

Community Foundation of North Central Wisconsin, Inc.

Financial Statements

Year Ended December 31, 2019
(With Comparative Totals for 2018)



Independent Auditor's Report

Board of Directors
Community Foundation of North Central Wisconsin, Inc.
Wausau, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Community Foundation of North Central Wisconsin, Inc., which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of North Central Wisconsin, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.



Report on Comparative Information

We have previously audited the Community Foundation of North Central Wisconsin, Inc.'s 2018 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated June 4, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wipfli LLP

Wipfli LLP

May 7, 2020

Wausau, Wisconsin

Community Foundation of North Central Wisconsin, Inc.

Statement of Financial Position

December 31, 2019 (With Comparative Totals for 2018)

Assets	2019	2018
Current assets:		
Cash	\$ 527,519	\$ 51,829
Unconditional promises to give - Net	245,712	1,376,776
Prepaid expenses and other	25,924	34,657
Total current assets	799,155	1,463,262
Unconditional promises to give - Net	519,340	173,441
Investments	67,848,307	57,635,950
Property and equipment - Net	30,108	12,888
Cash value of life insurance	393,733	377,544
TOTAL ASSETS	\$ 69,590,643	\$ 59,663,085
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 24,335	\$ 30,049
Grants payable	237,904	553,989
Scholarships payable	154,819	-
Payroll and payroll taxes payable	8,992	6,000
Total current liabilities	426,050	590,038
Long-term liabilities - Funds held for agencies	8,327,646	6,837,775
Total liabilities	8,753,696	7,427,813
Net assets:		
Without donor restrictions	59,779,773	50,642,236
With donor restrictions	1,057,174	1,593,036
Total net assets	60,836,947	52,235,272
TOTAL LIABILITIES AND NET ASSETS	\$ 69,590,643	\$ 59,663,085

See accompanying notes to financial statements.

Community Foundation of North Central Wisconsin, Inc.

Statement of Activities

Year Ended December 31, 2019 (With Comparative Total for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, gains, and other support:				
Contributions	\$ 5,112,849	\$ (35,213)	\$ 5,077,636	\$ 6,127,615
Investment income (loss)	9,468,609	-	9,468,609	(2,763,289)
Administrative fees - Agency funds	98,554	-	98,554	90,260
Increase in cash value of life insurance	-	12,351	12,351	19,703
Other	10,505	-	10,505	2,184
Net assets released from restrictions	513,000	(513,000)	-	-
Total revenue, gains, and other support	15,203,517	(535,862)	14,667,655	3,476,473
Expenses:				
Program services	5,557,791	-	5,557,791	3,909,640
Management and general	322,544	-	322,544	324,620
Fundraising	185,645	-	185,645	49,231
Total expenses	6,065,980		6,065,980	4,283,491
Change in net assets	9,137,537	(535,862)	8,601,675	(807,018)
Net assets - Beginning of year	50,642,236	1,593,036	52,235,272	53,042,290
Net assets - End of year	\$ 59,779,773	\$ 1,057,174	\$ 60,836,947	\$ 52,235,272

See accompanying notes to financial statements.

Community Foundation of North Central Wisconsin, Inc.

Statement of Cash Flows

Year Ended December 31, 2019 (With Comparative Totals for 2018)

	2019	2018
Change in cash:		
Cash flows from operating activities:		
Contributions received	\$ 7,461,731	\$ 4,785,218
Grants paid	(5,547,074)	(3,665,013)
Cash paid to employees and suppliers	(663,828)	(525,487)
Interest and dividends received	834,630	747,668
Net cash from operating activities	2,085,459	1,342,386
Cash flows from investing activities:		
Capital expenditures	(27,553)	(4,594)
Purchases of investments	(65,687,857)	(15,240,485)
Proceeds from sale of investments	64,105,641	13,948,272
Net cash from investing activities	(1,609,769)	(1,296,807)
Net change in cash	475,690	45,579
Cash at beginning	51,829	6,250
Cash at end	\$ 527,519	\$ 51,829

Community Foundation of North Central Wisconsin, Inc.

