




# **Evanston Community Foundation, Inc. and Subsidiary**

**Independent Auditor's Report, Consolidated Financial  
Statements and Supplementary Information**

December 31, 2024 and 2023



**Evanston Community Foundation, Inc.  
And Subsidiary  
Contents  
December 31, 2024 and 2023**

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## **Independent Auditor's Report**

Board of Directors  
Evanston Community Foundation, Inc.  
and Subsidiary  
Evanston, Illinois

### ***Opinion***

We have audited the consolidated financial statements of Evanston Community Foundation, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flow for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Evanston Community Foundation, Inc. and Subsidiary as of December 31, 2024 and 2023, 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 Consolidated Financial Statements" section of our report. We are required to be independent of Evanston Community Foundation, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

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

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

### ***Auditor's 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 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 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 Evanston Community Foundation, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Evanston Community Foundation, Inc. and Subsidiary'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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Evanston Community Foundation, Inc. and Subsidiary's basic consolidated financial statements. The supplementary information as listed on the table of contents is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated

financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

**Forvis Mazars, LLP**

Chicago, Illinois  
September 12, 2025

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidated Statements of Financial Position

|                                          | <b>December 31,</b>  |                      |
|------------------------------------------|----------------------|----------------------|
|                                          | <b>2024</b>          | <b>2023</b>          |
| <b>ASSETS</b>                            |                      |                      |
| Cash and cash equivalents                | \$ 2,971,348         | \$ 2,684,159         |
| Accounts receivable                      |                      |                      |
| Pledges receivable                       | 170,000              | 55,250               |
| Investment income receivable             | 120,421              | 33,609               |
| Other receivables                        | 11,283               | 17,919               |
| Investments, at fair value               | 41,372,145           | 36,043,541           |
| Prepaid expenses and other assets        | 14,805               | 8,379                |
| Right-of-use assets - operating lease    | -                    | 66,166               |
|                                          | <hr/>                | <hr/>                |
| Total assets                             | <b>\$ 44,660,002</b> | <b>\$ 38,909,023</b> |
|                                          | <hr/> <hr/>          | <hr/> <hr/>          |
| <b>LIABILITIES AND NET ASSETS</b>        |                      |                      |
| <b>LIABILITIES</b>                       |                      |                      |
| Accounts payable and accrued liabilities | \$ 218,907           | \$ 110,564           |
| Deferred revenue                         | 18,500               | 16,090               |
| Grants payable                           | 244,000              | 256,850              |
| Charitable gift annuities payable        | -                    | 1,251                |
| Funds held as organization endowments    | 13,746,753           | 10,468,623           |
| Operating lease liability                | -                    | 67,708               |
|                                          | <hr/>                | <hr/>                |
| Total liabilities                        | <b>14,228,160</b>    | <b>10,921,086</b>    |
|                                          | <hr/>                | <hr/>                |
| <b>Net Assets</b>                        |                      |                      |
| Without donor restrictions               | 17,038,085           | 14,540,842           |
| With donor restrictions                  | 13,393,757           | 13,447,095           |
|                                          | <hr/>                | <hr/>                |
| Total net assets                         | <b>30,431,842</b>    | <b>27,987,937</b>    |
|                                          | <hr/>                | <hr/>                |
| Total Liabilities and net assets         | <b>\$ 44,660,002</b> | <b>\$ 38,909,023</b> |
|                                          | <hr/> <hr/>          | <hr/> <hr/>          |

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidated Statements of Activities and Changes in Net Assets

|                                                                | Year Ended December 31, 2024 |                         |                      | Year Ended December 31, 2023 |                         |                      |
|----------------------------------------------------------------|------------------------------|-------------------------|----------------------|------------------------------|-------------------------|----------------------|
|                                                                | Without Donor Restrictions   | With Donor Restrictions | Total                | Without Donor Restrictions   | With Donor Restrictions | Total                |
| <b>REVENUES</b>                                                |                              |                         |                      |                              |                         |                      |
| Support revenue                                                |                              |                         |                      |                              |                         |                      |
| Board-designated endowment and field of interest contributions | \$ 662,548                   | \$ 26,085               | \$ 688,633           | \$ 103,888                   | \$ 8,236                | \$ 112,124           |
| Operating contributions                                        | 1,060,805                    | 150,000                 | 1,210,805            | 1,132,731                    | 17,750                  | 1,150,481            |
| Other fund contributions                                       | 2,566,939                    | 973,966                 | 3,540,905            | 1,570,708                    | 1,354,790               | 2,925,498            |
|                                                                | <u>4,290,292</u>             | <u>1,150,051</u>        | <u>5,440,343</u>     | <u>2,807,327</u>             | <u>1,380,776</u>        | <u>4,188,103</u>     |
| Program revenue                                                |                              |                         |                      |                              |                         |                      |
| Tuition and fees plus event revenue - net                      | 33,968                       | -                       | 33,968               | (9,933)                      | -                       | (9,933)              |
| Net investment return                                          | 1,758,173                    | 1,374,793               | 3,132,966            | 1,805,665                    | 1,523,377               | 3,329,042            |
| Net assets released from restrictions                          | 1,776,416                    | (1,776,416)             | -                    | 1,757,692                    | (1,757,692)             | -                    |
| Total revenues                                                 | <u>7,858,849</u>             | <u>748,428</u>          | <u>8,607,277</u>     | <u>6,360,751</u>             | <u>1,146,461</u>        | <u>7,507,212</u>     |
| <b>EXPENSES</b>                                                |                              |                         |                      |                              |                         |                      |
| Program services                                               | 4,466,384                    | -                       | 4,466,384            | 3,597,744                    | -                       | 3,597,744            |
| Supporting services                                            |                              |                         |                      |                              |                         |                      |
| Management and general                                         | 588,071                      | -                       | 588,071              | 526,258                      | -                       | 526,258              |
| Fund raising                                                   | 307,151                      | -                       | 307,151              | 314,675                      | -                       | 314,675              |
|                                                                | <u>895,222</u>               | <u>-</u>                | <u>895,222</u>       | <u>840,933</u>               | <u>-</u>                | <u>840,933</u>       |
| Total expenses                                                 | <u>5,361,606</u>             | <u>-</u>                | <u>5,361,606</u>     | <u>4,438,677</u>             | <u>-</u>                | <u>4,438,677</u>     |
| Transfer to funds held as organization endowments              | -                            | (801,766)               | (801,766)            | -                            | -                       | -                    |
| CHANGE IN NET ASSETS                                           | 2,497,243                    | (53,338)                | 2,443,905            | 1,922,074                    | 1,146,461               | 3,068,535            |
| Net assets, beginning of year                                  | 14,540,842                   | 13,447,095              | 27,987,937           | 12,618,768                   | 12,300,634              | 24,919,402           |
| NET ASSETS, END OF YEAR                                        | <u>\$ 17,038,085</u>         | <u>\$ 13,393,757</u>    | <u>\$ 30,431,842</u> | <u>\$ 14,540,842</u>         | <u>\$ 13,447,095</u>    | <u>\$ 27,987,937</u> |

