

THE PHILADELPHIA FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2020 AND 2019



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**THE PHILADELPHIA FOUNDATION
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENTS OF ACTIVITIES	4
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
SCHEDULE OF CONSOLIDATED NET ASSETS	28
NOTES TO SCHEDULE OF CONSOLIDATED NET ASSETS	29
CONSOLIDATING STATEMENT OF FINANCIAL POSITION	30
CONSOLIDATING STATEMENT OF ACTIVITIES	31



INDEPENDENT AUDITORS' REPORT

Board of Managers
The Philadelphia Foundation
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Philadelphia Foundation (a nonprofit corporation), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

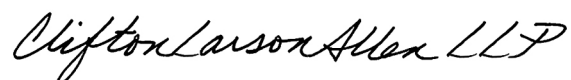
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Philadelphia Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standards

As discussed in Note 1 to the consolidated financial statements, management adopted the resource provider portion of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. Our opinion is not modified with respect to these matters.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 28 through 32 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 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
February 14, 2022

THE PHILADELPHIA FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS	2020	2019
Cash and Cash Equivalents	\$ 29,247,358	\$ 34,266,298
Certificates of Deposit	3,354,450	4,834,942
Contributions Receivable	26,237,871	29,731,728
Prepaid Expenses and Other Assets	1,131,809	873,542
Total	59,971,488	69,706,510
Nonendowment Investments:		
Equities	25,175,883	19,763,308
Fixed Income	33,256,389	48,614,055
Other	20,309,202	20,270,162
Total Nonendowment Investments	78,741,474	88,647,525
Endowment Investments:		
Equities	291,728,109	258,201,381
Fixed Income	114,587,491	101,783,395
Cash Surrender Value of Life Insurance	278,555	333,823
Cash Equivalents	18,707,116	22,565,488
Other	70,703,622	81,229,523
Total Endowment Investments	496,004,893	464,113,610
Split-Interest Agreements	10,926,191	9,585,833
Property and Equipment	659,364	753,747
Total Assets	\$ 646,303,410	\$ 632,807,225

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 1,421,933	\$ 770,673
Grants Payable	5,448,689	8,430,828
Liabilities Under Split-Interest Agreements	3,476,615	3,594,122
Liabilities Under Agency Accounts	10,559,622	11,832,389
Deferred Rent and Lease Incentive Liability	785,663	854,877
Total Liabilities	21,692,522	25,482,889

NET ASSETS

Without Donor Restrictions:		
For Grant Endowments	389,929,399	351,800,345
For Grantmaking	77,219,895	94,370,139
For Administrative Endowment and Operations	4,998,333	5,050,271
Total Without Donor Restrictions	472,147,627	451,220,755
With Donor Restrictions	152,463,261	156,103,581
Total Net Assets	624,610,888	607,324,336
Total Liabilities and Net Assets	\$ 646,303,410	\$ 632,807,225

See accompanying Notes to Consolidated Financial Statements.

**THE PHILADELPHIA FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Gifts, Grants, and Bequests	\$ 44,950,733	\$ 39,490,535	\$ 84,441,268
Investment Income	7,111,224	2,595,393	9,706,617
Net Unrealized and Realized Investment Gains	36,167,678	5,930,527	42,098,205
Change in Value of Perpetual Trust	-	249,983	249,983
Subtotal	<u>88,229,635</u>	<u>48,266,438</u>	<u>136,496,073</u>
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	44,921,228	(44,921,228)	-
Satisfaction of Time Restrictions	6,985,530	(6,985,530)	-
Total Revenue and Support	<u>140,136,393</u>	<u>(3,640,320)</u>	<u>136,496,073</u>
EXPENSES			
Grants	107,962,862	-	107,962,862
Grantmaking	4,818,788	-	4,818,788
Special Program Expenses	802,320	-	802,320
Development and Donor Services	2,097,123	-	2,097,123
Financial Management	2,971,236	-	2,971,236
Marketing	445,900	-	445,900
Total Expenses	<u>119,098,229</u>	<u>-</u>	<u>119,098,229</u>
CHANGE IN NET ASSETS BEFORE INCOME TAXES	21,038,164	(3,640,320)	17,397,844
Unrelated Business Income Tax Expense	<u>111,292</u>	<u>-</u>	<u>111,292</u>
CHANGE IN NET ASSETS	20,926,872	(3,640,320)	17,286,552
Net Assets - Beginning of Year	<u>451,220,755</u>	<u>156,103,581</u>	<u>607,324,336</u>
NET ASSETS - END OF YEAR	<u>\$ 472,147,627</u>	<u>\$ 152,463,261</u>	<u>\$ 624,610,888</u>

See accompanying Notes to Consolidated Financial Statements.

**THE PHILADELPHIA FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Gifts, Grants, and Bequests	\$ 49,218,017	\$ 24,228,004	\$ 73,446,021
Investment Income	11,065,547	1,813,771	12,879,318
Net Unrealized and Realized Investment Gains	52,350,555	7,975,963	60,326,518
Change in Value of Perpetual Trust	-	264,370	264,370
Subtotal	<u>112,634,119</u>	<u>34,282,108</u>	<u>146,916,227</u>
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	25,289,822	(25,289,822)	-
Satisfaction of Time Restrictions	5,109,640	(5,109,640)	-
Total Revenue and Support	<u>143,033,581</u>	<u>3,882,646</u>	<u>146,916,227</u>
EXPENSES			
Grants	48,646,878	-	48,646,878
Grantmaking	6,641,374	-	6,641,374
Special Program Expenses	1,860,756	-	1,860,756
Development and Donor Services	1,959,867	-	1,959,867
Financial Management	2,729,864	-	2,729,864
Marketing	408,046	-	408,046
Total Expenses	<u>62,246,785</u>	<u>-</u>	<u>62,246,785</u>
CHANGE IN NET ASSETS BEFORE INCOME TAXES AND OTHER LOSSES	80,786,796	3,882,646	84,669,442
Loss on Endowment Pledge	-	4,000,000	4,000,000
Unrelated Business Income Tax Benefit	<u>(729,674)</u>	<u>-</u>	<u>(729,674)</u>
CHANGE IN NET ASSETS	81,516,470	(117,354)	81,399,116
Net Assets - Beginning of Year	<u>369,704,285</u>	<u>156,220,935</u>	<u>525,925,220</u>
NET ASSETS - END OF YEAR	<u>\$ 451,220,755</u>	<u>\$ 156,103,581</u>	<u>\$ 607,324,336</u>

See accompanying Notes to Consolidated Financial Statements.

