

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023



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**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
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YEARS ENDED DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Connecticut Community Foundation, Inc.
and Affiliated Supporting Organization
Waterbury, Connecticut

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Connecticut Community Foundation, Inc. and Affiliated Supporting Organization, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Connecticut Community Foundation, Inc. and Affiliated Supporting Organization as of December 31, 2024 and 2023, and the results of their operations and their 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Connecticut Community Foundation, Inc. and Affiliated Supporting Organization 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 Connecticut Community Foundation, Inc. and Affiliated Supporting Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Connecticut Community Foundation, Inc. and Affiliated Supporting Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Connecticut Community Foundation, Inc. and Affiliated Supporting Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

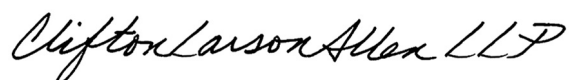
Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The December 31, 2024, consolidating statement of financial position – supplemental disclosure and the consolidating statement of activities – supplemental disclosure are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the 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 consolidated financial statements or to the 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 consolidated financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the financial information within the annual report, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



CliftonLarsonAllen LLP

West Hartford, Connecticut
May 19, 2025

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,376,368	\$ 6,060,863
Investments	190,203,085	159,529,116
Contributions Receivable	51,861	193,504
Property and Equipment, Net	5,553	6,593
Other Assets	<u>201,330</u>	<u>511,245</u>
Total Assets	<u><u>\$ 192,838,197</u></u>	<u><u>\$ 166,301,321</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 54,307	\$ 58,868
Grants Payable	159,873	383,727
Liabilities Under Split-Interest Agreements	162,789	127,138
Funds Held as Agency Endowments	<u>10,602,103</u>	<u>9,423,687</u>
Total Liabilities	10,979,072	9,993,420
NET ASSETS		
Net Assets Without Donor Restrictions	181,858,922	156,156,611
Net Assets With Donor Restrictions	<u>203</u>	<u>151,290</u>
Total Net Assets	<u>181,859,125</u>	<u>156,307,901</u>
Total Liabilities and Net Assets	<u><u>\$ 192,838,197</u></u>	<u><u>\$ 166,301,321</u></u>

See accompanying Notes to Consolidated Financial Statements.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
REVENUE, SUPPORT, AND OTHER CHANGES		
Contributions and Gifts, Net of Agency		
Endowment Contributions and Gifts	\$ 17,250,320	\$ 10,846,445
Investment Income, Gains and Losses, Net	19,245,083	21,839,808
Miscellaneous Income	474,821	225,720
Loss on Impairment of Other Assets	(296,000)	-
Change in Value of Split-Interest Agreements	(16,389)	(13,795)
Net Assets Released From Restrictions	266,939	208,471
Total Revenue, Support, and Other Changes	<u>36,924,774</u>	<u>33,106,649</u>
EXPENSES		
Program Services:		
Grants, Net of Agency Endowment Grants	8,367,239	7,146,269
Other Program Service Expenses	1,611,861	1,491,548
Total Program Services	<u>9,979,100</u>	<u>8,637,817</u>
Supporting Services:		
Management and General	813,812	798,483
Fundraising	429,551	398,927
Total Supporting Services	<u>1,243,363</u>	<u>1,197,410</u>
Total Expenses	<u>11,222,463</u>	<u>9,835,227</u>
Change In Net Assets Without Donor Restrictions	25,702,311	23,271,422
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and Gifts	125,000	125,000
Investment Income, Gains and Losses, Net	1,788	9,074
Change in Value of Split-Interest Agreements	(10,936)	(3,734)
Net Assets Released From Restrictions	(266,939)	(208,471)
Change in Net Assets With Donor Restrictions	<u>(151,087)</u>	<u>(78,131)</u>
CHANGE IN NET ASSETS	25,551,224	23,193,291
Net Assets - Beginning of Year	<u>156,307,901</u>	<u>133,114,610</u>
NET ASSETS - END OF YEAR	<u>\$ 181,859,125</u>	<u>\$ 156,307,901</u>