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2024

|                                              | Supporting Services |                              |                 |            | Total        |
|----------------------------------------------|---------------------|------------------------------|-----------------|------------|--------------|
|                                              | Program<br>Services | Management<br>and<br>General | Fund<br>Raising | Total      |              |
| Personnel                                    |                     |                              |                 |            |              |
| Salaries                                     | \$ 790,655          | \$ 337,458                   | \$ 196,394      | \$ 533,852 | \$ 1,324,507 |
| Payroll taxes and benefits                   | 156,210             | 71,878                       | 38,432          | 110,310    | 266,520      |
| Staff and board expenses                     | 35,307              | 33,563                       | 6,672           | 40,235     | 75,542       |
|                                              | 982,172             | 442,899                      | 241,498         | 684,397    | 1,666,569    |
| Total personnel                              |                     |                              |                 |            |              |
| Annual report and publications               | 17,831              | -                            | 4,458           | 4,458      | 22,289       |
| Program and community engagement expense     | 44,054              | -                            | -               | -          | 44,054       |
| Communications                               | 59,449              | 9,534                        | 33,486          | 43,020     | 102,469      |
| Dues and subscriptions                       | 10,093              | 3,166                        | 5,941           | 9,107      | 19,200       |
| Occupancy expenses                           | 64,086              | 42,148                       | 8,791           | 50,939     | 115,025      |
| Office expenses and supplies                 | 22,327              | 21,132                       | 4,874           | 26,006     | 48,333       |
| Postage and printing                         | 9,439               | 1,692                        | 2,651           | 4,343      | 13,782       |
| Professional fees                            | 200,723             | 67,500                       | 5,452           | 72,952     | 273,675      |
|                                              | 1,410,174           | 588,071                      | 307,151         | 895,222    | 2,305,396    |
| Total operating expenses                     |                     |                              |                 |            |              |
| Donor advised grants                         | 1,257,689           | -                            | -               | -          | 1,257,689    |
| Foundation grants awarded                    | 1,176,892           | -                            | -               | -          | 1,176,892    |
| Fiscal sponsorship grants and expenses       | 621,629             | -                            | -               | -          | 621,629      |
|                                              | 3,056,210           | -                            | -               | -          | 3,056,210    |
| Total grants and fiscal sponsorship expenses |                     |                              |                 |            |              |
| Total functional expenses                    | \$ 4,466,384        | \$ 588,071                   | \$ 307,151      | \$ 895,222 | \$ 5,361,606 |

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2023

|                                          | Supporting Services |                              |                 |            | Total        |
|------------------------------------------|---------------------|------------------------------|-----------------|------------|--------------|
|                                          | Program<br>Services | Management<br>and<br>General | Fund<br>Raising | Total      |              |
| Personnel                                |                     |                              |                 |            |              |
| Salaries                                 | \$ 772,405          | \$ 283,207                   | \$ 169,071      | \$ 452,278 | \$ 1,224,683 |
| Payroll taxes and benefits               | 148,772             | 76,666                       | 29,020          | 105,686    | 254,458      |
| Staff and board expenses                 | 28,879              | 15,617                       | 3,174           | 18,791     | 47,670       |
|                                          | 950,056             | 375,490                      | 201,265         | 576,755    | 1,526,811    |
| Annual report and publications           | 18,308              | -                            | 4,577           | 4,577      | 22,885       |
| Program and community engagement expense | 28,380              | -                            | -               | -          | 28,380       |
| Communications                           | 21,078              | 2,969                        | 22,941          | 25,910     | 46,988       |
| Dues and subscriptions                   | 14,428              | 3,517                        | 7,324           | 10,841     | 25,269       |
| Occupancy expenses                       | 77,381              | 36,493                       | 7,809           | 44,302     | 121,683      |
| Office expenses and supplies             | 11,342              | 24,600                       | 6,548           | 31,148     | 42,490       |
| Postage and printing                     | 4,069               | 985                          | 3,610           | 4,595      | 8,664        |
| Professional fees                        | 127,680             | 81,530                       | 60,457          | 141,987    | 269,667      |
| Depreciation and amortization            | 1,246               | 674                          | 144             | 818        | 2,064        |
|                                          | 1,253,968           | 526,258                      | 314,675         | 840,933    | 2,094,901    |
| Donor advised grants                     | 530,808             | -                            | -               | -          | 530,808      |
| Foundation grants awarded                | 1,127,101           | -                            | -               | -          | 1,127,101    |
| Fiscal sponsorship grants and expenses   | 685,867             | -                            | -               | -          | 685,867      |
|                                          | 2,343,776           | -                            | -               | -          | 2,343,776    |
| Total functional expenses                | \$ 3,597,744        | \$ 526,258                   | \$ 314,675      | \$ 840,933 | \$ 4,438,677 |

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidated Statements of Cash Flows

|                                                  | Years Ended<br>December 31, |                            |
|--------------------------------------------------|-----------------------------|----------------------------|
|                                                  | 2024                        | 2023                       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>      |                             |                            |
| Change in net assets                             | \$ 2,443,905                | \$ 3,068,535               |
| Items not requiring (providing) cash             |                             |                            |
| Net investment gains                             | (2,976,265)                 | (3,707,109)                |
| Depreciation and amortization                    | -                           | 2,064                      |
| Stock gifts donated to investment account        | (2,619,693)                 | (1,403,469)                |
| Noncash operating lease expense                  | 66,166                      | 98,375                     |
| Changes in                                       |                             |                            |
| Pledges receivable                               | (114,750)                   | 50,590                     |
| Investment income receivable                     | (86,812)                    | -                          |
| Other receivables                                | 6,636                       | 80,268                     |
| Prepaid expenses and other assets                | (6,426)                     | (1,500)                    |
| Accounts payable and accrued liabilities         | 108,343                     | 46,152                     |
| Deferred revenue                                 | 2,410                       | (1,160)                    |
| Grants payable                                   | (12,850)                    | 9,550                      |
| Charitable gift annuities payable                | (1,251)                     | (1,437)                    |
| Funds held as organization endowments            | 3,278,130                   | 911,510                    |
| Operating lease liability                        | (67,708)                    | (99,147)                   |
|                                                  | <u>19,835</u>               | <u>(946,778)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |                             |                            |
| Proceeds from investment sales                   | 5,477,580                   | 7,915,265                  |
| Purchase of investments                          | (5,210,226)                 | (6,097,220)                |
|                                                  | <u>267,354</u>              | <u>1,818,045</u>           |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b> | 287,189                     | 871,267                    |
| Cash and cash equivalents                        |                             |                            |
| Beginning of year                                | <u>2,684,159</u>            | <u>1,812,892</u>           |
| End of year                                      | <u><u>\$ 2,971,348</u></u>  | <u><u>\$ 2,684,159</u></u> |

## **NOTE 1 – ORGANIZATION ACTIVITIES**

The Evanston Community Foundation, Inc. ("ECF") mobilizes community resources to drive systemic social change and build a thriving, resilient Evanston. We achieve this by:

- Investing in the community with a long-term and sustainable perspective
- Empowering leaders to foster innovation and collaboration
- Prioritizing community voice and choice

Evanston Community Foundation, Inc. ("ECF") was established in 1986 to address our community's long term challenges and unforeseeable future needs. Our founders saw the opportunity to realize Evanston's potential to thrive as a vibrant, equitable and inclusive community. Together with our donors, partners and volunteers, we are committed to a better future for Evanston. We listen to the community, respond to the needs of our nonprofit partners, and engage our donors in our work. ECF is an Illinois nonprofit corporation and a federally tax-exempt organization under Section 501c3 of the Internal Revenue Code.