THE PHILADELPHIA FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Support Services			Total
		Management and General	Fundraising	Total	
Grant Expense	\$ 107,962,862	\$ -	\$ -	\$ -	\$ 107,962,862
Salaries and Wages	1,433,378	1,716,218	1,075,324	2,791,542	4,224,920
Payroll Taxes and Benefits	258,652	459,975	239,836	699,811	958,463
Advertising	-	17,975	-	17,975	17,975
Auditing Fees	35,580	109,664	23,383	133,047	168,627
Conferences, Conventions, and Meetings	72,161	5,503	28,958	34,461	106,622
Consultants and Contracted Services	2,664,069	279,484	83,549	363,033	3,027,102
Depreciation	27,843	47,050	19,490	66,540	94,383
Equipment Rental and Maintenance	79,133	121,601	53,964	175,565	254,698
Insurance	13,962	50,639	9,176	59,815	73,777
Legal Fees	89,635	313,914	58,908	372,822	462,457
Membership and Dues	54,539	34,784	22,978	57,762	112,301
Miscellaneous	5,796	23,992	8,227	32,219	38,015
Taxes, Registration, and Fees	13,051	31,262	1,311	32,573	45,624
Occupancy	102,719	135,474	84,519	219,993	322,712
Postage and Shipping	3,268	7,527	4,349	11,876	15,144
Printing and Publications	25,627	25,526	27,401	52,927	78,554
Program Expenses	825,780	-	-	-	825,780
Public Relations	181,929	11,390	26,249	37,639	219,568
Supplies	9,721	7,465	10,861	18,326	28,047
Telephone	718	1,224	472	1,696	2,414
Travel	34,548	7,328	16,308	23,636	58,184
Subtotal	<u>113,894,971</u>	<u>3,407,995</u>	<u>1,795,263</u>	<u>5,203,258</u>	<u>119,098,229</u>
Unrelated Business Income Tax Expense	-	111,292	-	111,292	111,292
Total Expenses	<u>\$ 113,894,971</u>	<u>\$ 3,519,287</u>	<u>\$ 1,795,263</u>	<u>\$ 5,314,550</u>	<u>\$ 119,209,521</u>

See accompanying Notes to Consolidated Financial Statements.

**THE PHILADELPHIA FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Program Services	Support Services			Total
		Management and General	Fundraising	Total	
Grant Expense	\$ 48,646,878	\$ -	\$ -	\$ -	\$ 48,646,878
Salaries and Wages	1,261,178	1,372,551	980,651	2,353,202	3,614,380
Payroll Taxes and Benefits	204,741	355,448	226,701	582,149	786,890
Advertising	-	2,506	-	2,506	2,506
Auditing Fees	27,726	205,160	15,790	220,950	248,676
Conferences, Conventions, and Meetings	138,417	12,572	19,679	32,251	170,668
Consultants and Contracted Services	3,541,619	470,147	74,977	545,124	4,086,743
Depreciation	29,987	48,705	20,505	69,210	99,197
Equipment Rental and Maintenance	57,285	107,366	32,625	139,991	197,276
Insurance	12,410	36,363	6,968	43,331	55,741
Legal Fees	46,504	221,718	36,338	258,056	304,560
Membership and Dues	33,717	39,244	18,762	58,006	91,723
Miscellaneous	9,109	19,021	4,633	23,654	32,763
Taxes, Registration, and Fees	-	12,058	2,360	14,418	14,418
Occupancy	73,074	135,634	42,233	177,867	250,941
Postage and Shipping	5,125	8,915	3,535	12,450	17,575
Printing and Publications	39,192	38,241	41,647	79,888	119,080
Program Expenses	3,077,736	-	-	-	3,077,736
Public Relations	48,277	41,399	8,465	49,864	98,141
Supplies	22,457	16,048	15,507	31,555	54,012
Telephone	6,198	11,616	3,530	15,146	21,344
Travel	193,671	24,687	37,179	61,866	255,537
Subtotal	<u>57,475,301</u>	<u>3,179,399</u>	<u>1,592,085</u>	<u>4,771,484</u>	<u>62,246,785</u>
Unrelated Business Income Tax Benefit	<u>-</u>	<u>(729,674)</u>	<u>-</u>	<u>(729,674)</u>	<u>(729,674)</u>
Total Expenses	<u>\$ 57,475,301</u>	<u>\$ 2,449,725</u>	<u>\$ 1,592,085</u>	<u>\$ 4,041,810</u>	<u>\$ 61,517,111</u>

See accompanying Notes to Consolidated Financial Statements.

THE PHILADELPHIA FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 17,286,552	\$ 81,399,116
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) By Operating Activities:		
Depreciation	94,383	99,197
Loss on Endowment Pledge	-	4,000,000
Contribution of Nonendowed Stock	(2,847,347)	-
Amortization of Discount on Contributions Receivable and Grants Payable	(1,249,802)	(1,370,698)
Change in Value of Split-Interest Agreements	(1,431,086)	536,815
Unrealized Gains on Investments	(38,015,897)	(56,273,213)
Realized Gain on Sale of Investments	(5,143,821)	(4,149,931)
(Increase) Decrease in Assets:		
Contributions Receivable	4,785,862	12,828,797
Prepaid Expenses and Other Assets	(258,267)	(577,090)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	(45,607)	(366,245)
Grants Payable	(3,024,342)	5,035,957
Liabilities Under Split-Interest Agreements	(117,507)	1,302,783
Liabilities Under Agency Accounts	(1,272,767)	2,140,457
Deferred Rent and Lease Incentive Liability	(69,214)	(50,604)
Net Cash Provided (Used) by Operating Activities	<u>(31,308,860)</u>	<u>44,555,341</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Nonendowment Investments	(21,868,530)	(34,868,748)
Proceeds from Sale of Nonendowment Investments	39,345,912	13,543,576
Purchases of Endowment Investments	(161,740,391)	(132,457,495)
Proceeds from Sale of Endowment Investments	168,265,334	119,439,116
Net Purchase of Certificates of Deposit	1,500,000	500,000
Net Cash Provided (Used) by Investing Activities	<u>25,502,325</u>	<u>(33,843,551)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Subject to Annuity Agreements	487,088	-
Payments on Annuity Contracts	(396,360)	(1,099,885)
Proceeds from Paycheck Protection Program Borrowings	696,867	-
Net Cash Provided (Used) by Financing Activities	<u>787,595</u>	<u>(1,099,885)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,018,940)	9,611,905
Cash and Cash Equivalents - Beginning of Year	<u>34,266,298</u>	<u>24,654,393</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 29,247,358</u>	<u>\$ 34,266,298</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Income Taxes Paid	<u>\$ 390,000</u>	<u>\$ 987,000</u>

See accompanying Notes to Consolidated Financial Statements.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Principles of Consolidation

The Philadelphia Foundation (TPF) is a community foundation established in 1918 primarily to serve the Greater Philadelphia region. The Philadelphia Foundation, Inc. (TPF, Inc.), a nonprofit corporation formed in 1992, acts as trustee for a portion of TPF's assets. The members of the board of managers of TPF also serve as the board of directors of TPF, Inc. (board of managers). TPF and TPF, Inc. receive contributions, manage endowment and nonendowment funds, lead programs, and make grants to meet community needs.

TPF and TPF, Inc. are comprised of approximately 1,000 individual funds, which are classified into six different categories according to donor intent. These include funds with donor-imposed restrictions as to use: designated, donor advised, scholarship and administrative endowment; and funds with no or lesser restrictions: field of interest and undesignated. The board of managers is responsible for approval of all grants.

TPF Properties LLC was formed on October 10, 2017, with TPF, Inc. as the sole member. TPF Properties LLC owns and manages donated real estate properties. TPF Properties LLC was organized exclusively for charitable purposes in accordance with Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, all TPF Properties LLC activity is reported under TPF, Inc.

The Lenfest Institute for Journalism Special Asset Fund of the Philadelphia Foundation (LISAF), formerly known as TPF Special Assets Fund, a nonprofit corporation, was incorporated as a Type I supporting organization to TPF on December 17, 2002, to receive, manage, and distribute assets, primarily real estate, in support of TPF.

The Lenfest Institute for Journalism, LLC (the Institute), formerly known as The Institute for Journalism in New Media, LLC, was formed on December 17, 2015, with LISAF as the sole member. The Institute was organized solely and exclusively for educational and other tax-exempt purposes of LISAF in accordance with Section 501(c)(3) of the IRC. Accordingly, all Institute activity is reported under LISAF.

The Harry R. Halloran, Jr. Charitable Trust (Halloran Trust) was formed as a Type I supporting organization to TPF on June 3, 2013, to make grants for charitable purposes that support the mission of TPF.

