



Wisconsin Foundation
United Church of Christ
Growing Ministry through Generosity

FINANCIAL STATEMENTS

December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wisconsin Foundation United Church of Christ, Inc.
Ripon, Wisconsin

Opinion

We have audited the financial statements of Wisconsin Foundation United Church of Christ, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wisconsin Foundation United Church of Christ, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wisconsin Foundation United Church of Christ, Inc. 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wisconsin Foundation United Church of Christ, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Wisconsin Foundation United Church of Christ, Inc.'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 Wisconsin Foundation United Church of Christ, Inc.'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.



Wegner CPAs, LLP
Madison, Wisconsin
September 14, 2026

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash	\$ 227,562	\$ 318,983
Due from Wisconsin Conference UCC	11,934	-
Unconditional promise to give	250,000	-
Other receivables	-	21,683
Notes receivable	2,191,269	1,302,994
Investments	18,780,889	14,275,089
Prepaid expenses	3,139	2,029
Total assets	\$ 21,464,793	\$ 15,920,778
LIABILITIES		
Funds held for other organizations as agency endowments	\$ 10,351,319	\$ 6,788,992
Due to Wisconsin Conference UCC	-	284,666
Accounts payable	350	-
Total liabilities	10,351,669	7,073,658
NET ASSETS		
Without donor restrictions	8,148,401	6,425,709
With donor restriction	2,964,723	2,421,411
Total net assets	11,113,124	8,847,120
Total liabilities and net assets	\$ 21,464,793	\$ 15,920,778

See accompanying notes.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE			
Total contributions	\$ 5,470,883	\$ 476,527	\$ 5,947,410
Less amounts received for agency funds	(4,365,041)	-	(4,365,041)
Contributions	1,105,842	476,527	1,582,369
Total investment return, net	2,017,526	357,875	2,375,401
Less amounts received for agency funds	(1,053,773)	-	(1,053,773)
Investment return, net	963,753	357,875	1,321,628
Fees	125,193	-	125,193
Total operating support and revenue	2,194,788	834,402	3,029,190
OPERATING EXPENSES			
Program services	574,009	-	574,009
Management and general	167,458	-	167,458
Fundraising	21,719	-	21,719
Total operating expenses	763,186	-	763,186
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	291,090	(291,090)	-
Change in net assets	1,722,692	543,312	2,266,004
Net assets at beginning of year	6,425,709	2,421,411	8,847,120
Net assets at end of year	<u>\$ 8,148,401</u>	<u>\$ 2,964,723</u>	<u>\$ 11,113,124</u>

See accompanying notes.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE			
Total contributions	\$ 2,610,883	\$ 125,962	\$ 2,736,845
Less amounts received for agency funds	(1,671,245)	-	(1,671,245)
Contributions	939,638	125,962	1,065,600
Total investment return, net	1,234,540	203,532	1,438,072
Less amounts received for agency funds	(682,156)	-	(682,156)
Investment return, net	552,384	203,532	755,916
Fees	148,705	-	148,705
Total operating support and revenue	1,640,727	329,494	1,970,221
OPERATING EXPENSES			
Program services	491,394	-	491,394
Management and general	123,442	-	123,442
Fundraising	20,060	-	20,060
Total operating expenses	634,896	-	634,896
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	243,155	(243,155)	-
Change in net assets	1,248,986	86,339	1,335,325
Net assets at beginning of year	5,176,723	2,335,072	7,511,795
Net assets at end of year	<u>\$ 6,425,709</u>	<u>\$ 2,421,411</u>	<u>\$ 8,847,120</u>

See accompanying notes.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2025 and 2024