ECF builds endowments for the future, while providing resources for the present. We are a catalyst for growth and change, taking on community issues by collaborating and connecting with partners throughout Evanston and beyond. ECF supports donors in achieving their philanthropic goals, providing expertise, local knowledge and a range of giving options for both the short- and long-term. ECF strengthens Evanston's nonprofit organizations through innovative grantmaking and ongoing engagement with grantees, adapting our grant offerings and assessing their effectiveness. Our Leadership Evanston programs build leadership capacity for Evanston and expand civic engagement. Through the intersection of these activities, ECF fosters collaborative community leadership and encourages local charitable giving.

Taken together, the programs of ECF and its controlled subsidiary Evanston Cradle to Career, LLC (collectively referred to as the "Foundation") increase the capacity and impact of our community's nonprofits and further the commitments articulated in ECF's strategic plan. We view our work through the lens of "Ubuntu", which means "I am because you are." Through this lens and our strategic plan, we will:

- Promote and advocate for systemic racial justice and equitable opportunity by uniting partners across philanthropy, nonprofits, business, and government, to permanently strengthen our community.
- Inspire and galvanize community giving to respond to immediate and future needs, focus on racial justice, and build future philanthropic leaders.
- Harness community expertise of those most impacted by structural racism to identify and invest in holistic solutions, resulting in a more equitable and interconnected community that works for all.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **BASIS OF PRESENTATION**

The consolidated financial statements include the accounts of Evanston Community Foundation, Inc. and its controlled subsidiary Evanston Cradle to Career, LLC. All material inter-organizational accounts and transactions have been eliminated in consolidation. The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

These consolidated financial statements do not include ECF's affiliated entity, Evanston Community Cooperative (ECC). The total assets, liabilities, equity, revenue and expenses of ECC were not material to these consolidated financial statements as of and for the years ended December 31, 2024 and 2023.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **BASIS OF ACCOUNTING**

The consolidated financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

### **FUND ACCOUNTING**

For internal purposes and in order to comply with restrictions donors place on contributions or designations made by the Foundation's Board of Directors ("the Board"), the principles of fund accounting are used. The Foundation has established separate funds for significant contributions intended for specific use, either as directed by the donor or as determined by the Board. At the inception of a fund, the Foundation and the donor execute an agreement defining the spending policy and providing for the allocation of investment returns and accounting and investment expenses. In addition, fund agreements provide for the Foundation to assess an annual fee for fund support services.

### **USE OF ESTIMATES**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

### **NET ASSET CLASSIFICATIONS**

Net assets are classified according to the Foundation's governing documents and, depending on the specific terms of fund agreements with the donor, may be recorded as net assets with donor restrictions or without donor restrictions.

*Net assets without donor restrictions* are those assets that are not subject to donor-imposed stipulations plus those resources for which temporary, donor-imposed stipulations have been satisfied. Net assets without donor restrictions may also be designated for specific purposes by action of the Board.

Donor Advised Funds are established by the Board with contributions received from individual donors and are governed by agreements that allow the donors to recommend distributions to eligible 501(c)(3) charitable organizations. Although donors retain the right to request distributions to specified organizations or organizations to be named in the future, the Board is not obligated to comply with the donor distribution request and therefore these funds are almost always considered without donor restrictions. Donor Advised Funds may also be restricted as to purpose.

*Net assets with donor restrictions* are subject to donor or grantor-imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash in financial institutions and money market funds, and includes \$2,212,710 and \$1,784,673 held in a custodial investment account at December 31, 2024 and 2023, respectively.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **RECEIVABLES**

Receivables consist of pledges, contributions and accrued investment income, and are reported at net realizable value, which is the amount management expects to collect from balances outstanding at year-end. Unconditional promises to give or pledges expected to be collected within one year are recorded at net realizable value at the date of receipt. To the extent there are any unconditional promises to give expected to be collected in future years, those are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates determined to be applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met. Management considers receivables to be collectible at December 31, 2024 and 2023. Accordingly, no allowance for credit losses is required. The preponderance of pledges receivable at December 31, 2024 and 2023, were due within one year.

### **INVESTMENTS AND SPENDING POLICY**

The Foundation has an Investment and Spending Policy to preserve, in perpetuity, the purchasing power of its assets while providing a growing stream of income to fund grants and programs, and to support its operations (see Note 6). Investments are stated at fair market value primarily based on quoted market prices. Investment income is recorded on the accrual basis; purchases and sales of investments are reflected on a trade-date basis. Unrealized gains or losses are based on the change in market value of the assets from the beginning to the end of the fiscal year. Realized gains or losses are based on the change in market value of the assets from the date acquired to the date of sale. Investment revenues are reported net of related investment expenses in the consolidated statements of activities and changes in net assets.

The Foundation's articles of incorporation and fund agreements provide for distributions from the endowed funds of the Foundation in accordance with the Investment and Spending Policy. The policy provides for spending a maximum of 6% and a minimum of 3.5% of the three-year moving average of the fund market value. The Board determines the percentage to be used for the spending objective as part of the budget process. The policy also provides for the Foundation to spend funds which do not affect the Board-designated endowment funds, such as contributions for current grantmaking, programs or administrative expenses; income from fees and tuition; grants from donor advised funds; distributions from organization funds, and charitable gift annuity payments; as well as other amounts determined by the Board to be allocated to the budget.

### **LEASEHOLD IMPROVEMENTS, FURNITURE AND EQUIPMENT**

Leasehold improvements, furniture and equipment are recorded at cost and depreciated or amortized on a straight-line basis over the estimated useful lives of the assets, except for leasehold improvements which are amortized over the shorter of the term of the lease or estimated useful life. Major renewals and betterments of \$3,500 or more which extend the useful life of an asset are capitalized, while routine maintenance and repairs are expensed as incurred. The estimated useful lives of the various classes of assets are as follows:

- Computers, software and website - 3 years
- Leasehold improvements - 5 years
- Office equipment - 3-5 years
- Furniture - 7 years

### **DEFERRED REVENUE**

Tuition revenue is deferred and recognized over the periods to which the tuition relates.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **CONTRIBUTIONS**

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

### **RECOGNITION OF SUPPORT AND REVENUE**

Contributions from individuals, corporate donors, donor advised funds, other nonprofits and private foundations are recognized as support revenue. All contributions and private grants are classified as without donor restrictions unless specifically restricted by the donor or by laws and regulations.

Contributions primarily consist of cash and securities received from donors. Securities and other assets received as contributions are recorded at fair market value at the date of gift.

