



**Financial Statements  
December 31, 2020 and 2019**

**(With Independent Auditor's Report Thereon)**

# The Winthrop Rockefeller Foundation

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Winthrop Rockefeller Foundation  
Little Rock, Arkansas

### Report on the Financial Statements

We have audited the accompanying financial statements of **The Winthrop Rockefeller Foundation** (the Foundation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 entity'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 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 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 present fairly, in all material respects, the financial position of **The Winthrop Rockefeller 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.

  
Certified Public Accountants

Little Rock, Arkansas  
June 4, 2021

## **Financial Statements**

# The Winthrop Rockefeller Foundation

## Statements of Financial Position December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,354,290	\$ 5,487,558
Accrued interest receivable and other assets	194,745	173,513
Investment securities, at fair value	144,310,627	132,172,756
Other investments, at cost		
Program-related	7,763,647	7,296,042
Mission-related	1,241,628	1,388,831
Property and equipment, net	<u>282,535</u>	<u>301,162</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 157,147,472</u></u>	<u><u>\$ 146,819,862</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 225,973	\$ 162,527
Grants payable	2,022,494	2,637,494
Other liabilities	<u>385,045</u>	<u>305,891</u>
<b>Total Liabilities</b>	<u><u>2,633,512</u></u>	<u><u>3,105,912</u></u>
<b>NET ASSETS</b>		
Without donor restrictions	154,513,960	143,713,950
With donor restrictions	<u>-</u>	<u>-</u>
<b>Total Net Assets</b>	<u><u>154,513,960</u></u>	<u><u>143,713,950</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 157,147,472</u></u>	<u><u>\$ 146,819,862</u></u>

See accompanying notes to financial statements.

# The Winthrop Rockefeller Foundation

## Statements of Activities For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>REVENUES, GAINS (LOSSES) AND OTHER SUPPORT</b>		
Investment return, net	\$ 17,166,866	\$ 20,937,601
Program-related investment return	147,580	710,705
<b>Total Revenues, Gains (Losses) and Other Support</b>	<u>17,314,446</u>	<u>21,648,306</u>
<b>EXPENSES</b>		
<b>Program Activities</b>		
Program administration	2,031,750	2,116,091
Grants	3,405,070	3,631,684
<b>Total Program Activities</b>	<u>5,436,820</u>	<u>5,747,775</u>
<b>Supporting Activities</b>		
Management and general	1,077,616	1,123,445
<b>Total Supporting Activities</b>	<u>1,077,616</u>	<u>1,123,445</u>
<b>Total Expenses</b>	<u>6,514,436</u>	<u>6,871,220</u>
<b>INCREASE IN NET ASSETS</b>	10,800,010	14,777,086
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>143,713,950</u>	<u>128,936,864</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 154,513,960</u>	<u>\$ 143,713,950</u>

See accompanying notes to financial statements.

# The Winthrop Rockefeller Foundation

## Statements of Cash Flows For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 10,800,010	\$ 14,777,086
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	43,043	46,640
Net realized and unrealized gains on investments	(16,662,529)	(20,449,327)
Changes in operating assets and liabilities:		
Accrued interest receivable and other assets	(21,232)	95,963
Accounts payable	63,446	(174,093)
Grants payable	(615,000)	1,494,657
Other liabilities	79,154	(61,817)
<b>Net Cash Used in Operating Activities</b>	<u>(6,313,108)</u>	<u>(4,270,891)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investment securities	(19,652,260)	(15,901,966)
Proceeds from sales of investment securities and principal pay downs	24,176,918	18,463,346
Purchases of program-related investments	(500,000)	-
Proceeds from sale of program-related investments and principal pay downs	32,395	843,310
Proceeds from CD maturities	147,203	-
Reinvestment of interest on certificates of deposit	-	(3,608)
Purchases of property and equipment	(24,416)	(9,707)
<b>Net Cash Provided by Investing Activities</b>	<u>4,179,840</u>	<u>3,391,375</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,133,268)	(879,516)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>5,487,558</u>	<u>6,367,074</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 3,354,290</u>	<u>\$ 5,487,558</u>

See accompanying notes to financial statements.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS**

The Winthrop Rockefeller Foundation (the Foundation) is a private foundation incorporated as a nonprofit organization under the laws of the state of Arkansas, and is dedicated to improving the economic and social well-being of Arkansans. Historically, the Foundation has been a recipient of contributions from the estate of Winthrop Rockefeller. Since inception, the Foundation received grants and other support totaling approximately \$50,700,000 from the trust created under the will of Winthrop Rockefeller (the Trust) in order to grow the long-term assets of the Foundation.

The Foundation affirms Winthrop Rockefeller's vision of a thriving and prosperous Arkansas that benefits all Arkansans. During 2019, the Foundation launched AR Equity 2025, a new strategic direction that builds on the work of the Moving the Needle 2.0 strategic plan adopted in 2013, and reaffirmed its mission to relentlessly pursue economic, educational, social, ethnic, and racial equity for all Arkansans. For over 40 years, the Foundation has pursued this mission through strategic grant making and partnerships with families, educators, community and business leaders and policymakers and using its voice to help close the economic and educational gaps that leave too many Arkansas families in persistent poverty. Understanding that moving Arkansas from poverty to prosperity takes time, the Foundation invests for the long term in efforts that promise a sustained and positive impact for Arkansas. The Foundation believes that building pathways to opportunity requires broad systemic change. This comprehensive approach may take longer to prove impact, but the Foundation believes that this approach has a greater chance to be impactful and sustainable. The Foundation looks for levers that offer the greatest promise to increase prosperity from one generation to the next.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

#### **Basis of Presentation**

The Foundation presents information regarding financial position and activities in accordance with generally accepted accounting principles, which require the distinction between net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are resources available to support operations and are not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates and the overall purpose and mission of the Foundation. Net assets with donor restrictions are resources that are subject to donor imposed limitations on how or when such resources may be used. During the years ended December 31, 2020 and 2019, the Foundation had no net assets subject to donor restrictions.



# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Cash and Cash Equivalents**

For purposes of presentation in the statements of cash flows, the Foundation considers all short-term investment funds and highly liquid debt instruments with an original maturity of three months or less at the time of purchase to be cash equivalents.

#### **Investment Securities**

The Foundation records purchases of investment securities at cost on the transaction trade date. Thereafter, securities are reported at fair value on the statements of financial position, except as discussed in the Program-Related Investments Note and the Mission-Related Investments Note, below. Changes in fair values are recorded in the period in which they occur. Realized gains and losses on sales of securities are recognized on the transaction trade dates. Dividend income is recorded on the ex-dividend date, and interest income is accrued as it is earned. Investment return presented on the statements of activities includes dividends, interest, other investment income, as well as realized and unrealized gains and losses, and is net of external and direct internal investment expenses.

#### **Program-Related Investments**

Program-related investments represent a strategy that complements traditional grant making by extending the Foundation's ability to accomplish programmatic goals while preserving assets for future use. Program-related investments may be made in four basic forms, which include loans, loan guarantees, linked deposits and equity investments. Interest charged on any program-related investment is less than the then prevailing market rate, generally determined by the Board of Directors (the Board) using a benchmark rate, adjusted for factors such as risk and other specifics related to the borrower. The Board has established guidelines for selection, approval and monitoring of program-related investments. In addition, the amount of funds committed to new program-related investments in any given year may not exceed 30% of budgeted grant payments.

Program-related investments are reported at cost, as no readily determinable fair value is available, and a reasonable estimate of fair value cannot be made without incurring excessive costs. Program-related investments are evaluated annually for impairment. The carrying amounts of the program-related investments are reduced by the amount of any impairment.

#### **Mission-Related Investments**

Mission-related investments represent a strategy that aligns the Foundation's investment capital with its mission by proactively cultivating and implementing investment opportunities that improve the lives of Arkansans, or focus on education, foster economic development, achieve positive impact on economic, social or racial justice or promote the environment and sustainability. Mission-related investments may be pursued across asset classes. Certain mission-related investments are reported as investment securities at fair value, while others are reported at cost if no readily determinable fair value is available, and a reasonable estimate of fair value cannot be made without incurring excessive costs. Those mission-related investments that are reported at cost are evaluated annually for impairment, and the carrying amounts of those mission-related investments are reduced by the amount of any impairment.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Property and Equipment**

Property and equipment are reported at historical cost, net of accumulated depreciation. The Foundation capitalizes additions of property and equipment in excess of \$1,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets, which range from 3 to 10 years.

#### **Functional Allocation of Expenses**

The costs of conducting program and supporting activities are summarized on a functional basis in the statements of activities. Functional expenses by natural classification are disclosed in Note 13. Within the program category, costs that are directly related to the Foundation's programmatic initiatives, including grants, consultants working on programmatic initiatives or providing technical assistance to communities or grantees, and costs directly related to program communications are recorded. Program expenses also incorporate all costs directly associated with the program operations of the Foundation, including the salaries and benefits of the program team, their travel, and their professional development. It also contains office expenses, such as printing and mailing, costs specific to the program areas, information technology costs for grants management, and an allocation of occupancy and parking costs, determined based on square footage. Management and general expenses include those expenses that are not directly related to programmatic initiatives, but provide for the overall support and direction of the Foundation.

#### **Federal Income Taxes**

The Foundation is classified as a private foundation under Section 509(a) of the Internal Revenue Code and is generally exempt from federal income taxation under Section 501(c)(3). However, a portion of the Foundation's net investment income is subject to federal excise tax.

Accounting standards require the Foundation to evaluate tax positions and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Foundation has analyzed the tax positions taken and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require the recognition of a liability (or asset) or disclosure in the financial statements. The Foundation may be subject to audit by the Internal Revenue Service; however, there are currently no audits for any tax periods in progress.

#### **Grants**

Grants made by the Foundation are recorded when the grants are approved by the Foundation's Board. All grantees are eligible organizations who are required to use the funds for charitable purposes. Generally, grant terms do not contain barriers which must be overcome to receive the grant, nor do they contain right of return provisions. Any grant awards that have not been paid to the intended recipient as of the reporting date are reported as grants payable.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses.

#### **Financial Instruments and Credit Risk**

The Foundation maintains cash and cash equivalent balances in accounts with financial institutions and investment banking firms. The balances in these accounts may exceed applicable insured limits. Management believes that such accounts are maintained with reputable financial institutions and investment banking firms, and the Foundation has not experienced any losses in these accounts to date.

The Board has adopted a comprehensive investment policy that specifies target portfolio allocations, permissible investment vehicles, as well as monitoring benchmarks and procedures. In addition, the Board has adopted general policies relevant to performing due diligence on and continuous monitoring of mission-related investments and program-related investments. While risks related to investing, such as market risk and credit risk, cannot be avoided, management and the Board, working with reputable investment managers and advisors, believe that investment policies are prudent, properly designed and implemented to ensure the longevity of the Foundation.

#### **Recently Issued Accounting Standards**

In February of 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Under ASU No. 2016-02, lessees are required to recognize lease assets and lease liabilities on the Statement of Financial Position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The amendments in this update will be effective for the Foundation on January 1, 2022. Management of the Foundation is currently evaluating the effect that implementation of the amendments in this update will have on the financial statements.

