various common stocks, preferred stocks, mutual funds, hedge funds, corporate bonds, and U.S. Treasury obligations.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, corporate bonds, hedge funds, various common stock and mutual funds, investment in a limited liability partnership, contributions receivable - charitable lead trusts, and gift annuity obligations.

**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset.

**NOTE 2 INVESTMENTS**

Investments consist of the following at December 31:

	2019	
	<u>Fair Value</u>	<u>Percent</u>
Common Stock	\$ 84,777,421	19.0 %
Mutual Funds	145,785,317	33.0
Corporate Bonds	94,542,222	21.3
U.S. Government Obligations	84,126,841	19.0
Hedge Funds or Other	29,936,096	6.7
Investment in Limited Partnership	151,934	0.0
Investment in Limited Liability Companies	4,399,082	1.0
Total	<u>\$ 443,718,913</u>	<u>100.0</u>

  

	2018	
	<u>Fair Value</u>	<u>Percent</u>
Common Stock	\$ 64,149,096	15.7 %
Mutual Funds	131,992,359	32.3
Corporate Bonds	86,177,047	21.1
U.S. Government Obligations	96,119,867	23.5
Hedge Funds or Other	25,196,598	6.2
Investment in Limited Partnership	167,065	0.1
Investment in Limited Liability Companies	4,481,000	1.1
Total	<u>\$ 408,283,032</u>	<u>100.0</u>

Investments are carried at fair value or cost in accordance with accounting principles generally accepted in the United States of America. For the years ended December 31, 2019 and 2018, unrealized gains (losses) of \$44,838,178, and \$(28,875,984) respectively, were recorded to adjust the investments to fair value.



**ST. LOUIS COMMUNITY FOUNDATION  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018**

**NOTE 2 INVESTMENTS (CONTINUED)**

**Investment in Limited Partnership**

The investment in limited partnership consists of a single partnership that holds assets comprised of marketable debt and equity securities valued based on unadjusted quoted market prices within active markets. The Foundation's prorata share of these underlying marketable securities consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Equity Holdings	\$ 113,305	\$ 109,175
Fixed Income Securities	38,629	57,890
Total	<u>\$ 151,934</u>	<u>\$ 167,065</u>

The limited partnership also holds cash and cash equivalents totaling \$21,845 and \$21,260 as of December 31, 2019 and 2018, respectively, and is included within the Foundation's total cash and cash equivalents as reported on the combined statements of financial position.

**Investment in Private Companies**

As of December 31, 2019, the Foundation had five separate equity interests in limited liability companies with a total value of \$4,399,082. As of December 31, 2018, the Foundation had four separate equity interests in limited liability companies with a total value of \$4,481,000. The value of the equity interests was derived from independent appraisals, subsequent sales values, original carrying cost, or company financial statements.

**Private Investment Funds**

Included under investments above are investments in various private investments, whose aggregate carrying values at December 31, 2019 and 2018 totaled \$29,936,096 and \$25,196,598, respectively. These investments provide the means for the fund manager to, for example, take both long and short positions, use arbitrage, buy and sell undervalued securities, trade options or bonds, and engage in other investment activities for the purpose of reducing volatility and risk while attempting to preserve capital and provide positive investment returns under all market conditions. At December 31, 2019 and 2018, the Foundation's holdings in hedge funds total approximately 6.7% and 6.2%, respectively, of the total carrying value of all investments.

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**NOTE 3 UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are expected to be collected in the following period at December 31:

	<u>2019</u>	<u>2018</u>
Pledges Due in Less Than One Year	\$ 1,366,969	\$ 421,400
Pledges Due in One to Five Years	690,100	957,030
Total Pledges	<u>2,057,069</u>	<u>1,378,430</u>
Allowance for Uncollectible Pledges	(22,387)	(22,387)
Discount to Record Promises to Give at Present Value	<u>(10,690)</u>	<u>(10,690)</u>
Total	<u>\$ 2,023,992</u>	<u>\$ 1,345,353</u>

A discount rate of 2% was used to record unconditional promises to give at the present value of the future cash flows at December 31, 2019 and 2018.