	2025			
	Program Services	Management and General	Fundraising	Total Expenses
Total grants	\$ 1,698,714	\$ -	\$ -	\$ 1,698,714
Less grants from agency funds	(1,381,438)	-	-	(1,381,438)
Grants	317,276	-	-	317,276
Office expenses	61,785	92,081	8,430	162,296
Professional fees	300	35,697	-	35,997
Conferences and meetings	84,134	-	-	84,134
Personnel	97,390	39,680	13,289	150,359
Occupancy	101	-	-	101
Travel	13,023	-	-	13,023
Total expenses	\$ 574,009	\$ 167,458	\$ 21,719	\$ 763,186
	2024			
	Program Services	Management and General	Fundraising	Total Expenses
Total grants	\$ 687,035	\$ -	\$ -	\$ 687,035
Less grants from agency funds	(344,778)	-	-	(344,778)
Grants	342,257	-	-	342,257
Office expenses	41,592	62,224	7,121	110,937
Professional fees	3,400	35,340	-	38,740
Conferences and meetings	25,300	-	-	25,300
Personnel	75,573	25,878	12,939	114,390
Travel	3,272	-	-	3,272
Total expenses	\$ 491,394	\$ 123,442	\$ 20,060	\$ 634,896

See accompanying notes.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,266,004	\$ 1,335,325
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gain on investments	(2,115,820)	(1,475,679)
Contributed notes receivable	-	(420,000)
Contributions restricted for long-term purposes	(90,125)	-
(Increase) decrease in assets		
Unconditional promises to give	(250,000)	-
Due from Wisconsin Conference UCC	(11,934)	91,037
Other receivables	21,683	(21,683)
Prepaid expenses	(1,110)	(767)
Increase (decrease) in liabilities		
Funds held for other organizations as agency endowments	3,562,327	1,821,837
Due to Wisconsin Conference UCC	(284,666)	284,666
Accounts payable	350	(1,093)
Net cash flows from operating activities	3,096,709	1,613,643
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of notes receivable	(1,175,000)	-
Collections on notes receivable	286,725	14,561
Proceeds from sales of investments	16,636,030	235,000
Purchases of and interest retained in investments	(19,026,010)	(1,609,738)
Net cash flows from investing activities	(3,278,255)	(1,360,177)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for permanent endowment	90,125	-
Net change in cash	(91,421)	253,466
Cash at beginning of year	318,983	65,517
Cash at end of year	<u>\$ 227,562</u>	<u>\$ 318,983</u>
SUPPLEMENTARY DISCLOSURES		
Noncash investing transactions		
Contributed notes receivable	\$ -	\$ 420,000

See accompanying notes.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Wisconsin Foundation United Church of Christ, Inc. (Foundation) is a collaboration of charitable funds established by churches throughout Wisconsin. The primary function of the Foundation is to award grants that align with the Foundation's mission, which includes promoting positive change, promoting a culture of generosity, and connecting people in working for a just world. The Foundation is primarily supported through contributions and investment returns.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All unconditional promises to give are due within one year as of December 31, 2025.

Notes Receivable

Notes receivable are stated at their outstanding principal balance, net of allowance for uncollectible notes. Notes receivable consists of five secured, interest-bearing notes. Notes receivable are written down once management determines that the borrower does not have the ability to repay the note in full. Allowances for credit losses and doubtful accounts are maintained in amounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. At December 31, 2025 and 2024, no allowance for uncollectible notes was recorded on the Foundation's notes receivable.

Investments

The Foundation reports investments in equity and mutual fund securities with readily determinable fair values in the statement of financial position. Investments with Wisconsin Council of Churches (WCOCC) are reported at the net asset value of the units held by the Foundation at year end, which approximates fair value. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Fees consist primarily of registration and participation fees for programs and other events. Revenue is recognized when the related event occurs and the Foundation satisfies its performance obligation to provide the event or program services. Fees for common services are for administrative services and use of the general space and printer. Revenue is recognized over the year the services are provided. The Foundation assesses an administrative fee on each agency fund held within the Foundation. The fee is collected and recognized at the end of each month, based on the prior month-end fair value of the fund.

