

**SAINT PAUL & MINNESOTA FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**



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**SAINT PAUL & MINNESOTA FOUNDATION
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INDEPENDENT AUDITORS' REPORT

Audit and Finance Committee
Saint Paul & Minnesota Foundation
St. Paul, Minnesota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Saint Paul & Minnesota Foundation, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Saint Paul & Minnesota Foundation as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are required to be independent of Saint Paul & Minnesota Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

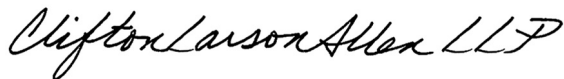
Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Saint Paul & Minnesota Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Saint Paul & Minnesota Foundation'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

Minneapolis, Minnesota
May 28, 2026

SAINT PAUL & MINNESOTA FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 8,769,407	\$ 9,766,231
Investments	1,907,754,746	1,845,747,948
Contributions Receivable	19,394,958	12,861,958
Program-Related Loans Receivable	4,422,745	6,217,764
Beneficial Interests in Perpetual Trusts	1,063,039	967,046
Operating Right-of-Use Assets	772,321	1,112,509
Other Assets	2,046,455	2,148,599
	<u>\$ 1,944,223,671</u>	<u>\$ 1,878,822,055</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,221,843	\$ 1,163,072
Operating Lease Liabilities	1,180,987	1,501,605
Loan Payable	5,000,000	-
Grants Payable	7,125,670	85,918,169
Income Beneficiaries Payable	9,261,313	8,151,377
Funds Held as Nonprofit Endowments	290,874,146	264,234,766
Total Liabilities	<u>314,663,959</u>	<u>360,968,989</u>
NET ASSETS		
Without Donor Restrictions:		
Without Donor Restrictions	1,318,706,749	1,229,852,475
Board-Designated	17,516,944	17,296,145
Minority Interests	230,714,413	221,335,431
Total Without Donor Restrictions	<u>1,566,938,106</u>	<u>1,468,484,051</u>
With Donor Restrictions	62,621,606	49,369,015
Total Net Assets	<u>1,629,559,712</u>	<u>1,517,853,066</u>
Total Liabilities and Net Assets	<u>\$ 1,944,223,671</u>	<u>\$ 1,878,822,055</u>

See accompanying Notes to Consolidated Financial Statements.

SAINT PAUL & MINNESOTA FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 66,790,182	\$ 14,044,978	\$ 80,835,160
Investment Income, Net of Investment Expense of \$5,217,027	21,539,624	655,248	22,194,872
Net Unrealized and Realized Investment Gains			
Net Unrealized and Realized Investment Gains	111,476,531	2,909,454	114,385,985
Administrative Fees	2,269,729	-	2,269,729
Staff Services	1,293,854	-	1,293,854
Change in Value of Split-Interest			
Change in Value of Split-Interest Agreements	(400,084)	492,246	92,162
Other	457,292	-	457,292
Net Assets Released from Restrictions	4,849,335	(4,849,335)	-
Total Revenues, Gains, and Other Support	<u>208,276,463</u>	<u>13,252,591</u>	<u>221,529,054</u>
EXPENSES			
Program Services	108,270,817	-	108,270,817
Support Services:			
Management and General	6,953,533	-	6,953,533
Fundraising	4,460,653	-	4,460,653
Total Expenses	<u>119,685,003</u>	<u>-</u>	<u>119,685,003</u>
Reclassification of Assets	261,582	-	261,582
CHANGE IN NET ASSETS	88,853,042	13,252,591	102,105,633
Noncontrolling Interest Activity	<u>9,601,013</u>	<u>-</u>	<u>9,601,013</u>
TOTAL CHANGE IN NET ASSETS	98,454,055	13,252,591	111,706,646
Net Assets - Beginning of Year	<u>1,468,484,051</u>	<u>49,369,015</u>	<u>1,517,853,066</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,566,938,106</u></u>	<u><u>\$ 62,621,606</u></u>	<u><u>\$ 1,629,559,712</u></u>

See accompanying Notes to Consolidated Financial Statements.

SAINT PAUL & MINNESOTA FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 44,515,092	\$ 5,600,000	\$ 50,115,092
Investment Income, Net of Investment Expense of \$5,633,647	20,569,066	523,504	21,092,570
Net Unrealized and Realized Investment Gains			
Net Unrealized and Realized Investment Losses	90,062,922	2,035,420	92,098,342
Administrative Fees	1,460,424	-	1,460,424
Staff Services	1,150,155	-	1,150,155
Change in Value of Split-Interest			
Change in Value of Split-Interest Agreements	(204,028)	853,489	649,461
Other	488,115	-	488,115
Net Assets Released from Restrictions	2,709,151	(2,709,151)	-
Total Revenues, Gains, and Other Support	<u>160,750,897</u>	<u>6,303,262</u>	<u>167,054,159</u>
EXPENSES			
Program Services	183,487,408	-	183,487,408
Support Services:			
Management and General	4,978,476	-	4,978,476
Fundraising	4,412,611	-	4,412,611
Total Expenses	<u>192,878,495</u>	<u>-</u>	<u>192,878,495</u>
Reclassification of Assets	281,749	-	281,749
CHANGE IN NET ASSETS	(31,845,849)	6,303,262	(25,542,587)
Noncontrolling Interest Activity	<u>4,638,029</u>	<u>-</u>	<u>4,638,029</u>
TOTAL CHANGE IN NET ASSETS	(27,207,820)	6,303,262	(20,904,558)
Net Assets - Beginning of Year	<u>1,495,691,871</u>	<u>43,065,753</u>	<u>1,538,757,624</u>
NET ASSETS - END OF YEAR	<u>\$ 1,468,484,051</u>	<u>\$ 49,369,015</u>	<u>\$ 1,517,853,066</u>

See accompanying Notes to Consolidated Financial Statements.