**NOTE 4 CONTRIBUTIONS RECEIVABLE – CHARITABLE LEAD TRUSTS**

The following is a schedule of the gross minimum payments to be received from charitable lead trusts at December 31, 2019:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 81,075
2021	81,075
2022	81,075
2023	81,075
2024	31,075
Thereafter	<u>186,449</u>
Total	541,824
Discount to Record Charitable Lead Trusts at Present Value	<u>(84,741)</u>
Total	<u>\$ 457,083</u>

Discount rates ranging from 3.25% to 5.75% were used to record contributions receivable under charitable lead trusts at the present value of the future cash flows at December 31, 2019 and 2018.

**ST. LOUIS COMMUNITY FOUNDATION  
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**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Leasehold Improvements	\$ 1,367,758	\$ 1,367,758
Computers	489,195	471,476
Office Furniture and Equipment	<u>223,164</u>	<u>205,829</u>
Total	2,080,117	2,045,063
Less: Accumulated Depreciation	<u>(714,541)</u>	<u>(597,273)</u>
Total	<u>\$ 1,365,576</u>	<u>\$ 1,447,790</u>

**NOTE 6 GRANTS PAYABLE**

Grants payable by fund are as follows at December 31:

	<u>2019</u>	<u>2018</u>
Discretionary	\$ 5,000	\$ -
Designated	50,001	-
Donor Advised	21,445,429	27,306,027
Supporting Organization	1,156,977	1,844,075
Field of Interest	<u>1,347,000</u>	<u>195,701</u>
Total Grants Payable	<u>\$ 24,004,407</u>	<u>\$ 29,345,803</u>

Grants authorized but unpaid at year-end are reported as liabilities. Management has evaluated grants payable and determined that recording a discount for grants to be paid in more than one year would be immaterial to the financial statements as a whole. The following is a summary of grants authorized and payable at December 31, 2019:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 11,161,994
2021	8,256,413
2022	3,228,000
2023	1,283,000
2024	55,000
Thereafter	<u>20,000</u>
Total	<u>\$ 24,004,407</u>

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**NOTE 7 FAIR VALUE MEASUREMENT AND NET ASSET VALUE**

The Foundation uses fair value measurement to record fair value adjustments to certain financial assets and financial liabilities that are measured on a recurring basis. The fair values of significant financial assets and liabilities that are measured on a recurring basis at December 31, 2019 are as follows:

	2019			
	Total at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Common Stock	\$ 84,777,421	\$ 84,777,421	\$ -	\$ -
Mutual Funds	145,785,317	145,785,317	-	-
Corporate Bonds	94,542,222	94,542,222	-	-
U.S. Government Obligations	84,126,841	84,126,841	-	-
Hedge Funds	22,654,875	22,654,875	-	-
Investment in Limited Partnership	151,934	-	151,934	-
Investment in Limited Liability Companies	2,666,971	-	-	2,666,971
Total	<u>434,705,581</u>	<u>\$ 431,886,676</u>	<u>\$ 151,934</u>	<u>\$ 2,666,971</u>
Investments Held at Net Asset Value or its Equivalent	7,281,221			
Closely Held Shares Held at Cost	1,732,111			
Total Investments	<u>\$ 443,718,913</u>			
Contributions Receivable - Charitable Lead Trusts	\$ 457,083	\$ -	\$ 457,083	\$ -
Gift Annuity Obligations	<u>\$ (727,850)</u>	<u>\$ -</u>	<u>\$ (727,850)</u>	<u>\$ -</u>

**ST. LOUIS COMMUNITY FOUNDATION  
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**NOTE 7 FAIR VALUE MEASUREMENT AND NET ASSET VALUE (CONTINUED)**

The fair values of significant financial assets and liabilities that are measured on a recurring basis at December 31, 2018 are as follows:

	2018			
	Total at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Common Stock	\$ 64,149,096	\$ 64,149,096	\$ -	\$ -
Mutual Funds	131,992,359	131,992,359	-	-
Corporate Bonds	86,177,047	86,177,047	-	-
U.S. Government Obligations	96,119,867	96,119,867	-	-
Hedge Funds	18,846,724	18,846,724	-	-
Investment in Limited Partnership	167,065	-	167,065	-
Investment in Limited Liability Companies	2,748,889	-	-	2,748,889
Total	<u>\$ 400,201,047</u>	<u>\$ 397,285,093</u>	<u>\$ 167,065</u>	<u>\$ 2,748,889</u>
Investments Held at Net Asset Value or its Equivalent	6,349,874			
Closely Held Shares Held at Cost	1,732,111			
Total Investments	<u>\$ 408,283,032</u>			
Contributions Receivable - Charitable Lead Trusts	<u>\$ 515,941</u>	<u>\$ -</u>	<u>\$ 515,941</u>	<u>\$ -</u>
Gift Annuity Obligations	<u>\$ (753,303)</u>	<u>\$ -</u>	<u>\$ (753,303)</u>	<u>\$ -</u>

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and financial liabilities valued using Level 2 inputs are based on inputs other than quoted prices (interest rates) that are observable for the financial asset or liability. Financial assets valued using Level 3 inputs are based on unobservable inputs for the asset or liability used to measure fair value that rely on the reporting entity's own assumptions based on the best information available under the circumstances. Inputs under fair value measurement guidance refer broadly to the assumptions that market participants would use in pricing the asset or liability.