See accompanying Notes to Consolidated Financial Statements.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	Program Services	Management and General	Fundraising	Total
Grants, Net of Agency Endowment Grants	\$ 8,367,239	\$ -	\$ -	\$ 8,367,239
Salaries and Wages	915,001	418,386	241,951	1,575,338
Employee Benefits	84,487	31,109	21,446	137,042
Payroll Taxes	69,650	31,634	18,531	119,815
Pension Plan Contributions	55,633	27,785	17,790	101,208
Consultants	200,600	95,407	53,470	349,477
Conferences, Conventions, and Meetings	57,191	27,201	15,244	99,636
Marketing and Communication Expenses	34,941	16,618	9,314	60,873
Occupancy	59,124	28,120	15,759	103,003
Information Technology	50,025	23,792	13,334	87,151
Professional Services	-	40,890	-	40,890
Other Expenses	55,454	26,375	14,781	96,610
Office Expense	26,437	12,574	7,047	46,058
Insurance	-	29,593	-	29,593
Nonprofit Outreach	3,318	1,578	884	5,780
Depreciation	-	2,750	-	2,750
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 9,979,100</u>	<u>\$ 813,812</u>	<u>\$ 429,551</u>	<u>\$ 11,222,463</u>

See accompanying Notes to Consolidated Financial Statements.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	Program Services	Management and General	Fundraising	Total
Grants, Net of Agency Endowment Grants	\$ 7,146,269	\$ -	\$ -	\$ 7,146,269
Salaries and Wages	870,000	414,452	231,545	1,515,997
Employee Benefits	103,883	44,769	27,983	176,635
Payroll Taxes	63,344	28,744	16,619	108,707
Pension Plan Contributions	60,914	31,284	17,915	110,113
Consultants	107,384	51,072	28,624	187,080
Conferences, Conventions, and Meetings	64,646	30,746	17,231	112,623
Marketing and Communication Expenses	54,504	25,923	14,528	94,955
Occupancy	54,411	25,879	14,503	94,793
Information Technology	51,872	24,671	13,826	90,369
Professional Services	-	64,937	-	64,937
Other Expenses	25,910	12,323	6,907	45,140
Office Expense	22,182	10,550	5,914	38,646
Insurance	-	24,131	-	24,131
Nonprofit Outreach	12,498	5,944	3,332	21,774
Depreciation	-	3,058	-	3,058
Total	<u>\$ 8,637,817</u>	<u>\$ 798,483</u>	<u>\$ 398,927</u>	<u>\$ 9,835,227</u>

See accompanying Notes to Consolidated Financial Statements.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 25,551,224	\$ 23,193,291
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,750	3,058
Loss on Impairment of Other Assets	296,000	-
Net Realized and Unrealized Gains on Investments	(14,262,343)	(17,748,918)
Decrease (Increase) in Operating Assets:		
Contributions Receivable	141,643	(110,258)
Other Assets	13,915	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(4,561)	4,410
Grants Payable	(223,854)	291,240
Liabilities Under Split-Interest Agreements	35,651	19,823
Funds Held as Agency Endowments	1,178,416	2,645,275
Net Cash Provided by Operating Activities	<u>12,728,841</u>	<u>8,297,921</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	13,583,650	8,425,397
Purchases of Investments	(29,995,276)	(13,930,994)
Purchases of Property and Equipment	(1,710)	-
Net Cash Used by Investing Activities	<u>(16,413,336)</u>	<u>(5,505,597)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,684,495)	2,792,324
Cash and Cash Equivalents - Beginning of Year	<u>6,060,863</u>	<u>3,268,539</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,376,368</u></u>	<u><u>\$ 6,060,863</u></u>

See accompanying Notes to Consolidated Financial Statements.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 ORGANIZATION

Connecticut Community Foundation, Inc. (the Community Foundation), founded in 1923, is a Connecticut nonprofit, nonstock corporation for public giving that makes grants to charitable organizations and awards individual scholarships primarily in the Greater Waterbury and Litchfield Hills region. The Community Foundation receives contributions from individuals and businesses primarily in the Greater Waterbury and Litchfield Hills region.