SAINT PAUL & MINNESOTA FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Fundraising	Total Expenses
Grants	\$ 100,426,526	\$ -	\$ -	\$ 100,426,526
Compensation and Benefits	4,472,375	4,306,007	3,594,952	12,373,334
Professional Fees and Contract Services	1,341,856	950,795	165,962	2,458,613
Supplies and Office Expenses	95,026	58,512	33,998	187,536
Travel, Conferences, and Meetings	181,785	124,442	190,249	496,476
Occupancy	165,426	212,343	128,541	506,310
Information Technology	222,670	211,035	173,021	606,726
Insurance	59,473	76,341	46,213	182,027
Marketing and Promotion	92,431	505,327	27,410	625,168
Program Loan Expense	96,570	-	-	96,570
Gift Annuity Distributions	986,711	-	-	986,711
Other	87,075	453,672	66,978	607,725
Depreciation	42,893	55,059	33,329	131,281
Total Expenses by Function	<u>\$ 108,270,817</u>	<u>\$ 6,953,533</u>	<u>\$ 4,460,653</u>	<u>\$ 119,685,003</u>

See accompanying Notes to Consolidated Financial Statements.

SAINT PAUL & MINNESOTA FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fundraising	Total Expenses
Grants	\$ 176,060,378	\$ -	\$ -	\$ 176,060,378
Compensation and Benefits	3,592,100	2,996,121	3,533,631	10,121,852
Professional Fees and Contract Services	2,098,022	802,342	198,472	3,098,836
Supplies and Office Expenses	104,741	46,374	34,181	185,296
Travel, Conferences, and Meetings	169,523	101,101	172,969	443,593
Occupancy	164,674	209,502	157,881	532,057
Information Technology	184,119	141,944	176,525	502,588
Insurance	59,459	75,646	57,007	192,112
Marketing and Promotion	73,587	502,891	28,368	604,846
Program Loan Expense	20,765	-	-	20,765
Gift Annuity Distributions	879,044	-	-	879,044
Other	56,976	71,996	30,548	159,520
Depreciation	24,020	30,559	23,029	77,608
Total Expenses by Function	\$ 183,487,408	\$ 4,978,476	\$ 4,412,611	\$ 192,878,495

See accompanying Notes to Consolidated Financial Statements.

SAINT PAUL & MINNESOTA FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 111,706,646	\$ (20,904,558)
Used by Operating Activities:		
Decrease (Increase) in Net Assets of Noncontrolling Interests	(9,601,013)	(4,638,029)
Adjustments to Reconcile Change in Net Assets to Net Cash	(261,582)	(281,749)
Net Investment Return on Noncontrolling Interests	22,564,013	16,543,029
Net Unrealized and Realized Investment Losses (Gains)	(114,385,985)	(92,098,342)
Depreciation Expense	131,281	77,608
Program-Related Loan Discounts and Imputed Interest	(50,143)	(142,116)
Noncash Contributions	(32,658,584)	(13,573,499)
Adjustment of Actuarial Liability for Split-Interest Agreement Liabilities	2,056,122	852,069
Changes in Operating Assets and Liabilities:		
Contributions Receivable	(6,533,000)	(6,102,052)
Change in Value of Beneficial Interest in Perpetual Trusts	(95,993)	(36,845)
Other Assets	321,736	(6,955)
Accounts Payable and Accrued Expenses	58,771	(111,340)
Operating Lease Liabilities	19,570	197,306
Grants Payable	(78,792,499)	76,340,335
Net Cash Used by Operating Activities	(105,520,660)	(43,885,138)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(290,504,260)	(340,766,588)
Proceeds from Sales of Investments	375,542,031	378,283,523
Net Partner Distributions	(12,963,000)	(11,905,000)
Payments Received on Program-Related Loans	1,845,162	1,311,884
Purchases of Property and Equipment	(350,873)	(464,709)
Net Cash Provided by Investing Activities	73,569,060	26,459,110
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments to Beneficiary Under Split-Interest Agreements	(946,186)	(879,675)
Contributions and Earnings (Losses) on Nonprofit Endowments	43,060,674	37,502,908
Payments on Nonprofit Endowments	(16,159,712)	(20,611,797)
Cash received from Issuing Debt	5,000,000	-
Net Cash Provided by Financing Activities	30,954,776	16,011,436
NET CHANGE IN CASH AND CASH EQUIVALENTS	(996,824)	(1,414,592)
Cash and Cash Equivalents - Beginning of Year	9,766,231	11,180,823
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,769,407	\$ 9,766,231

See accompanying Notes to Consolidated Financial Statements.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Saint Paul & Minnesota Foundation (the Foundation) is a nonprofit community foundation that serves all of Minnesota. The Foundation is a consortium of trusts and funds operating under a plan (the Plan) filed with the District Court of Ramsey County, Minnesota, and charitable corporation known as Saint Paul & Minnesota Foundation, organized pursuant to the Plan.