#### **Recently Adopted Accounting Standards**

Effective January 1, 2020, the Foundation adopted the provisions of ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 assists entities in 1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or exchange (reciprocal) transactions and 2) determining whether a contribution is conditional. Distinguishing between contributions and exchange transactions determines which accounting guidance is applied, and the accounting may be different depending on the guidance applied. In addition, for contributions, determining whether a contribution is conditional or unconditional affects the timing or recognition. Implementation of this standard as a resource provider did not have a significant impact on the Foundation's financial statements.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Recently Adopted Accounting Standards (Continued)

Effective January 1, 2020, The Foundation adopted ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. ASU No. 2018-13 modified the disclosure requirements on fair value measurements. Implementation of this standard did not significantly impact the Foundation’s financial statements disclosures.

#### Reclassifications

Certain amounts presented in the 2019 financial statements have been reclassified to conform to the 2020 presentation.

### NOTE 3: PROGRAM-RELATED INVESTMENTS, AT COST

At December 31, 2020 and 2019, the Foundation’s program-related investments include the following:

	<u>2020</u>	<u>2019</u>
Southern Bancorp, Inc. <sup>(a)</sup>		
Common stock, voting	\$ 1,507,113	\$ 1,507,113
Common stock, nonvoting	<u>3,749,723</u>	<u>3,749,723</u>
Total Southern Bancorp, Inc.	5,256,836	5,256,836
Hope Enterprise Corp., note receivable <sup>(b)</sup>	1,000,000	1,000,000
Communities Unlimited, Inc., note receivable <sup>(c)</sup>	506,811	15,677
Financing Ozarks Rural Growth and Economy, note receivable <sup>(d)</sup>	-	23,529
Southern Bancorp Community Partners, note receivable <sup>(e)</sup>	<u>1,000,000</u>	<u>1,000,000</u>
Total program-related investments	<u>\$ 7,763,647</u>	<u>\$ 7,296,042</u>

<sup>(a)</sup> Southern Bancorp, Inc. is a bank holding company established for the purpose of conducting rural economic development activities in Arkansas. The Foundation held 781,546 shares of common stock, voting, and 1,123,592 shares of common stock, nonvoting, at December 31, 2020 and 2019.

<sup>(b)</sup> Hope Enterprise Corp. provides financial services in Arkansas, Louisiana, Mississippi and the Greater Memphis area of Tennessee for small businesses, homebuyers and community development in low-income communities. The note receivable was noninterest bearing for the first year. Beginning April 1, 2016, interest began accruing at 1%, and quarterly interest only payments commenced on June 30, 2016. All unpaid principal and accrued interest is due March 31, 2025.

<sup>(c)</sup> Communities Unlimited, Inc. is a multi-state community development organization and community development financial institution established in 1975 to move people and communities in persistently poor counties in the south toward prosperity. The 2020 note receivable is noninterest bearing for the first two years. Beginning December 31, 2022, interest will accrue at 0.75%, and quarterly interest only payments will commence on March 31, 2023. All unpaid principal and accrued interest is due December 31, 2030.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### NOTE 3: PROGRAM-RELATED INVESTMENTS, AT COST (Continued)

- (d) Financing Ozarks Rural Growth and Economy (FORGE) is a community based revolving loan fund established to help build sustainable small communities. The note receivable was paid in full during 2020.
- (e) Southern Bancorp Community Partners is a community development financial institution that provides lending, financial development services and public policy advocacy in economically distressed communities. The note receivable was noninterest bearing for the first year. Beginning February 1, 2018, interest began accruing at 1%, and quarterly interest only payments commenced on January 31, 2019. All unpaid principal and accrued interest is due January 31, 2027.

During the year ended December 31, 2020, Aristotle Unified Communications LLC (Aristotle) obtained a \$1,000,000 line of credit for the purpose of establishing broadband internet processing in 23 rural counties in the Arkansas Delta. The Foundation provided a program-related investment in the form of a guarantee of Aristotle's line of credit up to \$500,000.

### NOTE 4: MISSION-RELATED INVESTMENTS

At December 31, 2020 and 2019, mission-related investments include the following:

	<u>2020</u>	<u>2019</u>
At cost:		
Diamond State Ventures III, LP <sup>(a)</sup>	\$ 925,000	\$ 925,000
Certificates of deposit <sup>(b)</sup>	316,628	463,831
	<u>1,241,628</u>	<u>1,388,831</u>
At fair value:		
Domestic equity funds	8,951,566	6,837,518
Municipal bond funds	5,426,632	6,288,784
Domestic hedge funds	3,568,530	3,437,791
International equity funds	17,459,941	18,393,354
International equity exchange traded funds	5,391,282	10,758,149
International hedge funds	8,625,739	7,175,348
U.S. Treasury bonds	2,543,503	2,440,742
Corporate bonds	3,106,982	2,582,563
Municipal bonds	1,477,823	1,154,587
Bain Capital Double Impact Fund, LP <sup>(c)</sup>	1,186,410	971,322
Material Impact Fund I, LP <sup>(d)</sup>	901,994	677,301
Material Impact Fund II, LP <sup>(d)</sup>	42,160	-
Owl Ventures II, LP <sup>(e)</sup>	962,185	747,346
SJF Ventures IV, LP <sup>(f)</sup>	1,846,460	917,989
SJF Ventures V, LP <sup>(f)</sup>	150,000	-
Elevar Equity IV, LP <sup>(g)</sup>	1,291,287	613,170

