AMHERST H. WILDER FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

AMHERST H. WILDER FOUNDATION
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YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Amherst H. Wilder Foundation
St. Paul, Minnesota

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Amherst H. Wilder Foundation and Subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amherst H. Wilder Foundation, as of June 30, 2023 and 2022, and the consolidated changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Amherst H. Wilder 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 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 Amherst H. Wilder 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 and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 Amherst H. Wilder 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 Amherst H. Wilder 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.

Board of Directors
Amherst H. Wilder Foundation

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated **October 23, 2023**October 17, 2023, on our consideration of Amherst H. Wilder Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Amherst H. Wilder Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amherst H. Wilder Foundation's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 17, 2023

INDEPENDENT AUDITORS' REPORT

Board of Directors
Amherst H. Wilder Foundation
St. Paul, Minnesota

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Amherst H. Wilder Foundation and Subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amherst H. Wilder Foundation, as of June 30, 2023 and 2022, and the consolidated changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Amherst H. Wilder 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 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 Amherst H. Wilder 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 Amherst H. Wilder 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Amherst H. Wilder Foundation's ability to continue as a going concern for a reasonable period of time.

Board of Directors
Amherst H. Wilder Foundation

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

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 17, 2023

AMHERST H. WILDER FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 5,322,274	$ 2,684,125
Accounts and Pledges Receivable, Net	8,562,158	8,853,022
Deferred Interest Rate Swap	192,535	148,636
Right to Use Asset, Current	6,408	43,988
Other Current Assets	702,164	555,497
Total Current Assets	14,785,539	12,285,268
LAND, BUILDING, AND EQUIPMENT, Net	24,496,685	24,930,556
OTHER ASSETS		
Accounts and Pledges Receivable - Noncurrent Portion	1,391,993	3,029,729
Right to Use Asset, Net of Current Portion	-	6,408
Assets Held for Sale	3,878,309	7,247,249
Investments	133,316,644	129,192,913
Beneficial Interest in Trusts	159,492	153,469
Total Other Assets	138,746,438	139,629,768
Total Assets	$ 178,028,662	$ 176,845,592
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 1,021,922	$ 1,129,404
Other Accrued Liabilities	23,473	38,769
Accrued Payroll, Benefits, Taxes, and Withholdings	3,119,902	3,067,249
Deferred Income	1,167,075	1,375,247
Current Portion of Charitable Annuities	2,889	2,889
Current Portion of Long-Term Debt	2,117,969	2,128,214
Lease Liability	6,408	43,988
Total Current Liabilities	7,459,638	7,785,760
LONG-TERM LIABILITIES		
Charitable Annuities, Less Current Portion	13,672	14,343
Accrued Pension Liability	11,300,964	12,773,690
Asset Retirement Obligation	64,362	64,303
Lease Liability, Less Current Portion	-	6,408
Long-Term Debt, Less Current Portion	21,782,732	24,022,045
Total Long-Term Liabilities	33,161,730	36,880,789
Total Liabilities	40,621,368	44,666,549
NET ASSETS		
Without Donor Restriction	31,708,059	23,304,906
With Donor Restriction	105,699,235	108,874,137
Total Net Assets	137,407,294	132,179,043
Total Liabilities and Net Assets	$ 178,028,662	$ 176,845,592

See accompanying Notes to Consolidated Financial Statements.

AMHERST H. WILDER FOUNDATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT						
Revenue						
Government Fees and Grants	$ 31,598,605	$ -	$ 31,598,605	$ 27,888,047	$ -	$ 27,888,047
Private Contracts, Insurance and Fees	1,810,118	-	1,810,118	1,756,433	-	1,756,433
Consulting Revenues	3,243,870	-	3,243,870	3,073,843	-	3,073,843
Other Income	947,506	-	947,506	228,330	-	228,330
Endowment Appropriation for Operations	252,460	6,733,539	6,985,999	200,898	7,159,723	7,360,621
Total Revenue	37,852,559	6,733,539	44,586,098	33,147,551	7,159,723	40,307,274
Support						
Contributions and Private Grants	1,073,525	3,245,832	4,319,357	1,780,793	6,232,930	8,013,723
Net Assets Released from Restrictions	12,615,938	(12,615,938)	-	12,838,434	(12,838,434)	-
Total Revenue and Support	51,542,022	(2,636,567)	48,905,455	47,766,778	554,219	48,320,997
EXPENSES						
Program Service						
Wilder Programs	30,359,848	-	30,359,848	25,836,853	-	25,836,853
Wilder Research	5,875,709	-	5,875,709	7,789,033	-	7,789,033
Total Program Service	36,235,557	-	36,235,557	33,625,886	-	33,625,886
Support Service						
General and Administrative	10,318,134	-	10,318,134	10,428,685	-	10,428,685
Fundraising	1,626,187	-	1,626,187	1,815,975	-	1,815,975
Total Support Service	11,944,321	-	11,944,321	12,244,660	-	12,244,660
Total Expenses	48,179,878	-	48,179,878	45,870,546	-	45,870,546
Subtotal Before Investment Activity and Pension Change	3,362,144	(2,636,567)	725,577	1,896,232	554,219	2,450,451

See accompanying Notes to Consolidated Financial Statements.

AMHERST H. WILDER FOUNDATION
CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
INVESTMENT ACTIVITY						
Investment Gains (Losses)	$ 3,002,418	$ 6,195,204	$ 9,197,622	$ (1,458,869)	$ (11,183,733)	$ (12,642,602)
Endowment Appropriation for Operations	(252,460)	(6,733,539)	(6,985,999)	(200,898)	(7,159,723)	(7,360,621)
Net Investment Gains (Losses)	2,749,958	(538,335)	2,211,623	(1,659,767)	(18,343,456)	(20,003,223)
NONOPERATING ACTIVITY						
Additional Pension Change	2,291,051	-	2,291,051	2,227,133	-	2,227,133
CHANGE IN NET ASSETS	8,403,153	(3,174,902)	5,228,251	2,463,598	(17,789,237)	(15,325,639)
Net Assets - Beginning of Year	23,304,906	108,874,137	132,179,043	20,841,308	126,663,374	147,504,682
NET ASSETS - END OF YEAR	$ 31,708,059	$ 105,699,235	$ 137,407,294	$ 23,304,906	$ 108,874,137	$ 132,179,043

See accompanying Notes to Consolidated Financial Statements.