The consolidated financial statements include the accounts of Saint Paul & Minnesota Foundation, the Marvin Warroad Area Foundation, the Jones Family Foundation, and Red Wing Property Conservation Fund which are Type 1 Supporting Organizations, and affiliated organizations, The Community Investment Group (CIG), Future Ready, Minnesota Momentum.

Saint Paul and Minnesota Foundation Holdings, LLC and six wholly owned subsidiaries (the LLCs) were established under Minnesota Statutes, Chapter 322C, with Saint Paul & Minnesota Foundation as its sole member. The LLCs are established to facilitate the receipt of certain charitable gifts to the Foundation. The LLCs are disregarded tax entities for tax purposes. As the sole member of the LLCs, Saint Paul & Minnesota Foundation consolidated all results of the LLCs within these consolidated financial statements.

Saint Paul and Minnesota Foundation GP LLC (GP LLC) was formed to serve as the General Partner of the Future Ready LP and Momentum Minnesota LP. Saint Paul and Minnesota Foundation is the sole member of the GP LLC. The GP LLC is a disregarded entity for tax purposes. The activity of the GP LLC will be consolidated within these financial statements.

Financial Statement Presentation

The accompanying consolidated financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates.

Net Asset Classification

The Foundation follows an accounting standard that provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The standard also expands disclosures about an organization's endowment funds (both donor-restricted and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classification (Continued)

The board of directors, on the advice of legal counsel, has determined that the majority of the Foundation's net assets do not meet the definition of endowment under UPMIFA. The Foundation is governed subject to *The Plan for Saint Paul & Minnesota Foundation* and most contributions are subject to the terms of the Plan. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

Under the terms of the Plan, the board of directors has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as net assets with donor restrictions are classified as net assets without donor restrictions for financial statement purposes.

Net assets with donor restrictions consist of irrevocable charitable trusts, restricted contributions receivable, donor-restricted endowment funds, and earnings on donor-restricted endowment funds under UPMIFA. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

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 met. The Foundation has no contributions for which conditions have not yet been met as of December 31, 2025 and 2024.

Board-Designated Net Assets

Portions of the Foundation's net assets without donor restrictions have been designated for certain purposes by the board of directors. The board of directors has established both short-term and long-term operating reserves designed to support operations during periods of market volatility, or when administrative fees collected may fall short of budgeted expectations. Short-term reserves are invested in money market accounts, certificates of deposit, and short-term investments. Long-term operating reserves are invested in the Foundation's multi-asset endowment pool.

Noncontrolling Interests

The consolidated financial statements include entities in which the Foundation has less than 100% ownership but otherwise controls in accordance with applicable accounting guidance. Noncontrolling interests on the consolidated statements of activities represents the portion of interest and dividends, net unrealized and realized gains and losses and partnership expenses not attributable to the Foundation. Noncontrolling interests on the consolidated statements of financial position represent the portion of net assets without donor restrictions not attributable to the Foundation.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that seek to provide a predictable stream of funding to programs supported by its endowment while maintaining the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. Actual returns in any given year may vary from this amount.

To achieve its investment objectives over long periods of time, the Foundation has adopted an investment strategy that invests in domestic equities, international equities, private capital, fixed income, real assets, and absolute return strategies. The majority of assets are invested in equity or equity like securities. Fixed income, real assets, and absolute return strategies are used to lower short-term volatility. Diversification by asset class, investment style, investment manager, etc. is employed to avoid undue risk concentration and enhance total return. The primary performance objective is to achieve an annualized total rate of return, net of investment fees, that is equal to or greater than the Foundation's spending policy payout rate plus inflation over long periods of time.

The spending policy determines the amount of money in a given year that will be distributed from the Foundation's various endowment assets, which includes donor-advised, nonprofit, designated, scholarship, community, field of interest, and unrestricted. The spending policy is to distribute an amount equal to 5.0% of a moving 21-quarter average. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment assets to grow at the rate of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets and seek to maximize the amount available to meet the charitable needs of communities. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of December 31, 2025 and 2024, there were no donor-restricted endowment funds with deficiencies.

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with banks or other financial institutions, and short-term investments with maturities of 90 days or less from the date of purchase that have not otherwise been classified as long-term assets due to a designation for long-term purposes. The Foundation's cash investments are placed with high-quality financial institutions and may exceed federal depository insurance limits.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Marketable securities are reported at fair value based upon quoted market prices or, when quotes are not available, are valued on the basis of comparable financial instruments.

