

Community Foundation of North Central Wisconsin, Inc.

Financial Statements

Year Ended December 31, 2021

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WIPFLI

Independent Auditor's Report

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

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

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, 2021, 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 of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of North Central Wisconsin, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of North Central Wisconsin, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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.

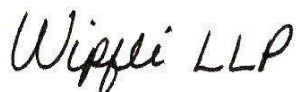
In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- 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 Community Foundation of North Central Wisconsin, Inc.'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 Community Foundation of North Central Wisconsin, Inc.'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.

Other Matter

As discussed in Note 2 to the financial statements, the 2020 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.



Wipfli LLP

April 12, 2022
Wausau, Wisconsin

Community Foundation of North Central Wisconsin, Inc.

Statement of Financial Position

December 31, 2021

Assets	
Current assets:	
Cash	\$ 3,679,317
Unconditional promises to give - Net	12,500
Prepaid expenses and other	167,190
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Total current assets	3,859,007
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Unconditional promises to give, long-term, net	28,500
Investments	86,122,246
Property and equipment - Net	27,109
Cash value of life insurance	431,669
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TOTAL ASSETS	\$ 90,468,531
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Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 4,144
Grants payable	167,725
Scholarships payable	315,274
Payroll and payroll taxes payable	17,205
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Total current liabilities	504,348
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Long-term liabilities - Funds held for agencies	6,940,002
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Total liabilities	7,444,350
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Net assets:	
Without donor restrictions	82,560,512
With donor restrictions	463,669
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Total net assets	83,024,181
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TOTAL LIABILITIES AND NET ASSETS	\$ 90,468,531
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See accompanying notes to financial statements.

Community Foundation of North Central Wisconsin, Inc.

Statement of Activities

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support:			
Contributions	\$ 8,567,323	\$ 22,604	\$ 8,589,927
Investment income	8,529,102	-	8,529,102
Administrative fees - Agency funds	89,528	-	89,528
Increase in cash value of life insurance	-	18,849	18,849
Other	2,794	-	2,794
Net assets released from restrictions	510,000	(510,000)	-
Total revenue, gains, and other support	17,698,747	(468,547)	17,230,200
Expenses:			
Program services	6,450,642	-	6,450,642
Management and general	253,997	-	253,997
Fundraising	240,219	-	240,219
Total expenses	6,944,858	-	6,944,858
Change in net assets	10,753,889	(468,547)	10,285,342
Net assets - Beginning of year, as previously reported	70,544,560	829,178	71,373,738
Prior-period adjustment	1,262,063	103,038	1,365,101
Net assets - Beginning of year, as restated	71,806,623	932,216	72,738,839
Net assets - End of year	\$ 82,560,512	\$ 463,669	\$ 83,024,181

See accompanying notes to financial statements.

Community Foundation of North Central Wisconsin, Inc.

Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Expenses:				
Grants	\$ 5,742,392	\$ -	\$ -	\$ 5,742,392
Scholarships	402,406	-	-	402,406
Salaries and wages	184,995	159,153	154,881	499,029
Benefits	28,698	24,690	24,027	77,415
Payroll taxes	12,655	10,887	10,595	34,137
Donor development	1,622	-	6,487	8,109
Professional fees	6,700	6,700	3,350	16,750
Computer support services	24,112	12,056	4,019	40,187
Marketing and development	18,192	-	18,191	36,383
Office supplies and equipment	5,656	7,541	5,656	18,853
Insurance	2,882	4,322	-	7,204
Rent	7,396	22,187	7,396	36,979
Dues and subscriptions	1,191	596	1,191	2,978
Conference and training	253	253	338	844
Catering	-	161	-	161
In-kind services	7,404	-	-	7,404
Depreciation	3,309	4,411	3,309	11,029
Miscellaneous	779	1,040	779	2,598
Totals	\$ 6,450,642	\$ 253,997	\$ 240,219	\$ 6,944,858

See accompanying notes to financial statements.

Community Foundation of North Central Wisconsin, Inc.

Statement of Cash Flows

Year Ended December 31, 2021

Change in cash:	
Cash flows from operating activities:	
Contributions received	\$ 9,658,066
Grants paid	(6,029,142)
Cash paid to employees and suppliers	(962,286)
Interest and dividends received	884,535
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Net cash from operating activities	3,551,173
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Cash flows from investing activities:	
Capital expenditures	(2,612)
Purchases of investments	(31,551,435)
Proceeds from sale of investments	31,113,166
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Net cash from investing activities	(440,881)
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Net change in cash	3,110,292
Cash at beginning of year	569,025
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Cash at end of year	\$ 3,679,317

Community Foundation of North Central Wisconsin, Inc.

Statement of Cash Flows (Continued)

Year Ended December 31, 2021

Reconciliation of change in net assets to net cash from operating activities:

Change in net assets \$ 10,285,342

Adjustments to reconcile change in net assets to net cash from operating activities:

Net realized gain on investments	(5,620,558)
Net unrealized gain on investments recorded at fair value	(2,024,009)
Amortization of discount on unconditional promises to give	(22,686)
Provision for depreciation	11,029
Increase in cash value of life insurance	(18,848)
Changes in operating assets and liabilities:	
Unconditional promises to give	514,500
Prepaid expenses and other	(158,720)
Accounts payable	(17,974)
Grants payable	36,757
Scholarships payable	78,899
Payroll and payroll taxes payable	3,438
Funds held for agencies	484,003

Total adjustments (6,734,169)

Net cash from operating activities \$ 3,551,173

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 of America ("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.