AMHERST H. WILDER FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services		Support Services		
	Wilder Programs	Wilder Research	General and Administrative	Fundraising	Total
Salaries	$ 17,030,505	$ 3,673,064	$ 6,622,733	$ 1,075,112	$ 28,401,414
Employee Benefits and Payroll Taxes	4,123,232	770,055	1,081,500	243,538	6,218,325
Pension Expense	527,682	159,070	97,354	34,218	818,324
Total Personnel Costs	21,681,419	4,602,189	7,801,587	1,352,868	35,438,063
Business Expenses	178,239	46,880	112,015	839	337,973
Professional Fees	1,039,788	284,067	965,704	52,040	2,341,599
Program Expenses	2,089,391	468,143	158,792	78,039	2,794,365
Transportation	111,581	-	9,282	1,372	122,235
Insurance	185,882	-	176,694	5,237	367,813
Software and Minor Equipment	95,446	55,992	513,885	35,665	700,988
Assistance to Individuals	2,252,634	-	50,716	-	2,303,350
Bad Debt Expense	57,470	-	(87,941)	1,335	(29,136)
Facilities*	1,916,214	209,458	(915,536)	45,337	1,255,473
Interest and Financial Expense	120,409	35,611	1,024,851	17,132	1,198,003
Miscellaneous	38,629	67	70,890	34,824	144,410
Total Expense Before Depreciation and Discontinued Operations	29,767,102	5,702,407	9,880,939	1,624,688	46,975,136
Depreciation	592,746	173,302	437,195	1,499	1,204,742
Total Expenses	$ 30,359,848	$ 5,875,709	$ 10,318,134	$ 1,626,187	$ 48,179,878

* This line includes allocations of other costs.

See accompanying Notes to Consolidated Financial Statements.

AMHERST H. WILDER FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services		Support Services		
	Wilder Programs	Wilder Research	General and Administrative	Fundraising	Total
Salaries	$ 15,003,264	$ 4,785,524	$ 6,105,854	$ 1,050,875	$ 26,945,517
Employee Benefits and Payroll Taxes	3,243,281	1,034,495	1,319,913	227,169	5,824,858
Pension Expense	468,730	149,509	190,758	32,831	841,828
Total Personnel Costs	18,715,275	5,969,528	7,616,525	1,310,875	33,612,203
Business Expenses	192,787	13,228	125,516	2,089	333,620
Professional Fees	725,487	295,558	778,044	71,122	1,870,211
Program Expenses	1,322,141	599,327	146,866	87,502	2,155,836
Transportation	54,766	-	9,327	-	64,093
Insurance	160,093	43,586	118,561	5,642	327,882
Software	15,910	121,717	307,696	48,732	494,055
Assistance to Individuals	1,767,267	-	47,334	-	1,814,601
Bad Debt Expense	66,226	-	-	217,715	283,941
Minor Equipment	41,975	55,434	128,866	-	226,275
Facilities*	2,035,729	438,675	(1,023,857)	60,885	1,511,432
Interest and Financial Expense	130,128	38,889	1,102,491	9,216	1,280,724
Miscellaneous	7,986	710	446,542	698	455,936
Total Expense Before Depreciation and Discontinued Operations	25,235,770	7,576,652	9,803,911	1,814,476	44,430,809
Depreciation	601,083	212,381	624,774	1,499	1,439,737
Total Expenses	$ 25,836,853	$ 7,789,033	$ 10,428,685	$ 1,815,975	$ 45,870,546

* This line includes allocations of other costs.

See accompanying Notes to Consolidated Financial Statements.

AMHERST H. WILDER FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 5,228,251	$ (15,325,639)
Adjustments to Reconcile Change in Net Asset to Net Cash Provided (Used) by Operating Activities:		
Contributions Restricted for Endowment	(47,213)	(1,647,616)
Depreciation and Amortization	1,204,742	1,439,737
Amortization of Bond Premium	(164,837)	(164,837)
Amortization of Debt Issuance Costs	43,492	43,492
(Gain) Loss on Disposal of Land, Building, and Equipment	36,381	(44,555)
Gain on Sale of Real Estate	(911,060)	-
Net Realized and Unrealized (Gain) Loss on Investments	(7,106,317)	14,635,974
Change in Value of Beneficial Interest in Trusts	(6,023)	28,755
Adjustment for Pension Liability	(2,291,051)	(2,227,133)
(Increase) Decrease in:		
Accounts and Pledges Receivable	1,928,600	(1,513,100)
Other Assets	(146,667)	50,476
Assets Held for Sale	4,280,000	35,643
Increase (Decrease) in:		
Accounts Payable	(107,482)	(328,373)
Other Accrued Liabilities	(15,296)	(1,181)
Accrued Payroll, Benefits, Taxes, and Withholdings	52,712	(193,056)
Deferred Income	(208,172)	(268,264)
Accrued Pension Liability	818,325	328,333
Net Cash Provided (Used) by Operating Activities	2,588,385	(5,151,344)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Land, Building, and Equipment	(807,252)	(490,181)
Purchase of Investments	(63,607,394)	(60,618,909)
Proceeds from Sale of Investments	66,589,980	64,380,388
Net Cash Provided by Investing Activities	2,175,334	3,271,298
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred Interest Rate Swap	(43,899)	(161,191)
Contributions Restricted for Endowment	47,213	1,647,616
Distribution from Beneficial Interest in Trust	-	1,831,320
Payments on Charitable Annuities	(671)	(677)
Long-Term Debt Payments	(2,128,213)	(2,034,212)
Net Cash Provided (Used) by Financing Activities	(2,125,570)	1,282,856
CHANGE IN CASH AND CASH EQUIVALENTS	2,638,149	(597,190)
Cash and Cash Equivalents - Beginning of Year	2,684,125	3,281,315
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 5,322,274	$ 2,684,125
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 902,285	$ 1,167,457

