

**AMHERST H. WILDER FOUNDATION  
CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**



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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, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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, 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter***

As discussed in Note 16 to the consolidated financial statements, a prior period adjustment has been posted to restate net asset classifications at July 1, 2023. Our opinion is not modified with respect to this matter.

#### ***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***

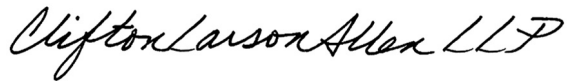
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
October 10, 2024

**AMHERST H. WILDER FOUNDATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2024**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 5,493,993
Accounts and Pledges Receivable, Net	19,875,145
Deferred Interest Rate Swap	92,200
Right of Use Asset, Current	82,312
Other Current Assets	378,674
Total Current Assets	25,922,324

**LAND, BUILDING, AND EQUIPMENT, Net**

23,175,378

**OTHER ASSETS**

Accounts and Pledges Receivable - Noncurrent Portion	213,193
Right of Use Asset, Net of Current Portion	183,919
Investments	146,157,854
Beneficial Interest in Trusts	168,922
Total Other Assets	146,723,888

Total Assets

\$ 195,821,590

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 1,216,841
Other Accrued Liabilities	42,872
Accrued Payroll, Benefits, Taxes, and Withholdings	3,974,850
Deferred Income	1,299,720
Current Portion of Charitable Annuities	2,889
Current Portion of Long-Term Debt	2,104,685
Lease Liability	82,312
Total Current Liabilities	8,724,169

**LONG-TERM LIABILITIES**

Charitable Annuities, Less Current Portion	13,035
Accrued Pension Liability	10,178,514
Lease Liability, Less Current Portion	183,919
Long-Term Debt, Less Current Portion	19,556,701
Total Long-Term Liabilities	29,932,169

Total Liabilities

38,656,338

**NET ASSETS**

Without Donor Restriction	33,746,027
With Donor Restriction	123,419,225
Total Net Assets	157,165,252

Total Liabilities and Net Assets

\$ 195,821,590

See accompanying Notes to Consolidated Financial Statements.

**AMHERST H. WILDER FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUE AND SUPPORT</b>			
Revenue			
Government Fees and Grants	\$ 33,421,823	\$ -	\$ 33,421,823
Private Contracts, Insurance and Fees	1,851,930	-	1,851,930
Consulting Revenues	3,425,536	-	3,425,536
Other Income	239,158	-	239,158
Endowment Appropriation for Operations	182,519	8,749,932	8,932,451
Total Revenue	<u>39,120,966</u>	<u>8,749,932</u>	<u>47,870,898</u>
Support			
Contributions and Private Grants	1,544,572	3,714,214	5,258,786
Net Assets Released from Restrictions	<u>17,611,055</u>	<u>(17,611,055)</u>	<u>-</u>
Total Revenue and Support	58,276,593	(5,146,909)	53,129,684
<b>EXPENSES</b>			
Program Service			
Wilder Programs	33,874,050	-	33,874,050
Wilder Research	8,755,216	-	8,755,216
Total Program Service	<u>42,629,266</u>	<u>-</u>	<u>42,629,266</u>
Support Service			
General and Administrative	10,786,542	-	10,786,542
Fundraising	1,805,504	-	1,805,504
Total Support Service	<u>12,592,046</u>	<u>-</u>	<u>12,592,046</u>
Total Expenses	<u>55,221,312</u>	<u>-</u>	<u>55,221,312</u>
Subtotal Before Investment Activity and Pension Change	3,055,281	(5,146,909)	(2,091,628)
<b>INVESTMENT ACTIVITY</b>			
Investment Gains (Losses)	2,098,189	13,357,411	15,455,600
Endowment Appropriation for Operations	<u>(182,519)</u>	<u>(8,749,932)</u>	<u>(8,932,451)</u>
Net Investment Gains (Losses)	1,915,670	4,607,479	6,523,149
<b>NONOPERATING ACTIVITY</b>			
Gain on Sale of Real Estate & Land, Building, and Equipment	6,601,997	-	6,601,997
Employee Retention Credit Revenue	8,005,361	-	8,005,361
Additional Pension Change	719,079	-	719,079
Total Nonoperating Activity	<u>15,326,437</u>	<u>-</u>	<u>15,326,437</u>
<b>CHANGE IN NET ASSETS</b>	20,297,388	(539,430)	19,757,958
Net Assets - Beginning of Year - as Restated	<u>13,448,639</u>	<u>123,958,655</u>	<u>137,407,294</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 33,746,027</u>	<u>\$ 123,419,225</u>	<u>\$ 157,165,252</u>

See accompanying Notes to Consolidated Financial Statements.