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.

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 on the statement of activities.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments (Continued)

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 2021 was \$11,029.

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, 2021.

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.

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.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 \$6,940,002 as of December 31, 2021, consisting of \$6,931,002 in investments and \$9,000 in unconditional promises to give.

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, 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

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 ("CD") of \$3,360 to meet state funding requirements. The CD 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 April 12, 2022, which is the date the financial statements were available to be issued.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 2: Restatement

In 2021, management determined that the Foundation's financial statements were incorrectly stated as of December 31, 2020, due to presenting multiple funds designated by grantees as funds held for agencies. The effect of the restatement was to decrease funds held for agencies by \$1,365,101 and increase net assets without donor restrictions and net assets with donor restrictions by \$1,262,063 and \$103,038, respectively.

Note 3: 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, 2021:	
Cash	\$ 3,679,317
Unconditional promises to give, net	41,000
Investments	86,122,246
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Total financial assets	89,842,563
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Less amounts not available for general expenditure within 12 months:	
Donor designated:	
Endowed	16,651,052
Restricted	14,384,509
Scholarship	12,127,081
Donor advised	5,551,606
Unconditional promises to give - Due after one year, net	28,500
Funds held for agencies	6,940,002
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Financial assets not available to be used within one year	55,682,750
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Financial assets available to meet general expenditures within one year	\$ 34,159,813
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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.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 3: Liquidity and Availability of Financial Resources (Continued)

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 \$739,443 as of December 31, 2021, and is included in investments and net assets without donor restrictions on the statement of financial position.

Note 4: 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, 2021, are as follows:

Equity funds	\$ 51,460,665
Fixed income funds	24,273,580
Taxable bond funds	739,443
Investments measured at net asset value	7,159,785
Money market funds	2,488,773
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Total	\$ 86,122,246

The detail of the investments at December 31, 2021, follows:

Net assets without donor restrictions	\$ 79,191,244
Funds held for agencies	6,931,002
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Total	\$ 86,122,246

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, 2021, follows:

Interest and dividends	\$ 990,912
Net realized gain on investments	5,620,558
Net unrealized gain on investments recorded at fair value	2,024,009
Investment management fees	(106,377)
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Investment income	\$ 8,529,102

Note 5: 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, 2021.

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 5: Fair Value Measurements (Continued)

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.

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, 2021:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Equity funds:				
Value	\$ 6,610,238	\$ -	\$ -	\$ 6,610,238
Blend	19,830,065	-	-	19,830,065
Growth	20,197,605	-	-	20,197,605
Emerging market	4,822,757	-	-	4,822,757
Total equity funds	51,460,665	-	-	51,460,665
Fixed income funds	24,273,580	-	-	24,273,580
Taxable bond funds	739,443	-	-	739,443
Money market funds	-	2,488,773	-	2,488,773
Investments measured at net asset value	-	-	-	7,159,785
Total investment assets	\$ 76,473,688	\$ 2,488,773	\$ -	\$ 86,122,246

Investments Measured at Net Asset Value

Information regarding the Foundation's investments in entities that calculate net asset value per share or its equivalent for the year ended December 31, 2021, is as follows:

<i>Private Investment Company</i>	Investment Strategy	Redemption Notice Period	Redemptions Permitted	Liquidity Restrictions	Balance
Stockbridge Smart Markets Fund, L.P.	Time-weighted returns	45 days	Quarterly	180 days initial lockup	\$ 3,690,686
Brookfield Premier Real Estate Partners, L.P.	Long-term growth	90 days	Quarterly	Initial lockup through end of quarter following 2nd anniversary of investment	\$ 3,469,099

Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 5: Fair Value Measurements (Continued)

Stockbridge Smart Markets Fund, L.P. is an actively managed real estate fund, the objective of which is to generate time-weighted returns over each rolling three-year period. The fund seeks to invest principally with a core real estate investment strategy and targets real estate funds that will meet this objective.

Brookfield Premier Real Estate Partners, L.P. is an actively managed real estate fund, the objective of which is to generate long-term growth in assets by investing principally with a core real estate investment strategy based on applicable benchmarks determined by the fund managers.

Note 6: Unconditional Promises to Give - Net

Unconditional promises to give consisted of the following at December 31, 2021:

Less than one year	\$	12,500
One to five years		28,500
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Total unconditional promises to give		41,000
Less - Discounts to net present value		-
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Unconditional promises to give - Net		41,000
Less - Current portion		12,500
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Noncurrent unconditional promises to give - Net	\$	28,500
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Note 7: Property and Equipment

Property and equipment consisted of the following at December 31, 2021:

Computer software	\$	41,164
Furniture and equipment		26,377
Leasehold improvements		46,100
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Total		113,641
Less - Accumulated depreciation		86,532
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Property and equipment - Net	\$	27,109
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Note 8: Net Assets with Donor Restrictions

Net assets are restricted for the following purposes at December 31, 2021:

Unconditional promises to give that are not restricted by donors, but which are unavailable for expenditure until due	\$	32,000
Cash surrender value of life insurance		431,669
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Total	\$	463,669
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Community Foundation of North Central Wisconsin, Inc.

Notes to Financial Statements

Note 9: 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, 2021, was \$510,000.

Note 10: 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:

2022	\$	40,287
2023		41,294
2024		10,387
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Total	\$	91,968

Rent expense totaled \$36,979 for the year ended December 31, 2021.

Note 11: 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 12: Major Funding Source

During 2021, one major contributor accounted for approximately 26% of contributions, aggregating approximately \$2,241,000.