The amount of total gains (losses) for the period is included in changes in net assets within the combined statements of activities. All assets have been valued using a market approach. There have been no changes in valuation approaches or techniques.

**ST. LOUIS COMMUNITY FOUNDATION  
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**NOTE 7 FAIR VALUE MEASUREMENT AND NET ASSET VALUE (CONTINUED)**

Investments using Level 3 inputs are as follows:

	<u>Investments in LLCs</u>
December 31, 2017	\$ 2,442,582
Total Gains	5,974
Purchases/Contributions	310,298
Sales	<u>(9,965)</u>
	2,748,889
December 31, 2018	
Total Gains	87,875
Purchases/Contributions	557,191
Sales	<u>(726,984)</u>
	2,666,971
December 31, 2019	<u>\$ 2,666,971</u>

Investments in certain entities that calculate net asset value per share (or its equivalent) as of December 31, 2019 and 2018, that have limits as to redemption frequency or notification period are as follows:

	<u>2019 Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge Funds	\$ 87,841	None	In Liquidation as Available	In Liquidation
Hedge Funds	\$ 5,749,678	None	At the Fund's Discretion	n/a
Social Impact Investment	\$ 1,443,702	\$ 624,160	Illiquid	n/a
	<u>2018 Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge Funds	\$ 801,269	None	In Liquidation as Available	In Liquidation
Hedge Funds	\$ 4,654,140	None	At the Fund's Discretion	n/a
Social Impact Investment	\$ 894,465	\$ 1,020,047	Illiquid	n/a

**ST. LOUIS COMMUNITY FOUNDATION  
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**NOTE 7 FAIR VALUE MEASUREMENT AND NET ASSET VALUE (CONTINUED)**

Fair value measurement policy includes:

*Common stock and mutual funds* are invested in domestic and international companies. These assets provide full disclosure of the underlying holdings and are valued using fair value methods that have quoted values observable on a daily basis.

*Corporate bonds and U.S. government bonds* are valued daily using fair value market methods and are observable daily. These assets provide full disclosure of the underlying holdings whereby the Foundation is able to verify its account balances daily if necessary.

*Hedge funds* are invested in a diverse portfolio of long/short funds, event-driven funds, turnaround situation funds, and other strategies. These are valued utilizing observable fair market methods available on a daily basis along with unobservable inputs used to determine the fair value, in which case the valuation used is the most current data available estimated at our fiscal year-end or may be based on their net asset value.

*Investment in limited partnership* consists of investments in domestic and international companies, as well as corporate and government bond funds. These assets provide full disclosure of the underlying holdings and are valued using fair value methods that have quoted values observable on a daily basis.

*Social impact investments* consist of investments in funds whose strategy is to provide a financial return and generate a measureable, beneficial social impact. The assets are valued using pricing inputs that are unobservable and reflect the reporting entity's own assumptions.

*Closely held shares* are assets consisting of closely held private interests. These assets are valued using pricing inputs that are unobservable and reflect the reporting entity's own assumptions. The assets are valued at December 31, 2019 and 2018, using independent appraisals, subsequent sales values, original carrying cost, or company financial statements.

**ST. LOUIS COMMUNITY FOUNDATION  
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**NOTE 8 NET ASSETS**

Net assets with donor restriction are available for the following purpose at December 31:

	<u>2019</u>	<u>2018</u>
Charitable Lead Trust - Timing Restriction	<u>\$ 457,083</u>	<u>\$ 515,940</u>

Net assets were released from donor-imposed restrictions as follows for the years ended December 31:

	<u>2019</u>	<u>2018</u>
With Donor Restriction:		
Charitable Lead Trust - Timing Restriction	<u>\$ 81,075</u>	<u>\$ 81,075</u>

**NOTE 9 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position sheet date, comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 51,441,361	\$ 46,276,148
U.S. Treasury Bills	74,637,439	92,756,517
Short-Term Investments	369,081,474	315,526,515
Accounts Receivable and Other Assets	1,741,040	728,086
Total	<u>\$ 496,901,314</u>	<u>\$ 455,287,266</u>

The assets above include \$360,639,409 and \$342,882,646 in donor-advised funds as of December 31, 2019 and 2018, respectively. The Foundation generally uses these assets for grant making based on donor recommendations.