Tuition, fees and events are recognized during the period they are earned and are reflected net of scholarships and related expenses of \$82,008 in 2024 and \$79,734 in 2023.

### **CONTRIBUTED GOODS AND SERVICES**

The Foundation occasionally receives donated goods and services for its events, meetings and programs. In 2024 and 2023, the Foundation received and recorded in-kind donations with a value of \$4,370 and \$7,259 respectively. In addition, numerous unpaid volunteers and members of the Foundation's Board of Directors make significant contributions of their time to the Foundation and its programs. The value of these services is not reflected in these consolidated financial statements since they do not meet the criteria for recognition.

### **FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Expenses are charged directly to programs, management and general, or fundraising categories based upon specific identification where possible. The majority of other costs, including salaries, benefits, payroll taxes, occupancy and office expenses have been allocated to the programs and supporting services on the basis of time and effort estimates.

### **GRANT EXPENSE**

Grants made are recorded in the year that the funds are authorized by the Board of Directors. Funds authorized but not disbursed are reported in the consolidated statements of financial position as grants payable.

### **RECLASSIFICATION**

Certain reclassifications have been made to the 2023 consolidated financial statements to conform to the 2024 consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

**Evanston Community Foundation, Inc. and Subsidiary**  
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**NOTE 3 – TAX STATUS**

The Foundation is an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of the state law. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The Foundation recognizes the consolidated financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Foundation has no on-going federal or state income tax audits.

**NOTE 4 – FISCAL SPONSORSHIP**

On July 1, 2017, the Foundation became the fiscal sponsor for Evanston Cradle to Career (EC2C). Evanston Township High School, the former fiscal sponsor for EC2C, transferred the net assets of \$351,405 of EC2C to the Foundation in July 2017, to capitalize Evanston Cradle to Career, LLC. Additionally, all of the employees of EC2C, as well as EC2C's contracts and agreements, were transferred to the Foundation. There was no consideration transferred for this transaction. This change in control is an effort to fulfill EC2C's mission under a governance structure that is effective for the collective member organizations.

**NOTE 5 – CONCENTRATIONS AND UNCERTAINTIES**

In 2024 and 2023, five donors provided approximately 60% and 50%, respectively, of total support revenues.

The Foundation maintains cash in bank deposit and money market accounts which, at times, may exceed insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2024, the Foundation had funds in excess of insured limits of approximately \$1,039,000.

The invested assets of the Foundation are held in a custodial account of a major financial institution that maintains private insurance in an amount exceeding the Foundation's assets to cover any potential fiduciary loss. Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Foundation and the amounts reported in the consolidated statements of financial position and activities and changes in net assets. The Foundation has a diversified investment portfolio designed to fulfill investment objectives and minimize market risk.

**NOTE 6 – INVESTMENTS**

The Foundation’s objective is to achieve over time an annual total return that exceeds budgeted spending plus an amount equal to the increase in the Consumer Price Index during the preceding year. The current spending policy is to distribute an amount between 3.5% - 6% of a moving three-year average of the Foundation’s endowed fund balances. The Foundation’s Board of Directors approves the spending policy each year.

The investment policy has guidelines regarding both percentage allocations to asset classes as well as to holdings within asset classes. The Foundation’s Board has adopted the following asset allocation strategy to achieve its investment objective. The 2024 and 2023 portfolios were within policy guidelines.

|              | Overall<br>Asset<br>Allocation | Intra Asset-Class Allocation |                                             |                                              |
|--------------|--------------------------------|------------------------------|---------------------------------------------|----------------------------------------------|
|              |                                | Domestic<br>Markets          | Foreign<br>Including<br>Emerging<br>Markets | Other<br>Categories                          |
| Equities     | 45-65%                         | min. 30%                     | max. 20%                                    |                                              |
| Fixed income | 15-35%                         | min. 15%                     | max. 10%                                    |                                              |
| Other*       | 0-20%                          |                              |                                             | max. of 10%<br>in any of 4<br>subcategories* |

\*Other may include investments in real estate, commodity indexes, hedge funds or private equity; up to 50% of the other segment may be allocated to illiquid alternative investments.

**NOTE 7 – FAIR VALUE MEASUREMENTS AND DISCLOSURES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1:* Quoted prices in active markets for identical assets or liabilities
- Level 2:* Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3:* Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

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**NOTE 7 – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)**

RECURRING MEASUREMENTS

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024 and 2023:

|                           | Total<br>Fair Value  | Fair Value Measurements Using                                                 |                                                           |                                                    | Investments<br>Measured<br>at NAV (A) |
|---------------------------|----------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|---------------------------------------|
|                           |                      | Quoted<br>Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |                                       |
| December 31, 2024         |                      |                                                                               |                                                           |                                                    |                                       |
| Equity mutual funds       |                      |                                                                               |                                                           |                                                    |                                       |
| Domestic                  | \$ 23,220,936        | \$ 23,220,936                                                                 | \$ -                                                      | \$ -                                               | \$ -                                  |
| International             | 4,167,583            | 4,167,583                                                                     | -                                                         | -                                                  | -                                     |
| Fixed income mutual funds |                      |                                                                               |                                                           |                                                    |                                       |
| Domestic                  | 4,757,418            | 4,757,418                                                                     | -                                                         | -                                                  | -                                     |
| U.S. Treasury obligations | 5,227,192            | 5,227,192                                                                     | -                                                         | -                                                  | -                                     |
| Other                     | 3,999,016            | 2,976,009                                                                     | -                                                         | -                                                  | 1,023,007                             |
| <b>Total</b>              | <b>\$ 41,372,145</b> | <b>\$ 40,349,138</b>                                                          | <b>\$ -</b>                                               | <b>\$ -</b>                                        | <b>\$ 1,023,007</b>                   |
| December 31, 2023         |                      |                                                                               |                                                           |                                                    |                                       |
| Equity mutual funds       |                      |                                                                               |                                                           |                                                    |                                       |
| Domestic                  | \$ 18,751,860        | \$ 18,751,860                                                                 | \$ -                                                      | \$ -                                               | \$ -                                  |
| International             | 3,804,903            | 3,804,903                                                                     | -                                                         | -                                                  | -                                     |
| Fixed income mutual funds |                      |                                                                               |                                                           |                                                    |                                       |
| Domestic                  | 4,277,412            | 4,277,412                                                                     | -                                                         | -                                                  | -                                     |
| U.S. Treasury obligations | 6,161,984            | 6,161,984                                                                     | -                                                         | -                                                  | -                                     |
| Other                     | 3,047,382            | 2,184,425                                                                     | -                                                         | -                                                  | 862,957                               |
| <b>Total</b>              | <b>\$ 36,043,541</b> | <b>\$ 35,180,584</b>                                                          | <b>\$ -</b>                                               | <b>\$ -</b>                                        | <b>\$ 862,957</b>                     |

(A) Certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient, have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2024 and 2023.