Statement of Cash Flows (Continued)

Year Ended December 31, 2019 (With Comparative Totals for 2018)

	2019	2018
Reconciliation of change in net assets to net cash from operating activities:		
Change in net assets	\$ 8,601,675	\$ (807,018)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized gain on investments	(1,439,276)	(1,534,551)
Net unrealized (gain) loss on investments recorded at fair value	(7,190,865)	5,049,168
Amortization of discount on unconditional promises to give	31,485	(2,889)
Provision for depreciation	10,333	11,205
Increase in cash value of life insurance	(16,189)	(23,363)
Changes in operating assets and liabilities:		
Unconditional promises to give	753,680	(1,094,917)
Prepaid expenses and other	8,733	(11,139)
Accounts payable	(5,714)	(7,131)
Grants payable	(316,085)	97,843
Scholarships payable	154,819	-
Payroll and payroll taxes payable	2,992	2,213
Funds held for agencies	1,489,871	(337,035)
Total adjustments	(6,516,216)	2,149,404
Net cash from operating activities	\$ 2,085,459	\$ 1,342,386

See accompanying notes to financial statements.

Community Foundation of North Central Wisconsin, Inc.

Statement of Functional Expenses

Year Ended December 31, 2019 (With Comparative Total for 2018)

	Program Services	Management and General	Fundraising	Totals	
				2019	2018
Expenses:					
Grants	\$ 5,385,808	\$ -	\$ -	\$ 5,385,808	\$ 3,762,856
Salaries and wages	68,409	184,290	108,299	360,998	284,169
Benefits	7,764	20,914	12,291	40,969	35,313
Payroll taxes	5,100	13,740	8,075	26,915	21,696
Temporary services	1,123	3,028	1,778	5,929	-
Professional fees	5,271	21,085	-	26,356	17,890
Computer support services	49,416	24,709	8,236	82,361	33,333
Telephone and internet	1,031	1,031	1,375	3,437	3,002
Marketing and development	16,411	-	16,411	32,822	35,796
Office supplies and equipment	1,874	2,185	2,186	6,245	6,356
Postage	646	1,936	-	2,582	1,682
Insurance	-	7,209	-	7,209	6,744
Rent	6,732	13,463	13,463	33,658	32,769
Dues and subscriptions	277	832	1,665	2,774	3,068
Conference and training	1,924	1,982	1,924	5,830	425
Local business expenses	-	887	-	887	800
In-kind services	-	17,980	-	17,980	24,834
Strategic planning	2,905	2,905	5,809	11,619	-
Depreciation	3,100	3,100	4,133	10,333	11,205
Miscellaneous	-	1,268	-	1,268	1,553
Totals	\$ 5,557,791	\$ 322,544	\$ 185,645	\$ 6,065,980	\$ 4,283,491

See accompanying notes to financial statements.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Principal Activity

Community Foundation of North Central Wisconsin, Inc. (the "Foundation") is a not-for-profit foundation that accepts contributions from various donors for specified or unspecified purposes and distributes these contributions to various organizations that meet the requirements of the Foundation's bylaws and mission statement.

Basis of Accounting

The Foundation follows accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) for nongovernmental entities in the preparation of financial statements in accordance with GAAP.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in accordance with GAAP requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. The fair value measurement of investments constitutes a significant estimate. Accordingly, actual results may differ from these estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Unconditional Promises to Give

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual use is restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Unconditional promises to give are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The discount rate used for the year ended December 31, 2019, was 1.60%. The amortization of the discount is recognized as contribution income over the duration of the promise to give. Unconditional promises to give, which are receivable in less than one year, are recorded at net realizable value as current assets. Unconditional promises to give, which are receivable for longer than one year, are discounted and reported as noncurrent assets.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Unconditional Promises to Give (Continued)

Management individually reviews all past due unconditional promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of unconditional promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts. Management believes the promises to give are fully collectible, and therefore no allowance for uncollectible amounts has been provided.

Investments

Investments are presented in the financial statements at fair value. Realized and unrealized gains and losses on investments are reflected in operations. Investment expenses, including direct internal investment expenses, are netted with investment income (loss) on the statement of activities.

The Foundation invests in various investments. Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The Foundation monitors the difference between the cost and fair value of its investments. If investments experience a decline in value that the Foundation determines is other than temporary, the Foundation records a realized loss in investment income.

Property, Equipment, and Depreciation

The Foundation follows the practice of capitalizing all expenditures for computer software, furniture and equipment, and leasehold improvements with individual costs in excess of \$1,000 per item. The fair market value of donated fixed assets is similarly capitalized. Maintenance and repair costs are charged to expense as incurred. Gains or losses on disposition of property and equipment are reflected in income. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets or terms of the lease, whichever is required. Estimated useful lives of property and equipment range from five to ten years. Depreciation expense for 2019 was \$10,333.