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Amherst H. Wilder Foundation (the Foundation) was originally created as three charitable organizations under the will of three donors, Amherst H. Wilder, Cornelia Day Wilder Appleby, and Fanny S. Wilder. In 1910, Ramsey County District Court (the Court) directed consolidation of the three related corporations into the Amherst H. Wilder Charity, a Minnesota nonprofit corporation. In 1951, with the Court's consent, the name was changed to the Amherst H. Wilder Foundation. The Foundation continues to be under the supervision of the Court and is subject to the general oversight of the Minnesota Attorney General's Office.

The Foundation is a charitable nonprofit corporation created to promote and aid the social welfare of the poor, sick, disadvantaged, and otherwise needy persons located in the greater Saint Paul, Minnesota metropolitan area, which consists of Ramsey, Washington, Dakota, and Anoka counties.

Foundation activities are reported in two primary service groups:

- Wilder Programs provide a wide variety of services to children, families, single adults and the elderly including mental health and wellness services, school-based programs, community impact programs - (African American Babies Coalition & Projects and St. Paul Promise Neighborhood), supportive housing services, healthy aging and caregiving services, direct housings assistance and other services to support the well-being of families.

- Wilder Research helps communities thrive by turning information into impact. Through research and evaluation services, we partner with organizations to measure and improve program effectiveness, identify needs and solutions, and make data-informed decisions that improve lives.

Principles of Consolidation

The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiaries. AHW Corporation (AHW), was incorporated under the Minnesota Nonprofit Corporation Act in 1981 to develop, construct, and market the Saint Paul Energy Park projects (Energy Park). The Holcomb Corporation (Holcomb) is a Minnesota corporation that serves as general partner for certain continuing partnership relationships at Energy Park. 46th East Fourth Street, Inc. is a Minnesota corporation that serves as the special managing member of Minnesota Place, LLC, which owns and operates an affordable housing project in St. Paul. All significant inter-company accounts and transactions have been eliminated in consolidation. Only 46th East Fourth Street, Inc. was active during the fiscal years ended June 30, 2023 and 2022.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Net assets and revenues, support, and expenses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Foundation and changes therein are classified into the following categories:

Net Assets Without Donor Restriction – Resources over which the board of directors has discretionary control.

Net Assets with Donor Restriction – Resources subject to a donor-imposed restriction which will be satisfied by actions of the Foundation or the passage of time. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The donors of these resources permit the Foundation to use all or part of the income earned, including capital appreciation, or related investments for with or without donor-restricted purposes.

The Foundation has elected to present with donor-restricted contributions, which are fulfilled in the same time period, within the without donor-restricted net asset class.

Tax-Exempt Status

The Foundation has tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC) and Minnesota Statutes. The Foundation has been classified as an organization that is a public charity under the IRC and charitable contributions by the donors are tax deductible. Investment holdings can generate unrelated business income tax.

The Foundation has adopted a policy that clarifies the accounting for uncertainty in income taxes recognized in an organization's consolidated financial statements. The policy describes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of this policy had no impact on the Foundation's consolidated financial statements.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all highly liquid debt instruments with an initial maturity of less than three months to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits. In addition, a portion of the investment portfolio may be invested in cash equivalents and has been reflected as investments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The Foundation provides an allowance for uncollectible accounts based on the reserve method using management's judgment and the Foundation's approved policy. Accounts that are more than 30 days past due are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on the Foundation's policy as well as historical experience of the Foundation. The Foundation's policy is based on determined percentages of outstanding receivables by age of the balance and specific identification. When all collection efforts have been exhausted, the receivable is written off against the related reserve. Accounts receivable balance as of June 30, 2023 and 2022 was $6,837,471 and $7,627,799, respectively, including allowance for uncollectible accounts of $9,694.

Pledges Receivable

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Conditional pledges are not included as support until such time as the conditions are substantially met.

Land, Building, and Equipment

Property and equipment acquisitions in excess of $5,000 depending on classification are recorded at cost. Donated items are recorded at fair value on the date received. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Gifts of long-lived assets such as land, buildings, or equipment are reported as without donor-restricted support unless explicit donor stipulations specify how the donated assets must be used.

Investments

The direct investment in real estate is valued at the lower of cost or market. All other investments are stated at fair value. The net changes in market prices and the realized gains and losses on investments sold are reflected in the consolidated statements of activities as investment income. Due to the market volatility with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in future statement of activities.

Fair Value Measurements

The Foundation has categorized its financial instruments 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 of the instrument.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Financial assets 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 whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Foundation has the ability to access (examples include active exchange-traded equity securities, listed derivatives, and most U.S. government and agency securities).

Level 2 **–** Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in nonactive markets;
- pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including interest rate and currency swaps); and
- pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability (examples include certain residential and commercial mortgage related assets, including loans, securities, and derivatives).

Level 3 **–** Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability (examples include certain private equity investments).

Long-Lived Assets

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition, are less than its carrying amount.

Deferred Income

Program services fees that are collected in advance of the period of service are included in deferred income. These fees are recorded as deferred income until they are earned.