Amounts received in advance of the event are recorded as deferred revenue and recognized as revenue when the related performance obligations are satisfied. Payment is generally due prior to the event. The Foundation's contracts with customers do not contain significant financing components as the period between payment and performance is typically one year or less. The Foundation's policy is generally not to provide refunds.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Expense Allocation

The financial statements report certain categories of expenses that are attributed to more than one program service or supporting activity. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel and office expenses are allocated on the basis of estimates of time and effort.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through September 14, 2026, the date which the financial statements were available to be issued.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 2—INVESTMENTS

Investments consist of the following:

	<u>2025</u>	<u>2024</u>
Mutual funds	\$ 16,966,241	\$ 4,444,975
Common stocks	-	8,728,772
Investment with Wisconsin Council of Churches (WCOC)	-	21,602
Cash and money market accounts	<u>1,814,648</u>	<u>1,079,740</u>
Investments	<u>\$ 18,780,889</u>	<u>\$ 14,275,089</u>

NOTE 3—FAIR VALUE MEASUREMENTS

The Foundation reports certain assets at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal, or most advantageous, market in an orderly transaction between market participants on the measurement date. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-level hierarchy categorizes the inputs as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active inputs other than quoted process that are observable for the asset or liability.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk, or liquidity profile of the asset or liability.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 3—FAIR VALUE MEASUREMENTS (continued)

Investments in mutual funds and common stocks are classified in Level 1 because they have a readily determinable fair value based in the closing value in actively traded exchanges. The fair value of the investment with WCOC is based on the fair value of investments as reported by WCOC. These are considered Level 3 measurements.

The following table presents assets measured at fair value at December 31, 2025 and 2024:

Assets at Fair Value as of December 31, 2025				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	<u>\$ 16,966,241</u>	<u>\$ 16,966,241</u>	<u>\$ -</u>	<u>\$ -</u>
Assets at Fair Value as of December 31, 2024				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 4,444,975	\$ 4,444,975	\$ -	\$ -
Common stocks	8,728,772	8,728,772	-	-
Investment with WCOC	<u>21,602</u>	<u>-</u>	<u>-</u>	<u>21,602</u>
	<u>\$ 13,195,349</u>	<u>\$ 13,173,747</u>	<u>\$ -</u>	<u>\$ 21,602</u>

The following is a reconciliation of the beginning and ending balance of the investment with WCOC, which is measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2025 and 2024:

	2025	2024
Beginning of year	\$ 21,602	\$ -
Additions	-	21,148
Investment return, net	411	454
Sales	<u>(22,013)</u>	<u>-</u>
End of the year	<u>\$ -</u>	<u>\$ 21,602</u>

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4—NOTES RECEIVABLE

The Foundation has a 3.5% note from United Church Camps, Inc. with a balance of \$500,000 and \$750,000 at December 31, 2025 and 2024, respectively. The note is secured by the investments held at the Foundation. On December 31, 2025, the remaining \$500,000 balance was refinanced. The note requires monthly interest-only payments of \$1,458 through December 31, 2026, at which time a principal payment of \$300,000 is due. Thereafter, the note requires monthly interest-only payments of \$588 through December 1, 2030, when the remaining principal balance is due.

The Foundation has a 5% note from Torn Ministries with a balance of \$20,663 and \$29,411 at December 31, 2025 and 2024, respectively. The note is secured by the fixtures and personal property on the property. The note requires monthly principal and interest payments of \$215 through December 31, 2027, when the remaining principal balance is due. Interest will be charged at 7% if the balance is unpaid after maturity.

The Foundation has a 5% note from the Bergets with a balance of \$103,613 and \$106,347 at December 31, 2025 and 2024, respectively. The note requires monthly principal and interest payments of \$800 through July 31, 2026 when the remaining principal balance was originally due. Subsequent to year-end, the note was extended requiring monthly payments of \$800 through January 31, 2027, when the remaining principal balance is due.

The Foundation has a 5% note from Place for God, LLC with a balance of \$403,492 and \$417,236 at December 31, 2025 and 2024, respectively. The note is secured by the mortgage on the property. The note requires monthly principal and interest payments of \$2,456 through October 1, 2029 when the remaining principal balance is due.