**NOTE 7 – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)**

**INVESTMENTS**

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities if any are classified in Level 2 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**ALTERNATIVE INVESTMENTS**

Investments in certain entities measured at fair value using the net asset value per share as a practical expedient consist of the following:

|                                  | Fair Value Estimated Using NAV (or its Equivalent) |                     |                      |                          |
|----------------------------------|----------------------------------------------------|---------------------|----------------------|--------------------------|
|                                  | Fair Value                                         | Unfunded Commitment | Redemption Frequency | Redemption Period Notice |
| December 31, 2024                |                                                    |                     |                      |                          |
| Investment in                    |                                                    |                     |                      |                          |
| Real estate limited partnership* | \$ 684,424                                         | \$ 354,843          | (A)                  | (A)                      |
| Private equity Fund              | \$ 338,583                                         | \$ 286,099          | (B)                  | (B)                      |
| December 31, 2023                |                                                    |                     |                      |                          |
| Investment in                    |                                                    |                     |                      |                          |
| Real estate limited partnership* | \$ 558,382                                         | \$ 292,655          | (A)                  | (A)                      |
| Private equity Fund              | \$ 304,575                                         | \$ 325,474          | (B)                  | (B)                      |

\* Investment period for this initial fund ran through September 22, 2021. The investment term runs through March 22, 2026, subject to two one-year extensions. The investment period for a second fund runs through November 4, 2024. Its investment term runs through May 4, 2029, and subject to two one-year extensions.

- (A) This class comprises three real estate funds that invest primarily in U.S. commercial, hospitality, industrial and residential real estate. The fair values of the investment in this class have been estimated using the net asset value per share of the investment. This investment can never be redeemed. Distributions from the fund will be made as the underlying investments of the fund are liquidated.
- (B) This class comprises one private equity fund that invest primarily in a portfolio of venture capital, levered buyout, infrastructure pooled investment vehicles, and portfolio companies in the impact spectrum. This investment can never be redeemed. Distributions from the fund will be made as the underlying assets of the private equity fund are liquidated.

**Evanston Community Foundation, Inc. and Subsidiary**  
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**NOTE 8 – LEASEHOLD IMPROVEMENTS, FURNITURE AND EQUIPMENT**

Leasehold improvements, furniture and equipment consist of the following at December 31, 2024 and 2023:

|                                                 | 2024      | 2023      |
|-------------------------------------------------|-----------|-----------|
| Computers, software and website                 | \$ 97,596 | \$ 97,596 |
| Leasehold improvements                          | 53,445    | 53,445    |
| Office equipment                                | 9,666     | 9,666     |
| Furniture                                       | 3,403     | 3,403     |
|                                                 | 164,110   | 164,110   |
| Less: accumulated depreciation and amortization | 164,110   | 164,110   |
|                                                 | \$ -      | \$ -      |

Depreciation and amortization expense was \$0 in 2024 and \$2,064 in 2023.

**NOTE 9 – FUNDS HELD AS ORGANIZATION ENDOWMENTS**

Funds held as organization endowments represent assets of other nonprofit organizations that have been conveyed to the Foundation to establish funds for the benefit of the organizations. The assets become a part of the Foundation’s investment portfolio, and receive an allocation of investment returns, as well as of investment and accounting expenses. These funds are also assessed an administrative fee.

The Foundation currently holds 90 funds from 25 organizations. The fair value of these funds was \$13,746,753 at December 31, 2024, and \$10,468,623 at December 31, 2023. The Foundation may receive contributions to these funds, and the organizations receive periodic distributions from the funds. Total contributions received were \$1,670,026 in 2024 and \$35,605 in 2023. Total distributions were \$340,469 in 2024 and \$346,513 in 2023.

In accordance with U.S. generally accepted accounting principles, these assets are reported in the consolidated statements of financial position as a liability entitled *Funds held as organization endowments*. Accordingly, such assets received by the Foundation are not included in the consolidated statements of activities and changes in net assets as contributions to the Foundation.

**Evanston Community Foundation, Inc. and Subsidiary**  
Notes to Consolidated Financial Statements  
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**NOTE 10 – ENDOWMENT FUNDS**

The composition of Endowment Funds by type of fund as of December 31, 2024 and 2023, is as follows:

|                                                     | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|-----------------------------------------------------|----------------------------------|----------------------------|----------------------|
| December 31, 2024                                   |                                  |                            |                      |
| Board-designated endowments                         | \$ 9,379,208                     | \$ -                       | \$ 9,379,208         |
| Board-directed field of interest<br>endowment funds | -                                | 10,773,165                 | 10,773,165           |
| Donor-designated endowment funds                    | -                                | 1,246,483                  | 1,246,483            |
|                                                     | <u>\$ 9,379,208</u>              | <u>\$ 12,019,648</u>       | <u>\$ 21,398,856</u> |
| December 31, 2023                                   |                                  |                            |                      |
| Board-designated endowments                         | \$ 8,161,599                     | \$ -                       | \$ 8,161,599         |
| Board-directed field of interest<br>endowment funds | -                                | 10,202,520                 | 10,202,520           |
| Donor-designated endowment funds                    | -                                | 1,159,939                  | 1,159,939            |
|                                                     | <u>\$ 8,161,599</u>              | <u>\$ 11,362,459</u>       | <u>\$ 19,524,058</u> |

Changes in Endowment Net Assets for the years ended December 31, 2024 and 2023, are as follows:

|                                  | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|----------------------------------|----------------------------------|----------------------------|----------------------|
| December 31, 2022                | \$ 7,465,614                     | \$ 10,576,398              | \$ 18,042,012        |
| Contributions                    | 103,889                          | 54,111                     | 158,000              |
| Interest and dividends           | 183,534                          | 259,554                    | 443,088              |
| Net realized losses              | (107,916)                        | (152,614)                  | (260,530)            |
| Net unrealized gains             | 916,357                          | 1,295,912                  | 2,212,269            |
| Amounts released for expenditure | (399,879)                        | (670,902)                  | (1,070,781)          |
| December 31, 2023                | 8,161,599                        | 11,362,459                 | 19,524,058           |
| Contributions                    | 662,548                          | 57,980                     | 720,528              |
| Interest and dividends           | 299,111                          | 374,807                    | 673,918              |
| Net realized gains               | 177,822                          | 221,479                    | 399,301              |
| Net unrealized gains             | 472,324                          | 699,217                    | 1,171,541            |
| Amounts released for expenditure | (394,196)                        | (696,294)                  | (1,090,490)          |
| December 31, 2024                | <u>\$ 9,379,208</u>              | <u>\$ 12,019,648</u>       | <u>\$ 21,398,856</u> |

**Evanston Community Foundation, Inc. and Subsidiary**  
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**NOTE 11 – NET ASSETS**

Accounting policies related to Net Assets are presented in Note 2. Information regarding the two categories of net assets is as follows:

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions at December 31, 2024 and 2023, consist of:

|                                            | <u>2024</u>          | <u>2023</u>          |
|--------------------------------------------|----------------------|----------------------|
| Endowed Funds                              |                      |                      |
| Board-designated endowed Fund for Evanston | \$ 5,141,243         | \$ 4,826,523         |
| Board-designated Endowed Foundation and    |                      |                      |
| Leadership Funds                           | <u>4,237,965</u>     | <u>3,335,076</u>     |
| Total Endowed Funds                        | <u>9,379,208</u>     | <u>8,161,599</u>     |
| Unendowed Funds                            |                      |                      |
| General Operating Fund                     | (723,839)            | (331,699)            |
| Donor Advised Funds                        | <u>8,382,716</u>     | <u>6,710,942</u>     |
| Total Unendowed Funds                      | <u>7,658,877</u>     | <u>6,379,243</u>     |
|                                            | <u>\$ 17,038,085</u> | <u>\$ 14,540,842</u> |

The Board-designated endowed Fund for Evanston, the Foundation Fund, as well as Leadership fund, have been designated by the Board to grow in perpetuity while generating annual spending allowances to support Foundation operations, grantmaking, and programs. The General Operating Fund, also known as the Now!Fund, was established in 2000 to fund the Foundation’s day-to-day operations. In 2020, the Board approved a \$160,000 loan from the organization endowment, to be allocated towards grantmaking. In 2023, this resulted in a negative year balance for the General Operating fund. In 2024, the General Operating fund continued to have a negative balance as the organization made a strategic decision to budget for a deficit while investing in staffing and infrastructural stability. Additionally, the organization launched a multi-year campaign to fundraise for the Forever Fund (organizational endowment), so more focused effort went to supporting those contributions.

In 2024, the Board approved, as requested, spending from Donor Advised Funds in the amount of \$1,697,189, with \$1,257,689 paid to other charitable organizations, and a total of \$439,500 transferred to other funds of the Foundation. In 2023, the Board approved, as requested, spending from Donor Advised Funds in the amount of \$689,506, with \$529,527 paid to other charitable organizations, and a total of \$159,979 transferred to other funds of the Foundation.

**Evanston Community Foundation, Inc. and Subsidiary**  
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**NOTE 11 – NET ASSETS (Continued)**

**NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2024 and 2023, are restricted for the following purposes or periods:

|                                                                                                                     | <u>2024</u>              | <u>2023</u>              |
|---------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Subject to expenditure for specified purpose:                                                                       |                          |                          |
| Donor advised funds                                                                                                 | \$ 693,023               | \$ 614,783               |
| Other restricted funds for specified purpose:                                                                       | <u>511,086</u>           | <u>1,414,602</u>         |
|                                                                                                                     | <u>1,204,109</u>         | <u>2,029,385</u>         |
| Subject to passage of time:                                                                                         |                          |                          |
| Gifts and promises to give that are not restricted by donors<br>but which are unavailable for expenditure until due | <u>170,000</u>           | <u>55,251</u>            |
| Endowments                                                                                                          |                          |                          |
| Subject to endowment spending policy and distribution for<br>specified purpose:                                     | 1,246,483                | 1,159,939                |
| Subject to NFP endowment spending policy and<br>distribution for specified purpose:                                 | <u>10,773,165</u>        | <u>10,202,520</u>        |
| Total endowments                                                                                                    | <u>12,019,648</u>        | <u>11,362,459</u>        |
| <br>Total net assets with donor restrictions                                                                        | <br><u>\$ 13,393,757</u> | <br><u>\$ 13,447,095</u> |

**NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended December 31, 2024 and 2023, as follows:

|                                                                  | <u>2024</u>             | <u>2023</u>             |
|------------------------------------------------------------------|-------------------------|-------------------------|
| Expiration of time restrictions                                  | <u>\$ 35,250</u>        | <u>\$ 55,250</u>        |
| Satisfaction of purpose restrictions                             |                         |                         |
| Donor advised funds                                              | 33,412                  | 22,880                  |
| Other restricted funds for specified purpose                     | <u>1,011,460</u>        | <u>1,128,377</u>        |
|                                                                  | <u>1,044,872</u>        | <u>1,151,257</u>        |
| Restricted purpose spending policy distributions                 | <u>45,879</u>           | <u>24,570</u>           |
| Board directed, restricted purpose spending policy distributions | <u>650,415</u>          | <u>526,615</u>          |
| <br>Total releases                                               | <br><u>\$ 1,776,416</u> | <br><u>\$ 1,757,692</u> |

**Evanston Community Foundation, Inc. and Subsidiary**  
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**NOTE 12 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year as of December 31, 2024 and 2023, comprise the following:

|                              | Financial<br>Assets  | Financial<br>Liquidity |
|------------------------------|----------------------|------------------------|
| December 31, 2024            |                      |                        |
| Cash and cash equivalents    | \$ 2,971,348         | \$ 2,971,348           |
| Receivables                  |                      |                        |
| Pledges receivable           | 170,000              | 170,000                |
| Investment income receivable | 120,421              | 120,421                |
| Other receivables            | 11,283               | 11,283                 |
| Investments, at fair value   | <u>41,372,145</u>    | <u>26,955,381</u>      |
|                              | <u>\$ 44,645,197</u> | <u>\$ 30,228,433</u>   |
| December 31, 2023            |                      |                        |
| Cash and cash equivalents    | \$ 2,684,159         | \$ 2,684,159           |
| Receivables                  |                      |                        |
| Pledges receivable           | 55,250               | 55,250                 |
| Investment income receivable | 33,609               | 33,609                 |
| Other receivables            | 17,919               | 17,919                 |
| Investments, at fair value   | <u>36,043,541</u>    | <u>21,733,489</u>      |
|                              | <u>\$ 38,834,478</u> | <u>\$ 24,524,426</u>   |

The Foundation regularly monitors liquidity to support spending for operations, grants and other mission related activities, as well as to meet the distribution requirements of net assets with donor restrictions. Significant unrestricted donor contributions for current spending are received annually and are available to meet cash needs for general expenditures. For the years ended December 31, 2024 and 2023, operating contributions of \$1,060,805 and \$1,132,731, respectively, were added to financial assets available to meet cash needs for general expenditures within one year.

The Foundation’s endowment funds consist of donor-restricted endowments and funds designated by the Board as unrestricted endowments. Annual spending from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

The Board-designated, unrestricted endowment of \$9,373,208 and \$8,161,599 as of December 31, 2024 and 2023, respectively, is subject to an annual spending rate, as described in Note 2 – Investments and Spending Policy. Although the Foundation does not intend to spend from this Board-designated endowment (other than amounts appropriated for general expenditure as part of the Board’s annual budget approval process), these amounts could be made available if necessary.

The Foundation manages its liquidity by operating within a prudent range of financial soundness and stability. The Foundation maintains adequate cash and short-term investments to fund near-term operating needs and a prudent level of illiquid investment in its portfolio to provide reasonable assurance that longer-term obligations will be discharged.

## **NOTE 13 – OPERATING LEASES**

### ***Accounting Policies***

The Foundation determines if an arrangement is a lease or contains a lease at inception if the contract conveys the right to control the use of identified property, or equipment (an identified asset) for a period of time in exchange for consideration.

Leases result in the recognition of ROU assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundation determines lease classification as operating or finance at the lease commencement date.