**(Continued)**

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### NOTE 4: MISSION-RELATED INVESTMENTS (Continued)

	<u>2020</u>	<u>2019</u>
Illumen Capital, LP <sup>(h)</sup>	\$ 339,121	\$ 285,032
Impact America Fund II, LP <sup>(i)</sup>	427,258	467,270
Avanath Affordable Housing IV, LLC <sup>(j)</sup>	531,718	120,384
Ownership Capital Global Equity Fund, LP <sup>(k)</sup>	7,146,906	5,501,200
SDP Flagship Offshore Fund, Ltd. <sup>(l)</sup>	2,589,867	1,919,057
Stewart Global Emerging Markets Fund <sup>(m)</sup>	5,826,546	-
Maj Invest Global Value Equities Fund, LP <sup>(n)</sup>	6,500,000	-
Rethink Impact II, LP <sup>(o)</sup>	76,997	-
Vista Foundation Fund IV, LP <sup>(p)</sup>	7,335	-
	<u>86,378,242</u>	<u>71,288,907</u>
Total mission-related investments	<u>\$ 87,619,870</u>	<u>\$ 72,677,738</u>

<sup>(a)</sup> Diamond State Ventures III, LP (Diamond III) is a venture capital fund established to make equity and subordinated debt investments in early and expansion stage businesses in Arkansas and very selectively in surrounding states. As of December 31, 2020 and 2019, unfunded commitments to Diamond III totaled \$75,000.

<sup>(b)</sup> Certain certificates of deposit are considered to be mission-related investments. One certificate of deposit in the amount of \$55,000 is pledged as security for a bank loan to Better Community Development. An additional certificate of deposit in the amount of approximately \$150,000 that had been pledged as security for the Better Community Development bank loan was released during the year ended December 31, 2020 when the loan balance was reduced by the borrower. A certificate of deposit in the amount of \$261,628 is invested with an affiliate of Hope Enterprise Corp. and is structured so the Foundation receives half the interest earned and half the interest earned is reinvested in the communities in which Hope Enterprise Corp. operates.

<sup>(c)</sup> Bain Capital Double Impact Fund, LP (Bain Capital) is a venture capital fund whose strategy is to develop differential insights and drive meaningful change for mission-driven companies seeking growth capital or middle market private equity. As of December 31, 2020 and 2019, unfunded commitments to Bain Capital totaled \$889,241.

<sup>(d)</sup> Material Impact Fund I, LP (Material Impact I) and Material Impact Fund II, LP (Material Impact II) are venture capital funds dedicated to investing in companies that provide high-value products enabled by material innovation. As of December 31, 2020 and 2019, unfunded commitments to Material Impact I totaled \$630,000 and \$885,000, respectively. As of December 31, 2020, unfunded commitments to Material Impact II totaled \$627,750.

<sup>(e)</sup> Owl Ventures II, LP (Owl II) is a venture capital fund that invests in leading education technology companies, with a focus on entrepreneurs that seek to meaningfully improve student achievement. As of December 31, 2020 and 2019, unfunded commitments to Owl II totaled \$110,000 and \$295,571, respectively.

<sup>(f)</sup> SJF Venture IV, LP (SJF IV) and SJF Ventures V, LP (SJF V) are venture capital funds that invest in companies concerned with making a difference across a range of sectors, including the environment and education. As of December 31, 2020 and 2019, unfunded commitments to SJF IV totaled \$660,000 and \$1,200,000, respectively. As of December 31, 2020 unfunded commitments to SJF V totaled \$1,350,000.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### NOTE 4: MISSION-RELATED INVESTMENTS (Continued)

- <sup>(e)</sup> Elevar Equity IV, LP (Elevar) is a venture capital fund that seeks to provide investors with risk-adjusted long-term capital appreciation through privately negotiated investments. Elevar focuses principally on entrepreneurial, high growth companies that provide essential products or services to underserved customers in low-income communities in India and across Latin America. As of December 31, 2020 and 2019, unfunded commitments to Elevar totaled \$475,500 and \$822,004, respectively.
- <sup>(h)</sup> Illumen Capital, LP (Illumen) is a private equity fund of funds that targets investments across a range of impact sectors including education technology, health and wellness, renewable energy, sustainability, financial inclusion, and opportunity communities. As of December 31, 2020 and 2019, unfunded commitments to Illumen totaled \$1,597,510 and \$1,586,802, respectively.
- <sup>(i)</sup> Impact America Fund II, LP (Impact America) is a venture capital fund that invests in early-stage technology-enabled companies providing economic inclusion solutions to low and moderate income communities, with a strong interest in supporting diverse entrepreneurs. As of December 31, 2020 and 2019, unfunded commitments to Impact America totaled \$969,600.
- <sup>(j)</sup> Avanath Affordable Housing IV, LLC (Avanath) is a venture capital fund that invests in rent-regulated housing in coastal markets where rents for market-rate apartments and single family homes are out of reach for many individuals and families. As of December 31, 2020 and 2019, unfunded commitments to Avanath totaled \$1,402,672 and \$1,853,628, respectively.
- <sup>(k)</sup> Ownership Capital Global Equity Fund, LP (Ownership Capital) is a long-term equity investment manager that combines fundamental company analysis with environmental, social and corporate governance integration and active engagement to achieve superior returns.
- <sup>(l)</sup> SDP Flagship Offshore Fund, Ltd. (Sentinel Dome) is a venture capital fund that focuses long a short positions in public equities.
- <sup>(m)</sup> Stewart Global Emerging Markets Fund (Stewart) invests in large and mid-capitalization companies that are incorporated or listed in emerging markets or companies listed on developed market exchanges where majority of their activities take place in emerging market countries with an investing strategy to achieve capital growth over the long term.
- <sup>(n)</sup> Maj Invest Global Value Equities Fund, LP (Maj Global) is a Denmark-based global manager that practices disciplined value investing with thoughtful ESG integration, a quality that has been rarer in value managers. This distinctive strategy is based on core value investing believes, while using various proprietary quantitative tools to aid the selection and sizing of a 24 to 25 stock portfolio. The strategy aims to outperform the MSCI World Index by 3-5% over the cycle.
- <sup>(o)</sup> Rethink Impact II, LP (Rethink II) is a venture capital firm that invests in early to growth-stage female-led companies that use technology to achieve impact at scale. The team aims to invest in the “next wave of iconic female founders” who are using technology to solve the world’s biggest problems, while also building major businesses. Rethink II focuses on four broad target sectors: economic empowerment, health, education and sustainability. As of December 31, 2020, unfunded commitments to Rethink II totaled \$1,383,767.
- <sup>(p)</sup> Vista Foundation Fund IV, LP (Vista) is a diverse-led firm founded in 2000 by Chairman and CEO Robert Smith, a person of color. Vista targets 12 to 15 investments in middle-market enterprise software companies and technology-enabled solutions companies. Target companies are generally at the post venture state and profitable though still generating strong organic revenue. As of December 31, 2020, unfunded commitments to Vista totaled \$1,965,604.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 4: MISSION-RELATED INVESTMENTS (Continued)**