Delaware Charitable Assets, Inc. (DCA), a nonprofit corporation, was incorporated as a Type I supporting organization to TPF on October 26, 2015, to make grants for charitable purposes that support the mission of TPF.

The Dr. Rudolph Masciantonio Foundation for Classical Studies (Masciantonio Foundation), a charitable trust controlled by TPF, was established on December 1, 2017, as a Type I supporting organization to TPF, to promote classical studies.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Principles of Consolidation (Continued)

The Philadelphia Foundation Special Property Fund (TPFSPF) was formed as a Type I supporting organization to TPF on February 24, 2020, to receive, manage, and distribute assets, primarily real estate and other special assets, in support of TPF.

The accompanying consolidated financial statements include the accounts of TPF, TPF, Inc., LISAF, Halloran Trust, DCA, Masciantonio Foundation and TPFSPF and are collectively referred to as the Foundation. All inter-company accounts have been eliminated.

Use of Estimates

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

Tax-Exempt Status

TPF, TPF, Inc., LISAF, Halloran Trust, DCA and TPFSPF (the Foundation) are exempt from federal income taxes under Section 501(c)(3) of the IRC. TPF is treated as a publicly supported, tax-exempt community foundation as defined in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the IRC. In addition, the IRS has determined that TPF, Inc. is a component part of TPF and is exempt as such. LISAF, the Halloran Trust, DCA and TPFSPF are recognized as tax-exempt supporting organizations under section 509(a)(3) of the IRC. Certain unrelated business income is subject to federal income taxes. The Foundation follows the income tax standard for uncertain tax positions. The application of this standard has no impact on the Foundation's consolidated financial statements.

The Institute is a single-member LLC with LISAF as the sole member. The Institute is a disregarded entity for tax purposes, and all activity will be reported under LISAF.

The Foundation engages in investments that produce unrelated business income. The associated unrelated business income tax is generated primarily from earnings on leveraged investments (primarily hedge funds) as well as ownership of private company stock. As of December 31, 2020 and 2019, the Foundation had prepaid taxes of \$977,000 and \$697,000, respectively, which is included in prepaid expenses and other assets in the accompanying consolidated statements of financial position.

Cash and Cash Equivalents

Cash equivalents include liquid investments with initial maturities of three months or less. Such investments consist of short-term notes and are recorded at cost which approximates fair value. For purposes of the consolidated statements of cash flows, cash and cash equivalents do not include cash and cash equivalents included within endowment investments.

THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificates of Deposit

Certificates of deposit have maturities of up to one year and are valued in the consolidated statements of financial position at their original purchase price plus accrued interest.

Investments

Investments in equities and fixed income securities are carried at fair value based on quoted market prices. Cash and cash equivalents and temporary investments are carried at cost which approximates fair value. If quoted market prices are not available, fair values of certain investments are based on quoted market prices of comparable instruments. Life insurance contracts are valued at cash surrender value. The Foundation is the beneficiary of two life insurance policies.

In addition, the Foundation invests in alternative investments whose values are not readily available through an outside source. Alternative investments consist of limited partnerships, mutual funds and fund of funds and are recorded at approximate fair value as determined and approved by the managers or valuation committees of the alternative investments based upon judgments, which include, among other factors, restrictions affecting marketability, operating results, financial condition of the issuers and the price of the most recent financing transactions. These alternative investments are included among equities, fixed income securities and other. The role of alternative investments is to increase portfolio diversification through sources of return that are not generally correlated with traditional equity and fixed income markets. In addition, alternative investments can provide relatively consistent returns and principal protection in volatile market environments, thereby reducing overall return volatility of the portfolio. The underlying managers in fund of funds vehicles may engage in the use of derivatives (options/futures/forwards) as part of their investment strategy. Alternative investments are generally less liquid than their traditional equity counterparts, and the Foundation's fund of funds alternative managers may have entry/exit terms and capital lockup periods that range from one month to three years.

The Foundation has private company stock that has no readily available market value and is stated at cost (appraised value at the date of gift) and included in other nonendowment and endowment investments. Additionally, a partial interest in real estate is held in trust for the Foundation. This real estate has no readily available market value and is stated at cost (appraised value at date of gift) and included in other endowment investments. The aggregate carrying amount of the cost basis investments was \$33,052,819 at December 31, 2020 and 2019. This is comprised of Halloran stock of \$18,554,560, Lenfest Institute PMN Stock of \$13,858,614 and real estate of \$639,645.

The net changes in fair value and the realized gains and losses on investments sold are reflected in the consolidated statements of activities as net unrealized and realized investment gains or losses. Investment transactions are recorded on the trade date.

Cash and cash equivalents in endowment investments consist of contributions received and temporarily invested and accumulation of cash through planned liquidation of equity and fixed income positions to meet distribution requirements in January of each year.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

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 consolidated statements of financial position.

Split-Interest Agreements

Split-interest agreements are recorded at the fair value of the related investments based on quoted market prices. The Foundation has an interest in one irrevocable perpetual trust which is recorded at fair value based on the Foundation's interest in the underlying assets.

Liabilities Under Split-Interest Agreements

Liabilities under split-interest agreements reflect discounted cash flows owed to the income beneficiaries based on their life expectancy.

Property and Equipment

Property and equipment are carried at cost. Depreciation is calculated primarily using the straight-line method over the following estimated useful lives:

Furniture	7 Years
Computer Equipment	5 Years

Depreciation for leasehold improvements is calculated over the life of the lease.

Liabilities Under Agency Accounts

Liabilities under agency accounts represent funds transferred to the Foundation by charitable organizations and held by the Foundation in separate funds for the benefit of such charities. The related assets are reflected as both nonendowed and endowed investments.

Contributions

Contribution revenue is recorded when a contribution (including verifiable unconditional promises to give) is received. Bequests are recorded as contribution revenue when the respective will has been declared valid. Other contributions are recorded as revenue when the conditions limiting the transfer of assets have been satisfied, typically when the promise becomes irrevocable. Donated securities and other property are recorded at fair value on the date of donation.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

Contributions receivable that are not expected to be collected within one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using appropriate interest rates applicable to the years in which the promises are received. The rate used for contributions varies from .6% to 6.3%. The Foundation provides for uncollectible contributions receivable using the allowance method, which is based on management's judgment concerning historical collectability and analysis of individual contributions receivable. Past due receivables are individually analyzed for collectability and written off when all efforts at collection have been exhausted. As of December 31, 2020 and 2019, the allowance for uncollectible contributions was \$-0- and \$4,000,000, respectively.

Classification of Net Assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions – are not subject to donor-imposed stipulations or, if subject to such stipulations, are also subject to the variance power described below.

Net Assets With Donor Restrictions – are subject to donor-imposed stipulations that will be met either by actions of the Foundation or the passage of time. These types of net assets include contributions receivable, life insurance policies, real estate, the Foundation's interest in charitable remainder trusts, the pooled income fund, and grants to be spent over a specific time period. Net assets with donor restrictions are also comprised of net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Foundation. These types of net assets must be maintained in perpetuity by the Foundation.

As explained below, most contributions with donor-imposed restrictions are classified as net assets without donor restrictions.

Substantially all contributions to component funds of TPF and TPF, Inc., including those with donor-imposed restrictions, are subject to the unilateral variance power established by the respective governing documents. The variance power gives the board of managers the ability to modify donor restrictions that are incapable of fulfillment.