Investments with limited marketability, which principally include collective funds, hedge funds of funds, private capital, natural resources, and real assets, are valued at the quoted market price for securities for which market quotations are readily available or an estimate of value (fair value) as determined in good faith by management. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed.

Donated securities are recorded at their fair value at the date of donation. Realized and unrealized investment gains or losses are determined by comparison of specific costs of acquisition to net proceeds received at the time of disposal or changes in the difference between fair value and cost, respectively.

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

Investments held by the Foundation under split-interest agreements totaled \$17,695,926 and \$15,289,420 at December 31, 2025 and 2024, respectively.

Contributions Receivable

Contributions receivable consists of unconditional promises to give and are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted using present value of future cash flows. Amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history. As of December 31, 2025 and 2024, no amounts are determined to be uncollectible.

The Foundation is the sole or partial beneficiary of charitable remainder trusts. In cases where the Foundation does not act as trustee, the Foundation has recorded an asset at the present value of the revenue to be received from the trusts using a discount rate between 5.8% and 8.8% based on the year the trust was established.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program-Related Loans Receivable

The Foundation has made loans to nonprofit organizations and to units of government at below-market interest rates. Repayment schedules and interest rates on the loans are varied. If the loan has a fixed maturity date, the loan receivable is recorded at the net present value of the future payments to be received from the borrower using an imputed market interest rate between 2.4% and 4.5% based on the year the loan was made. At December 31, 2025 and 2024, there were no past due program-related loans and no allowances for credit losses.

Beneficial Interests in Perpetual Trusts

The Foundation is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the Foundation and are not subject to the Plan. The Foundation has an irrevocable right to a portion of the net income of these trusts. The Foundation's interest in these trusts is recorded at fair value and is classified as net assets with donor restrictions. Distributions received from these trusts are recorded as investment income without restrictions, and the change in fair value is recorded as net unrealized and realized investment gains with restrictions in the consolidated statements of activities.

Other Assets

Other assets consist of several items, including fixed assets, cash surrender value of life insurance, accrued investment income, and client accounts receivable.

Grants Payable

Grants are recorded as expense when approved by the Foundation's board of directors unless conditions imposed on the grantee have not yet been fulfilled. Such conditional grants are recorded when the conditions have been substantially met.

During the year, grants have been approved and disbursed to organizations in which some of the board members may be involved through board or other advisory relationships. It is the Foundation's policy to have each board member disclose the conflict of interest. These board members are prohibited from voting on grants to these organizations in those instances.

Income Beneficiaries Payable

A liability is recorded for the amount due to income beneficiaries and split-charitable remainder interest of charitable gift annuities and charitable remainder trusts when the Foundation acts as trustee. The present value of the estimated future payments to be distributed during the beneficiary's expected life and the split-charitable remainder interest at the beneficiary's death is recorded as a liability using a discount rate between 0.4% and 7.5% based on the year the gift was received.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds Held as Nonprofit Endowments

In accordance with accounting standards, when a nonprofit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as nonprofit endowment funds.

The Foundation maintains legal ownership of nonprofit endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with accounting standards, a liability has been established for the fair value of the funds.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Administrative fee and staff services revenue are recognized over time when the related services have been provided and earned. Any payments received in advance for these services are deferred to the applicable period in which the related services are performed. As of December 31, 2025, 2024, and 2023, there were no contract assets or liabilities.

Concentrations

One contributor accounted for approximately 12% of total contribution revenue for the year ended December 31, 2025. One contributor accounted for approximately 14% of total contribution revenue for the year ended December 31, 2024.

Federal Income Taxes

Saint Paul & Minnesota Foundation, The Marvin Warroad Area Foundation, The Jones Family Foundation, and the Red Wing Conservation Fund have received determination letters from the Internal Revenue Service indicating that they have been classified as publicly supported charitable organizations under Internal Revenue Code (IRC) Section 501(c)(3). As a publicly supported charity, the Saint Paul & Minnesota Foundation is exempt from federal income taxes and federal excise taxes under Section 509(a)(1) of the IRC, except on unrelated business income, while The Marvin Warroad Area Foundation, The Jones Family Foundation, and the Red Wing Conservation Fund have been similarly exempted under Section 509(a)(3) of the IRC.

CIG, Future Ready, and MN Momentum are pass-through investment partnerships which do not record a provision for any federal, state, or local income taxes because the partners report their share of the partnership's income or loss on their return.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal Income Taxes (Continued)

Saint Paul and Minnesota Foundation Holdings, LLC and six wholly owned subsidiaries are disregarded entities for tax purposes.

Saint Paul and Minnesota GP LLC is a disregarded entity for tax purposes.

The Foundation follows accounting standards for uncertain tax positions. No liability has been recognized by the Foundation under this standard.

Fair Value Measurements

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

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

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange. Level 1 includes various mutual funds, collective funds, futures, and equities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes U.S. Treasury and other U.S. government and agency mortgage-backed securities, collateralized mortgage obligations, municipal bonds, and corporate debt securities.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes privately held stock, charitable remainder trusts, and beneficial interests in perpetual trusts.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative Financial Instruments

The Foundation's investment strategy incorporates certain financial instruments, which involve, to varying degrees, elements of market risk and credit risk. These financial instruments may include equity, fixed income and foreign currency futures and options contracts, and foreign currency forward contracts. The Foundation uses derivatives to obtain domestic and international equity and treasury bond exposure for selected portfolio balances. The Foundation will buy and sell equity and treasury futures to adjust the overall portfolio asset allocation. These quarterly futures contracts are marked to market and realize gains and losses on a daily basis. The Foundation has not designated any of its derivative financial instruments as hedging instruments.

