

Eau Claire Community Foundation

Financial Statements

Year ended December 31, 2024

EAU CLAIRE COMMUNITY FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Eau Claire Community Foundation
Eau Claire, Wisconsin

Opinion

We have audited the accompanying consolidated financial statements of Eau Claire Community Foundation (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Prior Period Financial Statements

The financial statements of Eau Claire Community Foundation as of December 31, 2023 were audited by other auditors whose report dated May 2, 2024 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the Organization'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 the Organization'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.

CERTIFIED PUBLIC ACCOUNTANTS

Eau Claire, Wisconsin
August 14, 2025

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 4,367,912	\$ 5,350,345
Pledges receivable - Net	512,873	44,759
Investments	55,368,516	41,092,536
Cash surrender value of life insurance	17,681	17,681
Operating lease-right-of-use asset - Net	28,755	43,555
Furniture and equipment - Net	-	284
TOTAL ASSETS	\$ 60,295,737	\$ 46,549,160
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants payable	\$ 1,750	\$ 10,500
Accrued expenses	20,499	90,259
Operating lease obligation	29,235	43,555
Agency endowment and flow-through funds	6,087,899	6,064,748
Total liabilities	6,139,383	6,209,062
Net assets:		
Net assets without donor restrictions	23,865,697	22,943,696
Net assets with donor restrictions	30,290,657	17,396,402
Total net assets	54,156,354	40,340,098
TOTAL LIABILITIES AND NET ASSETS	\$ 60,295,737	\$ 46,549,160

The accompanying notes are an integral part of these consolidated financial statements.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
For Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Support:						
Contributions	\$ 518,954	\$ 12,264,792	\$ 12,783,746	\$ 6,770,061	\$ 3,935,454	\$ 10,705,515
Administrative fee revenue	60,529	-	60,529	51,861	-	51,861
Donated services	8,454	-	8,454	15,665	-	15,665
Total support	<u>587,937</u>	<u>12,264,792</u>	<u>12,852,729</u>	<u>6,837,587</u>	<u>3,935,454</u>	<u>10,773,041</u>
Net assets released from restrictions	<u>1,955,670</u>	<u>(1,955,670)</u>	<u>-</u>	<u>1,230,385</u>	<u>(1,230,385)</u>	<u>-</u>
Total support and revenue	<u>2,543,607</u>	<u>10,309,122</u>	<u>12,852,729</u>	<u>8,067,972</u>	<u>2,705,069</u>	<u>10,773,041</u>
EXPENSES:						
Programs and Grants	2,511,325	-	2,511,325	2,211,455	-	2,211,455
Management and General	272,172	-	272,172	258,837	-	258,837
Fundraising	161,072	-	161,072	147,981	-	147,981
Total Expenses	<u>2,944,569</u>	<u>-</u>	<u>2,944,569</u>	<u>2,618,273</u>	<u>-</u>	<u>2,618,273</u>
OPERATING GAIN (LOSS)	<u>(400,962)</u>	<u>10,309,122</u>	<u>9,908,160</u>	<u>5,449,700</u>	<u>2,705,069</u>	<u>8,154,769</u>
NON-OPERATING ITEMS:						
Investment income (loss)	1,322,963	2,585,133	3,908,096	2,568,856	1,764,727	4,333,583
Change in cash value of life insurance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,558)</u>	<u>-</u>	<u>(1,558)</u>
Total non-operating items	<u>1,322,963</u>	<u>2,585,133</u>	<u>3,908,096</u>	<u>2,567,298</u>	<u>1,764,727</u>	<u>4,332,025</u>
CHANGE IN NET ASSETS	922,001	12,894,255	13,816,256	8,016,997	4,469,796	12,486,793
NET ASSETS - BEGINNING OF YEAR	<u>22,943,696</u>	<u>17,396,402</u>	<u>40,340,098</u>	<u>14,926,699</u>	<u>12,926,606</u>	<u>27,853,305</u>
NET ASSETS - END OF YEAR	<u>\$ 23,865,697</u>	<u>\$ 30,290,657</u>	<u>\$ 54,156,354</u>	<u>\$ 22,943,696</u>	<u>\$ 17,396,402</u>	<u>\$ 40,340,098</u>