In addition, absent contrary directions given in the transferring instrument regarding the use of principal, the TPF and TPF Inc.'s governing documents further provide all or part of the principal of any fund may be used subject to certain conditions, including approval of the board of managers and trustee holding each fund. Therefore, such contributions are reported as net assets without donor restrictions. However, this classification does not imply that such funds are available for claims of general creditors of the Foundation.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets (Continued)

Restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire within the fiscal year in which the contributions are received. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions. Generally, earnings and gains (losses) on restricted contributions are also considered to be with donor restrictions.

When a contribution is received from a nonprofit organization for the purpose of establishing an endowment fund for the benefit of that organization, it is not considered to be a contribution for financial statement purposes. Such amounts are reflected in the consolidated statements of financial position as liabilities under agency accounts.

Advertising

The Foundation charges the cost of advertising to expense when incurred. Advertising expense was \$17,975 and \$2,506 for the years ended December 31, 2020 and 2019, respectively.

Uniform Prudent Management of Institutional Funds Act

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides guidance on the classification of endowment fund net assets for states that have enacted versions of the UPMIFA, and enhances disclosures for endowment funds. Because UPMIFA has not become law in the Commonwealth of Pennsylvania, possible reclassifications of net assets are not required to be made. Disclosure of prevailing law in the Commonwealth of Pennsylvania has been included in Note 5.

Fair Value Measurement

The Financial Accounting Standards Board (FASB) standards provide the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants.

In determining fair value, the Foundation uses various valuation approaches, including market, income, and/or cost approaches. 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 financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities. The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices for identical assets or liabilities in active markets.

THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Significant inputs to the valuation model are unobservable.

Fair Value of Financial Instruments

The fair value of cash and cash equivalents, grants payable, liabilities under split-interest agreements, and liabilities under agency accounts approximate their respective carrying amounts.

The fair value of contributions receivable is estimated by discounting the future cash flows using risk adjusted interest rates applicable to the years in which the promises are received.

The Foundation's endowment and nonendowment investments and split-interest agreements recorded at fair value on a recurring basis are included in Note 6. Determination of the fair value of private company stock and the Foundation's partial interest in real estate could not be made without incurring excessive cost. These investments are valued at cost (appraised value at the date of gift).

Risks and Uncertainties

In March 2020, 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. Management believes the Foundation 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 are still developing.

Adoption of New Accounting Standards

As of January 1, 2020, the Foundation adopted the resource provider portion of FASB Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, using the modified prospective method of transition. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments of this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Foundation's consolidated financial statements reflect the application of this guidance as a resource provider for the year ended December 31, 2020. No cumulative-effect adjustment to net assets was recorded because the adoption did not impact the Foundation's previously reported grant expense.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards (Continued)

As of January 1, 2020, the Foundation adopted FASB ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The new guidance removes and modifies disclosure requirements on fair value measurements.

Reclassifications

Certain reclassifications have been made to the 2019 amounts to conform to the 2020 presentation.

Subsequent Events

In preparing these consolidated financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through February 14, 2022, the date the consolidated financial statements were available to be issued.

On December 18, 2020, Wells Fargo Regional Foundation and Wells Fargo Regional Community Development Corporation (collectively Wells Fargo regional foundations) announced they would transfer their programmatic activities and \$110 million in charitable assets into a new Regional Foundation, LLC, operated as a component of the Foundation. A memorandum of understanding was signed between the Foundation and Wells Fargo regional foundations documenting the arrangement and the assets were received by the Foundation in January 2021.

NOTE 2 CONCENTRATION OF CREDIT RISK

Cash and cash equivalents potentially subject the Foundation to a concentration of credit risk. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank deposit accounts and certificates of deposit may exceed FDIC insurable limits.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable include unconditional promises to give at December 31:

	<u>2020</u>	<u>2019</u>
Receivable in Less Than One Year	\$ 9,056,332	\$ 11,792,194
Receivable in One to Five Years	12,250,000	16,300,000
Thereafter	<u>13,000,000</u>	<u>15,000,000</u>
Total	34,306,332	43,092,194
Less: Discounts to Present Value	8,068,461	9,360,466
Less: Allowance For Uncollectible Pledges	-	4,000,000
Net Contribution Receivable	<u><u>\$ 26,237,871</u></u>	<u><u>\$ 29,731,728</u></u>

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 3 CONTRIBUTIONS RECEIVABLE (CONTINUED)

As of December 31, 2020 and 2019, contributions receivable included approximately \$8,365,000 and \$8,824,000 (\$12,000,000 and \$13,000,000 undiscounted) from the Philadelphia Eagles, respectively, due under the terms of a sublease and development agreement between the Eagles and the Philadelphia Authority for Industrial Development (PAID). Under this agreement, the Eagles are to make an annual payment of \$1,000,000 to the Foundation's Fund for Children through 2032.

As of December 31, 2020 and 2019, contributions receivable included approximately \$8,742,000 and \$9,165,000 (\$13,000,000 and \$14,000,000 undiscounted) from the Philadelphia Phillies, respectively, due under the terms of a sublease and development agreement between the Phillies and PAID. Under this agreement, the Phillies are to make an annual payment of \$1,000,000 to the Foundation's Fund for Children through 2033.

As of December 31, 2020 and 2019, contributions receivable included approximately \$8,181,000 and \$14,722,000 (\$8,355,000 and \$15,071,000 undiscounted) of pledges to fund the Institute.

NOTE 4 OTHER ENDOWMENT INVESTMENTS

Other endowment investments consist of the following at December 31:

	2020	2019
Hedge Funds	\$ 39,589,191	\$ 41,579,765
Private Equity Funds	7,344,618	10,013,034
Real Asset Funds	2,946,515	7,553,122
Real Property	6,964,684	8,224,988
Private Company Stock	13,858,614	13,858,614
Total	\$ 70,703,622	\$ 81,229,523

Hedge funds invest primarily in long/short equity strategies and event driven equity and debt arbitrage strategies, corporate actions, and special situations.

The Foundation had uncalled commitments of approximately \$9.2 million and \$5.0 million at December 31, 2020 and 2019, respectively. Such commitments are generally called over a number of years and contain fixed expiration dates or other termination clauses.

NOTE 5 ENDOWMENT ACTIVITY

An endowment is an established fund of cash, securities, or other assets to provide income for the maintenance of the Foundation. The use of the assets of the fund may be with or without donor restrictions. Endowment funds are generally established by donor-restricted gifts or bequests to provide a permanent source of income, or a term endowment, which is to provide income for a specific period. A board-designated endowment, which results from an internal designation, is not donor restricted and is classified as net assets without donor restrictions.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 5 ENDOWMENT ACTIVITY (CONTINUED)

The mission of the Foundation's investment funds is to support current operations through a total return investment strategy and a spending policy set to maintain, and ideally increase, the purchasing power of the endowment, without putting the principal value of these funds at imprudent risk.

The general policy is to diversify investments to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. The investment goals for all investment funds of the Foundation, including both trust and corporate assets, are to: (1) meet payout requirements of endowment funds, (2) provide sufficient liquidity to meet distribution requirements, (3) earn a total return of 5% in excess of inflation as measured by the Consumer Price Index over a five-year time horizon, and (4) earn competitive returns relative to capital market measures. Investment goals and performance are to be computed net of investment management and independent investment consultant fees. The Foundation is guided in its total return policy by Commonwealth of Pennsylvania Act 141, which dictates the amount of allowable distributions to be made from a restricted endowment.

For the years ended December 31, 2020 and 2019, TPF and TPF, Inc. endowment distributions (cash payout) were 5% of the average market value, using a 20-quarter trailing average. The payout rate is established by the board of managers annually, for the following year. The cash payout includes cash required for grant making and for administrative costs.

