

ST. LOUIS PUBLIC SCHOOLS FOUNDATION
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

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Independent Auditors' Report

Board of Directors
St. Louis Public Schools Foundation
St. Louis, Missouri

We have audited the accompanying financial statements of St. Louis Public Schools Foundation (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the 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 Organization'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 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 financial statements referred to above present fairly, in all material respects, the financial position of St. Louis Public Schools Foundation as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited St. Louis Public Schools Foundation's financial statements for the year ended June 30, 2017, and our report dated November 1, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads "Anders Minkler Huber & Helms LLP". The signature is written in a cursive style.

November 29, 2018

St. Louis Public Schools Foundation
Statement of Financial Position
June 30, 2018
(With comparative totals for 2017)

Assets

| | Unrestricted | Temporarily Restricted | Totals | |
|--------------------------------|-------------------------|---------------------------|-------------------------|-------------------------|
| | | | 2018 | 2017 |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 1,401,190 | \$ 619,026 | \$ 2,020,216 | \$ 338,319 |
| Investments | - | 4,233,134 | 4,233,134 | 5,193,520 |
| Unconditional promises to give | - | 52,000 | 52,000 | 97,486 |
| Prepaid expenses | <u>6,932</u> | <u>-</u> | <u>6,932</u> | <u>7,625</u> |
| Total Current Assets | <u>1,408,122</u> | <u>4,904,160</u> | <u>6,312,282</u> | <u>5,636,950</u> |
| Unconditional Promises to Give | - | 10,000 | 10,000 | 20,000 |
| Property and Equipment, net | <u>3,001</u> | <u>-</u> | <u>3,001</u> | <u>3,685</u> |
| Total Assets | <u>\$ 1,411,123</u> | <u>\$ 4,914,160</u> | <u>\$ 6,325,283</u> | <u>\$ 5,660,635</u> |

Liabilities and Net Assets

| | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Current Liabilities | | | | |
| Accounts payable | \$ 42,029 | \$ - | \$ 42,029 | \$ 48,880 |
| Accrued expenses | 51,537 | - | 51,537 | 22,606 |
| Due to District | <u>673,669</u> | <u>-</u> | <u>673,669</u> | <u>-</u> |
| Total Current Liabilities | <u>767,235</u> | <u>-</u> | <u>767,235</u> | <u>71,486</u> |
| Net Assets | | | | |
| Unrestricted | | | | |
| Unrestricted | 586,553 | - | 586,553 | 517,297 |
| Unrestricted - Board designated | 57,335 | - | 57,335 | 57,335 |
| Temporarily restricted | <u>-</u> | <u>4,914,160</u> | <u>4,914,160</u> | <u>5,014,517</u> |
| Total Net Assets | <u>643,888</u> | <u>4,914,160</u> | <u>5,558,048</u> | <u>5,589,149</u> |
| Total Liabilities and Net Assets | <u>\$ 1,411,123</u> | <u>\$ 4,914,160</u> | <u>\$ 6,325,283</u> | <u>\$ 5,660,635</u> |