The Foundation reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent its carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2019.

The Foundation reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Grants Payable

Unconditional grants are recognized as an expense when approved. Conditional grants are recognized when the conditions on which they depend are substantially met. The grants are generally paid within one year.

Funds Held for Agencies

The Foundation recognizes a liability when it receives a transfer of assets and the resource provider (i.e., a not-for-profit organization) specifies itself or an affiliate as the beneficiary, even if the resource provider explicitly grants the Foundation variance power. The Foundation, when accepting cash or other financial assets from a not-for-profit organization, recognizes the fair value of those assets as a liability to the specified beneficiary (generally the same not-for-profit organization) concurrent with recognition of the assets received from the not-for-profit organization. Funds held for agencies totaled \$8,327,646 as of December 31, 2019, consisting of \$8,226,035 in investments, \$2,547 in unconditional promises to give, and \$99,064 in cash value of life insurance.

Classification of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

GAAP provides that if a governing body of an organization has 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. The Foundation's Board of Directors (the "Board") has that ability (variance power); however, the Board would intend to exercise this authority only if the stated purpose of the contribution becomes inapplicable and incapable of fulfillment. Accordingly, the Foundation's financial statements classify substantially all funds, including the principal of endowment funds, as net assets without donor restrictions, but segregate for internal management and endowment record keeping the portion that is held as endowment from the funds that are currently available for grants. In addition, to ensure the Foundation observes the limitations and restrictions placed on the funds by the donors, the Foundation's accounts are managed as individual charitable funds.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue

Contributions are considered available for use without donor restrictions unless specifically restricted by the donor. Contributions received are recorded as net assets with donor restrictions, depending on the existence and nature of any donor-imposed restrictions. Unconditional promises to give cash and other assets to the Foundation are reported at fair value at the date the promise is received, less an allowance for promises estimated to be uncollectible. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions at the point when a stipulated time restriction ends or a purpose restriction is accomplished.

The Organization's grant awards are contributions which are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs are charged on a direct functional basis when practical. Certain categories of expenses are attributable to more than one supporting function and, therefore, require allocation of amounts to the respective supporting functions benefited by incorporating an activity-based costing model based on employee time and efforts. Management believes their allocations are done on a reasonable and consistent basis. The Foundation has segregated its supporting activities into the categories of management and general and fundraising.

Donated Services

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Unemployment Compensation

The Foundation has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. The Foundation has designated a certificate of deposit (CoD) of \$3,360 to meet state funding requirements. The CoD renews every 30 days.

Income Taxes

The Foundation is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Foundation is also exempt from state income taxes on related income.

The Foundation does not believe it has any material uncertain tax positions requiring recognition or measurement in accordance with GAAP.

Change in Accounting Policies

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue From Contracts with Customers* (Topic 606). The amendments in this ASU, along with numerous clarifications and modifications, require an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization's primary sources of revenue are classified as contributions, which is explicitly excluded from the scope of the new guidance. The adoption of this update did not have an impact on the Organization's financial statements.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policies (Continued)

On June 21, 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The entity has applied the amendments in this ASU on a modified prospective basis. There was no change on opening balances of net assets and no prior period results were restated. The amendments in this ASU also apply to both resources received by a recipient and resources given by a resource provider. Note that for transactions in which the entity serves as a resource provider, the effective date for the amendments in this update are effective for fiscal years beginning after December 15, 2019.

New Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU requires organizations to recognize all leases with terms greater than one year as assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. ASU No. 2016-02 is effective for the Foundation's year ending December 31, 2021. The Foundation is currently evaluating the impact of the provisions of this ASU.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at December 31, 2019:	
Cash	\$ 527,519
Unconditional promises to give	765,052
Investments	67,848,307
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Total financial assets	69,140,878
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Less amounts not available for general expenditure within 12 months:	
Donor designated:	
Endowed	13,655,759
Restricted	9,571,751
Scholarship	9,317,266
Donor advised	2,603,447
Unconditional promises to give - Due after one year, net	519,340
Funds held for agencies	8,327,646
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Financial assets not available to be used within one year	43,995,209
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Financial assets available to meet general expenditures within one year	\$ 25,145,669

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. The Foundation also receives support without donor restrictions; such support provides annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Foundation's Distribution Committee (the "Committee") meets quarterly to review and approve grant requests. Due to this timing, the Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the next expected payment for quarterly grant commitments approved by the Committee.