Deferred Financing Costs

Deferred financing costs consist of finance and closing costs of tax-exempt revenue bonds. These amounts are being amortized over the life of the related liability. These costs are presented net with the related long-term debt (Note 9).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Contract and Fee Revenue

Conditional government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as deferred revenue. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Foundation will record such disallowance at the time the final assessment is made. There is no government contract revenue recognized over a period of time.

Government fees are reported at the amount that reflects the consideration to which the Foundation expects to be entitled in exchange for providing services to their program participants. These amounts are due from third-party payors (including health insurers and government programs), and includes variable consideration for retrospective revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Foundation bills the participants and third-party payors several days after the services are performed.

There is no government contract or fee revenue that is recognized over a period of time.

Private Contracts, Insurance, and Fees

Private contracts and fees are recorded as revenue when earned. Revenue is earned when services are performed or rent is due. Funds received but not yet earned are shown as deferred revenue.

Insurance revenues are recognized based on the date of service after performance of the appointment.

Consulting Revenues

Consulting revenues are recorded as revenue when earned. Performance obligations are defined in each consulting contract and generally relate to services performed under each contract. Funds received but not yet earned are shown as deferred revenue.

Contributions

Contributions received are recorded as support without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a 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 consolidated statements of activities as Net Assets Released from Restrictions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation

Expenses are allocated based on direct expenses whenever possible, these include business expenses, professional fees, program expenses, transportation, and minor equipment. Facilities and depreciation are allocated based on usage. Salaries and related benefits are allocated based on hours worked on each program, directly allocated by program employees' time coding. Insurance is allocated based off of the number of full-time equivalent employees in each function.

Leases

The Foundation determines if an arrangement is a lease at inception. Leases are reported on the consolidated statements of financial position as a right-of-use (ROU) asset and lease liability.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. 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 operating lease payments is recognized on a straight-lined basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation as elected to use their incremental borrowing rate as a discount rate for computing the present value of the lease liability.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Certain Risks and Uncertainties

The Foundation invests in various securities including U.S. government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated statements of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In preparing these consolidated financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 17, 2023, the date the consolidated financial statements were issued.

NOTE 2 PLEDGES RECEIVABLE

The present value of the estimated realizable value of pledges receivable are recorded as assets and revenues in the consolidated financial statements. Unconditional promises are summarized as follows:

	2023	2022
Unconditional Pledges Receivable	$ 3,186,644	$ 4,591,942
Unamortized Discount	(61,604)	(183,438)
Allowance for Uncollectible Accounts	(8,360)	(153,552)
Total	$ 3,116,680	$ 4,254,952
Amounts Due in		
Less Than One Year	$ 1,733,047	$ 1,378,775
One to Five Years	1,453,597	3,213,167
Total	$ 3,186,644	$ 4,591,942

Unconditional promises to give expected to be received over more than one year are recorded by the Foundation at their present value using a discount rate of 4.65% and 3.42% at June 30, 2023 and 2022, respectively.

NOTE 3 LAND, BUILDING, AND EQUIPMENT

Cost and related accumulated depreciation for continuing operations at June 30 were:

	2023		2022	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 3,251,636	$ -	$ 3,251,636	$ -
Land Improvements	1,803,566	1,267,185	1,703,037	1,196,246
Buildings and Building Improvements	31,726,663	12,439,467	31,563,270	11,733,837
Construction in Progress	103,335	-	870	-
Equipment	6,681,370	5,363,233	7,913,260	6,571,434
Total	$ 43,566,570	$ 19,069,885	$ 44,432,073	$ 19,501,517
Land, Buildings, and Equipment	$ 24,496,685		$ 24,930,556	

Depreciation expense was $1,204,742 and $1,439,737 as of June 30, 2023 and 2022, respectively.

NOTE 4 ASSETS HELD FOR SALE

The Foundation has the following properties held for sale as of June 30:

	2023	2022
Wilder Forest	$ 3,878,309	$ 3,878,309
411-417 Lexington	-	1,950,000
650 Marshall	-	1,418,940
Total	$ 3,878,309	$ 7,247,249

These properties have been transferred net of depreciation, from land, building, and equipment and placed into assets held for sale on the consolidated statements of financial position. All of these properties are expected to sell within one year audit report date.

During the year ended June 30, 2023, the 411-417 Lexington and Marshall properties were sold. A gain of $911,060 was recorded on the consolidated statement of activities.

On September 27, 2023, a purchase agreement was entered into for the sale of Wilder Forest for $11,000,000.

NOTE 5 INVESTMENTS

The following is a summary of investments in securities at June 30:

	2023	2022
Cash Equivalents	$ 5,875,367	$ 7,514,508
U.S. Government Agency Bonds	4,836,380	4,397,782
U.S. Treasuries	20,027,626	12,391,140
Corporate Bonds	5,697,221	15,975,364
International Equity Funds	38,111,530	17,847,503
Domestic Equity Fund	2,622,825	-
Domestic Large Cap Equity Funds	-	20,557,223
Domestic Small-Mid Cap Equity Funds	10,889,048	8,761,435
Private Equity Limited Partnerships	14,274,138	13,206,753
Real Estate Limited Partnerships	2,702,738	2,558,884
Real Estate Investments	400,000	400,000
Hedge Funds	20,444,052	19,129,474
Special Opportunities	7,435,719	6,452,847
Total Investments	$ 133,316,644	$ 129,192,913

NOTE 6 BENEFICIAL INTEREST IN TRUSTS

The Foundation receives contributions of property in which the donor may retain in life interest. The assets are invested and administered by an unrelated trustee and distributions are made to the beneficiaries during the term of the agreement. These funds are invested in debt and equity securities and the Foundation records its interest in these trusts at fair value based on estimated future cash receipts discounted at the applicable federal rate of return which was determined to be 4.2% at June 30, 2023. Initial recognition and subsequent adjustments to the assets carrying value are recognized as contribution revenue and changes in value of split interest agreements, respectively, and are classified as with donor restriction, or without donor restriction depending on donor-stipulated purpose and time restrictions, if any. The value of these trusts was $159,492 and $153,469 at June 30, 2023 and 2022, respectively. All trusts are restricted by the donor.