Principles of Consolidation

The consolidated financial statements present the consolidated financial position, statement of activities, functional expenses and cash flows of the Community Foundation and the following affiliated supporting organization (collectively the Foundation):

In 2019, the Waterbury Hospital Foundation, Inc. (WHF) was created and the Community Foundation was named the sole member. WHF is a separate legal entity established under the provisions of Section 509(a)(3) of the Internal Revenue Code (IRC) and is a Type I supporting organization. As defined by the Internal Revenue Service, a Type I supporting organization is controlled by the Community Foundation through operation, supervision or control by appointing the majority of the supporting organization's board members.

All material inter-organization balances and transactions have been eliminated in the preparation of the accompanying consolidated financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The Foundation prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Foundation are reported in the following categories:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the board of trustees. The board of trustees of the Foundation has variance power, the unilateral power to redirect the use of a donor's contribution to another beneficiary. Such contributions must be classified as net assets without donor restrictions. Accordingly, the Foundation's financial statements classify substantially all funds, including the corpus of endowment funds, as net assets without donor restrictions. The Board has designated a portion of the net assets without donor restrictions for the purposes of administrative endowment.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the consolidated statements of financial position and cash flows, the Foundation considers all cash, cash on hand and certificates of deposit with original maturities of 90 days or less to be cash equivalents. The Foundation maintains deposits in financial institutions that may, at times, exceed federal depository insurance limits. Management believes that the Foundation's deposits are held by high-quality financial institutions and are not subject to significant credit risk.

Investments

Investments are reported at fair value. 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. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses include the Foundation's gains and losses on investments bought and sold as well as held during the year.

The Foundation maintains master investment accounts for its funds. Interest, dividends, realized and unrealized gains and losses from securities, and related expenses in the pooled investment accounts are calculated and allocated quarterly to all of the donor funds based on the relationship of the market value of each fund to the total market value of the pooled investment accounts, as adjusted for additions to or distributions from those accounts.

Property and Equipment

Office equipment is stated at cost or donated value. Depreciation is provided using the straight-line method over the estimated useful lives of the assets: five to seven years for office equipment. Expenditures for major renewals and betterments greater than \$1,500 that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Other Assets

Other assets consist of contributed artwork and copyrights for artwork, which are valued at appraised value, which approximates fair value at year-end.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Split-Interest Agreements

The Foundation's split-interest agreements with donors consist of charitable gift annuities and pooled life income funds. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements.

A charitable gift annuity is a contract between a donor and the Foundation in which the donor contributes assets to the Foundation and in exchange receives a lifetime income stream from the fund. The present value of the actuarially determined payouts to these beneficiaries is presented as a liability in the Foundation's consolidated financial statements. The change in value of the charitable gift annuity is included in revenue, support and other changes without donor restrictions on the consolidated statements of activities.

A pooled income fund invests, as a group, contributions from donors' life income gifts. Donors or designated beneficiaries are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the fund. The donor or designated beneficiary is paid the actual income earned on the donor or designated beneficiary's assigned units. Upon the death of a donor or designated beneficiary, the value of the units assigned to that donor or designated beneficiary reverts to the Foundation. The pooled income funds were terminated in 2024. The funds are discounted using an annual rate of return of 7.26% as of December 31, 2023, and were based upon the life expectancy of each donor or designated beneficiary, which is determined using actuarial tables. The rate of return used is the risk-free rate of return in existence on the date of the gift. The change in value of the pooled income fund is included in change in net assets with donor restrictions on the consolidated statements of activities.