St. Louis Public Schools Foundation
Statement of Activities
Year Ended June 30, 2018
(With comparative totals for 2017)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Totals</u> | |
|--|---------------------|-----------------------------------|---------------------|---------------------|
| | | | <u>2018</u> | <u>2017</u> |
| Revenues, Gains and Other Support | | | | |
| Contributions | \$ 373,092 | \$ 419,940 | \$ 793,032 | \$ 675,362 |
| Grants | 496,428 | 1,019,607 | 1,516,035 | 856,571 |
| Special events | 85,240 | - | 85,240 | 33,064 |
| In-kind contributions | 14,004 | - | 14,004 | 14,004 |
| Investment income | 57,995 | - | 57,995 | 23,786 |
| Other | 40,118 | - | 40,118 | 34,603 |
| Net Assets Released From Restrictions: | | | | |
| Satisfaction of time and usage restrictions | <u>1,539,904</u> | <u>(1,539,904)</u> | <u>-</u> | <u>-</u> |
| Total Revenues, Gains and Other Support | <u>2,606,781</u> | <u>(100,357)</u> | <u>2,506,424</u> | <u>1,637,390</u> |
| Expenses | | | | |
| Program Services | <u>2,225,951</u> | <u>-</u> | <u>2,225,951</u> | <u>2,217,845</u> |
| Supporting Activities | | | | |
| Management and general | 112,956 | - | 112,956 | 89,937 |
| Fundraising | 198,618 | - | 198,618 | 134,910 |
| Total Supporting Activities | <u>311,574</u> | <u>-</u> | <u>311,574</u> | <u>224,847</u> |
| Total Expenses | <u>2,537,525</u> | <u>-</u> | <u>2,537,525</u> | <u>2,442,692</u> |
| Change in Net Assets | 69,256 | (100,357) | (31,101) | (805,302) |
| Net Assets, Beginning of Year | <u>574,632</u> | <u>5,014,517</u> | <u>5,589,149</u> | <u>6,394,451</u> |
| Net Assets, End of Year | <u>\$ 643,888</u> | <u>\$ 4,914,160</u> | <u>\$ 5,558,048</u> | <u>\$ 5,589,149</u> |

St. Louis Public Schools Foundation
Statement of Functional Expenses
Year Ended June 30, 2018
(With comparative totals for 2017)

| | Program Services | Supporting Activities | | | Total | |
|---------------------------------------|---------------------|---------------------------|-------------------|-------------------|---------------------|---------------------|
| | | Management and General | Fundraising | Total | 2018 | 2017 |
| Salaries and wages | \$ 111,154 | \$ 40,748 | \$ 160,925 | \$ 201,673 | \$ 312,827 | \$ 243,764 |
| Employee benefits | 23,957 | 7,986 | 7,986 | 15,972 | 39,929 | 29,395 |
| Payroll taxes | 13,895 | 4,632 | 4,632 | 9,264 | 23,159 | 18,215 |
| Bank fees | - | 2,143 | - | 2,143 | 2,143 | 2,160 |
| Contracted services | 16,982 | 28,303 | 11,321 | 39,624 | 56,606 | 37,054 |
| Insurance | 3,267 | 1,005 | 754 | 1,759 | 5,026 | 4,939 |
| Miscellaneous | 4,066 | 4,065 | - | 4,065 | 8,131 | 4,162 |
| Office supplies and expenses | - | 10,087 | 1,780 | 11,867 | 11,867 | 16,179 |
| Postage expense | 180 | 102 | 71 | 173 | 353 | 949 |
| Printing and duplicating | 3,690 | 2,214 | 8,856 | 11,070 | 14,760 | 5,548 |
| Professional staff development | 2,086 | 1,854 | 695 | 2,549 | 4,635 | 400 |
| Travel/local meetings | 6,926 | 2,131 | 1,598 | 3,729 | 10,655 | 5,417 |
| Rent | 7,002 | 7,002 | - | 7,002 | 14,004 | 14,004 |
| Special program expenses | | | | | | |
| Academic learning | 524,178 | - | - | - | 524,178 | 349,857 |
| College and career readiness | 545,706 | - | - | - | 545,706 | 778,020 |
| Community engagement | 136,022 | - | - | - | 136,022 | 145,955 |
| School leadership | 142,047 | - | - | - | 142,047 | 377,496 |
| Early childhood education | 644,596 | - | - | - | 644,596 | 362,264 |
| Health and wellness | 40,197 | - | - | - | 40,197 | 46,230 |
| Total Expenses Before Depreciation | 2,225,951 | 112,272 | 198,618 | 310,890 | 2,536,841 | 2,442,008 |
| Depreciation | - | 684 | - | 684 | 684 | 684 |
| Total Expenses | \$ 2,225,951 | \$ 112,956 | \$ 198,618 | \$ 311,574 | \$ 2,537,525 | \$ 2,442,692 |