NOTE 7 FAIR VALUE MEASUREMENTS

Use of 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.

Fair Value Classifications

The following tables set forth the Foundation's assets that are measured and recognized at fair value on a recurring basis as of June 30, 2023 and 2022, under the appropriate level of the fair value hierarchy. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Classifications (Continued)

	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Government Agency Bonds	$ 4,836,380	$ -	$ -	$ 4,836,380
U.S. Treasuries	20,027,626	-	-	20,027,626
Corporate Bonds	5,697,221	-	-	5,697,221
International Equity Funds	38,111,530	-	-	38,111,530
Domestic Equity Fund	2,622,825	-	-	2,622,825
Domestic Small-Mid Cap Equity Funds	4,659,317	6,229,731	-	10,889,048
Investments Accounted for at Net Asset Value	-	-	-	44,856,647
Total Investments	$ 75,954,899	$ 6,229,731	$ -	$ 127,041,277
Beneficial Interest in Trusts	$ -	$ -	$ 159,492	$ 159,492

	2022			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Government Agency Bonds	$ 4,397,782	$ -	$ -	$ 4,397,782
U.S. Treasuries	12,391,140	-	-	12,391,140
Corporate Bonds	15,975,364	-	-	15,975,364
International Equity Funds	17,847,503	-	-	17,847,503
Domestic Large Cap Equity Funds	20,557,223	-	-	20,557,223
Domestic Small-Mid Cap Equity Funds	7,735,435	1,026,000	-	8,761,435
Investments Accounted for at Net Asset Value	-	-	-	41,347,958
Total Investments	$ 78,904,447	$ 1,026,000	$ -	$ 121,278,405
Beneficial Interest in Trusts	$ -	$ -	$ 153,469	$ 153,469

Level 3 Assets

The following tables provide a summary of changes in fair value of the Foundation's Level 3 financial assets for the years ended June 30:

	Beneficial Interest in Trusts
Balance - July 1, 2022	$ 153,469
Change in Value of Trusts	6,023
Balance - June 30, 2023	$ 159,492

	Beneficial Interest in Trusts
Balance - July 1, 2021	$ 2,013,544
Distribution	(1,831,320)
Change in Value of Trusts	(28,755)
Balance - June 30, 2022	$ 153,469

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Net Asset Value Per Share

The Foundation invests primarily in investment funds, limited partnerships, or interest bearing securities, referred to collectively for this purpose as investment funds. Investment funds are presented in the accompanying consolidated financial statements at fair value as determined under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820: *Fair Value Measurements and Disclosures*. In situations where the investment fund does not have a readily determinable fair value and meets other eligibility criteria, the Foundation measures fair value based on net asset value per share or its equivalent. The following table lists investments in investment funds by major category:

	2023 Net Asset Value	2022 Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Limited Partnerships	$ 14,274,138	$ 13,206,753	$ 11,251,961	N/A	N/A
Hedge Funds	20,444,052	19,129,474	-	Quarterly	60 Days
Real Estate Limited Partnerships	2,702,738	2,558,884	824,924	N/A	N/A
Special Opportunities	7,435,719	6,452,847	2,190,637	N/A	N/A
Total	$ 44,856,647	$ 41,347,958	$ 14,267,522		

Basis for Fair Value Measurements

Private Equity Limited Partnerships

Private equity limited partnerships include private equity investments funds holding underlying positions in private assets. Underlying investments are valued quarterly and have restrictive liquidity provisions. Investing in private equity provides diversification, growth potential, and wider market access to the overall portfolio.

Hedge Fund Investments

Hedge fund investments of the Foundation include two strategies; one focused on a skill-based complement to traditional equity investment strategies by targeting equity-like returns over time with half the level of traditional equity volatility. A second piece to the Foundation's hedge fund strategy is a skill-based complement to traditional fixed-income investment strategies by targeting traditional bond-like returns while reducing the risk to inflation and rising interest rates over time. Each of the strategies consists of a blend of 12 to 18 diverse managers to further reduce risk and increase diversification within the portfolio. Redemptions from these funds are limited to quarterly after an initial 12-month lock-up period. Both of these strategies provide diversification and growth potential to the overall portfolio.

Real Estate Limited Partnerships

Real estate limited partnerships represent participation in limited partnerships that invest in commercial properties at various stages of development. Underlying investments are valued quarterly and have restrictive liquidity provisions. Real estate provides diversification, dividend income, and growth potential to the overall portfolio.

NOTE 8 SELF-INSURED BENEFIT LIABILITIES

Workers' Compensation

The Foundation is self-insured for workers' compensation. As of June 30, 2023 and 2022, the Foundation has recorded liabilities of $109,535 and $134,493, respectively, for claims incurred but not yet reported. This liability has been recorded within Accrued Payroll, Benefits, Taxes, and Withholdings on the consolidated statements of financial position.

Consulting actuaries assist the Foundation in determining its liability for their various self-insured plans.

NOTE 9 CHARITABLE GIFT ANNUITIES PAYABLE

The Foundation has established a gift annuity program whereby donors may contribute assets to the Foundation in exchange for the right to receive a fixed dollar annual return during their lifetime. A portion of the transfer is considered to be a charitable contribution. The difference between the amount provided for the gift annuity and the present value of the liability for future payments is recognized as without donor-restricted contributions at the date of the gift unless donor has established restrictions on the contribution component. The Foundation uses published mortality rate tables adopted by the United States Internal Revenue Service. The annuity liability is revalued annually based upon computed present values. Resulting gain (loss) is recorded as revenue in the appropriate net asset class. Total charitable gift annuity liabilities as of June 30, 2023 and 2022 were $16,561 and $17,232, respectively.