The accompanying notes are an integral part of these consolidated financial statements.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For Years Ended December 31, 2024 and 2023

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Grants and scholarships	\$ 2,227,507	\$ -	\$ -	\$ 2,227,507	\$ 1,938,978	\$ -	\$ -	\$ 1,938,978
Payroll & benefits	186,900	201,655	103,287	491,842	166,499	179,644	92,013	438,156
Equipment	16,273	17,558	8,993	42,824	14,823	15,993	8,192	39,008
Professional fees	16,377	17,670	9,050	43,097	18,415	19,869	10,177	48,461
Printing and publications	11,539	-	-	11,539	15,932	-	-	15,932
Fund event expense	-	-	827	827	-	-	643	643
Lease expense	5,810	6,269	3,211	15,290	6,097	6,578	3,369	16,044
Supplies	5,651	6,098	3,123	14,872	13,738	14,822	7,592	36,152
Community events	15,152	-	24,721	39,873	11,077	-	18,074	29,151
Insurance	3,064	3,306	1,692	8,062	3,094	3,338	1,709	8,141
Dues to other organization	-	3,720	-	3,720	-	2,115	-	2,115
Telephone	1,194	1,289	660	3,143	1,302	1,404	719	3,425
Postage	958	1,034	530	2,522	1,048	1,131	580	2,759
Awareness	11,909	-	-	11,909	11,589	-	-	11,589
Conferences	-	3,881	-	3,881	-	4,396	-	4,396
Depreciation	108	108	68	284	200	200	125	525
Other expenses	8,883	9,584	4,910	23,377	8,663	9,347	4,788	22,798
Total	\$ 2,511,325	\$ 272,172	\$ 161,072	\$ 2,944,569	\$ 2,211,455	\$ 258,837	\$ 147,981	\$ 2,618,273

The accompanying notes are an integral part of these consolidated financial statements.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 13,816,256	\$ 12,486,793
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gains) losses on investments	(2,860,794)	(3,473,503)
Contributions for funds held in perpetuity	(110,772)	(85,971)
Depreciation	284	525
(Increase) decrease in cash surrender value of life insurance	-	1,558
Non cash lease expense	14,800	14,810
Operating lease payments	(14,320)	(14,810)
Changes in operating assets and liabilities:		
Decrease (increase) in pledges receivable	(468,114)	212,468
Decrease (increase) in grants payable	(8,750)	9,204
Decrease (increase) in accrued expenses	(69,760)	78,868
Decrease (increase) in agency endowment funds	23,151	2,317,241
	10,321,981	11,547,183
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Proceeds from sale of investments	13,710,282	758,821
Purchase of investments	(25,125,468)	(11,476,028)
	(11,415,186)	(10,717,207)
Net cash provided by (used in) investing activities		
Cash flows from financing activities:		
Contributions for funds held in perpetuity	110,772	85,971
	110,772	85,971
Net cash provided by (used in) financing activities		
Net increase (decrease) in cash and cash equivalents	(982,433)	915,947
Cash and cash equivalents, beginning of year	5,350,345	4,434,398
Cash and cash equivalents, end of year	\$ 4,367,912	\$ 5,350,345

The accompanying notes are an integral part of these consolidated financial statements.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Eau Claire Community Foundation (the Foundation) is a nonprofit community foundation that is supported by public contributions, which are used to enhance and support the quality of life in the Eau Claire area.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues, expenses, gains and losses, and net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and related changes are classified and reported as follows:

Net Assets without Donor Restrictions - Resources over which the Board of Directors has discretionary control.

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Foundation must continue to use the resources in perpetuity in accordance with the donor's instructions.

Consolidation

The accompanying consolidated financial statements of the Foundation are prepared including the financial activity of the Eau Claire Public Schools Foundation, Inc. (ECPSF) and ECCF Realty LLC. The Foundation has an economic relationship with these entities. The Foundation established an agreement to manage the finances of ECPSF in exchange for an administration fee effective December 1, 2011. The ECPSF is a supporting organization of the Foundation. If the ECPSF dissolves, the Foundation would maintain those funds. ECCF Realty, LLC is a single member LLC, wholly owned by the Foundation, and was set up to accept real estate gifts and sell those gifts with the funds being given to the Foundation.