Market risk represents potential loss from the decrease in the value as a result of fluctuation in the market. Credit risk represents potential loss from possible nonperformance by obligors and counterparties on the terms of their contracts. Management does not anticipate that losses, if any, resulting from credit or market risk would materially affect the Foundation's financial position.

CIG had 975 and 499 derivative contracts outstanding as of December 31, 2025 and 2024, respectively, at a gross contract value of \$156,612,617 and \$68,394,282, respectively, and the net exposure amount is included within CIG's investment portfolio. There were no short positions as of December 31, 2025 and 2024. The profits and losses of a futures contract depends on the daily movements of the market for that contract and are calculated on a daily basis. Changes in fair value are accounted for as net unrealized and realized investment gains (losses) in fair value of investments. Net gains (losses) for these futures were \$8,381,575 and (\$817,128) for the years ended December 31, 2025, and 2024, respectively.

Functional Allocation of Expenses

The costs of providing programs and services have been summarized on a functional basis. Accordingly, certain costs have been allocated between program and the supporting services benefited. Grants, program loan expenses, and gift annuity distributions are directly allocated to program expenses. All other costs are allocated based on department and the best estimates of management.

Leases

The Foundation leases office space for general operations. The Foundation determines if an arrangement is a lease at inception. Operating leases are included in the operating right-of-use (ROU) assets and operating lease liabilities on the consolidated statements of financial position.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundations obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Foundation uses a risk-free rate based on information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also excluded any lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for grants and general expenditures within one year of the consolidated statements of financial position date are comprised of the following at December 31:

	2025	2024
Cash and Cash Equivalents	\$ 8,769,407	\$ 9,766,231
Other Cash Equivalents Included in Investments	231,876,483	231,390,677
Other Liquid Investments	875,896,869	825,902,246
Contributions Receivable	12,034,951	4,532,276
Other Accounts Receivable	253,886	253,886
Total	\$ 1,128,831,596	\$ 1,071,845,316

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Foundation's core operations are funded primarily through asset-based administrative fees on the charitable funds under management, calculated as a percentage of market value. The board of directors has established both short-term and long-term operating reserves designed to support operations during periods of market volatility, when administrative fees collected may fall short of budgeted expectations. Short-term reserves of \$10,377,817 and \$10,903,572 at December 31, 2025 and 2024, respectively, are included in the amounts above and are invested in money market accounts, certificates of deposit, and short-term investments. Long-term operating reserves of \$7,139,127 and \$6,688,573 at December 31, 2025 and 2024, respectively, are invested in the Foundation's multi-asset endowment pool.

The assets above include donor funds subject to donor restrictions and recommendations as of December 31, 2025 and 2024. Donor funds are generally either permanent (endowed) or nonpermanent. Nonpermanent funds may be granted out at any time, subject to terms of the fund agreement and approval by the board of directors. As described in Note 1, the Foundation's endowed assets are subject to a board approved spending policy of 5%. A spendable amount of \$49,866,317 and \$47,638,977 at December 31, 2025 and 2024, respectively, will be made available for grant-making from these endowments within the next 12 months.

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

NOTE 3 FAIR VALUE MEASUREMENTS

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

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets measured at fair value on a recurring basis:

	2025			Total
	Level 1	Level 2	Level 3	
Fixed Income Mutual and Collective Funds	\$ 38,465,285	\$ 200,075,428	\$ -	\$ 238,540,713
U.S. Common Stock, Equity Mutual, and Collective Funds	451,008,465	-	29,475,446	480,483,911
Non-U.S. Common Stock, Equity Mutual, and Collective Funds	130,197,116	-	-	130,197,116
Balanced Mutual Funds	53,137,589	-	-	53,137,589
Real Assets	3,012,986	-	-	3,012,986
Total	<u>\$ 675,821,441</u>	<u>\$ 200,075,428</u>	<u>\$ 29,475,446</u>	905,372,315
Cash Equivalents				231,876,483
NAV Funds				770,505,948
Total				<u>\$ 1,907,754,746</u>
Charitable Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,416,856</u>	<u>\$ 4,416,856</u>
Beneficial Interests in Perpetual Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,063,039</u>	<u>\$ 1,063,039</u>
	2024			
	Level 1	Level 2	Level 3	Total
Fixed Income Mutual and Collective Funds	\$ 35,416,153	\$ 195,980,464	\$ -	\$ 231,396,617
U.S. Common Stock, Equity Mutual, and Collective Funds	463,696,631	-	29,804,036	493,500,667
Non-U.S. Common Stock, Equity Mutual, and Collective Funds	81,709,493	-	-	81,709,493
Balanced Mutual Funds	46,105,306	-	-	46,105,306
Real Assets	2,994,199	-	-	2,994,199
Total	<u>\$ 629,921,782</u>	<u>\$ 195,980,464</u>	<u>\$ 29,804,036</u>	855,706,282
Cash Equivalents				231,390,677
NAV Funds				758,650,989
Total				<u>\$ 1,845,747,948</u>
Charitable Remainder Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,645,514</u>	<u>\$ 4,645,514</u>
Beneficial Interests in Perpetual Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 967,046</u>	<u>\$ 967,046</u>

