

**Community Foundation of  
Dunn County, Inc.**

Menomonie, Wisconsin

**Financial Statements**

Years Ended December 31, 2012 and 2011

# Community Foundation of Dunn County, Inc.

## Financial Statements

Years Ended December 31, 2012 and 2011

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## **Independent Auditor's Report**

Board of Directors  
Community Foundation of Dunn County, Inc.  
Menomonie, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Community Foundation of Dunn County, Inc., which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 the Community Foundation of Dunn County, Inc. at December 31, 2012 and 2011, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

*Wipfli LLP*

Wipfli LLP

October 23, 2013  
Menomonie, Wisconsin

# Community Foundation of Dunn County, Inc.

## Statements of Financial Position

December 31, 2012 and 2011

<i>Assets</i>	2012	2011
<b>Assets:</b>		
Cash and cash equivalents	\$ 369,805	\$ 563,917
Investments	3,481,849	2,336,217
Equipment - Net	4,805	7,484
<b>TOTAL ASSETS</b>	<b>\$ 3,856,459</b>	<b>\$ 2,907,618</b>
<b><i>Liabilities and Net Assets</i></b>		
<b>Liabilities:</b>		
Accounts payable	\$ 720	\$ -
Accrued payroll taxes	2,180	2,350
Scholarships payable	5,000	-
Assets held for others - Long-term	490,238	152,762
<b>Total liabilities</b>	<b>498,138</b>	<b>155,112</b>
<b>Net assets:</b>		
Unrestricted	111,210	88,059
Temporarily restricted	667,034	480,983
Permanently restricted	2,580,077	2,183,464
<b>Total net assets</b>	<b>3,358,321</b>	<b>2,752,506</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,856,459</b>	<b>\$ 2,907,618</b>

# Community Foundation of Dunn County, Inc.

## Statements of Activities and Changes in Net Assets

Years Ended December 31, 2012 and 2011

	2012			Total
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	
Revenue and other support:				
Contributions	\$ 25	\$ 337,560	\$ 318,917	\$ 656,502
Administrative income	14,650	-	-	14,650
Fund-raising events	65,694	-	-	65,694
Investment income	993	102,362	-	103,355
Net realized and unrealized gains (losses)	18,721	201,867	-	220,588
<b>Total revenue and other support</b>	<b>100,083</b>	<b>641,789</b>	<b>318,917</b>	<b>1,060,789</b>
Net assets released from restrictions	378,042	(455,738)	77,696	-
<b>Total revenue and other support and reclassifications</b>	<b>478,125</b>	<b>186,051</b>	<b>396,613</b>	<b>1,060,789</b>
Operating expenses:				
Grants and services	329,408	-	-	329,408
Professional fees	3,768	-	-	3,768
Fund-raising events	17,162	-	-	17,162
Wages and employee benefits	67,741	-	-	67,741
Continuing education and convention	385	-	-	385
Rent	3,144	-	-	3,144
Depreciation	2,679	-	-	2,679
Office expense	19,919	-	-	19,919
Telephone	3,117	-	-	3,117
Postage	1,583	-	-	1,583
Newsletter and advertising	3,781	-	-	3,781
Other expenses	301	-	-	301
Insurance	1,986	-	-	1,986
<b>Total operating expenses</b>	<b>454,974</b>	<b>-</b>	<b>-</b>	<b>454,974</b>
Change in net assets	23,151	186,051	396,613	605,815
Net assets at beginning of year	88,059	480,983	2,183,464	2,752,506
<b>Net assets at end of year</b>	<b>\$ 111,210</b>	<b>\$ 667,034</b>	<b>\$ 2,580,077</b>	<b>\$ 3,358,321</b>

2011			
Unrestricted	Temporarily Restricted	Assets	Total
Assets	Assets	Assets	Total
\$ 22,358	\$ 560,049	\$ 206,971	\$ 789,378
8,710	-	-	8,710
76,607	-	-	76,607
2,865	68,425	-	71,290
-	(148,181)	-	(148,181)
110,540	480,293	206,971	797,804
648,254	(640,078)	(8,176)	-
758,794	(159,785)	198,795	797,804
760,614	-	-	760,614
40,480	-	-	40,480
17,420	-	-	17,420
68,166	-	-	68,166
634	-	-	634
3,076	-	-	3,076
2,483	-	-	2,483
9,412	-	-	9,412
2,499	-	-	2,499
1,260	-	-	1,260
3,683	-	-	3,683
580	-	-	580
1,812	-	-	1,812
912,119	-	-	912,119
(153,325)	(159,785)	198,795	(114,315)
241,384	640,768	1,984,669	2,866,821
\$ 88,059	\$ 480,983	\$ 2,183,464	\$ 2,752,506

See accompanying notes to financial statements.