The ECPSF's mission is to serve as a catalyst in creating long-term impact in promoting education.

Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

In preparing these financial statements, the Foundation has evaluated for recognition or disclosure the events or transactions that occurred through August 14, 2025, the date the financial statements were available to be issued.

Cash Equivalents

The Foundation considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates market value.

Pledges Receivable and Allowance for Pledge Receivable Losses

Pledges receivable consist of unconditional promises to give and are recognized as revenue in the period made. 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.

Pledges receivable are assessed individually for collectability based on the surrounding facts and circumstances and past history.

The Foundation monitors the credit quality of its pledges receivable balance. Pledges are reviewed periodically, and collectability of pledge balances is assessed. Losses in prior years have been insignificant. The Foundation has recorded an allowance for uncollectible pledges of \$13,000 at December 31, 2024 and 2023.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the statement of activities. Realized gains and losses are determined using the specific identification method. Interest and dividend income are reported as income when earned.

Property and Equipment

Property and equipment are recorded at original cost. Additions, improvements or major renewals are capitalized. If items of property are sold, retired or otherwise disposed of, they are removed from the asset and accumulated depreciation accounts and any gains or losses thereon are reflected in the statement of activities. Property and equipment over \$5,000 are capitalized. Repair and maintenance costs are charged to expense as incurred.

Depreciation is computed using the straight-line method at lives between three to ten years.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional promises to give are not recognized until they become unconditional. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions are reported as net assets with donor restrictions, even if it is anticipated such restrictions will be met in the current reporting period.

Donated Services

Donated services are recognized for services that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would ordinarily be purchased if not provided by donation. Contributed services, including promises to give, that do not meet these criteria are not recognized. Donated services valued at fair market value, were \$8,454 and \$15,665 for 2024 and 2023, respectively.

Functional Allocation of Expense

The cost of providing the Foundation's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- 1) Salaries and wages, benefits, and payroll taxes are allocated based on the amounts of time spent by employees performing those functions.
- 2) Occupancy, telephone and internet services, insurance, supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of salaries and wages.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Foundation. Fundraising costs are expensed as incurred, even though they may result in support received in future years.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation and ECPSF are exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code therefore, the financial statements do not include a provision for income taxes however, the Organizations are subject to income tax on net unrelated business income.

The Foundation and ECPSF reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Foundation and ECPSF recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions. The Foundation has identified no income tax uncertainties. The Foundation and ECPSF files information returns as a tax-exempt Organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash. The Foundation places its cash with high credit quality financial institutions and, by policy, generally limits the amount of credit exposure to any one financial institution. The Foundation maintained cash balances in certain financial institutions in excess of the federally insured limits. While the amounts exceeded the FDIC insurance limits, management does not believe these balances represent a significant credit risk.

Fair Value Measurements

Under generally accepted accounting principles, 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 accounting standards establish a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

Level 1 - Observable inputs such as quoted prices in active markets;

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and,

Level 3 - Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Foundation uses observable market data, when available, in making fair value measurements. Fair value measurements are classified according to the lowest level input that is significant to the valuation.

**EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The Foundation holds certain assets that are required to be measured at fair value on a recurring basis. The fair value of the Foundation's investment securities were determined based on inputs as presented in Note 3.

Endowments

The Foundation follows the provisions of the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA). This provides guidance on the classification of endowment net assets and enhances disclosure for endowment funds. Under UPMIFA all unappropriated endowment funds are considered donor restricted net assets.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable consisted of the following at December 31, 2024 and 2023.