St. Louis Public Schools Foundation
Statement of Cash Flows
Year Ended June 30, 2018
(With comparative totals for 2017)

| | 2018 | 2017 |
|--|--------------|--------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ (31,101) | \$ (805,302) |
| Adjustments to reconcile changes in net assets to net cash and equivalents provided by (used in) operating activities: | | |
| Depreciation | 684 | 684 |
| Realized gains from sales of investments | (10,000) | (16,174) |
| Unrealized losses from investments | 12,386 | 20,196 |
| Donated securities | - | (9,498) |
| Decrease in assets: | | |
| Unconditional promises to give | 55,486 | 424,958 |
| Prepaid expenses | 693 | 22 |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (6,851) | 30,189 |
| Accrued expenses | 28,931 | (5,718) |
| Net Cash Provided by (Used in) Operating Activities | 50,228 | (360,643) |
| Cash Flows From Investing Activities | | |
| Purchases of investments | (2,330,514) | (3,130,538) |
| Proceeds from sales of investments | 3,288,514 | 2,995,429 |
| Advances from and payments to District, net | 673,669 | (109,403) |
| Net Cash Provided by (Used in) Investing Activities | 1,631,669 | (244,512) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,681,897 | (605,155) |
| Cash and Cash Equivalents, Beginning of Year | 338,319 | 943,474 |
| Cash and Cash Equivalents, End of Year | \$ 2,020,216 | \$ 338,319 |

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

1. Nature of Operations and Basis of Presentation

Organization

St. Louis Public Schools Foundation (the "Organization") is a nonprofit organization founded in 1998 to fund projects and activities that will have a measurable impact on academic achievement, high school graduation rates, and successful transition to post-secondary goals, such as college or entry into the work force, for students in the St. Louis Public Schools.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions of the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental accounting principles generally accepted in the United States of America ("GAAP"). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified into three categories of net assets, as applicable, and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent unrestricted net assets that have been set aside for future expenses.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations required to be maintained permanently by the Organization. The income earned on any related investments would also be subject to donor-imposed stipulations. As of June 30, 2018 and 2017, there were no permanently restricted net assets.

The financial statements include certain prior-year summarized comparative information in total but not by class of net assets. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The Organization follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

Cash and Cash Equivalents

The Organization considers all short-term, unrestricted, investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Obligations to hold certain contributions in separate accounts, as required by the funder, have been complied with by the Organization.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and investments in debt securities at their fair values in the statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on the trade-date basis. Unrealized gains and losses are included in the change in net assets in the statement of activities.

Unconditional Promises to Give

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates applicable to the years in which the promises are to be received.

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

The Organization provides an allowance for doubtful promises to give equal to the estimated losses that will be incurred in the collection of unconditional promises to give. This estimate is based on historical experience coupled with a review of the current status of existing promises. The allowance and associated promises are reduced when the promises are determined to be uncollectible. The Organization considers unconditional promises to give to be fully collectible; accordingly, no allowance for doubtful promises to give is deemed necessary.

Property and Equipment

Property and equipment acquisitions with a life of one year or greater and a cost in excess of \$500 are capitalized and recorded at cost, while maintenance and repairs are expensed as incurred. Donated assets are recorded at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose or period of time. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated lives for computing depreciation on property and equipment are:

| <u>Classification</u> | <u>Years</u> |
|------------------------|--------------|
| Furniture and fixtures | 7 |

Support and Revenue

Contributions, including unconditional promises to give, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Donor restricted contributions in which the restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Grants are generally recognized as income in the period that specific services are provided.

Donated Materials and Services (In Kind)

Donated noncash assets are recorded as contributions at their fair values at the date of donation. The estimated fair values of donated rent was \$14,004 for each of the years ended June 30, 2018 and 2017.