As part of the Foundation's liquidity management plan, it invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve (board-designated net assets), which was \$657,464 as of December 31, 2019, and is included in investments and net assets without donor restrictions on the statement of financial position.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 3: Investments

The Foundation utilizes the services of AndCo Consulting, an investment consulting firm, for long-term investment research and planning. Investments held at fair value at December 31, 2019, are as follows:

Equity funds	\$ 43,748,799
Fixed income funds	19,951,331
Taxable bond funds	657,464
Money market funds	3,490,713
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Total	\$ 67,848,307

The detail of the investments at December 31, 2019, follows:

Net assets without donor restrictions	\$ 59,622,272
Funds held for agencies	8,226,035
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Total	\$ 67,848,307

Investment income (loss) consists of interest, dividends, realized gains and losses, unrealized gains and losses, and investment management fees. The detail of net investment gain for the year ended December 31, 2019, follows:

Interest and dividends	\$ 890,390
Net realized gain on investments	1,439,276
Net unrealized gain on investments recorded at fair value	7,190,865
Investment management fees	(51,922)
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Investment income (loss)	\$ 9,468,609

Note 4: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2019.

Money market funds are valued at historical cost which approximates fair value. Equity, common stock, taxable bond funds, and fixed income funds are valued at quoted market prices which represent the net asset value of shares held by the Foundation at year-end. An investment may be carried at cost if deemed the most appropriate estimate of fair value.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 4: Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, assets measured at fair value on a recurring basis as of December 31, 2019:

	Assets at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Equity funds:				
Value	\$ 4,866,362	\$ -	\$ -	\$ 4,866,362
Blend	15,888,835	-	-	15,888,835
Growth	18,592,133	-	-	18,592,133
Emerging market	4,401,469	-	-	4,401,469
Total equity funds	43,748,799	-	-	43,748,799
Fixed income funds	19,951,331	-	-	19,951,331
Taxable bond funds	657,464	-	-	657,464
Money market funds	-	3,490,713	-	3,490,713
Total investment assets	\$ 64,357,594	\$ 3,490,713	\$ -	\$ 67,848,307

Note 5: Unconditional Promises to Give - Net

Unconditional promises to give consisted of the following at December 31, 2019:

Less than one year	\$ 266,680
One to five years	526,000
Greater than five years	16,000
Total unconditional promises to give	808,680
Less - Discounts to net present value	43,628
Unconditional promises to give - Net	765,052
Less - Current portion	245,712
Noncurrent unconditional promises to give - Net	\$ 519,340

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 6: Property and Equipment

Property and equipment consisted of the following at December 31, 2019:

Computer software	\$	36,347
Furniture and equipment		31,786
Leasehold improvements		46,100
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Total		114,233
Less - Accumulated depreciation		84,125
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Property and equipment - Net	\$	30,108
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Note 7: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31, 2019:

Unconditional promises to give that are not restricted by donors, but which are unavailable for expenditure until due	\$	762,505
Cash surrender value of life insurance		294,669
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Total	\$	1,057,174
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Note 8: Net Assets Released From Donor Restrictions

The net assets released from donor restrictions by occurrence of the passage of time for the year ended December 31, 2019, was \$513,000.

Note 9: Operating Leases

The Foundation leases its office space under an operating lease which expires March 31, 2024, with one extension term of five years.

Future minimum payments (without considering inflationary adjustments) under the operating lease consist of the following:

2020	\$	38,346
2021		39,304
2022		40,287
2023		41,294
2024		10,387
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Total	\$	169,618
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Rent expense totaled \$33,658 for the year ended December 31, 2019.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 10: Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at various financial institutions. Interest-bearing accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At times, balances may exceed FDIC insured levels. Management has assessed the creditworthiness of these institutions and does not feel the deposits are subject to significant risk.

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect amounts reported in future statements of activities. Management believes these financial institutions have strong credit ratings or other favorable financial factors and that credit risk related to these deposits and investments is minimal.

Note 11: Major Funding Source

During 2019, one major contributor accounted for approximately 19% of contributions, aggregating \$1,000,000.

Note 12: Subsequent Events

Subsequent events have been evaluated through May 7, 2020, which is the date the financial statements were available to be issued.

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 virus crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the Foundation has started to see adverse impacts of the CV19 Crisis in the form of a decrease in investments due to the state of the financial markets. The future impact of the CV19 Crisis on the Foundation cannot be reasonably estimated at this time.