

**INVEST STL**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAAconnect.com](https://CLAAconnect.com)

**INVEST STL  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2024**

|   |          |
|---|----------|
| <b>INDEPENDENT AUDITORS' REPORT</b>     | <b>1</b> |
| <b>FINANCIAL STATEMENTS</b>             |          |
| <b>STATEMENT OF FINANCIAL POSITION</b>  | <b>3</b> |
| <b>STATEMENT OF ACTIVITIES</b>          | <b>4</b> |
| <b>STATEMENT OF FUNCTIONAL EXPENSES</b> | <b>5</b> |
| <b>STATEMENT OF CASH FLOWS</b>          | <b>6</b> |
| <b>NOTES TO FINANCIAL STATEMENTS</b>    | <b>7</b> |



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Invest STL  
St. Louis, Missouri

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Invest STL (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Invest STL as of June 30, 2024, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Invest STL and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Invest STL's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Invest STL's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Invest STL's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
May 9, 2025

**INVEST STL**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

**ASSETS**

**Current Assets**

|                               |               |
|-------------------------------|---------------|
| Cash and Cash Equivalents     | \$ 1,786,056  |
| Grants Receivable             | 1,851,254     |
| Due From Prior Fiscal Sponsor | 347,468       |
| Prepaid Expenses              | <u>31,508</u> |
| Total Current Assets          | 4,016,286     |

**Noncurrent Assets**

|                                   |                  |
|-----------------------------------|------------------|
| Grants Receivable, Net            | 890,196          |
| Operating Right-of-Use-Asset, Net | 124,407          |
| Other Assets                      | <u>2,393</u>     |
| Total Noncurrent Assets           | <u>1,016,996</u> |

|              |                            |
|--------------|----------------------------|
| Total Assets | <u><u>\$ 5,033,282</u></u> |
|--------------|----------------------------|

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

|                              |               |
|------------------------------|---------------|
| Accounts and Grants Payable  | \$ 30,414     |
| Accrued Expenses             | 64,050        |
| Lease Liability - Short Term | <u>28,598</u> |
| Total Current Liabilities    | 123,062       |

**NONCURRENT LIABILITIES**

|                             |               |
|-----------------------------|---------------|
| Lease Liability - Long Term | <u>98,166</u> |
|-----------------------------|---------------|

|                   |         |
|-------------------|---------|
| Total Liabilities | 221,228 |
|-------------------|---------|

**NET ASSETS**

|                           |                  |
|---------------------------|------------------|
| Without Donor Restriction | 1,801,098        |
| With Donor Restriction    | <u>3,010,956</u> |
| Total Net Assets          | <u>4,812,054</u> |

|                                  |                            |
|----------------------------------|----------------------------|
| Total Liabilities and Net Assets | <u><u>\$ 5,033,282</u></u> |
|----------------------------------|----------------------------|

See accompanying Notes to Financial Statements.

**INVEST STL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

|                                 | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                      |
|---------------------------------|-------------------------------|----------------------------|----------------------------|
| <b>REVENUE</b>                  |                               |                            |                            |
| Contributed Income:             |                               |                            |                            |
| Contributions                   | \$ 340,614                    | \$ -                       | \$ 340,614                 |
| Grants                          | 1,134,020                     | 3,162,500                  | 4,296,520                  |
| Interest Earned                 | 7,182                         | -                          | 7,182                      |
| Net Assets Released             | 2,379,652                     | (2,379,652)                | -                          |
| Total Revenue                   | <u>3,861,468</u>              | <u>782,848</u>             | <u>4,644,316</u>           |
| <b>EXPENSES</b>                 |                               |                            |                            |
| Program Expenses:               |                               |                            |                            |
| NSF Investments                 | 399,748                       | -                          | 399,748                    |
| System Investments              | 234,580                       | -                          | 234,580                    |
| Policy Piloting                 | 1,140,155                     | -                          | 1,140,155                  |
| Narrative Reframing             | 143,530                       | -                          | 143,530                    |
| Total Program Expenses          | <u>1,918,013</u>              | <u>-</u>                   | <u>1,918,013</u>           |
| Supporting Expenses:            |                               |                            |                            |
| Management and General          | 865,200                       | -                          | 865,200                    |
| Total Expenses                  | <u>2,783,213</u>              | <u>-</u>                   | <u>2,783,213</u>           |
| <b>CHANGE IN NET ASSETS</b>     | 1,078,255                     | 782,848                    | 1,861,103                  |
| Net Assets - Beginning of Year  | <u>722,843</u>                | <u>2,228,108</u>           | <u>2,950,951</u>           |
| <b>NET ASSETS - END OF YEAR</b> | <u><u>\$ 1,801,098</u></u>    | <u><u>\$ 3,010,956</u></u> | <u><u>\$ 4,812,054</u></u> |

See accompanying Notes to Financial Statements.