Distributions of the Institute's endowment are made in accordance with the gift agreement. On an annual basis, up to 6% of the fair market value of the endowment fund may be spent based on a moving average of the fair market value of the endowment fund as determined by the board of managers of the Institute. The board of managers may from time to time adjust the 6% maximum annual draw on the endowment fund for extraordinary circumstances as determined by two-thirds vote of its board of managers, but in no event shall the annual draw exceed 10%. For the years ended December 31, 2020 and 2019, the distribution was a blended 8.2% and 5.4%, respectively, of the market value of the endowment fund.

Endowment activity by net asset class for the year ended December 31, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Assets - Beginning of Year	\$ 364,785,921	\$ 73,110,791	\$ 437,896,712
Investment Return:			
Interest and Dividends, Net of Investment Expense	1,990,470	1,654,151	3,644,621
Net Realized and Unrealized Gains	<u>31,675,945</u>	<u>6,256,947</u>	<u>37,932,892</u>
Total Investment Return	33,666,415	7,911,098	41,577,513
Contributions	8,666,190	2,517,611	11,183,801
Distributions of Endowment Income	<u>(13,820,497)</u>	<u>(5,697,926)</u>	<u>(19,518,423)</u>
Endowment Assets - End of Year	<u>\$ 393,298,029</u>	<u>\$ 77,841,574</u>	<u>\$ 471,139,603</u>

THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 ENDOWMENT ACTIVITY (CONTINUED)

Endowment activity by net asset class for the year ended December 31, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Assets - Beginning of Year	\$ 311,734,471	\$ 59,450,914	\$ 371,185,385
Investment Return:			
Interest and Dividends, Net of Investment Expense	7,046,851	968,309	8,015,160
Net Realized and Unrealized Gains	<u>50,462,849</u>	<u>6,803,037</u>	<u>57,265,886</u>
Total Investment Return	57,509,700	7,771,346	65,281,046
Contributions	12,445,872	8,743,531	21,189,403
Distributions of Endowment Income	<u>(16,904,122)</u>	<u>(2,855,000)</u>	<u>(19,759,122)</u>
Endowment Assets - End of Year	<u>\$ 364,785,921</u>	<u>\$ 73,110,791</u>	<u>\$ 437,896,712</u>

The above endowment activity does not include \$24,865,290 and \$26,216,898 of endowment assets shown on the consolidated statements of financial position including agency endowments, cash surrender value of life insurance, real estate, and private company stock at December 31, 2020 and 2019, respectively.

NOTE 6 FAIR VALUE MEASUREMENTS

The Foundation uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Foundation values all other assets refer to Note 1 – Summary of Significant Accounting Policies.

	Carrying Value at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Nonendowment Investments:				
Equities	\$ 25,175,883	\$ -	\$ -	\$ 25,175,883
Fixed Income	33,256,389	-	-	33,256,389
Other	35,516	-	-	35,516
Endowment Investments:				
Equities	217,393,813	-	-	217,393,813
Fixed Income	101,336,273	-	-	101,336,273
Real Asset Funds	7,659,591	-	-	7,659,591
Split-Interest Agreements	9,473,150	-	1,453,041	10,926,191
Total	<u>\$ 394,330,615</u>	<u>\$ -</u>	<u>\$ 1,453,041</u>	<u>395,783,656</u>
Investments Measured at Fair Value Using Net Asset Value per Share				137,850,411
Total				<u>\$ 533,634,067</u>

THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

	Carrying Value at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Nonendowment Investments:				
Equities	\$ 19,763,308	\$ -	\$ -	\$ 19,763,308
Fixed Income	48,614,055	-	-	48,614,055
Other	471,845	-	-	471,845
Endowment Investments:				
Equities	200,017,557	-	-	200,017,557
Fixed Income	89,511,223	-	-	89,511,223
Real Asset Funds	9,152,538	-	-	9,152,538
Split-Interest Agreements	8,382,775	-	1,203,058	9,585,833
Total	<u>\$ 375,913,301</u>	<u>\$ -</u>	<u>\$ 1,203,058</u>	<u>377,116,359</u>
Investments Measured at Fair Value Using Net Asset Value per Share				129,278,479
Total				<u>\$ 506,394,838</u>

There were no transfers into or out of Level 3 of the fair value hierarchy and there were no purchases or issues of Level 3 assets for the years ended December 31, 2020 and 2019.

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs Value of Underlying Assets
	2020	2019		
Irrevocable Perpetual Trust	\$ 1,453,041	\$ 1,203,058	Fair Market Value of Trust Instruments	

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of December 31, 2020:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
International Equity Funds	\$ 38,749,800	\$ -	Monthly	5 to 90 Days
International Equity Funds	6,376,952	-	1 Year	90 Days
International Equity Funds	8,058,135	-	Quarterly	180 Days
International Equity Funds	6,461,844	-	2 Years	60 Days
International Equity Funds	3,158,930	-	Quarterly	90 Days
International Equity Funds	13,353,304	-	Semi-Annually	90 to 180 Days
Large Cap Equity Funds	17,447,233	-	Monthly	30 Days
Small Cap Equity Funds	7,554,382	-	Quarterly	90 Days
Global Bond Funds	7,265,689	-	Bi-Monthly	5 Days
High Yield Bond Funds	5,985,528	-	Monthly	45 Days
Equity Long/Short Hedge Funds	4,357,782	-	Semi-Annually	65 Days
Multi-Strategy Hedge Funds	7,910,529	-	3 Years	60 Days
Multi-Strategy Hedge Funds	4,346,802	-	Quarterly	60 Days
Private Equity Funds and Stock	5,211,538	6,989,829	N/A	N/A
Real Asset Funds	1,611,963	2,236,788	N/A	N/A
Total	<u>\$ 137,850,411</u>	<u>\$ 9,226,617</u>		

THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of December 31, 2019:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
International Equity Funds	\$ 23,851,841	\$ -	Monthly	5 to 90 Days
International Equity Funds	5,938,354	-	1 Year	90 Days
International Equity Funds	6,148,325	-	Quarterly	180 Days
Large Cap Equity Funds	15,835,251	-	Monthly	30 Days
Small Cap Equity Funds	6,410,052	-	3 Years	90 Days
Global Bond Funds	6,551,169	-	Monthly	10 Days
High Yield Bond Funds	21,466,733	-	Monthly to Quarterly	6 Months to 180 Days
Equity Long/Short Hedge Funds	13,938,965	-	1 to 3 Years	95 Days
Multi-Strategy Hedge Funds	23,356,017	-	Monthly to Semi-Annually	45 to 92 Days
Private Equity Funds and Stock	4,334,555	4,081,557	N/A	N/A
Real Asset Funds	1,447,217	878,097	N/A	N/A
Total	<u>\$ 129,278,479</u>	<u>\$ 4,959,654</u>		

International Equity Funds include investments in funds that are invested in domestic and international common stock. The unobservable inputs used to determine the fair value of the investments is based on quoted market prices for the underlying securities which comprise the net asset value of the collective fund. The funds provide full disclosure of the underlying holdings, whereby the Foundation is able to verify its account balances.

Large/Small Cap Equity Funds include investments in funds that are invested in domestic common stock. The unobservable inputs used to determine the fair value of the investments is based on quoted market prices for the underlying securities which comprise the net asset value of the collective fund. The funds provide full disclosure of the underlying holdings, whereby the Foundation is able to verify its account balances.

Global Bond Funds include investments in funds that are invested primarily in publicly traded debt obligations. The unobservable inputs used to determine the fair value of the investments is based on quoted market prices for the underlying securities which comprise the net asset value of the collective fund. The funds provide full disclosure of the underlying holdings, whereby the Foundation is able to verify its account balances.