The Foundation combines lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office space.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Foundation has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Foundation is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Foundation has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

### ***Nature of Leases***

The Foundation has entered into the following lease arrangements:

#### ***Operating Leases***

The Foundation entered into a noncancellable sixty-month operating lease agreement commencing July 1, 2014, for office space at One Rotary Center in Evanston, Illinois. The lease provided an allowance of \$45,500 for leasehold improvements and specified minimum rental payments of \$5,879 per month plus annual escalation, subject to additional rent for increases in taxes and operating expenses. The lease was amended three times and expired in August 2025.

The Foundation entered into a new noncancellable operating lease agreement commencing in September 2025 and expiring in March 2033. The lease requires minimum monthly rental payments of \$9,669, subject to annual escalations. In addition, the Foundation is responsible for its proportionate share of property taxes and operating expenses.

#### ***All Leases***

The Foundation has no material related-party leases.

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**Evanston Community Foundation, Inc. and Subsidiary**  
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**NOTE 13 – OPERATING LEASES (Continued)**

*Quantitative Disclosures*

The lease cost and other required information for the years ended December 31, 2024 and 2023 are:

|                                                                        | <u>2024</u>       | <u>2023</u>       |
|------------------------------------------------------------------------|-------------------|-------------------|
| Lease costs                                                            |                   |                   |
| Operating lease costs                                                  | \$ 99,556         | \$ 99,556         |
| Variable lease costs                                                   | <u>15,469</u>     | <u>22,127</u>     |
| Total lease costs                                                      | <u>\$ 115,025</u> | <u>\$ 121,683</u> |
| Other information                                                      |                   |                   |
| Cash paid for amounts included in the measurement of lease liabilities |                   |                   |
| Operating cash flows from operating leases                             | \$ 101,450        | \$ 100,328        |
| Weighted average remaining lease term                                  |                   |                   |
| Operating leases                                                       | -                 | 0.67              |
| Weighted average discount rate                                         |                   |                   |
| Operating leases                                                       | 0.00%             | 1.04%             |

**NOTE 14 – RETIREMENT AND PENSION PLAN**

The Foundation has a noncontributory 403(b) plan in place for eligible employees. Employees are eligible to participate on the first of the month following employment. Effective January 1, 2009, the plan was amended to conform to new regulatory requirements. The Foundation elected to make voluntary contributions to the plan of \$ 14,185 and \$9,907 in 2024 and 2023, respectively.

**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 12, 2025, which is the date the consolidated financial statements were available to be issued.

## **Supplementary Information**

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidating Statements of Financial Position Information  
December 31, 2024

|                                              | <b>Evanston<br/>Community<br/>Foundation</b> | <b>Evanston<br/>Cradle to<br/>Career, LLC</b> | <b>Eliminations</b> | <b>Total</b>         |
|----------------------------------------------|----------------------------------------------|-----------------------------------------------|---------------------|----------------------|
| <b>ASSETS</b>                                |                                              |                                               |                     |                      |
| Cash and cash equivalents                    | \$ 2,480,472                                 | \$ 490,876                                    | \$ -                | \$ 2,971,348         |
| Accounts receivable                          |                                              |                                               |                     |                      |
| Pledges receivable                           | 170,000                                      | -                                             | -                   | 170,000              |
| Investment income receivable                 | 120,421                                      | -                                             | -                   | 120,421              |
| Other receivables                            | 18,446                                       | -                                             | (7,163)             | 11,283               |
| Investments, at fair value                   | 41,372,145                                   | -                                             | -                   | 41,372,145           |
| Prepaid expenses and other assets            | 13,805                                       | 1,000                                         | -                   | 14,805               |
| Investment in Evanston Cradle to Career, LLC | 351,405                                      | -                                             | (351,405)           | -                    |
|                                              | <u>\$ 44,526,694</u>                         | <u>\$ 491,876</u>                             | <u>\$ (358,568)</u> | <u>\$ 44,660,002</u> |
| <b>LIABILITIES AND NET ASSETS</b>            |                                              |                                               |                     |                      |
| <b>LIABILITIES</b>                           |                                              |                                               |                     |                      |
| Accounts payable and accrued liabilities     | \$ 171,224                                   | \$ 54,846                                     | \$ (7,163)          | \$ 218,907           |
| Deferred revenue                             | 18,500                                       | -                                             | -                   | 18,500               |
| Grants payable                               | 87,500                                       | 156,500                                       | -                   | 244,000              |
| Funds held as organization endowments        | 13,746,753                                   | -                                             | -                   | 13,746,753           |
|                                              | <u>14,023,977</u>                            | <u>211,346</u>                                | <u>(7,163)</u>      | <u>14,228,160</u>    |
| <b>NET ASSETS</b>                            |                                              |                                               |                     |                      |
| Without donor restrictions                   | 17,038,085                                   | -                                             | -                   | 17,038,085           |
| With donor restrictions                      | 13,464,632                                   | 280,530                                       | (351,405)           | 13,393,757           |
|                                              | <u>30,502,717</u>                            | <u>280,530</u>                                | <u>(351,405)</u>    | <u>30,431,842</u>    |
| Total liabilities and net assets             | <u>\$ 44,526,694</u>                         | <u>\$ 491,876</u>                             | <u>\$ (358,568)</u> | <u>\$ 44,660,002</u> |

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidating Statements of Financial Position Information  
December 31, 2023

|                                              | <u>Evanston<br/>Community<br/>Foundation</u> | <u>Evanston<br/>Cradle to<br/>Career, LLC</u> | <u>Eliminations</u> | <u>Total</u>         |
|----------------------------------------------|----------------------------------------------|-----------------------------------------------|---------------------|----------------------|
| <b>ASSETS</b>                                |                                              |                                               |                     |                      |
| Cash and cash equivalents                    | \$ 2,113,250                                 | \$ 570,909                                    | \$ -                | \$ 2,684,159         |
| Accounts receivable                          |                                              |                                               |                     |                      |
| Pledges receivable                           | 55,250                                       | -                                             | -                   | 55,250               |
| Investment income receivable                 | 33,609                                       | -                                             | -                   | 33,609               |
| Other receivables                            | 29,256                                       | 676                                           | (12,013)            | 17,919               |
| Investments, at fair value                   | 36,044,336                                   | (795)                                         | -                   | 36,043,541           |
| Prepaid expenses and other assets            | 7,379                                        | 1,000                                         | -                   | 8,379                |
| Right-of-use assets - operating lease        | 66,166                                       | -                                             | -                   | 66,166               |
| Investment in Evanston Cradle to Career, LLC | 351,405                                      | -                                             | (351,405)           | -                    |
|                                              | <u>\$ 38,700,651</u>                         | <u>\$ 571,790</u>                             | <u>\$ (363,418)</u> | <u>\$ 38,909,023</u> |
| Total assets                                 |                                              |                                               |                     |                      |
| <b>LIABILITIES AND NET ASSETS</b>            |                                              |                                               |                     |                      |
| <b>LIABILITIES</b>                           |                                              |                                               |                     |                      |
| Accounts payable and accrued liabilities     | \$ 93,760                                    | \$ 28,817                                     | \$ (12,013)         | \$ 110,564           |
| Deferred revenue                             | 16,090                                       | -                                             | -                   | 16,090               |
| Grants payable                               | 105,000                                      | 151,850                                       | -                   | 256,850              |
| Charitable gift annuities payable            | 1,251                                        | -                                             | -                   | 1,251                |
| Funds held as organization endowments        | 10,468,623                                   | -                                             | -                   | 10,468,623           |
| Operating lease liability                    | 67,708                                       | -                                             | -                   | 67,708               |
|                                              | <u>10,752,432</u>                            | <u>180,667</u>                                | <u>(12,013)</u>     | <u>10,921,086</u>    |
| Total liabilities                            |                                              |                                               |                     |                      |
| <b>NET ASSETS</b>                            |                                              |                                               |                     |                      |
| Without donor restrictions                   | 14,540,842                                   | -                                             | -                   | 14,540,842           |
| With donor restrictions                      | 13,407,377                                   | 391,123                                       | (351,405)           | 13,447,095           |
|                                              | <u>27,948,219</u>                            | <u>391,123</u>                                | <u>(351,405)</u>    | <u>27,987,937</u>    |
| Total net assets                             |                                              |                                               |                     |                      |
| Total liabilities and net assets             | <u>\$ 38,700,651</u>                         | <u>\$ 571,790</u>                             | <u>\$ (363,418)</u> | <u>\$ 38,909,023</u> |