The Foundation had \$2,271,763 and \$-0- in donated property that is reported at cost as of December 31, 2025 and 2024. Since they are at cost, they are not included in the fair value tables above.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides a summary of changes in fair value of the Foundation's Level 3 financial assets for the years ended December 31:

	U.S. Common Stock, Equity Mutual, and Collective Funds	
	2025	2024
Balance as of January 1	\$ 29,804,036	\$ 26,481,450
Purchases	-	-
Sales	(3,001,498)	-
Unrealized/Realized	2,672,908	3,322,586
Balance as of December 31	<u>\$ 29,475,446</u>	<u>\$ 29,804,036</u>

The following is a summarization of the Level 3 significant unobservable inputs:

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at December 31, 2025	Principal Valuation Technique	Unobservable Inputs
U.S. Common Stock, Equity Mutual and Collective Funds	\$ 29,475,446	FMV of Assets	Value of Underlying Assets
Charitable Remainder Trusts	4,416,856	Discounted Cash Flows	Discount Rates Duration
Beneficial Interest in Perpetual Trusts	1,063,039	FMV of Assets	Value of Underlying Assets
Total	<u>\$ 34,955,341</u>		
Type of Assets	Fair Value at December 31, 2024	Principal Valuation Technique	Unobservable Inputs
U.S. Common Stock, Equity Mutual and Collective Funds	\$ 29,804,036	FMV of Assets	Value of Underlying Assets
Charitable Remainder Trusts	4,645,514	Discounted Cash Flows	Discount Rates Duration
Beneficial Interest in Perpetual Trusts	967,046	FMV of Assets	Value of Underlying Assets
Total	<u>\$ 35,416,596</u>		

Investments in Entities that Calculate Net Asset Value Per Share (or its Equivalent) as of December 31, 2025 and 2024

	Net Asset Value		Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
	2025	2024			
U.S. Common Stock, Equity Collective Funds	\$ 154,068,721	\$ 152,800,692	\$ -	Daily-Monthly	1-30 Days
Multi-Strategy Hedge Funds of Funds	160,246,394	146,212,043	14,000,000	Quarterly	60-65 Days
Private Capital	377,732,643	365,220,999	116,521,237	N/A	N/A
Private Natural Resources	39,674,614	47,073,270	5,141,788	N/A	N/A
Private Real Estate	19,847,304	25,308,522	-	Quarterly	45 Days
Private Real Estate	18,936,272	22,035,463	4,262,822	N/A	N/A
Total	<u>\$ 770,505,948</u>	<u>\$ 758,650,989</u>			

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

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

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

Private Capital includes investments in venture capital, buy-outs, distressed securities, mezzanine and special situations funds, and direct investments in securities of companies. The unobservable inputs used to determine the fair value of the fund of private capital funds and direct investments has been estimated based on the capital account balances reported by underlying partnerships subject to the private capital funds' management review and judgment.

Private Natural Resources include investments in oil, gas, and other natural resource-related funds. The unobservable inputs used to determine the fair value of the fund of natural resources funds has been estimated based on the capital account balances reported by underlying partnerships subject to the natural resources fund of funds management review and judgment.

Private Real Estate includes investments in multi-family, industrial, retail, and office properties in targeted metropolitan areas. The unobservable inputs used to determine the fair value of private real estate has been estimated using external and internal appraisals of property investments.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Unconditional contributions receivable outstanding as of December 31, 2025 and 2024, are due as follows:

	2025			
	Less Than One Year	One Year to Five Years	More Than Five Years	Total
Unconditional Promises to Give	\$ 11,775,043	\$ 2,853,124	\$ 349,935	\$ 14,978,102
Charitable Remainder Trusts	259,908	2,111,235	2,045,713	4,416,856
Total	\$ 12,034,951	\$ 4,964,359	\$ 2,395,648	\$ 19,394,958
	2024			
	Less Than One Year	One Year to Five Years	More Than Five Years	Total
Unconditional Promises to Give	\$ 4,310,563	\$ 3,539,280	\$ 366,601	\$ 8,216,444
Charitable Remainder Trusts	221,713	1,639,924	2,783,877	4,645,514
Total	\$ 4,532,276	\$ 5,179,204	\$ 3,150,478	\$ 12,861,958

NOTE 5 GRANTS PAYABLE

Grants payable in more than one year are stated at fair value. Fair value is determined as the present value of estimated cash flows using a discount rate ranging from 3.3% to 8.5%. The discount amount was \$187,806 and \$183,334 as of December 31, 2025 and 2024, respectively. Unconditional grants payable as of December 31, are generally due as follows:

	2025	2024
Less Than One Year	\$ 5,804,976	\$ 84,690,503
One Year to Five Years	1,320,694	1,227,666
Total	\$ 7,125,670	\$ 85,918,169

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 6 LOANS PAYABLE

The Foundation has a Promissory note payable of \$5,000,000 with 2% quarterly interest payments. Amortization starts on November 19, 2032 and matures November 18, 2034.