At December 31, 2020, the Foundation had a \$1,500,000 unfunded commitment in Seae Ventures I (Seae), a venture capital fund seeking to make 10 to 20 investments in seed and early-stage healthcare technology and services companies focusing on themes honed in their previous experience; analytics platforms, digital health and artificial intelligence. While not an exclusive focus, Seae will intentionally seek out companies with women and founders of color.

### **NOTE 5: FAIR VALUE MEASUREMENTS**

#### **Fair Value Measurements**

Generally accepted accounting principles provide a framework for measuring fair value that applies to all financial instruments that are being measured and reported on a fair value basis. 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. The Foundation utilizes valuation techniques to determine fair values that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values, as follows:

Level 1 – Fair values are determined based on unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access.

Level 2 – Fair values are determined based on inputs other than quoted prices that are observable for the asset, either directly or indirectly. These might include quoted prices for similar assets in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset, or inputs that are derived principally from or corroborated by market data by correlation or other means. If the asset has a specified (contractual) term, the input must be observable for substantially the full term of the asset.

Level 3 – Fair values are determined based on valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and are not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Not Classified – Certain investments for which there is no readily determinable fair value are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient. These investments are not classified in the fair value hierarchy.



# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 5: FAIR VALUE MEASUREMENTS (Continued)**

#### **Fair Value Measurements (Continued)**

The application of valuation techniques used to determine the fair values of investment securities has not changed during the years ended December 31, 2020 or 2019. The following is a description of the valuation methodologies used by the Foundation:

*Domestic Common Stock, International Common Stock and Exchange-Traded Funds* – The fair values of these investments are based on the closing price reported on the active market on which the individual securities are traded.

*Domestic Equity Funds, International Equity Funds, Municipal Bond Funds and Government Agency Funds* – The fair values of these investments are based on the net asset values per share of the funds as of the close of business on the reporting date. Those classified as Level 1 are open-ended mutual funds that have an active market on which the shares are traded. Those that are not classified are closed funds that do not have an active market on which the shares are traded and are reported at net asset value per share, as determined by the fund advisor.

*International Hedge Funds, Domestic Hedge Funds and Venture Capital Funds* – The fair values of these investments are determined based on the net asset value of the units held, as reported by the fund advisor. These securities are not readily marketable.

*U.S. Treasury Bonds, Corporate Bonds and Municipal Bonds* – The fair values of these investments are generally based on evaluated prices provided by independent pricing sources. The evaluated prices are determined using various factors which include, but are not limited to, market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities. The pricing sources may use proprietary methods to arrive at evaluated prices.

The methods described may result in reported fair value amounts that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

#### Fair Value Measurements (Continued)

The following table presents assets measured at fair value on a recurring basis at December 31, 2020 and 2019:

	Fair Value Measurements at Report Date Using				Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Classified	
<b>December 31, 2020</b>					
Domestic common stock	\$ 4,685,693	\$ -	\$ -	\$ -	\$ 4,685,693
Domestic equity funds	8,951,566	-	-	21,207,513	30,159,079
International equity funds	12,462,800	-	-	4,997,141	17,459,941
International equity exchange traded funds	5,391,282	-	-	-	5,391,282
U.S. Treasury bonds	-	2,543,503	-	-	2,543,503
Corporate bonds	-	3,106,982	-	-	3,106,982
Municipal bonds	-	1,477,823	-	-	1,477,823
Municipal bond funds	5,426,632	-	-	-	5,426,632
Government agency funds	-	-	-	6,173,666	6,173,666
International hedge funds	-	-	-	24,556,978	24,556,978
Domestic hedge funds	-	-	-	3,568,530	3,568,530
International limited partnerships (venture capital funds)	-	-	-	33,288,879	33,288,879
Domestic limited partnerships (venture capital funds)	-	-	-	6,471,639	6,471,639
<b>Total</b>	<b>\$ 36,917,973</b>	<b>\$ 7,128,308</b>	<b>\$ -</b>	<b>\$ 100,264,346</b>	<b>\$ 144,310,627</b>

