

Brown County Community Foundation Remarks to Brown County Commissioners by John Elliott - November 20, 2024

Brown County Commissioners,

Thank you for your decision to defer a vote on distribution of excess revenue potentially generated by the operations of the Brown County Music Center. We provided a packet for your review on November 15th. I'll assume you've read those notes and only want to bring a few highlights to your attention today – as well as answering any questions you might have. I would ask that the full text be considered a part of your meeting minutes for the record.

Brown County Community Foundation is deeply appreciative of any funds received from the Maple Leaf Management Group governing board, resulting from surplus annual operating funds generated by the facility operator. We do not have a sense of entitlement to these or any other donor funds.

Following the introduction of this topic at your last commissioner's meeting, we made discreet inquiries of leadership of the other entities contractually involved with any decision to change governing documents. We have been assured that, while all three of the other decision-making parties have had discussions in 2024 about possibly changing the distribution ratio, none have made a decision to change and none have taken a vote. There may not be the sense of urgency to act that was indicated during your last meeting.

Who Does BCCF Help Over Time?

The foundation is committed to helping meet the most urgent needs of all Brown County residents over time, to the extent resources allow, as validated by our residents – not unlike the responsibility of the county commissioners. Many organizations have received ongoing support that represents a significant share of their total financial resources. They do amazing work with few resources and deserve our heartfelt appreciation.

Our stakeholders include not just the hundreds of residents who volunteer their time and subject matter expertise to community organizations, but the thousands who donate to them and the thousands who benefit from their work. Had they all attended this meeting, we would have needed to relocate to the music center to have enough room.

What is the Scope of Our Impact Together?

When the work of our staff, board and donors is aggregated, the impact over time is significant. Total distributions up to 2023 exceed \$14 million, with nearly \$1 million of that in scholarships from 36 different funds. More than 320 local organizations or programs have received funding, with more added in 2024.

Resource Distribution Process:

Our board is fiscally and legally responsible for following federal and state laws governing charities, similar to your local government obligations and restrictions. Donor intent is the most sacred trust issue for every charity, but also a legally enforceable commitment. BCCF's invested assets include 296 separate funds, totaling \$17,589,754. Of those, 36 or 12.2% of funds are not restricted by the donor, meaning 87.8% are restricted by

the donor. The assets in those unrestricted funds total \$3,785,734 or 21.5% of total invested assets. This means, the staff and board of BCCF do not decide the use of 78.5% of the funds.

The most common misunderstanding about community foundations is also the top reason donors entrust us with charitable assets in perpetuity (forever). Only the income, not the principal, of our funds may be used, legally and according to BCCF's governing documents, for the greatest needs as guided by Brown County residents and determined by BCCF's board of directors. The only exception would be short-term pass-thru funds for a specific charitable purpose. Our unique ability to match a broad array of donors, subject matter experts and other resources, has allowed us to "be there in time of need" as Brown County's greatest needs and largest, most ambitious projects evolve. In many cases, this includes bringing donors like Lilly Endowment Inc. that would not participate without BCCF. A few examples are listed in your notes.

In accordance with the law and our governing documents, our Finance Committee annually recommends to the full board a percent draw on the assets that balances market growth and risk, long-term sustainability and the needs of the county. In 2023 that was 3.85%, making the unrestricted grants amount \$145,750. This is used in a Spring community grant round that more than 100 non-profits in Brown County rely on. During that grant round, staff and board consult with donors to match their restricted funds to grant requests, increasing the total amount. Unrestricted grants are only the flexible part of what we do. Total grants distributed in 2023 totaled \$2,386,675.

The surplus operating revenue distribution received from Maple Leaf is in addition to those numbers. We will continue to carefully adhere to our contractual obligations in the governing document related to distributing those funds. We are simply entrusted with implementing.

The foundation awarded \$302,137.87 during the 2024 spring community grants cycle to organizations that serve Brown County. A list of those recipients is in your packet. This year BCCF received 41 applications seeking a total of \$911,933.90. The total amount we awarded, which represented 33.1% of the community need, is a combination of dollars from BCCF's unrestricted fund, donor funds that target certain needs in Brown County, and \$150,000 received in distribution dollars from the Brown County Music Center. Without those funds, we would have funded 16.7% of the need.

With that, I'd be happy to answer any questions you might have. Our CEO, Alice Susemichel, is here to help me with that. Thank you!