

# Community Foundation of North Central Wisconsin, Inc.

Financial Statements

Year Ended December 31, 2020  
(With Comparative Totals for 2019)

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**WIPFLI**

## **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, 2020, and the related statements of activities, functional expenses, and cash flows 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, 2020, 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 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated May 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Wipfli LLP*

Wipfli LLP

May 6, 2021  
Wausau, Wisconsin

# Community Foundation of North Central Wisconsin, Inc.

## Statement of Financial Position

December 31, 2020 (With Comparative Totals for 2019)

Assets	2020	2019
Current assets:		
Cash	\$ 569,025	\$ 527,519
Unconditional promises to give - Net	277,811	245,712
Prepaid expenses and other	8,470	25,924
Total current assets	855,306	799,155
Unconditional promises to give, long-term, net	255,003	519,340
Investments	78,039,410	67,848,307
Property and equipment - Net	35,525	30,108
Cash value of life insurance	412,821	393,733
<b>TOTAL ASSETS</b>	<b>\$ 79,598,065</b>	<b>\$ 69,590,643</b>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 22,117	\$ 24,335
Grants payable	130,968	237,904
Scholarships payable	236,375	154,819
Payroll and payroll taxes payable	13,767	8,992
Total current liabilities	403,227	426,050
Long-term liabilities - Funds held for agencies	7,821,100	8,327,646
Total liabilities	8,224,327	8,753,696
Net assets:		
Without donor restrictions	70,544,560	59,779,773
With donor restrictions	829,178	1,057,174
Total net assets	71,373,738	60,836,947
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 79,598,065</b>	<b>\$ 69,590,643</b>

See accompanying notes to financial statements.

# Community Foundation of North Central Wisconsin, Inc.

## Statement of Activities

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, gains, and other support:				
Contributions	\$ 6,476,005	\$ 20,890	\$ 6,496,895	\$ 5,077,636
Investment income	9,390,280	-	9,390,280	9,468,609
Administrative fees - Agency funds	87,232	-	87,232	98,554
Increase in cash value of life insurance	-	15,114	15,114	12,351
Other	13,117	-	13,117	10,505
Net assets released from restrictions	264,000	(264,000)	-	-
<b>Total revenue, gains, and other support</b>	<b>16,230,634</b>	<b>(227,996)</b>	<b>16,002,638</b>	<b>14,667,655</b>
Expenses:				
Program services	4,986,070	-	4,986,070	5,557,791
Management and general	289,828	-	289,828	322,544
Fundraising	189,949	-	189,949	185,645
<b>Total expenses</b>	<b>5,465,847</b>	<b>-</b>	<b>5,465,847</b>	<b>6,065,980</b>
Change in net assets	10,764,787	(227,996)	10,536,791	8,601,675
Net assets - Beginning of year	59,779,773	1,057,174	60,836,947	52,235,272
<b>Net assets - End of year</b>	<b>\$ 70,544,560</b>	<b>\$ 829,178</b>	<b>\$ 71,373,738</b>	<b>\$ 60,836,947</b>

See accompanying notes to financial statements.

# Community Foundation of North Central Wisconsin, Inc.

## Statement of Functional Expenses

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Program Services	Management and General	Fundraising	Totals	
				2020	2019
Expenses:					
Grants	\$ 4,821,969	\$ -	\$ -	\$ 4,821,969	\$ 5,385,808
Salaries and wages	74,693	201,219	118,248	394,160	360,998
Benefits	10,848	29,225	17,174	57,247	40,969
Payroll taxes	5,513	14,851	8,727	29,091	26,915
Temporary services	-	-	-	-	5,929
Professional fees	103	410	-	513	26,356
Computer support services	21,972	10,986	3,662	36,620	82,361
Telephone and internet	968	968	1,290	3,226	3,437
Marketing and development	14,163	-	14,163	28,326	32,822
Office supplies and equipment	4,681	5,467	5,467	15,615	6,245
Postage	326	979	-	1,305	2,582
Insurance	-	6,225	-	6,225	7,209
Rent	6,919	13,837	13,838	34,594	33,658
Dues and subscriptions	376	1,128	2,256	3,760	2,774
Conference and training	787	810	787	2,384	5,830
Local business expenses	-	-	-	-	887
In-kind services	19,499	-	-	19,499	17,980
Strategic planning	-	-	-	-	11,619
Depreciation	3,253	3,253	4,337	10,843	10,333
Miscellaneous	-	470	-	470	1,268
<b>Totals</b>	<b>\$ 4,986,070</b>	<b>\$ 289,828</b>	<b>\$ 189,949</b>	<b>\$ 5,465,847</b>	<b>\$ 6,065,980</b>

See accompanying notes to financial statements.

# Community Foundation of North Central Wisconsin, Inc.

## Statement of Cash Flows

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	2020	2019
Change in cash:		
Cash flows from operating activities:		
Contributions received	\$ 6,322,936	\$ 7,461,731
Grants paid	(4,847,349)	(5,547,074)
Cash paid to employees and suppliers	(613,024)	(663,828)
Interest and dividends received	720,327	834,630
Net cash from operating activities	1,582,890	2,085,459
Cash flows from investing activities:		
Capital expenditures	(16,260)	(27,553)
Purchases of investments	(23,495,172)	(65,687,857)
Proceeds from sale of investments	21,970,048	64,105,641
Net cash from investing activities	(1,541,384)	(1,609,769)
Net change in cash	41,506	475,690
Cash at beginning	527,519	51,829
Cash at end	\$ 569,025	\$ 527,519