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

#### Fair Value Measurements (Continued)

	Fair Value Measurements at Report Date Using				Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Not Classified	
<b>December 31, 2019</b>					
Domestic common stock	\$ 4,984,524	\$ -	\$ -	\$ -	\$ 4,984,524
Domestic equity funds	6,837,518	-	-	23,889,020	30,726,538
International equity funds	15,543,013	-	-	4,455,165	19,998,178
International equity exchange traded funds	10,758,149	-	-	-	10,758,149
U.S. Treasury bonds	-	2,440,742	-	-	2,440,742
Corporate bonds	-	2,582,563	-	-	2,582,563
Municipal bonds	-	1,154,587	-	-	1,154,587
Municipal bond funds	6,288,784	-	-	-	6,288,784
Government agency funds	-	-	-	4,943,060	4,943,060
International hedge funds	-	-	-	20,317,304	20,317,304
Domestic hedge funds	-	-	-	3,437,791	3,437,791
International limited partnerships (venture capital funds)	-	-	-	20,353,892	20,353,892
Domestic limited partnerships (venture capital funds)	-	-	-	4,186,644	4,186,644
<b>Total</b>	<b>\$ 44,411,988</b>	<b>\$ 6,177,892</b>	<b>\$ -</b>	<b>\$ 81,582,876</b>	<b>\$ 132,172,756</b>

There were no transfers into or out of Level 3 investments during the years ended December 31, 2020 or 2019.

#### Fair Value Using Net Asset Value per Share as Practical Expedient

The table on the following pages presents information to help the readers of the financial statements understand the nature, characteristics and risks of the investments that are measured at fair value using net asset value per share as a practical expedient at December 31, 2020 and 2019, including any limitations on liquidity.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

#### Fair Value Using Net Asset Value per Share as Practical Expedient (Continued)

Fund Name	Investment Strategy	Fair Value		Exit Without Fees		
		12/31/2020	12/31/2019	Exit Frequency	Next Available Redemption	Notice (days)
<b>Domestic Equity Funds</b>						
Northern Trust Global Investments Common Daily Russell 1000 Value Equity Index Fund	Large Cap Equity, Securities Lending, U.S. Sector	\$ 8,914,072	\$ 11,961,432	Daily	1/4/2021	2
Northern Trust Global Investments Common Daily Russell 1000 Growth Equity Index Fund	Large Cap Equity, Securities Lending, U.S. Sector	12,293,441	11,927,588	Daily	1/4/2021	2
<b>International Equity Funds</b>						
Kabouter International Opportunities Offshore Fund II, LTD	Long-Term Equity	4,997,141	4,455,165	Monthly	1/31/2021	30
<b>Government Agency Funds</b>						
Northern Trust Global Investments Common Daily Aggregate Bond Index Fund	Bonds/Debt, Securities Lending, U.S. Sector	6,173,666	4,943,060	Daily	1/4/2021	2
<b>International Hedge Funds</b>						
Coatue Offshore Fund, Ltd.	Long/Short Equity, Sector-Specific Fund, TMT Sector, Global Sector	3,003,195	1,822,343	Annually - Anniversary of Purchase	9/28/2021	60
Lakewood Capital Offshore Fund, Ltd.	Long/Short Equity, Value Hedge Fund, Global Sector	1,661,214	1,826,697	Calendar Quarter	3/31/2021	60
SDP Flagship Offshore Fund, Ltd. <sup>(a)</sup>	Multi-Strategy, Event Driven, Global Sector	2,589,867	1,919,057	25% Calendar Quarter	3/31/2021	90
Long Pond Offshore, Ltd.	Long/Short Equity, Sector-Specific Fund, Real Estate Sector, Global Sector	3,346,638	3,600,342	12.5% Calendar Quarter	3/31/2021	60
Two Sigma Absolute Return Enhanced Cayman Fund, Ltd.	Global multi-strategy absolute return fund, Hedge Fund, Global Sector	2,023,388	-	Monthly	1/31/2021	31
Farallon Capital F5 Investors I, LP	Global, multi-strategy investment program with a fossil fuel filter	1,615,099	-	Annually	6/30/2021	60
Fort Global Offshore Fund, SPC	Managed Futures, Global Sector	1,262,693	2,261,550	Daily	1/5/2021	2
Hollis Park Opportunities Fund Ltd.	Credit Opportunities, Structured Credit, Global Sector	1,643,784	1,652,370	25% Calendar Quarter	3/31/2021	30
Newtyn TE Partners, LP	Long/Short Equity, Value Hedge Fund, U.S. Sector	2,044,246	1,711,970	Annually - December	12/31/2021	184
Preserver, L.P.	Hedge Fund of Funds/Direct, Global Sector	2,128,489	2,052,503	Quarterly	3/31/2021	60
Varadero International, Ltd.	Credit Opportunities, Structured Credit, U.S. Sector	1,867,272	1,855,567	25% Calendar Quarter	3/31/2021	90
Elizabeth Park Capital Master Fund	Long/short Equity, Sector-Specific Fund, Financials Sector, U.S. Sector	1,371,093	1,614,905	Monthly	3/31/2021	90
<b>Domestic Hedge Funds</b>						
CIM Enterprise Loan Fund, LP	Credit Opportunities, Direct Lending, U.S. Sector	3,568,530	3,437,791	Monthly	1/31/2021	30

(Continued)