**AMHERST H. WILDER FOUNDATION  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2024**

	Program Services		Support Services		Total
	Wilder Programs	Wilder Research	General and Administrative	Fundraising	
Salaries	\$ 19,464,326	\$ 5,584,841	\$ 5,295,890	\$ 1,200,611	\$ 31,545,668
Employee Benefits and Payroll Taxes	4,526,959	1,152,157	810,571	266,277	6,755,964
Pension Expense	514,704	147,492	1,055,238	28,996	1,746,430
Total Personnel Costs	<u>24,505,989</u>	<u>6,884,490</u>	<u>7,161,699</u>	<u>1,495,884</u>	<u>40,048,062</u>
Business Expenses	255,636	10,988	75,199	50	341,873
Professional Fees	1,077,585	232,672	2,582,556	19,746	3,912,559
Program Expenses	1,631,788	630,233	289,732	97,609	2,649,362
Transportation	190,014	57,302	14,771	1,715	263,802
Insurance	193,653	49,835	155,469	4,524	403,481
Software and Minor Equipment	136,140	155,966	718,484	43,256	1,053,846
Assistance to Individuals	2,715,364	-	-	-	2,715,364
Bad Debt Expense	84,898	-	-	14,663	99,561
Facilities*	2,125,072	449,809	(1,508,978)	51,615	1,117,518
Interest and Financial Expense	158,231	43,753	1,039,450	17,039	1,258,473
Miscellaneous	24,925	3,640	51,368	57,904	137,837
Total Expense Before Depreciation and Discontinued Operations	<u>33,099,295</u>	<u>8,518,688</u>	<u>10,579,750</u>	<u>1,804,005</u>	<u>54,001,738</u>
Depreciation	<u>774,755</u>	<u>236,528</u>	<u>206,792</u>	<u>1,499</u>	<u>1,219,574</u>
Total Expenses	<u><u>\$ 33,874,050</u></u>	<u><u>\$ 8,755,216</u></u>	<u><u>\$ 10,786,542</u></u>	<u><u>\$ 1,805,504</u></u>	<u><u>\$ 55,221,312</u></u>

\* This line includes allocations of other costs.

See accompanying Notes to Consolidated Financial Statements.



**AMHERST H. WILDER FOUNDATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEAR ENDED JUNE 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 19,757,958
Adjustments to Reconcile Change in Net Asset to Net Cash Provided (Used) by Operating Activities:	
Contributions Restricted for Endowment	(22,820)
Depreciation and Amortization	1,219,574
Amortization of Bond Premium	(164,837)
Amortization of Debt Issuance Costs	43,492
Gain on Sale of Real Estate, Land, Building, and Equipment	(6,601,997)
Net Realized and Unrealized (Gain) Loss on Investments	(12,035,709)
Change in Value of Beneficial Interest in Trusts & Annuities	(9,396)
Adjustment for Pension Liability	(719,079)
(Increase) Decrease in:	
Accounts and Pledges Receivable	(10,134,187)
Other Assets	323,490
Assets Held for Sale	-
Increase (Decrease) in:	
Accounts Payable	194,919
Other Accrued Liabilities	19,399
Accrued Payroll, Benefits, Taxes, and Withholdings	790,586
Deferred Income	132,645
Accrued Pension Liability	(403,371)
Net Cash Used by Operating Activities	(7,609,333)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Land, Building, and Equipment	(377,086)
Proceeds on Sale of Real Estate	10,959,125
Purchase of Investments	(51,007,327)
Proceeds from Sale of Investments	50,201,826
Net Cash Provided by Investing Activities	9,776,538

**CASH FLOWS FROM FINANCING ACTIVITIES**

Deferred Interest Rate Swap	100,335
Contributions Restricted for Endowment	22,820
Payments on Charitable Annuities	(671)
Long-Term Debt Payments	(2,117,970)
Net Cash Used by Financing Activities	(1,995,486)

**CHANGE IN CASH AND CASH EQUIVALENTS**

	171,719
Cash and Cash Equivalents - Beginning of Year	5,322,274

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

**\$ 5,493,993**

*See accompanying Notes to Consolidated Financial Statements.*

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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 year ended June 30, 2024.