Endowment funds consist of board-designated endowments. As described in Note 10, the Foundation's board-designated endowments are subject to an annual spending rate. For the year ended December 31, 2019, this rate was 4.00% and \$2,528,497 of appropriation from the board-designated endowments was available for the March 2020 annual distributions. For the year ended December 31, 2018, the rate was also 4.00% and \$2,463,900 of appropriation from the board-designated endowments was available for the March 2019 annual distributions. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated per the board's annual spending rate approval), because of the variance power held by the board, these amounts could be made available if necessary.

As part the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Foundation invests cash in excess of daily requirements in short-term investments and money market funds.



**ST. LOUIS COMMUNITY FOUNDATION**  
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**NOTE 10 ENDOWMENT NET ASSETS**

The endowment consists of individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. As stated in Note 1, under the Foundation's gift instrument agreements, the board of directors has the authority to remove a donor restriction, thus at December 31, 2019 and 2018, endowment net assets consist of only funds designated by the board of directors to function as endowments.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets designated that the organization holds in perpetuity or for a specified time period(s). Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results, over time, to outperform a weighted, blended market index, based on the target allocations established for the portfolio after adjusting for an estimated rate of inflation and net of investment management and custody fees while assuming a moderate level of investment risk.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term, rate-of-return objectives, the endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The endowment targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has a policy of establishing its spending policy annually. A spending policy rate of 4.0% was established for the years ended December 31, 2019, and 2018. The spending policy rate of 4.0% was based on a 16-quarter trailing average. In establishing this policy, the endowment considered the long-term expected return on its endowment. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of net asset at December 31:

	<u>2019</u>	<u>2018</u>
Net Assets Without Donor Restriction - Board-Designated Endowment Funds	<u>\$ 76,085,508</u>	<u>\$ 62,346,530</u>

**ST. LOUIS COMMUNITY FOUNDATION  
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**NOTE 10 ENDOWMENT NET ASSETS (CONTINUED)**

Changes in the board designated endowment net assets without donor restriction for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Endowment Net Assets - Beginning of Period	\$ 62,346,530	\$ 66,415,658
Investment Return (Loss):		
Investment Income	1,613,858	1,666,278
Net Gains (Loss) on Investments	<u>12,531,358</u>	<u>(5,860,901)</u>
Total Investment Return (Loss)	14,145,216	(4,194,623)
Other Revenue	3,000	7,000
Contributions	3,031,102	2,551,176
Expenses:		
Charitable Grants	2,022,237	1,882,133
Trustee, Investment, and Legal Fees	361,589	382,415
Administrative Expenses	641,346	600,606
Net Transfers	<u>415,168</u>	<u>(432,473)</u>
Total Expenses	<u>3,440,340</u>	<u>2,432,681</u>
Endowment Net Assets - End of Period	<u>\$ 76,085,508</u>	<u>\$ 62,346,530</u>

**NOTE 11 RETIREMENT PLAN**

The Foundation maintains a tax-qualified 403(b) deferred compensation plan. Under this plan, employees may elect to defer a percentage of their salary subject to IRS limits. After one year of service, the Foundation will contribute on behalf of the employee 2.5% of the employee's salary plus matching contributions equal to the employee's contributions to the 403(b) plan up to 4% of the employees' compensation. The Foundation's expense for the 403(b) plan totaled \$95,628, and \$76,497, for the years ended December 31, 2019 and 2018, respectively.