The Foundation issued a new 5% note to Capital City Sanctuary Church of God in Christ, Inc. with a balance of \$1,163,501 at December 31, 2025. The note is secured by their building. The note requires monthly principal and interest payments of \$6,308 through April 1, 2030, when the entire principal balance is due.

Future required principal payments are \$431,659, \$47,671, \$29,608, \$396,209, \$220,816, and \$1,065,306 for the years ending December 31, 2026, 2027, 2028, 2029, 2030, and thereafter, respectively.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 5—NET ASSETS

The Foundation's board of directors has chosen to place the following limitations on net assets without donor restrictions:

	2025	2024
Church Vitality	\$ 5,779,725	\$ 5,243,417
Calvary UCC Twin Lakes Legacy	425,182	424,187
Great Lakes Region Grant	19,570	-
Undesignated	1,923,924	758,105
Net assets without donor restrictions	<u>\$ 8,148,401</u>	<u>\$ 6,425,709</u>

Net assets with donor restrictions are restricted for the following purposes:

Purpose	2025	2024
Brown Deer UCC Social Justice	\$ 69,481	\$ 11,821
Campbellsport Legacy	182,747	172,165
Damascus Project Lilly Grant	327,372	465,467
Damascus Reserve	300,667	180,642
Great Lakes Region Youth Event	9,524	-
Hancock UCC Legacy	17,883	-
Immanuel UCC Impact	66,418	-
Jane Illgen Literacy	7,506	3,064
Kairos Climate	2,205	-
Ken and Carol Peters Camp Scholarship	68,025	48,426
MID Scholarship	462,928	415,052
Ministerial Assistance	51,648	41,278
Neenah Impact	112,145	-
New Initiatives	35,219	-
Rural and Small Town Ministry	260,480	264,623
Sarah Hand Ministerial Excellence	10,287	8,325
Social Service	36,017	32,643
St. John's Impact	256,243	228,522
Thomas Warner Scholarship	1,238	-
UCC Impact	248,076	224,849
Waldemar Stroetz	4,416	-
Washington County Impact	239,194	219,655
Perpetual in nature		
Jane Illgen Literacy	42,983	42,983
Ministerial Assistance	51,194	51,194
Sarah Hand Ministerial Excellence	10,702	10,702
Thomas Warner Scholarship	35,125	-
Waldemar Stroetz	55,000	-
Total net assets with donor restrictions	<u>\$ 2,964,723</u>	<u>\$ 2,421,411</u>

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 6—FUNDS HELD FOR OTHER ORGANIZATIONS AS AGENCY ENDOWMENTS

Current authoritative accounting guidance establishes standards for transactions in which a recipient entity accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to an entity that is specified by the donor. This guidance specifically requires that if a not-for-profit organization establishes a fund at the recipient entity with its own funds and specifies itself as the beneficiary of that fund, the recipient entity must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with current authoritative accounting guidance, a liability has been established for the present value of the future payments expected to be made to the not-for-profit organizations, which is generally equivalent to the fair value of the funds.

The Foundation was the owner of 57 agency endowment funds in 2025 and 55 agency endowment funds in 2024 with a combined fair value of \$10,351,319 and \$6,788,992, respectively. All financial activity for the years then ended related to these funds is excluded from the statement of activities and has been classified as a liability in the statement of financial position.

NOTE 7—ENDOWMENTS

The Foundation has set up endowment funds which comply with and follow current authoritative literature, which provides guidance on classifying net assets associated with endowment funds held by organizations that are subject to an enacted version of Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). A key component of the guidance is a requirement to classify the donor-restricted endowment fund as net assets with donor restrictions until appropriated for expenditure.

The Foundation's endowments consist of individual donor-restricted funds established for multiple purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as donor restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as net assets with donor restrictions to be appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence described by WUPMIFA.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 7—ENDOWMENTS (continued)

In accordance with WUPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the organization and the donor-restricted endowment fund,
- The possible effect of inflation and deflation,
- Other resources of the organization,
- The investment policies of the organization,
- The expected total return from income and the appreciation of investments, and
- General economic conditions.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s).