Funds Held as Agency Endowment

The Foundation receives and distributes assets under agency endowment agreements that have been established by a nonprofit from its own resources for the sole purpose of supporting that specific nonprofit's operations. Amounts received under these relationships totaled \$412,046 and \$1,740,776 in 2024 and 2023, respectively. Amounts granted under these relationships totaled \$265,951 and \$229,213 in 2024 and 2023, respectively.

The amounts held as agency endowment funds totaled \$10,602,103 and \$9,423,687 at December 31, 2024 and 2023, respectively, and are included in the consolidated statements of financial position in investments at fair value with an offsetting liability.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Spending Policy

The Foundation has adopted a spending policy designated specifically to stabilize annual spending levels and give careful consideration of Connecticut's UPMIFA regulations (§45a-535c of the Conn. Gen Statutes) and include such factors as preservation of the fund, general economic conditions, inflation or deflation, the expected total return from income and the appreciation of investments. The policy applies to all endowment funds, unless the donor has expressed a different intent in writing. The Foundation's spending payout rate is 5.25% for both 2024 and 2023. This percentage is reviewed and approved annually by the board of trustees. Distributions for grants are calculated on the average of the 12 trailing quarters ending one year prior to the beginning of each current year. The spending rate includes distributions for grants to the community, the Foundation's action grants, administrative fees and investment management fees.

Contributions

Unconditional contributions are recognized when pledged or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions receivable expected to be collected in more than one year are discounted to their present value. The Foundation reports contributions and grants of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented with net assets without donor restrictions. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

The Foundation was notified that it was named as a beneficiary of several estates. As of December 31, 2024, the estates were still in the probate administration process. The amounts to be received cannot be reasonably estimated as of the date of this report, and as a result, the receivable and revenue related to these estates have not been recorded.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants

Grants are recorded when approved by the board of trustees. Payments are made when all conditions have been satisfied by the recipient. As of December 31, 2024 and 2023, the Foundation was unaware of any material conditions on grants that are unlikely to be satisfied during the approved grant period. Refunds occur when the recipient's needs are less than the appropriated amount or when the grantee does not meet the grant requirements. For the years ended December 31, 2024 and 2023, there were no refunded grants. Refunded grants are reported as a reduction of grants in the period in which they are refunded. Grants authorized but unpaid at year-end are reported as liabilities.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses are allocated based on time and effort and usage.

Income Taxes

The Community Foundation and WHF are exempt from federal income taxes under Section 501(c)(3) of the IRC; however, the Community Foundation is subject to federal income tax on any unrelated business taxable income.

Leases

The Foundation leases its office facility. The Foundation determines if an arrangement is a lease at inception.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Leases were not material to the financial statements and not recalculated under ASC 842.

Subsequent Events

In preparing these consolidated financial statements, management has evaluated subsequent events through May 19, 2025, which represents the date the consolidated financial statements were available to be issued.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2024 and 2023:

Money Market, Exchange Traded Funds, Mutual Funds, and Other Assets – Money market, exchange traded funds and mutual funds are valued at the quoted price of shares held by the Foundation at year-end. Other assets are valued using net asset value as determined by the investment manager.

There have been no changes in the methodologies used at December 31, 2024 and 2023.

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.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31:

	2024				Investments Measured at Net Asset Value (1)	Total
	Level 1	Level 2	Level 3			
Investments:						
Money Market Funds	\$ 14,972,323	\$ -	\$ -	\$ -	\$ -	\$ 14,972,323
Exchange-Traded Funds						
Domestic	7,352,382	-	-	-	-	7,352,382
International	3,629,521					3,629,521
Mutual Funds:						
Large Blend	72,091,157	-	-	-	-	72,091,157
International						
Large Blend	32,884,220	-	-	-	-	32,884,220
World Allocation	1,795,290	-	-	-	-	1,795,290
Real Estate	1,957,351	-	-	-	-	1,957,351
Tactical Allocation	1,669,961	-	-	-	-	1,669,961
Large Cap	47,233	-	-	-	-	47,233
Miscellaneous Other	49,480	-	-	-	-	49,480
International Developed	12,966	-	-	-	-	12,966
Commodities	1,124,733	-	-	-	-	1,124,733
Fixed Income	34,086,999	-	-	-	-	34,086,999
Alternative Fixed Income	3,214,119	-	-	-	-	3,214,119
Other Assets	-	-	-	15,315,351	15,315,351	15,315,351
Total	<u>\$174,887,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,315,351</u>		<u>\$190,203,085</u>