NOTE 10 LONG-TERM DEBT

Long-term debt consists of the following as of June 30:

Description	2023	2022
Bonds Payable:		
Series 1998 Pooled Revenue Bonds (Care Choice Member Projects), due serially through August 1, 2023, interest at 4.25% to 5.75%.	$ 90,000	$ 260,000
Housing and Redevelopment Authority of the City of St. Paul, Minnesota, Series 2020A and 2020B, Revenue Refunding Bonds (Amherst H. Wilder Foundation Project) due in varying annual payments through December 1, 2036, interest varies from 3.0% - 5.0% (4.0% at June 30, 2023).	18,544,167	19,441,667
Subtotal Bonds Payable	18,634,167	19,701,667

NOTE 10 LONG-TERM DEBT (CONTINUED)

Description	2023	2022
Mortgages:		
Real Estate Term Note, Wilder Center, payable in variable monthly installments starting August 1, 2016, interest stated at 2.25%, due on June 30, 2026.	$ 3,550,341	$ 4,611,055
Total Long-Term Debt	22,184,508	24,312,722
Add: Bond Premium	2,197,819	2,362,655
Less: Current Maturities of Long-Term Debt	(2,117,969)	(2,128,214)
Less: Debt Issuance Costs	(481,626)	(525,118)
Long-Term Debt, Excluding Current Maturities and Debt Issuance Costs	$ 21,782,732	$ 24,022,045

At June 30, 2023, the long-term debt installments are due in the following fiscal years:

Year Ending June 30,	Amount
2024	2,117,969
2025	2,104,685
2026	2,293,937
2027	1,044,167
2028	1,094,167
Thereafter	13,529,583
Total Long-Term Debt	$ 22,184,508

Interest expense was $902,285 and $1,167,457 during the years ended June 30, 2023 and 2022, respectively.

Line of Credit

The Foundation has entered into a revolving line of credit agreement with a bank under which the bank will make advances to the Foundation, if needed for worker's compensation, not to exceed at any time $1,000,000. The revolving line of credit bears interest either at (i) a fluctuating rate of 1.5% above the base rate effect from time to time or (ii) a fixed rate of 1.5% as selected by the Foundation and the bank and expires June 30, 2023. There have been no borrowings on the line as of June 30, 2023 and 2022. On June 19, 2023, the line of credit was renewed through June 30, 2024.

Deferred Interest Rate Swap

In conjunction with the mortgage, the Foundation entered into an interest rate swap agreement with a financial institution to minimize the risks associated with market rate fluctuations due to the variable rate of the mortgage (one-month LIBOR + 2.25%). Pursuant to the terms of the interest rate swap agreement, the Foundation pays interest to the financial institution at a fixed rate of 2.40%. At June 30, 2023 and 2022, the fair value of the swap agreement was $192,535 and $148,636, respectively.

NOTE 11 BENEFIT PLANS

Defined Benefit Plan

The Foundation has a defined benefit pension plan. Effective November 15, 2009, the plan was amended to freeze participation and benefit accruals so that no employee of the Foundation may first become a participant in the plan on or after that date and no participant in the plan may accrue any benefits on or after that date. The benefits are based on years of service and the employee's compensation during the last five years of employment.

The measurement dates used for the plan disclosures are as of June 30, 2023 and 2022, and for the years then ended.

The changes in the projected benefit obligation are as follows:

	2023	2022
Change in Projected Benefit Obligation		
Projected Benefit Obligation - Beginning of Year	$ 63,456,499	$ 79,100,446
Interest Cost	2,896,894	2,177,865
Changes in Actuarial Assumptions	(2,956,892)	(13,054,096)
Benefits Paid	(13,055,443)	(4,384,321)
Plan Experience Different from that Expected	272,864	(383,395)
Projected Benefit Obligation - End of Year	$ 50,613,922	$ 63,456,499
Change in Plan Assets		
Fair Value of Plan Assets - Beginning of Year	$ 50,682,809	$ 64,427,956
Employer Contributions	-	513,496
Benefits and Expenses Paid	(13,833,472)	(5,250,620)
Actual Return on Plan Assets	2,463,621	(9,008,023)
Fair Value of Plan Assets - End of Year	$ 39,312,958	$ 50,682,809
Funded Status of the Plan		
Benefit Obligation	$ 50,613,922	$ 63,456,499
Fair Value of Plan Assets	39,312,958	50,682,809
Excess of Benefit Obligation over Fair Value of Plan Assets	$ 11,300,964	$ 12,773,690
Components of Net Periodic Benefit Costs		
Service Cost	$ 818,324	$ 841,828
Interest Cost	2,896,894	2,177,865
Expected Return on Plan Assets	(2,395,957)	(3,093,310)
One-Time Settlement Expense Recognition	1,725,121	-
Amortization of Unrecognized Net Actuarial Loss	1,497,854	1,436,101
Net Periodic Pension Cost	$ 4,542,236	$ 1,362,484

NOTE 11 BENEFIT PLANS (CONTINUED)

Defined Benefit Plan

	2023	2022
Underfunded Plan Information		
Projected Benefit Obligation - End of Year	$ 50,613,922	$ 63,456,499
Accumulated Benefit Obligation - End of Year	50,613,922	63,456,499
Fair Value of Assets - End of Year	39,312,958	50,682,809

Weighted-average assumptions used to determine net periodic benefit cost are as follows:

	2023	2022
Actuarial Assumptions		
Assumptions Used to Determine Benefit Obligations at June 30		
Assumed Discount Rate	5.12 %	4.72 %
Assumed Annual Increase in Salaries	N/A	N/A
Assumptions For Net Periodic Benefit Cost at Previous July 1		
Assumed Discount Rate	4.72 %	2.85 %
Assumed Annual Increase in Salaries	N/A	N/A
Expected Long-Term Return on Plan Assets	5.0 %	5.0 %

Basis Used to Determine Expected Long-Term Rate of Return

The determination of the long-term rate of return on assets for the years ended June 30, 2023 and 2022 was developed based on a transition from annuity contracts to equity securities. The overall long-term rate of return is assumed to be 5%.