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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.

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

The Foundation provides an allowance for credit losses based on 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, current economic conditions, and forward-looking information. 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, 2024 was \$18,300,238, including allowance for credit losses of \$25,126.

Changes in the allowance for the year ended June 30, 2024 was a follows:

Balance - Beginning of Year	\$ 9,694
Provisions	100,330
Write-Offs, Net of Recoveries	<u>(84,898)</u>
Balance - End of Year	<u><u>\$ 25,126</u></u>

**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.

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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.

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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).

**Revenue Recognition and Deferred Income**

**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.

**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.

The Foundation has been awarded government grants and contracts of approximately \$12,604,159 that have not been recognized at June 30, 2024, because qualifying expenditures have not yet been incurred.

**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.

**AMHERST H. WILDER FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition and Deferred Income (Continued)**

**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.

The beginning and ending accounts receivable and deferred income balances were:

	<u>2024</u>	<u>2023</u>
Accounts Receivable, Net	\$ 18,300,238	\$ 6,837,471
Deferred Income	1,299,720	1,167,075

**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 has elected to use their incremental borrowing rate as a discount rate for computing the present value of the lease liability.

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

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.

**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.

**Adoption of New Accounting Standards**

The Foundation has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Foundation's financial statements but did change how the allowance for credit losses is determined.

**Subsequent Events**

In preparing these consolidated financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 10, 2024, the date the consolidated financial statements were issued.



**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**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:

Unconditional Pledges Receivable	\$ 1,810,453
Unamortized Discount	(12,162)
Allowance for Uncollectible Accounts	(10,191)
Total	<u>\$ 1,788,100</u>
Amounts Due in	
Less Than One Year	\$ 1,585,098
One to Five Years	225,355
Total	<u>\$ 1,810,453</u>

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 5.13% at June 30, 2024.

**NOTE 3 LAND, BUILDING, AND EQUIPMENT**

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

	Cost	Accumulated Depreciation
Land	\$ 3,251,636	\$ -
Land Improvements	1,832,652	1,334,169
Buildings and Building Improvements	30,785,655	12,740,823
Construction in Progress	103,282	-
Equipment	6,987,894	5,710,749
Total	<u>\$ 42,961,119</u>	<u>\$ 19,785,741</u>
Land, Buildings, and Equipment	<u>\$ 23,175,378</u>	

Depreciation expense was \$1,219,574 as of June 30, 2024.

**AMHERST H. WILDER FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 4 INVESTMENTS**

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

Cash Equivalents	\$ 3,663,375
U.S. Government Agency Bonds	5,609,840
U.S. Treasuries	21,882,365
Corporate Bonds	6,513,389
International Equity Funds	43,302,315
Domestic Equity Fund	2,415,958
Domestic Large Cap Equity Funds	-
Domestic Small-Mid Cap Equity Funds	11,087,961
Private Equity Limited Partnerships	17,155,699
Real Estate Limited Partnerships	2,687,414
Real Estate Investments	400,000
Hedge Funds	23,172,707
Special Opportunities	8,266,831
Total Investments	<u>\$ 146,157,854</u>

**NOTE 5 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. 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 \$168,922 at June 30, 2024. All trusts are restricted by the donor.

**NOTE 6 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.

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)**

**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, 2024, 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.

	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Government Agency Bonds	\$ 5,609,840	\$ -	\$ -	\$ 5,609,840
U.S. Treasuries	21,882,365	-	-	21,882,365
Corporate Bonds	6,513,389	-	-	6,513,389
International Equity Funds	43,302,315	-	-	43,302,315
Domestic Equity Fund	2,415,958	-	-	2,415,958
Domestic Small-Mid Cap Equity Funds	5,010,135	6,077,826	-	11,087,961
Investments Accounted for at				
Net Asset Value	-	-	-	51,282,651
Total Investments	<u>\$ 84,734,002</u>	<u>\$ 6,077,826</u>	<u>\$ -</u>	<u>\$ 142,094,479</u>
Beneficial Interest in Trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,922</u>	<u>\$ 168,922</u>

**Level 3 Assets**

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

	Beneficial Interest in Trusts
Balance as of July 1, 2023	\$ 159,492
Change in Value of Trusts	9,430
Balance as of June 30, 2024	<u>\$ 168,922</u>

**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:

	2024 Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity Limited Partnerships	\$ 17,155,699	\$ 15,402,608	N/A	N/A
Hedge Funds	23,172,707	-	Quarterly	60 Days
Real Estate Limited Partnerships	2,687,414	819,541	N/A	N/A
Special Opportunities	8,266,831	1,183,080	N/A	N/A
Total	<u>\$ 51,282,651</u>	<u>\$ 17,405,229</u>		

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Basis for Fair Value Measurements**

**Private Equity Limited Partnerships**

Private equity and private credit limited partnerships include private equity and credit 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**

The Hedge Fund strategy is comprised of a diverse set of managers to further reduce portfolio risk and increase diversification within the portfolio. Redemptions are currently limited as the vehicle is returning all capital.