High Yield Bond Funds include investments in funds that are diversified and invested primarily in liquid, dollar-denominated bond securities. The unobservable inputs used to determine the fair value of the investments is based on quoted market prices for the underlying securities which comprise the net asset value of the collective fund. The funds provide full disclosure of the underlying holdings, whereby the Foundation is able to verify its account balances.

Equity Long/Short Hedge Funds is invested primarily in long/short equity managers along with distressed debt managers. The unobservable inputs used to determine the fair value of the fund of hedge funds in this category has been estimated using the net asset value per share of the investments.

THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Multi-Strategy Hedge Funds are invested primarily in a diversified portfolio of directly originated loan investments, distressed corporate and mortgage bonds and long/short credit. The unobservable inputs used to determine the fair value of the fund of hedge funds in this category has been estimated using the net asset value per share of the investments.

Private Equity Funds include investments in funds that are invested in venture capital, buy-outs, distressed securities, special situation funds, and direct investments in securities of companies. The unobservable inputs used to determine the fair value of the funds of private equity funds and direct investments has been estimated based on the capital account balances reported by the underlying partnerships subject to the capital fund of funds management review and judgment.

Real Asset Funds include investments in funds that are primarily invested in certain real estate funds formed as limited partnerships, limited liability companies, private real estate investment trusts, or similar entities. The unobservable inputs used to determine the fair value of real asset funds is estimated based on the capital account balance reported by the underlying partnerships which estimate the fair value of an investment in an investment company using the net asset value per share of the investments without further adjustment.

NOTE 7 SPLIT-INTEREST AGREEMENTS

During the years ended December 31, 2020 and 2019, contributions of \$487,088 and \$0-, respectively, were received related to split-interest agreements. Additionally, investment income for the years ended December 31, 2020 and 2019 totaled \$226,415 and \$283,038, respectively. Net unrealized and realized gains of \$626,855 and \$300,032 related to split-interest agreements were recorded for the years ended December 31, 2020 and 2019, respectively.

The Foundation has interests in split-interest agreements as follows at December 31:

	<u>2020</u>	<u>2019</u>
(a) Charitable Remainder Trusts	\$ 2,205,091	\$ 1,621,712
(b) Irrevocable Perpetual Trust	1,453,041	1,203,058
(c) Pooled Life Income Fund	2,857,621	2,733,554
(d) Charitable Gift Annuities	2,561,631	2,297,755
(e) Charitable Lead Trust	<u>1,848,807</u>	<u>1,729,754</u>
Total	<u>\$ 10,926,191</u>	<u>\$ 9,585,833</u>

(a) The Foundation is the trustee of several charitable remainder trusts. Under these trust agreements, third-party beneficiaries receive 5% to 8% of the fair market value of the trust's assets, payable quarterly.

(b) The Foundation is a beneficiary of an irrevocable perpetual trust. The trust assets are held by an outside trustee. Each year, the Foundation records income received from the trust as unrestricted income.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 SPLIT-INTEREST AGREEMENTS (CONTINUED)

- (c) The Foundation's pooled life income fund allows donors to make tax-deductible gifts to the Foundation while the donor retains the right to either receive income from the donated property for life or grant such right to another individual or individuals.
- (d) The Foundation's charitable gift annuities program allows donors or their designated beneficiaries to receive periodic payments (annuities) for life with the transfer of the remaining assets to the Foundation upon death of the annuitant.
- (e) The Foundation is the trustee and beneficiary of a charitable lead annuity trust. The Foundation receives annual distributions over the 18-year term of the trust.

Liabilities under split-interest agreements amount to \$3,476,615 and \$3,594,122 at December 31, 2020 and 2019, respectively, which equals the estimated share of the split-interest agreements which will go to beneficiaries other than the Foundation.

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Leasehold Improvements	\$ 660,630	\$ 660,630
Furniture and Equipment	327,617	327,617
Computers	<u>8,546</u>	<u>8,546</u>
Total	996,793	996,793
Less: Accumulated Depreciation	<u>337,429</u>	<u>243,046</u>
Total Property and Equipment	<u>\$ 659,364</u>	<u>\$ 753,747</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$94,383 and \$99,197, respectively.

NOTE 9 GRANTS PAYABLE

Generally, grants are recorded when approved by the board of managers. The following is a summary of grants authorized and payable at December 31:

<u>Years Ending December 31,</u>	<u>2020</u>	<u>2019</u>
To be Paid in Less than One Year	\$ 4,784,910	\$ 4,357,238
To be Paid in One to Five Years	<u>665,970</u>	<u>4,117,984</u>
Total	5,450,880	8,475,222
Less: Discounts to Present Value	<u>2,191</u>	<u>44,394</u>
Net Grants Payable	<u>\$ 5,448,689</u>	<u>\$ 8,430,828</u>

As of December 31, 2020 and 2019, the Foundation had no unrecorded grants in which conditions placed on these grants had not been met.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 10 DEFINED CONTRIBUTION RETIREMENT PLAN

The Foundation has a defined contribution plan which covers all eligible employees. For the years ended December 31, 2020 and 2019, the Foundation contributed 10% of salaries, as defined, for a total contribution of \$328,435 and \$258,246, respectively.

NOTE 11 LEASE COMMITMENTS

The Foundation has an operating lease agreement for its office space. The rent commencement date of the lease was June 1, 2017, and the lease term expires May 31, 2029. The lease agreement includes a tenant improvement allowance for property and equipment, and the related unamortized assets and liabilities are recorded under property and equipment and deferred rent and lease liability on the consolidated statements of financial position.

Rent expense was \$244,167 and \$214,436 for the years ended December 31, 2020 and 2019, respectively. The Foundation records periodic rental expense over the life of the lease. Deferred rent was \$299,671 and \$311,150 as of December 31, 2020 and 2019, respectively.

The Foundation also leases equipment under operating leases. Rental expense on leased equipment was \$11,896 and \$15,633 for the years ended December 31, 2020 and 2019, respectively.

At December 31, 2020, minimum rental payments for all operating leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 319,594
2022	319,643
2023	317,579
2024	322,909
2025	328,239
Thereafter	1,161,052
Total	<u>\$ 2,769,016</u>

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with time or purpose restrictions were as follows at December 31:

	<u>2020</u>	<u>2019</u>
Grants for Donor Restricted Activities	\$ 15,747,584	\$ 23,790,109
S Corporation Stock, Restricted by Terms of the Stock Donation Agreement	18,554,560	18,554,560
Use in Future Periods, Includes Pledges to the Foundation that are Expected to be Received in Subsequent Years and are Usually Considered to be Time Restricted	<u>36,104,028</u>	<u>34,628,533</u>
Total	<u>\$ 70,406,172</u>	<u>\$ 76,973,202</u>

Net assets to be held in perpetuity were as follows at December 31:

	<u>2020</u>	<u>2019</u>
Investments, Held Indefinitely at Historical Cost: Related Income and Gains are Expendable for Scholarship Grants and Reflected in Net Assets without Donor Restrictions	\$ 50,000	\$ 50,000
Partial Interest in a Perpetual Trust, Held by a Third-Party Trustee and Recorded at Fair Value	1,453,041	1,203,058
Permanent Endowment for the Institute	55,775,284	53,759,750
Cash due to Endowment	1,300,000	-
Contribution Receivable to Fund a Permanent Endowment for the Institute	-	1,000,000
Private Company Stock, Restricted for Permanent Endowment of the Institute	13,858,614	13,858,614
Masciantonio Foundation	<u>9,620,150</u>	<u>9,258,957</u>
Total	<u>\$ 82,057,089</u>	<u>\$ 79,130,379</u>

NOTE 13 FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function of The Foundation. These expenses require allocation on a reasonable basis that is consistently applied and are allocated on the basis of estimates of department time and usage. Expenses include depreciation and amortization, the president's office, insurance, audit and legal fees, office and occupancy, and information technology department. Also included are salaries and benefits, which are allocated on the basis of estimates of time and effort.

**THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 13 FUNCTIONAL EXPENSES (CONTINUED)

Functional expenses for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Program Services	\$ 113,894,971	\$ 57,475,301
Management and General	3,519,287	2,449,725
Fundraising	1,795,263	1,592,085
Total	<u>\$ 119,209,521</u>	<u>\$ 61,517,111</u>

NOTE 14 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects The Foundation's financial assets available for expenditure within one year of the balance sheet date. The Foundation's funds consist of endowment and quasi-endowment funds. Income from endowments are restricted for specific purposes and, therefore, not available for general expenditure. Quasi-endowment amounts not available include amounts subject to certain conditions, including approval of the trustee holding each fund and the Foundation's board of managers.

Although the Foundation does not intend to spend from its board-designated endowments other than amounts appropriated for general expenditure as part of its annual budget approval, amounts could be made available if necessary.

	<u>2020</u>	<u>2019</u>
Financial Assets	\$ 644,512,235	\$ 631,179,936
Less:		
Contractual or Donor-Imposed Restrictions Making Financial Assets Unavailable for General Expenditure	(76,656,233)	(78,305,025)
Endowment Funds, Primarily for Long-Term Investing	(509,276,833)	(491,635,397)
Board Designated	<u>(37,958,521)</u>	<u>(32,391,381)</u>
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 20,620,648</u>	<u>\$ 28,848,133</u>

NOTE 15 PAYCHECK PROTECTION PROGRAM LOAN

On April 20, 2020, the Foundation received a loan in the amount of \$819,300 to fund payroll, rent and utilities through the federal Paycheck Protection Program (PPP), an initiative of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed by Congress in response to COVID-19. On June 12, 2020, \$122,433 of this amount was returned to the lender by the Foundation. All or some of the loan principal and interest may be eligible to be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with PPP guidelines. As of December 31, 2020, the total balance outstanding was \$696,867 and is included in accounts payable and accrued liabilities in the consolidated statement of financial position.

THE PHILADELPHIA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 15 PAYCHECK PROTECTION PROGRAM LOAN (CONTINUED)

In September 2021, the loan was fully forgiven by the Small Business Administration (SBA). The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Foundation's consolidated financial position.

THE PHILADELPHIA FOUNDATION
SCHEDULE OF CONSOLIDATED NET ASSETS
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Without Donor Restrictions				With Donor Restrictions	Total Net Assets
	Administrative Endowment and Operations	Grantmaking	Grant Endowments	Total		
Funds:						
Designated	\$ -	\$ 5,604,010	\$ 101,379,495	\$ 106,983,505	\$ 1,293,084	\$ 108,276,589
Field of Interest	-	3,176,164	158,140,380	161,316,544	25,959,858	187,276,402
Undesignated	-	1,386,716	34,786,574	36,173,290	4,303,059	40,476,349
Scholarship	-	1,170,905	22,851,370	24,022,275	50,000	24,072,275
Donor Advised	-	62,753,138	72,695,660	135,448,798	1,682,087	137,130,885
Operating Program	-	(600,022)	65,920	(534,102)	531,111	(2,991)
Administrative Endowment	1,785,231	-	-	1,785,231	-	1,785,231
Subtotal	1,785,231	73,490,911	389,919,399	465,195,541	33,819,199	499,014,740
Operating Fund and Reserve	2,051,289	546,061	10,000	2,607,350	-	2,607,350
Total	3,836,520	74,036,972	389,929,399	467,802,891	33,819,199	501,622,090
Other	1,161,813	3,182,923	-	4,344,736	118,644,062	122,988,798
Total Consolidated Net Assets	<u>\$ 4,998,333</u>	<u>\$ 77,219,895</u>	<u>\$ 389,929,399</u>	<u>\$ 472,147,627</u>	<u>\$ 152,463,261</u>	<u>\$ 624,610,888</u>

See accompanying Notes to Schedule of Consolidated Net Assets.

**THE PHILADELPHIA FOUNDATION
NOTES TO SCHEDULE OF CONSOLIDATED NET ASSETS
DECEMBER 31, 2020**

As discussed in Note 1 to the consolidated financial statements, most contributions are subject to the Foundation's unilateral variance power and are recorded as net assets without donor restrictions. However, the Foundation's intent is to use these funds as a permanent endowment to meet community needs based on the interest of the donors.

NOTE A FUNDS

The schedule of net assets identifies the fund categories reflected in the gift instruments:

Designated

Donors may choose at the time the fund is established, one or more specific organizations to share the income from their funds.

Field of Interest

Donors may specify a broad area of charitable interest, such as arts and culture, human services or education and have the Foundation select specific grantee organizations.

Undesignated

Donors may establish general purpose funds that give the Foundation the greatest flexibility to meet the region's emerging and changing needs over time.

Scholarship

Donors may establish scholarship funds to benefit a certain type of student or a specific institution or to encourage study of a particular subject.

Donor Advised

Donors who wish to remain actively involved with their philanthropy may make grant recommendations to the board of managers, which must retain final responsibility for all distributions made by the Foundation.

Administrative Endowment

The administrative endowment reflects funds that have been board or donor designated to act as an endowment for the benefit of the Foundation. Funds are drawn down each year for Foundation operations using the Foundation's spending policy.

For Administrative Endowment and Operations

Funds available for the general operations of the Foundation.

For Grantmaking

Includes the funds available for distribution, including funds released from the endowment for distribution under the spending policy and nonendowed gifts and grants available for distribution.

For Grant Endowments

Includes all unrestricted funds currently invested with either TPF, Inc. or the trustee institutions including: Wells Fargo, Mellon, PNC, Glenmede Trust Company, Bryn Mawr Trust Company, and Pitcairn Trust Company.