Investment Policies and Strategies, Including Target Allocations

The year ended June 30, 2022 completed the transition from insured LDI contract to a portfolio that includes 30% return seeking assets.

The percentage of the fair value of total plan assets held as of June 30 (the measurement date) by asset category is as follows:

	2023	2022
Cash and Cash Equivalents	2.00 %	2.00 %
Equity Securities	35.00 %	38.20 %
Bonds	48.00 %	54.00 %
Other	15.00 %	5.80 %

NOTE 11 BENEFIT PLANS (CONTINUED)

Investment Policies and Strategies, Including Target Allocations (Continued)

The following tables represent the Foundation's fair value hierarchy for pension plan assets measured at fair value on a recurring basis as of June 30.

	2023			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 753,223	$ -	$ -	$ 753,223
Equity Fund	-	13,140,765	-	13,140,765
Bonds	-	21,268,769	-	21,268,769
Other	-	4,150,201	-	4,150,201
Total	$ 753,223	$ 38,559,735	$ -	$ 39,312,958

	2022			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 1,007,108	$ -	$ -	$ 1,007,108
Equity Fund	-	19,353,680	-	19,353,680
Bonds	-	27,361,648	-	27,361,648
Other	-	2,960,373	-	2,960,373
Total	$ 1,007,108	$ 49,675,701	$ -	$ 50,682,809

The Foundation attempts to mitigate investment risk by rebalancing between classes as the Foundation's contributions and monthly benefit payments are made. Although changes in interest rates may affect the fair value of a portion of the investment portfolio and cause unrealized gains and losses, such gains and losses would not be realized unless the investments are sold.

Expected Foundation contributions in fiscal year 2023 are $-0-. Estimated future benefit payments, which reflect expected future services, are as follows:

Year Ending June 30,	Amount
2024	$ 3,852,950
2025	3,951,105
2026	3,950,211
2027	4,004,797
2028	3,956,587
Thereafter	19,096,708

Defined Contribution Plan

Effective January 1, 2000, certain employees of the Foundation were covered by a defined contribution 401(k) plan whereby 50% of their initial 4% of salary contributions were matched.

NOTE 11 BENEFIT PLANS (CONTINUED)

Defined Contribution Plan (Continued)

This plan was amended effective January 1, 2007. Participants of the Amherst H. Wilder Foundation Retirement Plan (the Plan) as of July 1, 2006 who have made a Transition Program Election will continue to receive the matching contribution described above. Individuals who are not participants of the Plan as of July 1, 2006, or those who did not make a Transition Program Election, will receive a matching contribution equal to 75% of the first 3%, plus an additional 50% that exceeds 3% but does not exceed 5% of eligible earnings deferred by the employee.

In conjunction with the freezing of the Defined Benefit Plan noted above, the Foundation increased the contribution match to the Defined Contribution Plan. Effective January 1, 2010, the match for all eligible employees was set at 75% of the first 3%, plus an additional 50% that exceeds 3% but does not exceed 6% of eligible earnings deferred by the employee. In addition, the employer may make a discretionary contribution, which is determined annually. Such contribution will be allocated to participants who are credited with at least 780 hours of service and who were employed by the employer on the last day of the Plan year. Participants who, during the Plan year, (i) retire on or after age 65, (ii) die, or (iii) become disabled, need not satisfy the requirement of employment on the last day of the Plan year and hours of service in order to receive an employer discretionary contribution.

The total amounts charged to the consolidated statements of activities for the required and discretionary contributions for the years ended June 30, 2023 and 2022 were $846,247 and $813,902, respectively.

NOTE 12 ASSET RETIREMENT OBLIGATIONS

During 2007, the Foundation completed asbestos abatement measurements of certain facilities. As of the date of measurement, the Foundation became legally obligated to remove the asbestos at the termination of the estimated useful lives. Accordingly, a liability has been established equal to the present value of the obligation, and the carrying amounts of the related assets have been increased by the same amount.

The following is a reconciliation of the aggregate retirement liability associated with the Foundation’s obligation to dismantle and remove the asbestos:

	2023	2022
Balance - Beginning of Year	$ 64,303	$ 65,531
Change in Present Value of the Obligation		
Accretion Expense (Income)	59	(1,228)
Balance - End of Year	$ 64,362	$ 64,303

NOTE 13 WITH DONOR-RESTRICTED NET ASSETS

Board-Designated Net Assets

The Foundation's board of directors has established a land, building, and equipment fund to provide for a portion of the replacement of property and equipment. Investments of $4,000,000 were designated for future capital additions by the Foundation at June 30, 2023 and 2022.

With Donor-Restricted Net Assets

With donor-restricted net assets are available for the following purposes or periods at June 30:

	2023	2022
Subject to Expenditure for Specified Purpose		
Wilder Programs	$ 6,311,509	$ 5,554,707
Wilder Research	566,506	773,205
Pledges for Future Periods	3,116,680	4,254,952
Other	781,699	385,454
Campaign for Families	1,960,621	4,452,477
Total	12,737,015	15,420,795
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity		
Charitable Gifts under Annuity Contracts	7,863	7,863
Endowments		
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity		
Original Endowment Established by Amherst H. Wilder Fanny S. Wilder, and Cornelia D. Appleby Wilder.	2,602,000	2,602,000
Other Endowments	9,598,163	9,550,950
Total	12,200,163	12,152,950
Subject to Endowment Spending Policy and Appropriation:		
Endowment Earnings	80,754,194	81,292,529
Total Endowments	92,954,357	93,445,479
Total Net Assets with Donor Restrictions	$ 105,699,235	$ 108,874,137