	2024	2023
Pledge Receivable - Short-Term	\$ 20,683	\$ 46,841
Pledge Receivable - Long-Term	550,025	11,689
Less Uncollectible Allowance	(13,000)	(13,000)
Less 4.55% Discount to Present Value	(44,835)	(771)
Total Pledges Receivable	\$ 512,873	\$ 44,759

Pledges receivable are due as follows for the years ended December 31:

Pledges receivable are due as follows for the years ended December 31:

2025	\$	306,023
2026		154,543
2027		109,442
2028		200
Past Due		500
	\$	570,708

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 PLEDGES RECEIVABLE (Continued)

During the year ended December 31, 2024, the Organization revised its accounting treatment for pledges receivable related to agency transactions in accordance with FASB ASC 958-605-25-24. In prior years, these pledges — made by donors with a specification that the funds be directed to designated third-party beneficiaries — were not recorded on the Organization’s statement of financial position.

In the current year, the Organization began recording such pledges as both an asset and a corresponding liability, consistent with its role as an agent or intermediary without variance power. This change in presentation resulted in an increase in reported pledges receivable as of December 31, 2024, compared to the prior year.

NOTE 3 INVESTMENTS

Investments consist of the following at December 31:

	2024		
	Fair Value	Original Value	Unrealized Gain (loss)
Mutual Funds - Equities	\$ 23,701,231	\$ 22,204,904	\$ 1,496,327
Mutual Funds - Fixed Income	2,755,576	2,818,879	(63,303)
Corporate Bonds	2,024,596	2,091,204	(66,608)
Government Bonds	2,961,983	3,138,408	(176,425)
Stocks	23,925,130	18,669,743	5,255,387
Total	<u>\$ 55,368,516</u>	<u>\$ 48,923,138</u>	<u>\$ 6,445,378</u>
	2023		
	Fair Value	Original Value	Unrealized Gain (loss)
Mutual Funds - Equities	\$ 11,802,237	\$ 11,450,336	\$ 351,901
Mutual Funds - Fixed Income	1,619,235	1,610,222	9,013
Corporate Bonds	2,180,303	2,344,642	(164,339)
Government Bonds	2,865,137	2,971,694	(106,557)
Stocks	22,625,624	18,309,774	4,315,850
Total	<u>\$ 41,092,536</u>	<u>\$ 36,686,668</u>	<u>\$ 4,405,868</u>

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 INVESTMENTS (Continued)

Investment income consists of the following:

	2024	2023
Interest and Dividend Income	\$ 1,300,768	\$ 1,047,897
Unrealized Gains (Losses)	2,962,929	3,616,713
Realized Gains (Losses)	(102,135)	(143,210)
Investment Fees	(253,466)	(187,817)
Investment Income (Loss)	<u>\$ 3,908,096</u>	<u>\$ 4,333,583</u>

The following tables, as of December 31, 2024 and 2023, provide information by level for assets that are measured at fair value, on a recurring basis:

	2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds - Equities	\$ 23,701,231	\$ -	\$ -	\$ 23,701,231
Mutual Funds - Fixed Income	2,755,576	-	-	2,755,576
Corporate Bonds	-	2,024,596	-	2,024,596
Government Bonds	2,961,983	-	-	2,961,983
Stocks	23,925,130	-	-	23,925,130
Total	<u>\$ 53,343,920</u>	<u>\$ 2,024,596</u>	<u>\$ -</u>	<u>\$ 55,368,516</u>

	2023			
	Level 1	Level 2	Level 3	Total
Mutual Funds - Equities	\$ 11,802,237	\$ -	\$ -	\$ 11,802,237
Mutual Funds - Fixed Income	1,619,235	-	-	1,619,235
Corporate Bonds	-	2,180,303	-	2,180,303
Government Bonds	2,865,137	-	-	2,865,137
Stocks	22,625,624	-	-	22,625,624
Total	<u>\$ 38,912,233</u>	<u>\$ 2,180,303</u>	<u>\$ -</u>	<u>\$ 41,092,536</u>

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 INVESTMENTS (Continued)

The fair value of the Foundation's mutual funds, stocks and government bonds are determined by reference to quoted market prices and other relevant information generated by market transactions. These investments are classified within Level 1 of the valuation hierarchy.

The fair value of the Foundation's corporate bonds were determined based on Level 2 inputs and are estimated as the present value of expected future cash inflows, taking into account (1) the type of security, its term, and any underlying collateral, (2) the seniority level of the debt security, and (3) quotes received from brokers and pricing services. In applying the valuation model, significant inputs including probability of default for debt securities, the estimated prepayment rate, and the projected yield based on estimated future market rates for similar securities.