**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 7 SELF-INSURED BENEFIT LIABILITIES**

**Workers' Compensation**

The Foundation is self-insured for workers' compensation. As of June 30, 2024, the Foundation has recorded liabilities of \$119,198, 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 8 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, 2024 were \$15,924.

**AMHERST H. WILDER FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 9 LONG-TERM DEBT**

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

<u>Description</u>	<u>Amount</u>
<u>Bonds Payable:</u>	
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).	\$ 17,619,583
<u>Mortgages:</u>	
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.	2,446,955
Total Long-Term Debt	20,066,538
Add: Bond Premium	2,032,982
Less: Current Maturities of Long-Term Debt	(2,104,685)
Less: Debt Issuance Costs	(438,134)
Long-Term Debt, Excluding Current Maturities and Debt Issuance Costs	<u>\$ 19,556,701</u>

At June 30, 2024, the long-term debt installments are due in the following fiscal years:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 2,104,685
2026	2,293,937
2027	1,044,167
2028	1,094,167
2029	1,150,000
Thereafter	12,379,582
Total Long-Term Debt	<u>\$ 20,066,538</u>

Interest expense was \$1,129,566 during the year ended June 30, 2024.

**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, 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. There have been no borrowings on the line as of June 30, 2024. On June 25, 2024, the line of credit was renewed through June 30, 2025.

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 LONG-TERM DEBT (CONTINUED)**

**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, 2024, the fair value of the swap agreement was \$92,200.

**NOTE 10 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, 2024, and for the years then ended.

The changes in the projected benefit obligation are as follows:

Change in Projected Benefit Obligation	
Projected Benefit Obligation - Beginning of Year	\$ 50,613,922
Interest Cost	2,574,477
Changes in Actuarial Assumptions	(1,347,463)
Benefits Paid	(3,432,462)
Plan Experience Different from that Expected	1,612,400
Projected Benefit Obligation - End of Year	<u>\$ 50,020,874</u>
Change in Plan Assets	
Fair Value of Plan Assets - Beginning of Year	\$ 39,312,958
Employer Contributions	2,149,801
Benefits and Expenses Paid	(4,193,134)
Actual Return on Plan Assets	2,572,735
Fair Value of Plan Assets - End of Year	<u>\$ 39,842,360</u>
Funded Status of the Plan	
Benefit Obligation	\$ 50,020,874
Fair Value of Plan Assets	<u>39,842,360</u>
Excess of Benefit Obligation Over	
Fair Value of Plan Assets	<u>\$ 10,178,514</u>

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 BENEFIT PLANS (CONTINUED)**

**Defined Benefit Plan (Continued)**

Components of Net Periodic Benefit Costs	
Service Cost	\$ 778,029
Interest Cost	2,574,477
Expected Return on Plan Assets	(1,902,764)
One-Time Settlement Expense Recognition	-
Amortization of Unrecognized Net Actuarial Loss	1,074,717
Net Periodic Pension Cost	<u>\$ 2,524,459</u>
Underfunded Plan Information	
Projected Benefit Obligation - End of Year	\$ 50,020,874
Accumulated Benefit Obligation - End of Year	50,020,874
Fair Value of Assets - End of Year	39,842,360

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

Actuarial Assumptions	
Assumptions Used to Determine Benefit	
Obligations at June 30	
Assumed Discount Rate	5.42 %
Assumed Annual Increase in Salaries	N/A
Assumptions For Net Periodic Benefit Cost at	
Previous July 1	
Assumed Discount Rate	5.12 %
Assumed Annual Increase in Salaries	N/A
Expected Long-Term Return on Plan Assets	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 year ended June 30, 2024 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 percentage of the fair value of total plan assets held as of June 30 (the measurement date) by asset category is as follows:

Cash and Cash Equivalents	2.02 %
Equity Securities	46.55 %
Bonds	43.28 %
Other	8.15 %

**AMHERST H. WILDER FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 10 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.