THE PHILADELPHIA FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	TPF and TPF, Inc.	The Lenfest Institute for Journalism SAF of TPF	Harry R. Halloran, Jr. Charitable Trust	Masciantonio Foundation	Eliminations	Total
Cash and Cash Equivalents	\$ 19,388,462	\$ 9,387,508	\$ 471,388	\$ -	\$ -	\$ 29,247,358
Certificates of Deposits	3,354,450	-	-	-	-	3,354,450
Contributions Receivable	18,048,211	8,180,750	205,961	-	(197,051)	26,237,871
Due from Institute	2,589,094	-	-	-	(2,589,094)	-
Prepaid Expenses and Other Assets	112,697	42,112	977,000	-	-	1,131,809
Total	<u>43,492,914</u>	<u>17,610,370</u>	<u>1,654,349</u>	<u>-</u>	<u>(2,786,145)</u>	<u>59,971,488</u>
Nonendowment Investments:						
Equities	25,175,883	-	-	-	-	25,175,883
Fixed Income	33,256,389	-	-	-	-	33,256,389
Other	35,516	-	20,273,686	-	-	20,309,202
Total Nonendowment Investments	<u>58,467,788</u>	<u>-</u>	<u>20,273,686</u>	<u>-</u>	<u>-</u>	<u>78,741,474</u>
Endowment Investments:						
Equities	249,206,230	36,095,615	-	6,426,264	-	291,728,109
Fixed Income	92,113,496	19,770,582	-	2,703,413	-	114,587,491
Cash Surrender Value of Life Insurance	278,555	-	-	-	-	278,555
Cash Equivalents	17,447,778	696,638	-	562,700	-	18,707,116
Other	47,479,872	23,223,750	-	-	-	70,703,622
Total Endowment Investments	<u>406,525,931</u>	<u>79,786,585</u>	<u>-</u>	<u>9,692,377</u>	<u>-</u>	<u>496,004,893</u>
Split-Interest Agreements	10,926,191	-	-	-	-	10,926,191
Property and Equipment	623,087	36,277	-	-	-	659,364
Total Assets	<u>\$ 520,035,911</u>	<u>\$ 97,433,232</u>	<u>\$ 21,928,035</u>	<u>\$ 9,692,377</u>	<u>\$ (2,786,145)</u>	<u>\$ 646,303,410</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 1,381,243	\$ 2,621,284	\$ 190,551	\$ 15,000	\$ (2,786,145)	\$ 1,421,933
Grants Payable	2,210,678	3,238,011	-	-	-	5,448,689
Liabilities Under Split-Interest Agreements	3,476,615	-	-	-	-	3,476,615
Liabilities Under Agency Accounts	10,559,622	-	-	-	-	10,559,622
Deferred Rent and Lease Incentive Liability	785,663	-	-	-	-	785,663
Total Liabilities	<u>18,413,821</u>	<u>5,859,295</u>	<u>190,551</u>	<u>15,000</u>	<u>(2,786,145)</u>	<u>21,692,522</u>
NET ASSETS						
Without Donor Restrictions:						
For Grant Endowments	389,929,399	-	-	-	-	389,929,399
For Grantmaking	74,036,971	-	3,182,924	-	-	77,219,895
For Administrative Endowment and Operations	3,836,520	1,104,588	-	57,225	-	4,998,333
Total Without Donor Restrictions	<u>467,802,890</u>	<u>1,104,588</u>	<u>3,182,924</u>	<u>57,225</u>	<u>-</u>	<u>472,147,627</u>
With Donor Restrictions	33,819,200	90,469,349	18,554,560	9,620,152	-	152,463,261
Total Net Assets	<u>501,622,090</u>	<u>91,573,937</u>	<u>21,737,484</u>	<u>9,677,377</u>	<u>-</u>	<u>624,610,888</u>
Total Liabilities and Net Assets	<u>\$ 520,035,911</u>	<u>\$ 97,433,232</u>	<u>\$ 21,928,035</u>	<u>\$ 9,692,377</u>	<u>\$ (2,786,145)</u>	<u>\$ 646,303,410</u>

**THE PHILADELPHIA FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	TPF and TPF, Inc.			The Lenfest Institute for Journalism SAF of TPF		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Gifts, Grants, and Bequests	\$ 45,561,901	\$ 20,743,999	\$ 66,305,900	\$ 536,659	\$ 18,746,536	\$ 19,283,195
Investment Income	6,815,450	1,091,581	7,907,031	3,284	977,479	980,763
Net Unrealized and Realized Investment Gains	35,456,691	929,594	36,386,285	1,502	4,387,237	4,388,739
Change in Value of Perpetual Trust	-	249,983	249,983	-	-	-
Subtotal	<u>87,834,042</u>	<u>23,015,157</u>	<u>110,849,199</u>	<u>541,445</u>	<u>24,111,252</u>	<u>24,652,697</u>
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	18,149,661	(18,149,661)	-	25,960,564	(25,960,564)	-
Satisfaction of Time Restrictions	2,234,705	(2,234,705)	-	4,750,825	(4,750,825)	-
Total Revenue and Support	<u>108,218,408</u>	<u>2,630,791</u>	<u>110,849,199</u>	<u>31,252,834</u>	<u>(6,600,137)</u>	<u>24,652,697</u>
EXPENSES						
Grants	82,113,698	-	82,113,698	24,932,164	-	24,932,164
Grantmaking	865,336	-	865,336	3,953,452	-	3,953,452
Special Program Expenses	802,320	-	802,320	-	-	-
Development and Donor Services	1,065,505	-	1,065,505	1,031,618	-	1,031,618
Financial Management	2,389,181	-	2,389,181	816,525	-	816,525
Marketing	445,900	-	445,900	-	-	-
Total Expenses	<u>87,681,940</u>	<u>-</u>	<u>87,681,940</u>	<u>30,733,759</u>	<u>-</u>	<u>30,733,759</u>
CHANGE IN NET ASSETS BEFORE INCOME TAXES	20,536,468	2,630,791	23,167,259	519,075	(6,600,137)	(6,081,062)
Unrelated Business Income Tax Expense	-	-	-	-	-	-
CHANGE IN NET ASSETS	20,536,468	2,630,791	23,167,259	519,075	(6,600,137)	(6,081,062)
Net Assets - Beginning of Year	<u>447,266,422</u>	<u>31,188,409</u>	<u>478,454,831</u>	<u>585,513</u>	<u>97,069,486</u>	<u>97,654,999</u>
NET ASSETS - END OF YEAR	<u>\$ 467,802,890</u>	<u>\$ 33,819,200</u>	<u>\$ 501,622,090</u>	<u>\$ 1,104,588</u>	<u>\$ 90,469,349</u>	<u>\$ 91,573,937</u>

THE PHILADELPHIA FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Harry R Halloran Charitable Trust			Masciantonio Foundation			Eliminations	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Unrestricted	Total
REVENUE AND SUPPORT								
Gifts, Grants, and Bequests	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,147,827)	\$ 84,441,268
Investment Income	292,490	-	292,490	-	526,333	526,333	-	9,706,617
Net Unrealized and Realized Investment Gains	709,485	-	709,485	-	613,696	613,696	-	42,098,205
Change in Value of Perpetual Trust	-	-	-	-	-	-	-	249,983
Subtotal	1,001,975	-	1,001,975	-	1,140,029	1,140,029	(1,147,827)	136,496,073
Net Assets Released from Restrictions:								
Satisfaction of Program Restrictions	-	-	-	811,003	(811,003)	-	-	-
Satisfaction of Time Restrictions	-	-	-	-	-	-	-	-
Total Revenue and Support	1,001,975	-	1,001,975	811,003	329,026	1,140,029	(1,147,827)	136,496,073
EXPENSES								
Grants	917,000	-	917,000	786,003	-	786,003	(786,003)	107,962,862
Grantmaking	-	-	-	-	-	-	-	4,818,788
Special Program Expenses	-	-	-	-	-	-	-	802,320
Development and Donor Services	-	-	-	-	-	-	-	2,097,123
Financial Management	102,354	-	102,354	25,000	-	25,000	(361,824)	2,971,236
Marketing	-	-	-	-	-	-	-	445,900
Total Expenses	1,019,354	-	1,019,354	811,003	-	811,003	(1,147,827)	119,098,229
CHANGE IN NET ASSETS BEFORE INCOME TAXES	(17,379)	-	(17,379)	-	329,026	329,026	-	17,397,844
Unrelated Business Income Tax Expense	111,292	-	111,292	-	-	-	-	111,292
CHANGE IN NET ASSETS	(128,671)	-	(128,671)	-	329,026	329,026	-	17,286,552
Net Assets - Beginning of Year	3,311,595	18,554,560	21,866,155	57,225	9,291,126	9,348,351	-	607,324,336
NET ASSETS - END OF YEAR	<u>\$ 3,182,924</u>	<u>\$ 18,554,560</u>	<u>\$ 21,737,484</u>	<u>\$ 57,225</u>	<u>\$ 9,620,152</u>	<u>\$ 9,677,377</u>	<u>\$ -</u>	<u>\$ 624,610,888</u>

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