The Foundation holds investments in a variety of investment funds. In general, its investments are exposed to various risks, such as interest rate, credit and overall market volatility. 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 be material to the amounts reported in the statement of financial position.

NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions, which along with investment income without donor restrictions and appropriated earnings from gifts with donor restrictions, funds annual program needs.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- 1) Operating within a prudent range of financial soundness and stability,
- 2) Maintaining adequate liquid assets, and

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

- 3) Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation's Grant Committee (the Committee) and Women's Giving Circle Grant team meet annually to review and approve grant requests. Due to this timing, the Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the next expected payment for grant commitments approved by the Committee. The Foundation limits maximum distribution to 4% of the fund balance annually and administrative fees of approximately 1% to 2% of the annual fund balance and transfer to the Foundation's general operating funds. The annual distribution rate is established by the Board of Trustees.

The table below presents liquid financial assets available for general expenditure, excluding grants, within one year at December 31, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 4,367,912	\$ 5,350,345
Pledges Receivable	512,873	44,759
Investments	55,368,516	41,092,536
Cash Value of Life Insurance	17,681	17,681
Total Financial Assets	60,266,982	46,505,321
Less Financial Assets Unavailable for General Expenditure Within One Year, Due to Donor-Imposed Purpose Restrictions and Board Designations	(49,524,738)	(36,667,150)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 10,742,244	\$ 9,838,171

The restricted net assets shown in the table also include donor advised funds. Donor advised funds are reported as part of unrestricted net assets in accordance with U.S. GAAP. However, these funds are not available for general expenditure.

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NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2024 and 2023, consists of the following:

	2024	2023
Furnishings and Equipment	\$ 50,343	\$ 50,343
Leasehold Improvements	4,147	4,147
Total Property and Equipment	54,490	54,490
Less Accumulated Depreciation	(54,490)	(54,206)
 Net Property and Equipment	 \$ -	 \$ 284

NOTE 6 AGENCY ENDOWMENT AND PASS-THROUGH FUNDS

The Foundation, when accepting cash or other financial assets from a nonprofit organization, recognizes the fair value of those assets as a liability to the specified beneficiary (generally the same nonprofit organization) concurrent with recognition of the assets received from the nonprofit organization if the Foundation agrees to any of the following (1) use those assets on behalf of the nonprofit organization, (2) transfer those assets to the nonprofit organization, (3) use the return on those assets to benefit the nonprofit organization, (4) apply any of the above to an unaffiliated specified beneficiary determined by the nonprofit organization.

When a third-party donor explicitly grants the Foundation variance power over contributions to an agency or flow through funds, the Foundation will continue to recognize the fair value of any assets it receives as a contribution on the consolidated statements of activities.

Agency endowment funds are valued at carrying value, which approximates fair value, based on the percentage of the agencies' contributions compared to the total pool of investments held at the Foundation. The Foundation withholds management fees of 1.5% annually.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 AGENCY ENDOWMENT AND PASS-THROUGH FUNDS (Continued)

Contributions held for others as of December 31, 2024 and 2023, are summarized as follows:

	<u>2024</u>	<u>2023</u>
Young Men's Christian Association of Eau Claire	\$ 1,137,378	\$ 1,077,614
Endowment for the American Birkebeiner	1,002,948	934,803
L.E. Phillips Memorial Public Library - Story Builder	554,568	908,043
Landmark Conservancy Fund	592,982	573,764
School District of Ladysmith Scholarship Fund	621,288	570,188
Boy Scouts of America - Chippewa Valley Council	266,121	256,627
Other Agency Funds	222,192	195,932
Chippewa River Watershed Fund	201,121	194,177
Richard Pierce & Sandy Lampman Trail Support Legacy	172,872	150,098
Wisconsin Logging Museum	146,877	134,853
Family Promise of the Chippewa Valley, Inc.	143,135	129,147
Friends of United Cerebral Palsy of West Central Wisconsin, Inc.	138,859	127,491
Friends of Beaver Creek Reserve, Inc.	139,815	121,472
Flying Eagles Ski Club	128,091	117,604
Ladysmith Christian Church Fund	110,378	105,232
Literacy Chippewa Valley	95,186	89,144
L.E. Phillips Memorial Public Library	95,149	67,495
Bidwell Engebretson Tusen Takk Volunteer Support Fund	71,166	64,519
Feed My People, Inc.	41,428	63,268
Bolton Refuge House, Inc.	64,836	55,120
Jim Schwiebert Butterfly House Fund	41,338	36,056
L.E. Phillips Senior Center, Inc.	29,174	26,785
Goodwill Industries of North Central Wisconsin, Inc.	25,995	23,868
Eau Claire Children's Theatre	16,117	14,797
Hope Gospel Mission, Inc.	15,233	14,035
Mega Charities	<u>13,653</u>	<u>12,616</u>
 Total	 <u>\$ 6,087,900</u>	 <u>\$ 6,064,748</u>

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 NET ASSETS

Net assets with donor restrictions at December 31, 2024 and 2023, consist of the following:

	2024	2023
Subject to Expenditure for Specific Purpose:		
Field of Interest	\$ 10,114,330	\$ 4,582,483
Eau Claire Public Schools Foundation	3,958,293	4,020,190
Scholarship Named	3,413,313	2,899,037
Donor Designated (Local Charities, Churches, Schools)	9,279,075	2,570,103
Donor Advised Community Support	883,266	888,837
Designated Pass Through Funds	928,008	984,950
Other (Acorn and Fiscal Sponsorship)	436,848	284,049
Total Purpose and Time Donor Restrictions	29,013,133	16,229,649
Subject to Endowment Spending Policy and Appropriation:		
Women's Giving Circle Endowment	680,546	591,549
L.E. Phillips Memorial Public Library	402,739	380,965
Eau Claire Public School Foundation Endowment	194,239	194,239
Total Restricted Perpetual Endowments	1,277,524	1,166,753
Total Donor Restricted Net Assets	\$ 30,290,657	\$ 17,396,402

Net assets with donor restrictions of \$1,955,670 and \$1,230,385 were released from restriction in 2024 and 2023 due to satisfaction of program restrictions.

NOTE 8 DONOR ADVISED FUNDS

The Foundation accepts funds from donors wishing to reserve the right to make recommendations about the charitable use of the funds. In agreement with the donors, such recommendations are advisory only and will not be binding on the Foundation, which will retain final responsibility for all distributions made from the Foundation. These funds are classified as net assets without donor restrictions since the Foundation retains the final decision about the charitable use of the funds.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 ENDOWMENTS

The Foundation has several donor restricted endowment funds established for the purposes of providing income to support various programs. As required by accounting principles generally accepted in the United States of America (GAAP), net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of trustees of the Foundation has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets restricted for perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Foundation considers all earnings on endowment funds to be restricted for operations of the specified programs.

The Foundation's endowment is invested in accordance with the investment policy of the Foundation, which includes investments in marketable debt and equity securities.

The Foundation considers an endowment fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. There are no funds currently underwater.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purpose of the Foundation and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Foundation.
- (7) The investment policies of the Foundation.

EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 9 ENDOWMENTS (Continued)

Investment Objectives and Strategies

The Foundation has adopted an investment policy to provide guidelines for investing endowment assets. The primary objective of the investment policy is to preserve purchasing power of the investment portfolio through asset growth at least equal to the Distribution Policy plus the rate of inflation. Under this policy, as approved by the Investment Committee of the board of trustees, the endowment assets are invested in a manner that is intended to maintain the purchasing power of the current assets and all future contributions, maximize return within reasonable and prudent levels of risk, and maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy.

To achieve these objectives, the Foundation follows an asset diversification plan, sets performance benchmarks for investments managers, and has established various asset quality and limitations thresholds.

The Board defines risk as the inability to achieve distribution goals due to below average investment returns over longer periods of time (defined as rolling 5 year periods) due to under performance of investment of investment returns vs. the benchmark. To measure risk for the management of the investment portfolio, a variety of risk measurements will be considered and evaluated.