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

#### Fair Value Using Net Asset Value per Share as Practical Expedient (Continued)

Fund Name	Investment Strategy	Fair Value		Exit Without Fees		
		12/31/2020	12/31/2019	Exit Frequency	Next Available Redemption	Notice (days)
<b>International Limited Partnerships</b>						
<b>(Venture Capital Funds)</b>						
Elevar Equity IV, LP	Equity, Specific Focus - India and Latin America	\$ 1,291,287	\$ 613,170	None	n/a	n/a
GQG Partners International Equity Fund	Long Equity, Large Cap, Ex U.S.	12,524,140	14,239,522	Weekly	1/13/2021	5
Ownership Capital Global Equity Fund, LP	Long Equity, Integrated ESG	7,146,906	5,501,200	Monthly	1/31/2021	5
Maj Invest Global Value Equities Fund, LP	Global Equity, Integrated ESG	6,500,000	-	Monthly	1/31/2021	30
Stewart Global Emerging Markets Fund	Global Emerging Markets Equity Integrated ESG	5,826,546	-	Monthly	1/31/2021	30
<b>Domestic Limited Partnerships</b>						
<b>(Venture Capital Funds)</b>						
Avanath Affordable Housing IV, LLC <sup>(b)</sup>	Real Estate, Specific Focus - Rent Regulated Housing, Coastal Markets	531,718	120,384	None	n/a	n/a
Bain Capital Double Impact Fund, LP <sup>(b)</sup>	Hybrid Buyout and Growth Fund	1,186,410	971,322	None	n/a	n/a
Illumen Capital, LP <sup>(b)</sup>	Fund of Funds, Equity Investments, Specific Focus Investments, Venture, Growth, Private Equity and Other 20% Emerging Markets, 80% Domestic	339,121	285,032	None	n/a	n/a
Impact America Fund II, LP <sup>(b)</sup>	Equity Investments, Specific Focus Investments in low-moderate income communities	427,258	467,270	None	n/a	n/a
Material Impact Fund I, LP <sup>(b)</sup>	Equity Investments, Specific Focus Investments	901,994	677,301	None	n/a	n/a
Material Impact Fund II, LP <sup>(b)</sup>	Equity Investments, Specific Focus Investments	42,160	-	None	n/a	n/a
Owl Ventures II, LP <sup>(b)</sup>	Technology and Tech-enabled Services Investments	962,185	747,346	None	n/a	n/a
Rethink Impact II, LP <sup>(b)</sup>	Growth stage female-led companies Venture Investments	76,997	-	None	n/a	n/a
SJF Ventures IV, LP <sup>(b)</sup>	Diversified, Expansion Stage Venture Investments	1,846,460	917,989	None	n/a	n/a
SJF Ventures V, LP <sup>(b)</sup>	Diversified, Expansion Stage Venture Investments	150,000	-	None	n/a	n/a
VISTA Foundation Fund IV, LP <sup>(b)</sup>	Diversified, Expansion Stage Venture Investments	7,336	-	None	n/a	n/a
Total		<u>\$ 100,264,346</u>	<u>\$ 81,582,876</u>			

<sup>(a)</sup> Liquidity was partially subject to a soft lock-up period of 12 months, with 3 months remaining at December 31, 2020.

<sup>(b)</sup> Withdrawal permitted only if certain conditions are present, as specified in the related partnership agreement.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 6: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Office equipment and furnishings	\$ 276,499	\$ 275,856
Tenant improvements	317,953	317,953
Computer software and hardware	58,406	45,878
	<u>652,858</u>	<u>639,687</u>
Less accumulated depreciation and amortization	<u>(370,323)</u>	<u>(338,525)</u>
Property and equipment, net	<u><u>\$ 282,535</u></u>	<u><u>\$ 301,162</u></u>

### **NOTE 7: GRANTS PAYABLE**

Grants payable are due to be paid for years subsequent to December 31, 2020, as follows:

2021	\$ 1,657,494
2022	<u>365,000</u>
Total grants payable	<u><u>\$ 2,022,494</u></u>

### **NOTE 8: EMPLOYEE BENEFIT PLAN**

The Foundation provides a defined contribution retirement plan pursuant to section 403(b) of the Internal Revenue Code (the 403(b) plan) and a supplemental retirement annuity plan (SRA) to all employees. The Foundation contributes to the 403(b) plan an amount equal to 5% of each employee's salary for each pay period, regardless of whether or not the employee is making salary deferrals. Employees may defer any amount from 2% to 6% of earnings, and the Foundation will match 100% of employee contributions up to 6% of earnings. Employees may choose to make contributions over 6% into the SRA, subject to maximum amounts imposed by the Internal Revenue Code. During the years ended December 31, 2020 and 2019, the Foundation's retirement expense totaled \$128,598 and \$143,174, respectively.

### **NOTE 9: EXCISE TAXES AND DISTRIBUTION REQUIREMENTS**

The Foundation is subject to excise tax on its taxable investment income, which includes interest and dividend income from investments plus net realized gains and losses on sales of investments, less certain investment expenses. The Foundation reported excise tax expense totaling \$63,721 and \$111,764 during the years ended December 31, 2020 and 2019, respectively.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 9: EXCISE TAXES AND DISTRIBUTION REQUIREMENTS (Continued)**

The Internal Revenue Code provides for additional taxes, which may be imposed upon private foundations for failure to make qualifying distributions equal to minimum investment return reduced by excise taxes within the year of receipt and the succeeding taxable year. Minimum investment return is equal to 5% of the aggregate fair market value of assets not directly used in carrying out the organization's exempt purpose. The additional taxes are 30% of the undistributed minimum investment return and 100% of such minimum investment return if it is not distributed by the earlier of the date of mailing a notice of deficiency with respect to the 30% tax or the date on which the 30% tax is assessed.