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Expense Allocation

The Organization allocates expenses on a functional basis among various programs and supporting activities. Expenses that can be identified with a specific program and supporting activity are allocated directly according to their natural expenditure classifications. Other expenses that are common to several functions are allocated by various statistical bases.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), except on net income derived from unrelated business activities as defined in the Code. Accordingly, the Organization files as a tax exempt organization.

The Organization follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Organization's returns for tax years 2014 and later remain subject to examination by taxing authorities.

Subsequent Events

The Organization has evaluated subsequent events through November 29, 2018, the date the financial statements were available to be issued.

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

Recent Accounting Pronouncements

Revenue from Contracts with Customers

The FASB has issued new guidance on the recognition of revenue from contracts with customers. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this, an entity should apply a five step process to (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance also requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be required for the first fiscal year beginning after December 15, 2018. Based on a preliminary analysis, the Foundation has not yet determined what impact, if any, this new guidance will have on its financial statements.

Not-for-profit Entities

The FASB has issued new guidance on financial reporting for not-for-profit entities. The guidance requires a not-for-profit entity to present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the currently required three classes. That is, a not-for-profit entity will report amounts for *net assets with donor restrictions* and *net assets without donor restrictions*, as well as the currently required amount for total net assets. The guidance also requires a not-for-profit entity to present on the face of the statement of activities the amount of the change in each of the two classes of net assets rather than that of the currently required three classes. Not-for-profit entities will continue reporting the currently required amount of the change in total net assets for the period. The guidance also requires a not-for-profit entity to continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer requires the presentation or disclosure of the indirect method (reconciliation) if using the direct method. The guidance also requires enhanced disclosures about the following:

- Amounts and purposes of governing board designations, appropriations, etc.,
- Composition of net assets with donor restrictions at the end of the period,
- Qualitative information that communicates how an entity manages its liquid resources,
- Quantitative and additional qualitative information, as necessary, that communicates the availability of an entity's financial assets,
- Amounts of expenses by both their natural classification and their functional classification,
- Method(s) used to allocate costs among program and support functions,
- Underwater endowment funds.

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

The guidance also requires that the Organization report investment return net of external and direct internal investment expenses, and no longer requires disclosure of those netted expenses. The guidance also requires that the Organization use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset. The guidance will be required for the first fiscal year beginning after December 15, 2017. Based on a preliminary analysis, the Foundation expects the new guidance will have a significant impact on its financial statements.

3. Fair Value Measurements

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets. |
| Level 2 | Inputs to the valuation methodology to include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The instruments' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Carrying amounts of certain financial instruments such as cash and cash equivalents, unconditional promises to give, accounts payable, and accrued expenses approximate fair value due to their short maturities or because the terms are similar to market terms. There have been no changes in the methodologies used at June 30, 2018 and 2017.

Following is a description of the valuation methodologies used for instruments measured at fair value:

- | | |
|---------|---|
| Level 2 | Instruments consist of certificates of deposit. These securities are valued based on yields currently available on comparable securities of issuers with similar credit rating. |
|---------|---|

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

All investments at fair value as of June 30, 2018 and 2017 are classified using level 2 techniques.

4. Investments

A summary of the cost and fair value of the Organization's investments as of June 30, is as follows:

| | 2018 | | | Fair Value |
|-------------------------|-------------------|---------------------|----------------------|--------------|
| | Amortized Cost | Unrealized Gains | Unrealized Losses | |
| Certificates of deposit | \$ 4,244,000 | \$ - | \$ (10,866) | \$ 4,233,134 |
| | 2017 | | | |
| | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Value |
| Certificates of deposit | \$ 5,192,000 | \$ 5,700 | \$ (4,180) | \$ 5,193,520 |

5. Unconditional Promises to Give

Unconditional promises to give at June 30, are as follows:

| | 2018 | 2017 |
|--------------------|-----------|------------|
| Less than one year | \$ 52,000 | \$ 97,486 |
| One to five years | 10,000 | 20,000 |
| | \$ 62,000 | \$ 117,486 |

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate, as applicable.