NOTE 7 FUNDS HELD AS NONPROFIT ENDOWMENTS

The following table summarized activity in such funds during the years ended December 31:

	2025	2024
Funds Held as Nonprofit Endowments at January 1	\$ 264,234,766	\$ 247,625,404
Amounts Raised from Nonprofits	13,862,996	17,065,059
Investment Income	5,411,436	4,866,647
Net Unrealized and Realized Investment Gains (Losses)	26,003,147	16,969,017
Amounts Disbursed to Nonprofits	(16,159,712)	(20,611,797)
Administrative Fee	(2,216,905)	(1,397,815)
Net Asset Reclassifications	(261,582)	(281,749)
Funds Held as Nonprofit Endowments at December 31	<u>\$ 290,874,146</u>	<u>\$ 264,234,766</u>

NOTE 8 ENDOWMENT BY NET ASSET CLASS

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Donor-Restricted Endowment Funds	\$ -	\$ 44,409,917	\$ 44,409,917
Other Endowment Funds:			
Undesignated	340,029,814	-	340,029,814
Field of Interest	209,275,708	-	209,275,708
Donor-Advised	167,128,987	-	167,128,987
Designated	144,489,462	-	144,489,462
Subtotal Other Endowment Funds	<u>860,923,971</u>	-	<u>860,923,971</u>
Board-Designated			
Endowment Funds	7,139,127	-	7,139,127
Total Endowment Funds	<u>868,063,098</u>	<u>44,409,917</u>	<u>912,473,015</u>
Nonendowed Funds	698,875,008	18,211,689	717,086,697
Total Net Assets	<u>\$ 1,566,938,106</u>	<u>\$ 62,621,606</u>	<u>\$ 1,629,559,712</u>

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31:

	2025	2024
Purpose or Time Restricted:		
Split-Interest Agreements	\$ 11,838,650	\$ 10,922,397
Time Restricted Contributions Receivable	5,310,000	5,725,000
Endowment	12,512,916	10,842,549
Total Purpose or Time Restricted	29,661,566	27,489,946
Perpetual in Nature:		
Endowment	31,897,001	20,912,023
Beneficial Interest in Perpetual Trusts	1,063,039	967,046
Total Perpetually Restricted Net Assets	32,960,040	21,879,069
Total Net Assets With Donor Restrictions	\$ 62,621,606	\$ 49,369,015

Net assets released from restriction for the years ended December 31, are as follows:

	2025	2024
Purpose or Time Restricted	\$ 2,955,000	\$ 1,092,999
Endowment	1,894,335	1,616,152
Total Purpose or Time Restricted Releases	\$ 4,849,335	\$ 2,709,151

NOTE 11 RETIREMENT PLAN

The Foundation maintains a defined contribution plan for employees meeting the eligibility requirements in which contributions are based upon a specified percentage of salaries. Retirement plan expense was \$827,246 and \$852,245 for the years ended December 31, 2025 and 2024, respectively. A portion of the contributions vest with employees over a five-year period.

NOTE 12 LEASES

The Foundation has an operating lease for office space and equipment with lease terms that expire through 2025. Annual rental on the office space includes the base rent plus a proportionate share of the actual operating costs of the building as specified in the lease agreement.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 12 LEASES (CONTINUED)

The following table provides quantitative information concerning the Foundation's leases for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Operating Lease Costs	<u>\$ 394,249</u>	<u>\$ 472,542</u>
Other Information:		
Operating Cash Flows from Operating Leases	\$ 374,679	\$ 489,116
Weighted-Average Remaining Lease Term - Operating Leases	10.0 Years	8.5 Years
Weighted-Average Discount Rate - Operating Leases	4.31%	4.15%

The Foundation 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 December 31, 2025, is as follows:

<u>Year Ending December 31.</u>	<u>Operating Leases</u>
2026	\$ 128,328
2027	132,178
2028	136,143
2029	140,227
2030	144,434
Thereafter	<u>789,826</u>
Total Lease Payments	1,471,136
Less: Imputed Interest	<u>(290,149)</u>
Present Value of Lease Liabilities	<u>\$ 1,180,987</u>

In February 2024, the Foundation entered into a new operating lease agreement for office space with a lease term that expires on December 31, 2035. Annual lease costs will include the base rent plus a proportionate share of the actual operating costs of the building as specified in the agreement. Base rent payments are due beginning in 2026.