The Foundation anticipates making the required distributions in the time frame necessary to avoid additional taxes. As of January 1, 2020, the Foundation made qualifying distributions in excess of the required distributable amount, resulting in an excess distribution carryover of \$2,515,568 with \$562,654 expiring in 2021 and \$1,952,914 expiring in 2022. The Foundation is currently assessing the qualifying distribution made during the year ended December 2020 to determine the amount of excess contributions made or the use of any distribution carryovers. The Foundation does not anticipate any tax liability related to the minimum distribution requirements.

### **NOTE 10: LEASE AGREEMENTS**

The Foundation leases its office space under a 10 year operating lease agreement entered into in August 2018. The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2020:

2021	\$ 115,958
2022	118,277
2023	81,631
2024	123,056
2025-2028	450,180
	<u>\$ 889,102</u>

Rent expense totaled \$111,144 for the years ended December 31, 2020 and 2019.

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 11: RELATED PARTIES**

Certain Foundation employees and members of the Foundation's Board serve on the boards of or are employed by organizations that receive grants from the Foundation. The Foundation has implemented policies to ensure that the approval or denial of grant requests is in no way directly influenced by individual Foundation employees or individual members of the Foundation's Board who have affiliations with those entities requesting consideration for award. The Foundation awarded grants of \$532,000 and \$2,519,000 and made grant payments of \$1,887,000 and \$919,000 to such entities during the years ended December 31, 2020 and 2019, respectively.

### **NOTE 12: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Foundation's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year of the balance sheet date:

	<u>2020</u>	<u>2019</u>
Financial assets, at December 31	\$156,864,937	\$146,518,700
Less those unavailable for general expenditures within one year:		
one year:		
Prepaid federal excise tax included in accrued interest receivable and other assets	(45,271)	(13,536)
Program-related investments not readily convertible to cash	(7,763,647)	(7,296,042)
Mission-related investments not readily convertible to cash	<u>(7,713,267)</u>	<u>(5,575,475)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$141,342,752</u>	<u>\$133,633,647</u>

The operations of the Foundation are primarily funded by income generated through its investment portfolio. As indicated in Note 5 to the financial statements, certain investments have restrictions on liquidity. As part of its liquidity management practices, the Foundation has a policy to maintain a minimum balance equal to the amount necessary to meet one month's general expenditures and liabilities in a local depository institution. As a practical matter, the Foundation usually transfers three to four months' estimated cash requirements from the investment portfolio to the operating cash accounts when cash balances fall to roughly one month's needs. The Foundation does not have a line of credit, as more than 30% of the investment portfolio could be liquidated within one business day, and an additional 20% would be available within three business days.



# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 13: FUNCTIONAL EXPENSES BY NATURAL CLASSIFICATION**

The Foundation's functional expenses by natural classification are as follows for the year ended December 31, 2020.

	<u>Program Activities</u>	<u>Supporting Activities</u>	<u>Total Expenses</u>
Grants	\$ 3,405,070	\$ -	\$ 3,405,070
Consulting fees and expense reimbursements:			
Grantee technical assistance and leadership development	128,848	-	128,848
Knowledge and strategy development	270,017	-	270,017
Outcome assessment	32,468	-	32,468
Grant related conferences and meetings	33,417	-	33,417
Publications	27,941	-	27,941
Communications	156,554	-	156,554
Website	7,559	-	7,559
Salaries and employee benefits	1,100,227	776,787	1,877,014
Professional fees	2,601	65,452	68,053
Travel expenses	13,685	12,972	26,657
Professional development	36,381	58,941	95,322
Occupancy	79,216	86,397	165,613
Insurance	-	8,309	8,309
Information technology expenses	45,739	43,860	89,599
Memberships	88,853	11,465	100,318
Office expenses	8,244	13,433	21,677
	<u>5,436,820</u>	<u>1,077,616</u>	<u>6,514,436</u>
Total expenses	<u>\$ 5,436,820</u>	<u>\$ 1,077,616</u>	<u>\$ 6,514,436</u>

# The Winthrop Rockefeller Foundation

## Notes to Financial Statements December 31, 2020 and 2019

### **NOTE 13: FUNCTIONAL EXPENSES BY NATURAL CLASSIFICATION (Continued)**

The Foundation's functional expenses by natural classification are as follows for the year ended December 31, 2019.

	<u>Program Activities</u>	<u>Supporting Activities</u>	<u>Total Expenses</u>
Grants	\$ 3,631,684	\$ -	\$ 3,631,684
Consulting fees and expense reimbursements:			
Grantee technical assistance and leadership development	195,206	-	195,206
Knowledge and strategy development	282,293	-	282,293
Outcome assessment	43,930	-	43,930
Grant related conferences and meetings	8,688	-	8,688
Publications	36,112	-	36,112
Communications	162,692	-	162,692
Website	47,411	-	47,411
Salaries and employee benefits	1,054,031	771,431	1,825,462
Professional fees	11,362	73,344	84,706
Travel expenses	61,108	75,047	136,155
Professional development	21,482	22,048	43,530
Occupancy	79,562	92,082	171,644
Insurance	-	8,925	8,925
Information technology expenses	43,608	49,615	93,223
Memberships	54,764	2,978	57,742
Office expenses	13,842	27,975	41,817
	<u>\$ 5,747,775</u>	<u>\$ 1,123,445</u>	<u>\$ 6,871,220</u>
Total expenses	<u>\$ 5,747,775</u>	<u>\$ 1,123,445</u>	<u>\$ 6,871,220</u>

### **NOTE 14: SUBSEQUENT EVENTS**

The Foundation has evaluated events that occurred after December 31, 2020, but prior to June 4, 2021, the date the financial statements were available to be issued.