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

	2023				
	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value (1)	Total
Investments:					
Money Market Funds	\$ 7,283,213	\$ -	\$ -	\$ -	\$ 7,283,213
Exchange-Traded Funds					
Domestic	6,988,256	-	-	-	6,988,256
International	3,433,398				3,433,398
Mutual Funds:					
Large Blend	62,292,236	-	-	-	62,292,236
International					
Large Blend	28,434,864	-	-	-	28,434,864
World Allocation	1,277,860	-	-	-	1,277,860
Multi-Alternative	1,693,377	-	-	-	1,693,377
Real Estate	2,842,075	-	-	-	2,842,075
Tactical Allocation	1,277,302	-	-	-	1,277,302
Large Cap	40,244	-	-	-	40,244
Miscellaneous Other	37,584	-	-	-	37,584
International Developed	11,967	-	-	-	11,967
Commodities	782,188	-	-	-	782,188
Fixed Income	28,877,936	-	-	-	28,877,936
Alternative Fixed Income	2,087,929	-	-	-	2,087,929
Other Assets	-	-	-	12,168,687	12,168,687
Total	<u>\$ 147,360,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,168,687</u>	<u>\$ 159,529,116</u>

(1) Certain investments that are 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 presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

There were no transfers between levels of investments during the years ended December 31, 2024 and 2023.

The following table discloses certain additional information as of December 31 related to the Foundation's investments as described above that use net asset value per share and are not traded in an active market:

	Fair Value 2024	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Other	<u>\$ 15,315,351</u>	<u>\$ -</u>	Monthly/Quarterly	5- 100 Days Notice
	Fair Value 2023	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Other	<u>\$ 12,168,687</u>	<u>\$ -</u>	Monthly/Quarterly	5- 100 Days Notice

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2024	2023
Office Equipment	\$ 51,215	\$ 49,505
Less: Accumulated Depreciation	45,662	42,912
Property and Equipment, Net	<u>\$ 5,553</u>	<u>\$ 6,593</u>

Depreciation expense was \$2,750 and \$3,058 for the years ended December 31, 2024 and 2023, respectively.

NOTE 5 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows:

	2024	2023
Cash and Cash Equivalents	\$ 2,376,368	\$ 6,060,863
Investments	179,600,779	149,954,140
Contributions Receivable	51,861	193,504
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$ 182,029,008</u>	<u>\$ 156,208,507</u>

Liquidity Management

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Under the Foundation's spending policy and in conjunction with the annual budget approval process, \$4,522,827 has been approved for appropriation from the endowment for general expenditures in the subsequent year. This amount is included within the investments balance of \$179,600,779 reported above.

NOTE 6 ENDOWMENT AND VARIANCE POWER

The Foundation's endowment consists of approximately 500 individual funds established for a variety of purposes. Its endowment includes donor-advised funds, donor-designated funds and funds designated by the board of trustees to function as endowments. The board of trustees of the Foundation has the power to redirect the use of a donor's contribution to another beneficiary. Such endowment funds are subject to variance power pursuant to Sections 1.170A-9(e)(11)(v)(B), (C) and (D) of the IRC.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 ENDOWMENT AND VARIANCE POWER (CONTINUED)

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of trustees of the Foundation has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CTUPMIFA) and concluded that the impact of such adoption was negligible on the presentation of the Foundation's consolidated financial statements given the existing governing documents' inclusion of variance power, the unilateral power to redirect the use of a contribution for another charitable purpose and ability to modify any restriction on distribution of funds. The criteria and circumstances under which the board of trustees of the Foundation would exercise the powers are prescribed in the by-laws of the Foundation.