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**NOTE 12 FUNCTIONAL EXPENSES**

The following is a detail of expenses by functional classification for the year ended December 31, 2019:

	Program Services	Supporting Services			Total Expenses
	Program Services	Management and General	Fund Raising - Operations	Total Support Services	
Salaries and Related Expenses	\$ 2,348,256	\$ 414,398	\$ -	\$ 414,398	\$ 2,762,654
Salaries for Fiscal Sponsorships	1,287,625	227,228	-	227,228	1,514,853
Grants	91,418,949	-	-	-	91,418,949
Legal and Accounting	9,075	53,248	-	53,248	62,323
Miscellaneous	76,978	13,746	916	14,662	91,640
Fundraising	-	-	34,532	34,532	34,532
Office Supplies	8,289	436	-	436	8,725
Data Processing	119,133	21,274	1,418	22,692	141,826
Professional Services	134,281	23,979	1,599	25,578	159,858
Advertising and Marketing	111,087	51,657	181,639	233,296	344,383
Occupancy	52,822	9,432	629	10,061	62,883
Other	352,845	63,008	4,201	67,209	420,054
Business Taxes and Fees	403	-	-	-	403
Rent	7,176	-	-	-	7,176
Depreciation and Amortization	98,505	17,590	1,173	18,763	117,268
Total Expenses	\$ 96,025,424	\$ 895,996	\$ 226,107	\$ 1,122,103	\$ 97,147,527

The following is a detail of expenses by functional classification for the year ended December 31, 2018:

	Program Services	Supporting Services			Total Expenses
	Program Services	Management and General	Fund Raising - Operations	Total Support Services	
Salaries and Related Expenses	\$ 1,946,144	\$ 346,937	\$ 19,832	\$ 366,769	\$ 2,312,913
Salaries for Fiscal Sponsorships	1,301,452	229,668	-	229,668	1,531,120
Grants	85,412,467	-	-	-	85,412,467
Legal and Accounting	34,131	71,965	-	71,965	106,096
Miscellaneous	81,199	14,500	967	15,467	96,666
Fundraising	-	-	36,607	36,607	36,607
Office Supplies	1,794	94	-	94	1,888
Data Processing	123,015	21,967	1,464	23,431	146,446
Professional Services	67,490	12,052	803	12,855	80,345
Advertising and Marketing	-	40,361	228,714	269,075	269,075
Occupancy	68,553	12,242	816	13,058	81,611
Other	398,425	70,932	3,524	74,456	472,881
Business Taxes and Fees	172,895	-	-	-	172,895
Rent	25,296	-	-	-	25,296
Depreciation and Amortization	91,115	16,270	1,085	17,355	108,470
Total Expenses	\$ 89,723,976	\$ 836,988	\$ 293,812	\$ 1,130,800	\$ 90,854,776

**ST. LOUIS COMMUNITY FOUNDATION**  
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**NOTE 13 LEASE COMMITMENTS**

In 2016, the Foundation entered into a new lease agreement for its new principal office space. The duration of the lease is 25 years with a 10-year renewal option and is rent-free. The lease included a stipulation that building improvements outlined in the construction contract be partially paid by the Foundation, with the remainder being paid by the landlord. At December 31, 2019 and 2018, these building improvements related to the lease totaled approximately \$1,633,000 of which approximately \$1,266,000 was paid for by the Foundation. Building improvements and general upkeep of the building is maintained by the Foundation and provides a reasonable estimate of conditions required on a lease with specific rent requirements, accordingly, the estimated in-kind rent expense or in-kind receivable is deemed immaterial.

The Foundation leases a copier and fax machine under an operating lease which expires in May 2021. The expense associated with this lease totaled \$11,994 and \$11,977 for the years ended December 31, 2019 and 2018, respectively.

Future minimum rent payments are as follows at December 31, 2019:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 8,141
2021	3,392
Total	<u>\$ 11,533</u>

**NOTE 14 INCOME TAXES**

The Foundation has adopted ASC 740-10, *Income Taxes*, as it relates to uncertain tax positions and has evaluated their tax positions taken for all open tax years. The Foundation is not currently under audit nor has the Foundation been contacted by the IRS.

Based on the evaluation of the Foundation's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded at December 31, 2019 and 2018.

**ST. LOUIS COMMUNITY FOUNDATION  
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**NOTE 15 RECLASSIFICATIONS**

Certain reclassifications have been made to the December 31, 2018 financial statements in order to present them in conformity with the December 31, 2019 financial statements. These reclassifications had no effect on net assets as previously reported.

**NOTE 16 SUBSEQUENT EVENTS**

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. financial results, including, but not limited to, additional costs for emergency preparedness, disease control and containment, potential shortages of health care personnel, or potential loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing. During the period from January 1, 2020, through August 20, 2020, both domestic and international equity markets have experienced significant fluctuations. These fluctuations are not included in the financial statements as of and for the year ended December 31, 2019.