# Community Foundation of Dunn County, Inc.

## Statements of Functional Expenses

Years Ended December 31, 2012 and 2011

	2012			
	Program Expenses	Supporting Services		Total
		General and Administrative	Fund-Raising	
Grants and services	\$ 329,408	\$ -	\$ -	\$ 329,408
Professional fees	-	3,768	-	3,768
Fund-raising events	-	-	17,162	17,162
Wages and employee benefits	16,935	33,871	16,935	67,741
Continuing education and convention	-	385	-	385
Rent	-	3,144	-	3,144
Depreciation	-	2,679	-	2,679
Office expense	-	19,919	-	19,919
Telephone	-	3,117	-	3,117
Postage	-	1,583	-	1,583
Newsletter and advertising	-	-	3,781	3,781
Other expenses	-	301	-	301
Insurance	-	1,986	-	1,986
<b>Totals</b>	<b>\$ 346,343</b>	<b>\$ 70,753</b>	<b>\$ 37,878</b>	<b>\$ 454,974</b>



# Community Foundation of Dunn County, Inc.

## Statements of Functional Expenses (Continued)

Years Ended December 31, 2012 and 2011

	2011			Total
	Supporting Services			
	Program Expenses	General and Administrative	Fund-Raising	
Grants and services	\$ 760,614	\$ -	\$ -	\$ 760,614
Professional fees	-	40,480	-	40,480
Fund-raising events	-	-	17,420	17,420
Wages and employee benefits	17,041	34,084	17,041	68,166
Continuing education and convention	-	634	-	634
Rent	-	3,076	-	3,076
Depreciation	-	2,483	-	2,483
Office expense	-	9,412	-	9,412
Telephone	-	2,499	-	2,499
Postage	-	1,260	-	1,260
Newsletter and advertising	-	-	3,683	3,683
Other expenses	-	580	-	580
Insurance	-	1,812	-	1,812
<b>Totals</b>	<b>\$ 777,655</b>	<b>\$ 96,320</b>	<b>\$ 38,144</b>	<b>\$ 912,119</b>

# Community Foundation of Dunn County, Inc.

## Statements of Cash Flows

Years Ended December 31, 2012 and 2011

	2012	2011
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 605,815	\$ (114,315)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,679	2,483
Accounts payable	720	-
Accrued payroll taxes	(170)	830
Scholarships payable	5,000	-
<b>Total adjustments</b>	<b>8,229</b>	<b>3,313</b>
<b>Net cash provided by (used in) operating activities</b>	<b>614,044</b>	<b>(111,002)</b>
Cash flows from investing activities:		
Cash transferred to operating cash from investments funds	21,193	15,756
Investments purchases	(949,797)	(201,971)
Capital expenditures	-	(1,962)
Net realized and unrealized (gain) loss	(220,588)	148,181
<b>Net cash used in investing activities</b>	<b>(1,149,192)</b>	<b>(39,996)</b>
Cash flows from financing activities:		
Increase in assets held for others - Long-term	341,036	140,172
<b>Net decrease in cash and cash equivalents</b>	<b>(194,112)</b>	<b>(10,826)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>563,917</b>	<b>574,743</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 369,805</b>	<b>\$ 563,917</b>

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

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### Note 1      **Summary of Significant Accounting Policies**

#### **Principal Business Activity**

The Community Foundation of Dunn County, Inc. (the "Foundation") serves the people of Dunn County by building permanent charitable capital, making philanthropic grants, and providing services that contribute to the health and vitality of the community. The Foundation considers itself a voluntary health and welfare organization. The Foundation's vision is to promote a healthy and vital community in which all people have the opportunity to enhance the quality of their lives and the lives of others.