As a result of this responsibility under the by-laws, all contributions not classified as with donor restrictions are classified as net assets without donor restrictions for financial statement purposes. Net assets with donor restrictions consist of pooled income funds, which are classified as split-interest agreements. Accordingly, the Foundation's consolidated financial statements classify substantially all net assets as without donor restrictions; however, all recordkeeping for internal management and external reporting retains the original donor intent and historical gift value for every charitable asset within the Foundation.

The spending policy and philosophy contained in the Foundation's Investment Committee Policies and Procedures, including the long-term investment management policies and procedures constructed based on the by-laws, were designed to function as integrated processes and are administered to reflect the following factors, as described in CTUPMIFA, for prudent stewards of charitable assets, including:

1. The duration and preservation of a fund;
2. The purpose of the organization and the donor designations thereto;
3. General economic conditions;
4. The possible effects of inflation and deflation;
5. The expected total return of the charitable assets;
6. Other resources of the organization; and
7. The investment policies.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 ENDOWMENT AND VARIANCE POWER (CONTINUED)

Changes in endowment net assets without donor restrictions for the years ended December 31 are as follows:

Endowment Net Assets - January 1, 2023	\$ 128,210,499
Investment Return:	
Investment Income	3,972,438
Investment Management Fees	(48,450)
Unrealized Gains	17,389,472
Realized Gains	347,148
Total Investment Return	<u>21,660,608</u>
Contributions	6,733,693
Expenditure of Discretionary Endowment Funds	<u>(8,842,582)</u>
Endowment Net Assets - December 31, 2023	147,762,218
Investment Return:	
Investment Income	4,725,939
Investment Management Fees	(51,766)
Unrealized Gains	11,173,441
Realized Gains	3,084,581
Total Investment Return	<u>18,932,195</u>
Contributions	13,622,212
Expenditure of Discretionary Endowment Funds	<u>(8,041,498)</u>
Endowment Net Assets - December 31, 2024	<u><u>\$ 172,275,127</u></u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purpose or time periods at December 31:

	2024	2023
Pooled Income Funds	\$ -	\$ 10,936
Waterbury Promise	203	140,354
Total	<u>\$ 203</u>	<u>\$ 151,290</u>

The Foundation satisfied donor restrictions for funding restricted for Waterbury Promise totaling \$266,939 and \$208,471 during the years ended December 31, 2024 and 2023, respectively.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 8 OPERATING LEASE

The Foundation leases office space in Waterbury, Connecticut, under a lease that expires September 30, 2025, with monthly payments of \$4,984. Rental expense for both 2024 and 2023 was \$59,808. Leases were not material to the financial statements and not recalculated under ASC 842. At December 31, 2024, aggregate future minimum rental payments due under noncancelable operating leases consisted of the following:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	<u>\$ 44,856</u>
Total	<u>\$ 44,856</u>

NOTE 9 DEFINED CONTRIBUTION RETIREMENT PLAN

The Foundation has a defined contribution retirement plan as defined under Section 403(b) of the IRC. The plan provides for elective employee salary reduction contributions subject to IRC limits and for discretionary employer match and nonelective contributions. Any eligible employee may participate in salary reduction contributions as of the date of employment. All eligible employees who have completed one year of service and have reached the age of 21 are eligible to participate in nonsalary reduction employer contributions. Employees are fully vested upon entry into the plan. Employer contributions to the plan totaled \$101,208 and \$110,112 in 2024 and 2023, respectively.

NOTE 10 WATERBURY PROMISE

On December 10, 2021, Connecticut Community Foundation, Inc. entered into an agreement to provide fiscal sponsorship for certain contributions to Waterbury Promise, Inc., allowing the project to use Connecticut Community Foundation, Inc.'s 501(c)(3) status in accordance with Internal Revenue Service (IRS) regulations governing such arrangements. In addition to its 501(c)(3) status, Connecticut Community Foundation, Inc. provides certain oversight and recordkeeping services.