6. Property and Equipment

Property and equipment at June 30, is as follows:

| | 2018 | 2017 |
|--------------------------------|----------|----------|
| Furniture and Fixtures | \$ 4,789 | \$ 4,789 |
| Less: accumulated depreciation | 1,788 | 1,104 |
| | \$ 3,001 | \$ 3,685 |

Depreciation expense for each of the years ended June 30, 2018 and 2017 totaled \$684.

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

7. Related Party Transactions

Due to District

During the year ended June 30, 2018, the Organization was erroneously paid funds that should have been paid to St Louis Public Schools (the "District"). The District is a sister-company to the Organization, and the funds, totaling \$673,669, were paid back to the District subsequent to year end.

8. Board Designated Funds

The Organization's Board of Directors has designated unrestricted net assets at June 30, as follows:

| | 2018 | 2017 |
|--------------------------------|-----------|-----------|
| Designated for future expenses | \$ 57,335 | \$ 57,335 |

9. Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at June 30, as follows:

| | 2018 | 2017 |
|------------------------------|---------------------|---------------------|
| Purpose Restrictions | | |
| College and career readiness | \$ 1,411,439 | \$ 1,016,678 |
| Early childhood education | 2,790,281 | 3,230,321 |
| School leadership | 142,983 | 133,754 |
| Health and wellness | 24,277 | 31,012 |
| School funds | 525,180 | 572,752 |
| Total Purpose Restrictions | 4,894,160 | 4,984,517 |
| Time Restrictions | | |
| Year ended June 30, 2018 | - | 10,000 |
| Year ended June 30, 2019 | 10,000 | 10,000 |
| Year ended June 30, 2020 | 10,000 | 10,000 |
| Total Time Restrictions | 20,000 | 30,000 |
| | \$ 4,914,160 | \$ 5,014,517 |

Net assets released from restrictions for the years ended June 30, are as follows:

| | 2018 | 2017 |
|--------------------------------------|---------------------|---------------------|
| Satisfaction of purpose restrictions | \$ 1,529,904 | \$ 1,442,332 |
| Satisfaction of time restrictions | 10,000 | - |
| | \$ 1,539,904 | \$ 1,442,332 |

St. Louis Public Schools Foundation
Notes to Financial Statements
June 30, 2018 and 2017

10. Risks and Uncertainties

Concentrations

Contributions and grants from one and two grantors were approximately 21 and 22 percent of the Organization's contributions and grants during the years ended June 30, 2018 and 2017, respectively. Unconditional promises to give from two donors were approximately 100 and 98 percent of the Organization's unconditional promises to give at June 30, 2018 and 2017, respectively.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents, unconditional promises to give, and investments. The Organization maintains its cash primarily with one financial institution. Deposits at this bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At June 30, 2018, there were cash balances of \$578,644 in excess of federally insured limits at the bank. All certificates of deposit are fully insured by the FDIC. The Organization performs ongoing credit evaluations of its donors and maintains allowances, as needed, for potential credit losses. Although the Organization is directly affected by the financial stability of its donor base, management does not believe significant credit risk exists at June 30, 2018. The Organization maintains its cash equivalents and investments primarily with one brokerage firm. Certain cash equivalents and investments held at this firm are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000. As of June 30, 2018, there were investment balances of \$1,126,042 in excess of SIPC limits at the brokerage firm. The Organization maintains its cash equivalents and investments with high quality brokerage firms.

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Contingencies

Certain revenue received by the Organization is subject to compliance audits by grantors. The findings of these audits could result in additional liabilities to the Organization. However, management believes that the Organization has complied with the provisions of each contract and the effect of such findings, if any, would not have a material impact on the financial statements.