Under this policy, as approved by the Board of Directors, the endowment assets are invested in accounts while assuming a low level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return consistent with a broadly diversified portfolio of long-term high-quality bonds and common stocks with varying equity allocations to obtain the desired degree of risk/return tradeoff.

Strategies Employed for Achieving Objectives

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 to equities that a typical balanced fund would have.

Spending Policy and How the Investment Objectives Relate to Spending Policy

In accordance with UPMIFA, the Board of Directors generally authorizes spending up to 5% of the 12-quarter rolling fair value of the investments from an endowment on an annual basis.

Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The endowments with donor restrictions were not underwater as of December 31, 2025 and 2024.

WISCONSIN FOUNDATION UNITED CHURCH OF CHRIST, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 7—ENDOWMENTS (continued)

Endowment net asset composition by type of fund is as follows:

	2025	2024
Donor restricted endowment funds:		
Original donor-restricted gift amount	\$ 195,004	\$ 104,879
Accumulated investment gains	75,095	52,667
Total funds	<u>\$ 270,099</u>	<u>\$ 157,546</u>

Changes in endowment net assets that are subject to appropriation and spending policies for the year ended December 31:

	2025	2024
Endowment net assets at beginning of year	\$ 157,546	\$ 145,649
Contributions	90,125	-
Investment return, net	34,173	17,210
Amounts appropriated for expenditure	<u>(11,745)</u>	<u>(5,313)</u>
Endowment net assets at end of year	<u>\$ 270,099</u>	<u>\$ 157,546</u>

NOTE 8—RELATED PARTY

The Foundation is the wholly owned subsidiary of Wisconsin Conference of the United Church of Christ, Inc. (Conference). The Foundation was created to promote a culture of generosity, distribute grants, and connect people across the Wisconsin United Church of Christ. The following transactions occurred during 2025 and 2024 between the two entities.

Common Services

The Foundation paid the Conference for administrative services and use of the general space and printer in 2025 and 2024, which was valued at \$74,844 and \$52,000, respectively.

Due to/from Wisconsin Conference UCC

The Foundation has a receivable from the Conference of \$11,934 at December 31, 2025 and a payable to the Conference of \$284,666 at December 31, 2024.

Contributions

The Foundation received support of \$1,173,514 in 2025 and \$499,865 in 2024 from the Conference. The Conference received support of \$236,608 in 2025 and \$313,294 in 2024 from the Foundation.

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NOTE 9—PENSION PLANS

The Foundation participates in two pension plans, which are defined contribution plans and are non-contributory. One plan covers the ministers upon the date of employment and the second plan covers all other employees of the Foundation working more than 20 hours per week who have completed 90 days of satisfactory employment. The Foundation contributes a negotiated amount to the plans based on the annual salary. Pension expense for the years ended December 31, 2025 and 2024 was \$16,986 and \$11,884, respectively.

NOTE 10—LIQUIDITY AND AVAILABILITY

The table below reflects the Foundation's financial assets as of the date of the statement of financial position reduced by amounts that are not available to meet general expenditures within one year of the date of the statement of financial position because of contractual, donor-imposed restrictions, or board designations:

	2025	2024
Cash	\$ 227,562	\$ 318,983
Due from Wisconsin Conference UCC	11,934	-
Unconditional promises to give	250,000	-
Other receivables	-	21,683
Notes receivable	2,191,269	1,302,994
Investments	<u>18,780,889</u>	<u>14,275,089</u>
Financial assets, at year-end	\$ 21,461,654	\$ 15,918,749
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	(2,769,719)	(2,316,532)
Restricted by donor in perpetuity	(195,004)	(104,879)
Funds held for other organizations as agency endowments	(10,351,319)	(6,788,992)
Long-term notes receivable	(1,759,610)	(1,289,881)
Board designations:		
Amounts set aside for purpose designations	<u>(6,224,477)</u>	<u>(5,667,604)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 161,525</u>	<u>\$ (249,139)</u>

The Foundation regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and investments.