# Community Foundation of North Central Wisconsin, Inc.

## Statement of Cash Flows (Continued)

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	2020	2019
Reconciliation of change in net assets to net cash from operating activities:		
Change in net assets	\$ 10,536,791	\$ 8,601,675
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized gain on investments	(2,537,302)	(1,439,276)
Net unrealized gain on investments recorded at fair value	(6,128,677)	(7,190,865)
Amortization of discount on unconditional promises to give	(20,942)	31,485
Provision for depreciation	10,843	10,333
Increase in cash value of life insurance	(19,088)	(16,189)
Changes in operating assets and liabilities:		
Unconditional promises to give	253,180	753,680
Prepaid expenses and other	17,454	8,733
Accounts payable	(2,218)	(5,714)
Grants payable	(106,936)	(316,085)
Scholarships payable	81,556	154,819
Payroll and payroll taxes payable	4,775	2,992
Funds held for agencies	(506,546)	1,489,871
Total adjustments	(8,953,901)	(6,516,216)
Net cash from operating activities	\$ 1,582,890	\$ 2,085,459

See accompanying notes to financial statements.



# Community Foundation of North Central Wisconsin, Inc.

## Notes to Financial Statements

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### **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, 2019, from which the summarized information was derived.

#### **Unconditional Promises to Give**

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in future years 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 amortization of the discount is recognized as contribution income over the duration of the pledge.

# Community Foundation of North Central Wisconsin, Inc.

## Notes to Financial Statements

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### **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.

#### **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 2020 was \$10,843.

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, 2020.

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

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### 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 \$7,821,100 as of December 31, 2020, consisting of \$7,704,626 in investments, \$13,435 in unconditional promises to give, and \$103,039 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

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

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

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### **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.

#### **New Accounting Pronouncement**

In February 2016, the FASB issued Accounting Standards Update (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, 2022. The Foundation is currently evaluating the impact of the provisions of this ASU.

#### **Subsequent Events**

Subsequent events have been evaluated through May 6, 2021, which is the date the financial statements were available to be issued.

# Community Foundation of North Central Wisconsin, Inc.

## Notes to Financial Statements

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### 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, 2020:	
Cash	\$ 569,025
Unconditional promises to give, net	532,814
Investments	78,039,410
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Total financial assets	79,141,249
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Less amounts not available for general expenditure within 12 months:	
Donor designated:	
Endowed	15,298,214
Restricted	10,918,916
Scholarship	11,016,612
Donor advised	4,911,974
Unconditional promises to give - Due after one year, net	255,003
Funds held for agencies	7,821,100
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Financial assets not available to be used within one year	50,221,819
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Financial assets available to meet general expenditures within one year	\$ 28,919,430
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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 \$715,307 as of December 31, 2020, 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

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### 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, 2020, are as follows:

Equity funds	\$ 50,701,416
Fixed income funds	21,445,722
Taxable bond funds	715,307
Money market funds	5,176,965
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Total	\$ 78,039,410

The detail of the investments at December 31, 2020, follows:

Net assets without donor restrictions	\$ 70,334,784
Funds held for agencies	7,704,626
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Total	\$ 78,039,410

Investment income (loss) consists of interest, dividends, realized gains and losses, unrealized gains and losses, and investment management fees. The detail of net investment income for the year ended December 31, 2020, follows:

Interest and dividends	\$ 788,716
Net realized gain on investments	2,537,302
Net unrealized gain on investments recorded at fair value	6,128,677
Investment management fees	(64,415)
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Investment income	\$ 9,390,280

### 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, 2020.

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, 2020:

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Equity funds:				
Value	\$ 5,509,863	\$ -	\$ -	\$ 5,509,863
Blend	19,885,612	-	-	19,885,612
Growth	20,105,838	-	-	20,105,838
Emerging market	5,200,103	-	-	5,200,103
Total equity funds	50,701,416	-	-	50,701,416
Fixed income funds	21,445,722	-	-	21,445,722
Taxable bond funds	715,307	-	-	715,307
Money market funds	-	5,176,965	-	5,176,965
Total investment assets	\$ 72,862,445	\$ 5,176,965	\$ -	\$ 78,039,410

### Note 5: Unconditional Promises to Give - Net

Unconditional promises to give consisted of the following at December 31, 2020:

Less than one year	\$ 268,500
One to five years	275,000
Greater than five years	12,000
Total unconditional promises to give	555,500
Less - Discounts to net present value	22,686
Unconditional promises to give - Net	532,814
Less - Current portion	277,811
Noncurrent unconditional promises to give - Net	\$ 255,003



# Community Foundation of North Central Wisconsin, Inc.

## Notes to Financial Statements

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### Note 6: Property and Equipment

Property and equipment consisted of the following at December 31, 2020:

Computer software	\$	44,051
Furniture and equipment		27,621
Leasehold improvements		46,100
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Total		117,772
Less - Accumulated depreciation		82,247
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Property and equipment - Net	\$	35,525
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### Note 7: Net Assets with Donor Restrictions

Net assets are restricted for the following purposes at December 31, 2020:

Unconditional promises to give that are not restricted by donors, but which are unavailable for expenditure until due	\$	519,395
Cash surrender value of life insurance		309,783
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Total	\$	829,178
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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, 2020, was \$264,000.

### 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:

2021	\$	39,304
2022		40,287
2023		41,294
2024		10,387
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Total	\$	131,272
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Rent expense totaled \$34,594 for the year ended December 31, 2020.

# Community Foundation of North Central Wisconsin, Inc.

## Notes to Financial Statements

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### **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 2020, two major contributors accounted for approximately 36% and 12% of contributions, aggregating approximately \$2,359,000 and \$800,000, respectively.

### **Note 12: Business Conditions**

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 crisis including financial markets, supply chains, businesses, and communities. Specific to the Foundation, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated since these events are still developing.