NOTE 13 WITH DONOR-RESTRICTED NET ASSETS (CONTINUED)

Net Assets Released from Restrictions

With donor-restricted net assets released from restrictions consist of the following as of June 30:

	2023	2022
Time and Purpose Restriction	$ 12,615,938	$ 12,838,434

NOTE 14 ENDOWMENT

Board-Designated and Donor-Restricted Endowments

The Foundation has board-designated and donor-restricted endowment funds established for the purpose of securing the Foundation’s long-term financial viability and continuing to meet the needs of children and families in the community. As required by GAAP, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of the Foundation has interpreted the state’s Uniform Prudent Management of Institutional Funds Act (UPMIFA) as maintaining 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, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater when the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, 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 purposes of the organization 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 organization
7. The investment policies of the Foundation

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. Deficiencies of this nature together have an original value of $7,491,765, a current fair value of $4,187,651, and a deficiency of $3,304,114 as of June 30, 2023. Deficiencies of this nature together have an original value of $9,201,669, a current fair value of $5,867,065, and a deficiency of $3,334,604 as of June 30, 2022. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the board of directors.

NOTE 14 ENDOWMENT (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 equity, absolute return, real assets, and fixed income. The majority of assets are invested in equity or equity like securities. Fixed income return strategies are used to lower short-term volatility.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Foundations' policy for the use of endowment funding is based on a three year goal to get to 5% spend of the projected endowment balance for fiscal year beginning 2023. In establishing this policy, the Foundation considered the long-term expected return on the endowment and the need to preserve the endowment and not spend beyond returns over the long-term. This is a shift in the spending formula adopted in 2018. This change is consistent with the Foundations objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Beginning with the 2024 fiscal year, the Foundation shifts to a spending model based on Constant Growth model.

The composition of endowment funds by type of fund are as follows:

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	$ -	$ 12,200,163	$ 12,200,163
Restricted Endowment Earnings	-	80,754,194	80,754,194
Board-Designated Endowment Funds	1,976,575	-	1,976,575
Total Endowment Funds	$ 1,976,575	$ 92,954,357	$ 94,930,932

NOTE 14 ENDOWMENT (CONTINUED)

Endowment Investment and Spending Policies (Continued)

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	$ -	$ 12,152,950	$ 12,152,950
Restricted Endowment Earnings	-	81,292,529	81,292,529
Board-Designated Endowment Funds	2,229,035	-	2,229,035
Total Endowment Funds	$ 2,229,035	$ 93,445,479	$ 95,674,514

A summary of changes in endowment net assets is as follows:

	2023		
	Without Donor Restriction	With Donor Restriction	Total
Endowment Fund Balance - June 30, 2022	$ 2,229,035	$ 93,445,479	$ 95,674,514
Contributions	-	47,213	47,213
Earnings and Expenses			
Investment Income	-	1,546,525	1,546,525
Investment Expenses	-	(347,325)	(347,325)
Unrealized and Realized Gains	-	4,996,004	4,996,004
Total Earnings and Expenses	-	6,195,204	6,195,204
Appropriations	(252,460)	(6,733,539)	(6,985,999)
Endowment Fund Balance - June 30, 2023	$ 1,976,575	$ 92,954,357	$ 94,930,932

	2022		
	Without Donor Restriction	With Donor Restriction	Total
Endowment Fund Balance - June 30, 2021	$ 2,006,366	$ 110,421,852	$ 112,428,218
Contributions	423,567	1,647,616	2,071,183
Earnings and Expenses:			
Investment Income	-	1,770,839	1,770,839
Investment Expenses	-	(423,753)	(423,753)
Unrealized and Realized Gains	-	(12,530,819)	(12,530,819)
Total Earnings and Expenses	-	(11,183,733)	(11,183,733)
Transfer		(280,533)	(280,533)
Appropriations	(200,898)	(7,159,723)	(7,360,621)
Endowment Fund Balance - June 30, 2022	$ 2,229,035	$ 93,445,479	$ 95,674,514

NOTE 15 COMMITMENTS AND CONTINGENCIES

Litigation, Claims, and Disputes

The Foundation is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of litigation, claims, and disputes in process will not be material to the financial position of the Foundation.

NOTE 16 LEASES

The Foundation leases certain vehicles and office equipment under terms of noncancelable operating leases expiring in various years through 2024. The leases are presented as a right to use asset and corresponding lease liability on the consolidated statements of financial position. Rent expense under the leases was $45,626 and $49,163 in 2023 and 2022, respectively.

The following table provides quantitative information concerning the Foundation's leases for the year ended June 30, 2023:

Operating Lease Cost	39,696
Weighted-Average Remaining Lease Term - Operating	0.1 Years
Weighted-Average Discount Rate - Operating	3.25%

A maturity analysis of annual undiscounted cash flows for operating lease liabilities as of June 30, 2023, is as follows:

Year Ending June 30,	Amount
2024	$ 6,616
Total	$ 6,616

NOTE 17 LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, included cash and cash equivalents, receivables and investments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of programs and research, as well as the conduct of services undertaken to support those activities to be general expenditures. In addition to the financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by endowment resources. As of June 30, 2023 and 2022, the following table shows the financial assets held by the Foundation and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

	2023	2022
Cash and Cash Equivalents	$ 5,322,274	$ 2,684,125
Accounts and Pledges Receivable, Net	8,562,158	8,853,022
Investments	133,316,644	129,192,913
Less: Donor-Imposed Restrictions	(105,699,235)	(108,874,137)
Less: Nonliquid Investments	(400,000)	(400,000)
Total Financial Assets Available to Meet General Expenditures within One Year	$ 41,101,841	$ 31,455,923

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