NOTE 13 COMMUNITY INVESTMENT GROUP AND NONCONTROLLING INTEREST

The Community Investment Group (CIG) is an investment partnership originally formed by The Saint Paul Foundation and Minnesota Community Foundation in 1992. The purpose of CIG is to create a larger pool of assets in order to enhance investment return and reduce costs and risk. Under the governing agreements, the Foundation is the only remaining voting foundation. The CIG investment committee may recommend other nonprofit corporations join the Partnership, subject to the approval of the voting foundation. Other charitable foundations admitted to CIG are considered participating foundations.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 COMMUNITY INVESTMENT GROUP AND NONCONTROLLING INTEREST (CONTINUED)

The voting foundation may appoint two persons each to the partnership's investment committee. A majority of the investment committee may recommend that one or more additional persons be appointed to the investment committee who shall become members if approved in writing by the Foundation. Such additional members are subject to removal by the Foundation.

Saint Paul & Minnesota Foundation holds control of the partnership through the ability to approve and remove additional members of the investment committee, and through economic interest (85% and 84% of the investment in the partnership as of December 31, 2025 and 2024, respectively). As a result of this controlling interest, consolidation is required under accounting standards.

The following schedules shows statements of changes in partner balances for the years ended December 31:

	Saint Paul & Minnesota Foundation	F. R. Bigelow Foundation	Mardag Foundation	Total
Balance - January 1, 2024	\$ 1,219,184,586	\$ 153,490,409	\$ 63,206,993	\$ 1,435,881,988
Interest and Dividends	21,250,441	2,519,136	1,045,392	24,814,969
Net Unrealized and Realized Losses	77,237,334	9,512,396	3,936,649	90,686,379
Contributions to Partnership	2,534,945	-	-	2,534,945
Withdrawals from Partnership	(63,603,166)	(8,850,000)	(3,055,000)	(75,508,166)
Partnership Expenses	(2,523,542)	(332,568)	(137,976)	(2,994,086)
Balance - December 31, 2024	1,254,080,598	156,339,373	64,996,058	1,475,416,029
Interest and Dividends	24,155,189	2,804,060	1,174,376	28,133,625
Net Unrealized and Realized Gains	113,077,355	13,397,188	5,632,147	132,106,690
Contributions to Partnership	27,699,128	-	-	27,699,128
Withdrawals from Partnership	(54,554,840)	(11,093,000)	(3,830,000)	(69,477,840)
Partnership Expenses	(2,426,932)	(306,466)	(128,103)	(2,861,501)
Balance - December 31, 2025	<u>\$ 1,362,030,498</u>	<u>\$ 161,141,155</u>	<u>\$ 67,844,478</u>	<u>\$ 1,591,016,131</u>

NOTE 14 FUTURE READY AND MOMENTUM MINNESOTA PORTFOLIOS AND NONCONTROLLING INTEREST

Future Ready Portfolio and Momentum Minnesota Portfolio are investment partnerships formed by Saint Paul and Minnesota Foundation in 2025. These portfolios expand the ways charitable institutions, nonprofits and donor advised funds can align their charitable capital with community priorities. Future Ready is positioned for concessionary impact investing while Momentum Minnesota is aligned with market rate investing. The Saint Paul and Minnesota GP LLC serves as the General Partner of both portfolios. Saint Paul and Minnesota Foundation is the sole member of the GP LLC.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 14 FUTURE READY AND MOMENTUM MINNESOTA PORTFOLIOS AND NONCONTROLLING INTEREST (CONTINUED)

The GP LLC is member managed. An Advisory committee will oversee the member managers and monitor investment activity of the portfolios. The Advisory Committee will consist of representatives of the Saint Paul & Minnesota Foundation Investment Committee, Saint Paul & Minnesota Foundation Community Impact Committee, F. R. Bigelow Foundation Investment Committee, Mardag Board of Directors, and other strategic partners as determined by the investment committee for the two new catalytic capital portfolios.

Saint Paul & Minnesota Foundation, via the GP LLC, controls both partnerships through its power to direct the activities of the partnerships. As of December 31, 2025, Saint Paul & Minnesota Foundation also controls both partnerships through economic interest (75% of Future Ready as of December 31, 2025.). There was no activity in Momentum Minnesota in 2025. As a result of this controlling interest, consolidation is required under accounting standards.

The following schedule shows statements of changes in partner balances for the year ended December 31:

	Saint Paul & Minnesota Foundation	Limited Partners	Total
Balance as of January 1, 2025	\$ -	\$ -	\$ -
Interest and Dividends	59,378	12,257	71,635
IME	(65,891)	(21,446)	(87,337)
Contributions to Partnership	6,000,000	2,000,000	8,000,000
Limited Partner Fee	-	(40,000)	(40,000)
Balance as of December 31, 2025	<u>\$ 5,993,487</u>	<u>\$ 1,950,811</u>	<u>\$ 7,944,298</u>

NOTE 15 LOAN GUARANTY

In December 2019, the Foundation issued loan guaranties for the preservation of Naturally Occurring Affordable Housing. The Foundation's guaranties originally totaled \$3.4 million. This has decreased to \$1.4M based on the stage of the project. The guaranties are not callable until the completion of the project. Property acquisitions concluded in 2020, and the loan guaranties will expire in 2031.

SAINT PAUL & MINNESOTA FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 16 SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure in these consolidated financial statements through May 28, 2026, the date the consolidated financial statements were available to be issued. There were no other subsequent events requiring recognition or disclosure in the consolidated financial statements.



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