**INVEST STL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

|  | Program           |                       |                     |                        |                     | Management<br>and General | Total               |
|--|-------------------|-----------------------|---------------------|------------------------|---------------------|---------------------------|---------------------|
|  | NSF Investment    | System<br>Investments | Policy<br>Piloting  | Narrative<br>Reframing | Total<br>Program    |                           |                     |
| Salaries and Benefits                              | \$ 208,770        | \$ 80,930             | \$ 96,046           | \$ 18,864              | \$ 404,610          | \$ 561,462                | \$ 966,072          |
| Direct Investments                                 | 28,967            | 19,678                | 77,756              | -                      | 126,401             | -                         | 126,401             |
| Supplies and Materials                             | 1,948             | 421                   | 390                 | 110                    | 2,869               | -                         | 2,869               |
| Consultants  | 38,285            | 112,150               | 153,750             | 107,200                | 411,385             | -                         | 411,385             |
| Other Expenses                                     | 15,841            | 16,811                | 10,490              | 5,965                  | 49,107              | -                         | 49,107              |
| Grant Awards                                       | 79,705            | -                     | 800,798             | -                      | 880,503             | -                         | 880,503             |
| Printing, Copying, and Postage                     | -                 | -                     | 57                  | -                      | 57                  | -                         | 57                  |
| Marketing Consultants and<br>Professional Services | 5,799             | 1,510                 | 395                 | -                      | 7,704               | -                         | 7,704               |
| Equipment  | -                 | 3,080                 | 473                 | 1,938                  | 5,491               | -                         | 5,491               |
| Program Administration                             | 20,433            | -                     | -                   | 9,453                  | 29,886              | -                         | 29,886              |
| Professional Development                           | -                 | -                     | -                   | -                      | -                   | 40,385                    | 40,385              |
| Occupancy  | -                 | -                     | -                   | -                      | -                   | 31,756                    | 31,756              |
| Utilities  | -                 | -                     | -                   | -                      | -                   | 17,350                    | 17,350              |
| Office Expenses                                    | -                 | -                     | -                   | -                      | -                   | 22,491                    | 22,491              |
| Internal Support                                   | -                 | -                     | -                   | -                      | -                   | 139,530                   | 139,530             |
| Communication and Marketing                        | -                 | -                     | -                   | -                      | -                   | 23,868                    | 23,868              |
| Events   | -                 | -                     | -                   | -                      | -                   | 28,358                    | 28,358              |
| Total Expenses                                     | <u>\$ 399,748</u> | <u>\$ 234,580</u>     | <u>\$ 1,140,155</u> | <u>\$ 143,530</u>      | <u>\$ 1,918,013</u> | <u>\$ 865,200</u>         | <u>\$ 2,783,213</u> |

See accompanying Notes to Financial Statements.

**INVEST STL**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |                |
|--|----------------|
| Change in Net Assets                                 | \$ 1,861,103   |
| Adjustments to Reconcile Change in Net Assets to Net |                |
| Cash Provided by Operating Activities:               |                |
| (Increase) Decrease in Assets:                       |                |
| Grants Receivable                                    | (1,141,450)    |
| Prepaid Expenses                                     | (31,508)       |
| Right-of-Use Asset                                   | (124,407)      |
| Other Assets   | (2,393)        |
| Due From Prior Fiscal Sponsor                        | (216,550)      |
| Increase (Decrease) in Liabilities:                  |                |
| Accounts Payable                                     | (35,898)       |
| Accrued Liabilities                                  | 64,050         |
| Lease Liability                                      | 28,598         |
| Net Cash Provided by Operating Activities            | <u>401,545</u> |

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

401,545

Cash and Cash Equivalents - Beginning of Year

1,286,345

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 1,687,890

*See accompanying Notes to Financial Statements.*



**INVEST STL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Invest STL was established in 2022 as a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. Invest STL was organized for the purpose of prioritizing equitable community development by evolving work in four key areas: direct investments in neighborhoods, investing in the community, and economic development system, convening thought leadership and testing innovative ideas to influence policies and decision-making, and reframing narratives to shift the collective understanding and awareness of St. Louis residents and neighborhoods.

**Basis of Accounting**

The financial statements of Invest STL have been prepared on the accrual basis of accounting.

**Basis of Presentation**

Under accounting guidance, *Financial Statements of Not-for-Profit Organizations*, Invest STL is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

**Cash and Cash Equivalents**

Invest STL considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Grants Receivable**

Management believes grants receivable are fully collectible; consequently, no allowance for doubtful accounts have been recorded. Grant receivables total \$2,741,450, net of present value discount, for the year ended June 30, 2024.

**Prior Fiscal Sponsorship Agreement**

Prior to 2022, Invest STL was under a fiscal sponsorship agreement with St. Louis Community Foundation. As certain grant agreements are still in joint name of and under their control, Invest STL has a due from balance at June 30, 2024 due from St. Louis Community Foundation. Management believes the balance is fully collectible at June 30, 2024.

**Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions net assets for certain purposes.

**INVEST STL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets-Continued**

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Revenue and Revenue Recognition**

Contributions and grants are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a grant receivable is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At June 30, 2024, grants approximating \$251,000 have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met.

**Advertising Costs**

Advertising costs are expensed as incurred and approximated \$1,965 during the year ended June 30, 2024.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

Invest STL is organized as a nonprofit and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3).

**INVEST STL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Financial Instruments and Credit Risk**

The majority of cash is maintained at one bank. The bank provides a maximum protection under regulations issued by the Federal Deposit Insurance Corporation (FDIC). At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with grants receivable is considered to be limited due to substantial portions of the outstanding amounts organizations supportive of the mission.

**Leases – Lessee**

Invest STL leases office space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statement of financial position.

ROU assets represent the Ins right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses the incremental borrowing rate at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statement of financial position.

Invest STL has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. Invest STL's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**Subsequent Events**

We have evaluated subsequent events through May 9, 2025, the date the financial statements were available to be issued.

**INVEST STL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following for the year ended June 30, 2024:

|   |                          |
|---|--------------------------|
| Cash and Cash Equivalents   | \$ 1,786,056             |
| Grants Receivable   | 1,851,254                |
| Net Assets With Donor Restrictions  | <u>(3,010,956)</u>       |
| Financial Assets Available to Meet Cash Needs<br>for General Expenditures within One Year | <u><u>\$ 626,354</u></u> |

**NOTE 3 GRANTS RECEIVABLE**

Grants receivables are estimated to be collected as follows at June 30, 2024:

|   |                            |
|---|----------------------------|
| Within One Year                           | \$ 1,851,254               |
| In One to Five Years                      | <u>903,000</u>             |
| Total                                     | 2,754,254                  |
| Less: Discount to Net Present Value at 2% | (12,804)                   |
| Less Allowance for Doubtful Accounts      | -                          |
| Total                                     | <u><u>\$ 2,741,450</u></u> |

At June 30, 2024, the total grants receivable was from two grantors. One grantor accounted for approximately 70% of total grant revenue for the year ended June 30, 2024.

**NOTE 4 NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restrictions are restricted for the following purposes or periods for the year ended June 30, 2024:

|   |                            |
|---|----------------------------|
| Net Assets With Donor Restriction:      |                            |
| Time Restriction                        | \$ 1,906,750               |
| Purpose Restriction:                    |                            |
| Neighborhood Solidarity Fund (NSF)      | 407,752                    |
| Pilot Program (Rooted)                  | <u>696,454</u>             |
| Total with Purpose and Time Restriction | <u><u>\$ 3,010,956</u></u> |

Net assets released from restrictions include the following:

|                                    |                            |
|------------------------------------|----------------------------|
| Neighborhood Solidarity Fund (NSF) | \$ 399,748                 |
| Time Restrictions                  | 802,250                    |
| Pilot Program (Rooted)             | 1,140,154                  |
| System Investments                 | <u>37,500</u>              |
| Total                              | <u><u>\$ 2,379,652</u></u> |

**INVEST STL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 LEASE COMMITMENTS – ASC 842**

The Organization rents office space under operating lease arrangements that expire at July 2028. In the normal course of business, it is expected that this lease will be renewed or replaced by similar leases.

The following table provides quantitative information concerning the Organization's leases as of and for the year ended June 30, 2024:

|  |                  |
|--|------------------|
| Total Operating Lease Costs                              | <u>\$ 32,943</u> |
| Other Information:                                       |                  |
| Operating Cash Flows from Operating Leases               | \$ 31,764        |
| Weighted-Average Remaining Lease Term - Operating Leases | 4.0 Years        |
| Weighted-Average Discount Rate - Operating Leases        | 2.85%            |

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

| <u>Year Ending June 30,</u>  | <u>Amount</u>       |
|------------------------------|---------------------|
| 2025                         | \$ 31,764           |
| 2026                         | 32,916              |
| 2027                         | 34,104              |
| 2028                         | <u>35,345</u>       |
| Total Lease Payments         | 134,129             |
| Less: Interest               | <u>(7,365)</u>      |
| Total Present Value          | <u>\$ 126,764</u>   |
| Short-Term Lease Liabilities | \$ (28,598)         |
| Long-Term Lease Liabilities  | <u>(98,166)</u>     |
| Total Lease Liabilities      | <u>\$ (126,764)</u> |

**NOTE 6 INCOME TAXES**

Invest STL has followed accounting guidance, as it relates to uncertain tax positions and has evaluated its tax positions taken for all open tax years. The Organization must file tax Form 990 on an annual basis. Based on the evaluation of the Organization's tax positions for the open tax years, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended June 30, 2024.