Distribution Policy

The Foundation has a policy of appropriating endowment earnings for distribution each year. The goals of the distribution policy are to protect the endowed funds to last in perpetuity, to grow the endowed funds over time, and to give the Foundation's grantees the benefit of a reasonably stable, consistent, and predictable flow of funds. The Foundation bases annual grant distributions on the average market value of a fully funded fund over the prior twenty quarter's trailing average. For fully funded funds less than five years old, the market value will be the average of all quarterly market values-to-date. A fund may begin granting in the calendar year after the required minimum funding level is reached. The amount available for annual distribution is calculated based on the distribution rate and the quarter-end balances as of December 31 of the prior year. The distribution rate is established by the Board of Trustees in the last quarter of the prior year. The distribution rate may be changed from year to year, adjusted to reflect special funding needs and financial market conditions.

To meet the annual distribution, the Foundation may utilize interest, dividends, and capital appreciation. This distribution strategy reflects the total return approach to investing and disbursing funds to reach the goals listed above. Where prudent and consistent with the Foundation's bylaws, trust documents, and fund agreements, the Foundation may use a portion of the principal (historic value) of certain funds as part of the annual distribution or to fund special projects as determined by the Board or as designated by the donor of such funds.

EAU CLAIRE COMMUNITY FOUNDATION
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NOTE 9 ENDOWMENTS (Continued)

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

	With Donor Restrictions (Earnings)	With Donor Restrictions (Perpetual)	Total
	<u> </u>	<u> </u>	<u> </u>
Endowment Net Assets December 31, 2022	\$ 216,425	\$ 1,080,782	\$ 1,297,207
Contributions	-	85,971	85,971
Distributions	(44,937)	-	(44,937)
Return on Investments	<u>149,015</u>	<u>-</u>	<u>149,015</u>
Endowment Net Assets December 31, 2023	320,503	1,166,753	1,487,256
Contributions	-	110,771	110,771
Distributions	(86,612)	-	(86,612)
Return on Investments	<u>153,805</u>	<u>-</u>	<u>153,805</u>
Endowment Net Assets December 31, 2024	<u>\$ 387,696</u>	<u>\$ 1,277,524</u>	<u>\$ 1,665,220</u>

NOTE 10 LEASE COMMITMENTS

The Foundation leases its office in Eau Claire, Wisconsin. This lease agreement will expire on December 31, 2026. The lease agreement does not include any material residual value guarantees or restrictive covenants.

The components of lease expense that are included in rent expense in the Statement of Activities for the years ended December 31, 2024 and 2023 was \$15,290 and \$16,044.

**EAU CLAIRE COMMUNITY FOUNDATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023**

NOTE 10 LEASE COMMITMENTS (Continued)

The maturities of operating lease liability as of December 31, 2024 are as follows:

	Total
Commitments:	
2025	\$ 14,810
2026	14,810
Total Lease Payments	29,620
Less Interest	(385)
Present Value of Lease Obligation	\$ 29,235

The weighted average remaining lease term related to the Foundation’s operating lease liabilities as of December 31, 2024 is 2 years.

The discount rate related to the Foundation’s operating lease liability as of December 31, 2024 and 2023 was 1.37%. The discount rates are generally based on estimates of the Foundation’s incremental borrowing rate, as the discount rates implicit in the Foundation’s lease cannot be readily determined.

NOTE 11 RETIREMENT PLAN

The Foundation established a SIMPLE IRA plan for all employees who are at least 21 years of age and have completed two months of service. Eligible employees who elect to participate in the Foundation’s SIMPLE IRA plan can contribute up to the maximum allowed by the Internal Revenue Code. The Foundation matches contributions up to 3% of salary. Retirement plan expense for the years ended December 31, 2024 and 2023 was \$6,878 and \$6,647, respectively.

NOTE 12 MERGER

On January 23, 2023, Rusk County Community Foundation transferred endowment and pass-through funds of \$3,673,113 to the Foundation. This was recorded as a contribution on the statement of activities for December 31, 2023. Assets were transferred with the requirement that the Foundation follows the donor intent and investment strategy of the donor agreements.