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidating Statements of Activities and Changes  
in Net Assets Information  
Year Ended December 31, 2024

|                                                                   | <u>Evanston<br/>Community<br/>Foundation</u> | <u>Evanston<br/>Cradle to<br/>Career, LLC</u> | <u>Eliminations</u> | <u>Total</u>         |
|-------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------|---------------------|----------------------|
| <b>REVENUES</b>                                                   |                                              |                                               |                     |                      |
| Support revenue                                                   |                                              |                                               |                     |                      |
| Board-designated endowment<br>and field of interest contributions | \$ 688,633                                   | \$ -                                          | \$ -                | \$ 688,633           |
| Operating contributions                                           | 1,210,805                                    | -                                             | -                   | 1,210,805            |
| Other fund contributions                                          | 3,030,007                                    | 516,998                                       | (6,100)             | 3,540,905            |
|                                                                   | <u>4,929,445</u>                             | <u>516,998</u>                                | <u>(6,100)</u>      | <u>5,440,343</u>     |
| Program revenue                                                   |                                              |                                               |                     |                      |
| Tuition and fees plus event revenue - net                         | 33,968                                       | -                                             | -                   | 33,968               |
| Net investment return                                             | 3,129,024                                    | 3,942                                         | -                   | 3,132,966            |
|                                                                   | <u>8,092,437</u>                             | <u>520,940</u>                                | <u>(6,100)</u>      | <u>8,607,277</u>     |
| <b>EXPENSES</b>                                                   |                                              |                                               |                     |                      |
| Program services                                                  | 3,840,951                                    | 631,533                                       | (6,100)             | 4,466,384            |
| Supporting services                                               |                                              |                                               |                     |                      |
| Management and general                                            | 588,071                                      | -                                             | -                   | 588,071              |
| Fund raising                                                      | 307,151                                      | -                                             | -                   | 307,151              |
|                                                                   | <u>895,222</u>                               | <u>-</u>                                      | <u>-</u>            | <u>895,222</u>       |
| Total expenses                                                    | 4,736,173                                    | 631,533                                       | (6,100)             | 5,361,606            |
| Transfer to funds held as organization<br>endowments              | (801,766)                                    | -                                             | -                   | (801,766)            |
| CHANGE IN NET ASSETS                                              | 2,554,498                                    | (110,593)                                     | -                   | 2,443,905            |
| Net assets, beginning of year                                     | 27,948,219                                   | 391,123                                       | (351,405)           | 27,987,937           |
| NET ASSETS, END OF YEAR                                           | <u>\$ 30,502,717</u>                         | <u>\$ 280,530</u>                             | <u>\$ (351,405)</u> | <u>\$ 30,431,842</u> |

**Evanston Community Foundation, Inc. and Subsidiary**  
Consolidating Statements of Activities and Changes  
in Net Assets Information  
Year Ended December 31, 2023

|                                                                   | <u>Evanston<br/>Community<br/>Foundation</u> | <u>Evanston<br/>Cradle to<br/>Career, LLC</u> | <u>Eliminations</u> | <u>Total</u>         |
|-------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------|---------------------|----------------------|
| <b>REVENUES</b>                                                   |                                              |                                               |                     |                      |
| Support revenue                                                   |                                              |                                               |                     |                      |
| Board-designated endowment<br>and field of interest contributions | \$ 112,124                                   | \$ -                                          | \$ -                | \$ 112,124           |
| Operating contributions                                           | 1,150,481                                    | -                                             | -                   | 1,150,481            |
| Other fund contributions                                          | <u>2,339,098</u>                             | <u>589,900</u>                                | <u>(3,500)</u>      | <u>2,925,498</u>     |
|                                                                   | <u>3,601,703</u>                             | <u>589,900</u>                                | <u>(3,500)</u>      | <u>4,188,103</u>     |
| <br>Program revenue                                               |                                              |                                               |                     |                      |
| Tuition and fees plus event revenue - net                         | <u>(9,933)</u>                               | <u>-</u>                                      | <u>-</u>            | <u>(9,933)</u>       |
| <br>Net investment return                                         | <u>3,327,798</u>                             | <u>1,244</u>                                  | <u>-</u>            | <u>3,329,042</u>     |
| <br>Total revenues                                                | <u>6,919,568</u>                             | <u>591,144</u>                                | <u>(3,500)</u>      | <u>7,507,212</u>     |
| <br><b>EXPENSES</b>                                               |                                              |                                               |                     |                      |
| Program services                                                  | <u>2,919,913</u>                             | <u>681,331</u>                                | <u>(3,500)</u>      | <u>3,597,744</u>     |
| <br>Supporting services                                           |                                              |                                               |                     |                      |
| Management and general                                            | 526,258                                      | -                                             | -                   | 526,258              |
| Fund raising                                                      | <u>314,675</u>                               | <u>-</u>                                      | <u>-</u>            | <u>314,675</u>       |
|                                                                   | <u>840,933</u>                               | <u>-</u>                                      | <u>-</u>            | <u>840,933</u>       |
| <br>Total expenses                                                | <u>3,760,846</u>                             | <u>681,331</u>                                | <u>(3,500)</u>      | <u>4,438,677</u>     |
| <br>CHANGE IN NET ASSETS                                          | 3,158,722                                    | (90,187)                                      | -                   | 3,068,535            |
| <br>Net assets, beginning of year                                 | <u>24,789,497</u>                            | <u>481,310</u>                                | <u>(351,405)</u>    | <u>24,919,402</u>    |
| <br>NET ASSETS, END OF YEAR                                       | <u>\$ 27,948,219</u>                         | <u>\$ 391,123</u>                             | <u>\$ (351,405)</u> | <u>\$ 27,987,937</u> |