The project's activity generated net losses of \$140,151 and \$74,397 for the years ended December 31, 2024 and December 31, 2023, respectively.

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	Connecticut Community Foundation	Waterbury Hospital Foundation	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,327,460	\$ 48,908	\$ 2,376,368
Investments	172,957,684	17,245,401	190,203,085
Contributions Receivable	51,861	-	51,861
Property and Equipment, Net	5,553	-	5,553
Other Assets	201,330	-	201,330
	<u>175,543,888</u>	<u>17,294,309</u>	<u>192,838,197</u>
Total Assets	<u>\$ 175,543,888</u>	<u>\$ 17,294,309</u>	<u>\$ 192,838,197</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 31,307	\$ 23,000	\$ 54,307
Grants Payable	159,873	-	159,873
Liabilities Under Split-Interest Agreements	162,789	-	162,789
Funds Held as Agency Endowments	10,602,103	-	10,602,103
Total Liabilities	<u>10,956,072</u>	<u>23,000</u>	<u>10,979,072</u>
NET ASSETS			
Net Assets Without Donor Restrictions	164,587,613	17,271,309	181,858,922
Net Assets With Donor Restrictions	203	-	203
Total Net Assets	<u>164,587,816</u>	<u>17,271,309</u>	<u>181,859,125</u>
Total Liabilities and Net Assets	<u>\$ 175,543,888</u>	<u>\$ 17,294,309</u>	<u>\$ 192,838,197</u>

**CONNECTICUT COMMUNITY FOUNDATION, INC.
AND AFFILIATED SUPPORTING ORGANIZATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)**

	Connecticut Community Foundation	Waterbury Hospital Foundation	Adjustments and Eliminations	Total
REVENUE, SUPPORT, AND OTHER CHANGES				
Contributions and Gifts, Net of Agency				
Endowment Contributions and Gifts	\$ 16,992,113	\$ 258,207	\$ -	\$ 17,250,320
Investment Income, Gains and Losses, Net	17,325,996	1,919,087	-	19,245,083
Miscellaneous Income	714,460	-	(239,639)	474,821
Loss on Impairment of Other Assets	(296,000)	-	-	(296,000)
Change in Value of				
Split-Interest Agreements	(16,389)	-	-	(16,389)
Net Assets Released From Restrictions	266,939	-	-	266,939
Total Revenue, Support, and Other Changes	34,987,119	2,177,294	(239,639)	36,924,774
EXPENSES				
Program Services:				
Grants, Net of Agency Endowment Grants	8,320,346	46,893	-	8,367,239
Other Program Service Expenses	1,611,861	-	-	1,611,861
Total Program Services	9,932,207	46,893	-	9,979,100
Supporting Services:				
Management and General	775,768	277,683	(239,639)	813,812
Fundraising	429,551	-	-	429,551
Total Supporting Services	1,205,319	277,683	(239,639)	1,243,363
Total Expenses	11,137,526	324,576	(239,639)	11,222,463
Change in Net Assets Without Donor Restrictions	23,849,593	1,852,718	-	25,702,311
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions and Gifts	125,000	-	-	125,000
Investment Income, Gains and Losses, Net	1,788	-	-	1,788
Change in Value of				
Split-Interest Agreements	(10,936)	-	-	(10,936)
Net Assets Released From Restrictions	(266,939)	-	-	(266,939)
Change in Net Assets With Donor Restrictions	(151,087)	-	-	(151,087)
CHANGE IN NET ASSETS	23,698,506	1,852,718	-	25,551,224
Net Assets - Beginning of Year	140,889,310	15,418,591	-	156,307,901
NET ASSETS - END OF YEAR	\$164,587,816	\$ 17,271,309	\$ -	\$181,859,125