#### **Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Contributions, expenses, interest, and dividend income are recognized when they are earned. Investments are recorded at fair value with realized and unrealized gains and losses recognized annually.

#### **Financial Statement Presentation**

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation presents statements of functional expenses and cash flows.

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

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are released to unrestricted net assets. There were no promises to give at December 31, 2012 and 2011.

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

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

#### Investments

Investments are recorded at fair value.

#### Donated Services

Donated services meeting the requirements for recognition (i.e., requiring a specialized skill or creating or enhancing nonfinancial assets), if any, are reflected in the financial statements. The value of these services is determined objectively using the market value for similar services. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with its programs and fund-raising efforts. These services have not been reflected in the financial statements.

#### Functional Expense Allocation

Functional expenses are charged to the Foundation's programs based on actual costs incurred or management's estimate of the area of operation that benefits from the expense.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

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

#### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

#### Income Tax Status

The Foundation is a nonprofit corporation 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 follows ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which requires foundations to determine whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements.

The Foundation recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits in 2012 and 2011. Federal returns for the years ended December 31, 2012, 2011, and 2010, remain subject to examinations by the Internal Revenue Service.

#### Subsequent Events

Subsequent events have been evaluated through October 23, 2013, which is the date the financial statements were available to be issued.

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

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### Note 2      Restrictions on Net Assets

Substantially all of the temporarily restricted net assets relate to funds established for various ongoing or anticipated community projects. Temporarily restricted net assets are available for the following purposes:

	2012	2011
Veterans' Memorial	\$ 11,151	\$ 9,933
City of Menomonie Playground Fund	-	1,216
Dunn County Community Vision	12,738	13,466
Sister City Fund	-	125
Bongey Park	63	491
Lakebank Project	6,817	6,903
Thomas and Barbara Johnson Fund	1,250	1,250
Center Ice Club	-	5,426
American Edge	2,415	2,445
Tuesday's Table	40,018	33,007
Leadership Legacy	1,103	2,120
Miller Family Fund	1,000	1,000
Undispersed Grants	-	13,328
Heritage Tree	1,004	560
Spring Move Out	-	176
Women's Giving Circle	729	687
Menomonie Police Department - K9	5,871	5,946
Dunn County Snow Park	-	88
Menomonie Community Garden	811	1,654
Menomonie Youth Hockey Association	22,100	21,825
Red Cedar Youth Stage	-	34
Urban Forestry Carving Project	526	665
Colfax Alumni	5,743	5,815
Friends of the Dog Park	23	24
Bremer Technology Grant	-	2,419
Fall Fling 2012	-	477
Reach Out and Read	-	692
Robotics for Kids	216	289
Grace Episcopal Church	-	4,000
Stepping Stones of Dunn County, Inc.	10,402	33,957

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

### Note 2 Restrictions on Net Assets (Continued)

	2012	2011
Dunn County Partners for Youth	\$ 11,667	\$ 9,388
Paul and Bea Axelsen - RCMC Fund	946	44
Paul and Bea Axelsen - Senior Center Fund	593	29
Paul and Bea Axelsen - St. Joseph's Fund	3,019	194
Dunn County Historical Society	2,920	2,358
Ken Willard Fund	2,890	569
Mickelson Fund	3,159	2,062
Cammie Johnson Memorial Fund	9,064	2,960
Dunn County Veterans' Memorial	19,805	11,865
Robert and Denise Sedlak Fund	1,776	1,376
Hoffman Hills Fund	25,971	16,032
Douglas and Ann Larson Fund	9,846	5,210
Drums Along the Red Cedar	5,249	1,716
David M. Sjuggerud Memorial Fund	15,069	11,951
Lt. Jeremy Wolfe Scholarship Fund	4,072	2,443
Lucy Murry Memorial Scholarship	1,691	473
Krook Memorial Scholarship Fund	1,537	419
Joan Polasky Donor Advised Fund	1,276	643
Micah Fund	7,796	2,335
Cammie Johnson Kids to Camp	6,512	3,306
General Endowment Fund	88,968	46,184
Community Healthy Futures	155,377	39,561
MASA Fund	2,391	17
Marshal Hagen Estate	5,126	-
Menomonie Lion's Club	2,024	1,120
GF WC Flower Basket Fund	1,073	85
Menomonie Rotary Club Kids Against Hunger	2,139	1,597
Winter Haven Fund	-	985
Advancing Innovation Administration Fund	74,111	80,521
Galloway Creek Protection Fund	425	-
Father Blecha Charitable Fund	1,351	-