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 804,956	\$ -	\$ -	\$ 804,956
Equity Fund	-	18,545,691	-	18,545,691
Bonds	-	17,242,630	-	17,242,630
Other	-	3,249,083	-	3,249,083
Total	<u>\$ 804,956</u>	<u>\$ 39,037,404</u>	<u>\$ -</u>	<u>\$ 39,842,360</u>

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 2025 are \$1,935,823. Estimated future benefit payments, which reflect expected future services, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 3,993,763
2026	4,000,880
2027	4,052,275
2028	4,009,581
2029	4,013,696
Thereafter	19,008,042

**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.

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.



**AMHERST H. WILDER FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 BENEFIT PLANS (CONTINUED)**

**Defined Contribution Plan (Continued)**

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, 2024 were \$1,100,252.

**NOTE 11 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, 2024.

**With Donor-Restricted Net Assets**

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

Subject to Expenditure for Specified Purpose	
Wilder Programs	\$ 3,020,842
Wilder Research	272,666
Pledges for Future Periods	1,788,100
Other	801,355
Campaign for Families	1,692,186
Total	7,575,149
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity	
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
Other Endowments	11,533,567
Total	14,135,567
Subject to Endowment Spending Policy and Appropriation:	
Endowment Earnings	101,708,509
Total Endowments	115,844,076
Total Net Assets with Donor Restrictions	\$ 123,419,225

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 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:

Time and Purpose Restriction	<u>\$ 17,611,055</u>
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**NOTE 12 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. There were no such deficiencies of this nature at June 30, 2024.

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 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:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 14,135,567	\$ 14,135,567
Restricted Endowment Earnings		101,708,509	101,708,509
Board-Designated Endowment Funds	28,135,619	-	28,135,619
Total Endowment Funds	<u>\$ 28,135,619</u>	<u>\$ 115,844,076</u>	<u>\$ 143,979,695</u>

**AMHERST H. WILDER FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 ENDOWMENT (CONTINUED)**

**Endowment Investment and Spending Policies (Continued)**

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

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment Fund Balance - June 30, 2023 - as restated	\$ 15,890,476	\$ 111,213,777	\$ 127,104,253
Contributions	10,519,125	22,820	10,541,945
Net Investment Income	1,908,537	13,357,411	15,265,948
Appropriations	<u>(182,519)</u>	<u>(8,749,932)</u>	<u>(8,932,451)</u>
Endowment Fund Balance - June 30, 2024	<u>\$ 28,135,619</u>	<u>\$ 115,844,076</u>	<u>\$ 143,979,695</u>

**NOTE 13 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 14 LEASES**

The Foundation leases certain office equipment under terms of noncancelable operating leases expiring in various years through fiscal year 2029. The leases are presented as a right of use asset and corresponding lease liability on the consolidated statements of financial position.

The following table provides quantitative information concerning the Foundation's leases for the year ended June 30, 2024:

Operating Lease Cost	\$ 63,196
Weighted-Average Remaining Lease Term - Operating	3.3 Years
Weighted-Average Discount Rate - Operating	6.20%

**AMHERST H. WILDER FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 14 LEASES (CONTINUED)**

A maturity analysis of annual undiscounted cash flows for operating lease liabilities as of June 30, 2024, is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 96,009
2026	96,009
2027	62,564
2028	35,700
2029	2,975
Undiscounted Cash Flows	<u>293,257</u>
Less: Imputed Interest	<u>(27,026)</u>
Total	<u><u>\$ 266,231</u></u>

**NOTE 15 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, 2024, 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:

Cash and Cash Equivalents	\$ 5,493,993
Accounts and Pledges Receivable, Net	19,875,145
Investments	146,157,854
Less: Donor-Imposed Restrictions	(123,419,225)
Less: Nonliquid Investments	<u>(400,000)</u>
Total Financial Assets Available to Meet General Expenditures within One Year	<u><u>\$ 47,707,767</u></u>

**NOTE 16 PRIOR PERIOD ADJUSTMENT**

At July 1, 2023, net assets were reclassified between the categories of without donor restrictions and with donor restrictions. These reclassifications were made by management after review of endowment agreements and prior endowment activity. As a result, net assets without donor restrictions decreased by \$18,259,420 and net assets with donor restrictions increased by \$18,259,420.



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