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

### Note 2      Restrictions on Net Assets (Continued)

	2012	2011
Houle Memorial Fund	\$ 3,337	\$ -
Porter Fund	75	-
BEST - Boyceville Educational Scholarship Trust Fund	700	-
MAPSF - Lois Siefert Memorial Scholarship Fund	22,496	-
MAPSF - Bjarne Heian Scholarship Fund	5,265	-
MAPSF - Class of 1959 Scholarship Fund	1,100	-
MAPSF - Eugene Flug Memorial Scholarship Fund	3,098	-
MAPSF - Carrie Ann Lehmann Memorial Scholarship Fund	501	-
MAPSF - Mary Crownhart Memorial Scholarship Fund	834	-
MAPSF - Class of 1945 Scholarship Fund	2,887	-
MAPSF - Terry Schaefer Memorial Scholarship Fund	1,039	-
MAPSF - Eleanor Koehler Memorial Scholarship Fund	2,662	-
MAPSF - Brad Karis Memorial Scholarship Fund	3,891	-
MAPSF - Marissa Joyce Memorial Scholarship Fund	1,605	-
MAPSF - Kathleen Fisher Memorial Scholarship Fund	4,148	-
MAPSF - Partnerships for Tomorrow Fund	560	-
MAPSF - MAPS Administration Fund	14,872	-
MAPSF - MHS Alumni Fund	403	-
Founders' Fund	5,738	65,522
	<u>\$ 667,034</u>	<u>\$ 480,983</u>



# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

### Note 2 Restrictions on Net Assets (Continued)

Permanently restricted net assets consist of endowment fund investments to be held indefinitely. Permanently restricted net assets consist of the following:

	2012	2011
Paul and Bea Axelsen - RCMC Fund	\$ 8,000	\$ 8,000
Paul and Bea Axelsen - Senior Center Fund	5,000	5,000
Paul and Bea Axelsen - St. Joseph's Fund	25,000	25,000
Dunn County Historical Society	6,954	6,754
Ken Willard Fund	20,000	20,000
Mickelson Fund	7,725	7,725
Cammie Johnson Memorial Fund	39,062	27,562
Founders Administrative Fund	65,000	-
Dunn County Veterans' Memorial	37,000	37,000
Robert and Denise Sedlak Fund	5,100	5,100
Hoffman Hills Fund	87,872	86,775
Douglas and Ann Larson Fund	35,000	30,000
Drums Along the Red Cedar	16,704	16,704
David M. Sjuggerud Memorial Fund	39,055	29,055
Lt. Jeremy Wolfe Scholarship Fund	21,210	21,210
Lucy Murry Memorial Scholarship	10,400	10,400
Krook Memorial Scholarship Fund	9,024	9,024
Micah Fund	46,365	46,365
Joan Polasky Donor Advised Fund	5,000	5,000
General Endowment Fund	411,048	410,799
Community Healthy Futures	1,114,463	1,104,463
MASA Fund	25,595	20,583
Marshal Hagen	47,748	47,748
Cammie Johnson Kids to Camp	12,311	12,311
Menomonie Lion's Club	6,947	6,947
Byron Olson Memorial Fund	183,939	183,939
Grace Episcopal Church Acorn Fund	10,000	-
Houle Memorial Fund	54,924	-

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

### Note 2 Restrictions on Net Assets (Continued)

	2012	2011
Porter Fund	\$ 10,652	\$ -
MAPSF - Lois Siefert Memorial Scholarship Fund	84,000	-
MAPSF - Bjarne Heian Scholarship Fund	100,000	-
MAPSF - Class of 1959 Scholarship Fund	4,421	-
MAPSF - Partnerships for Tomorrow Fund	24,558	-
	<u>\$ 2,580,077</u>	<u>\$ 2,183,464</u>

### Note 3 Investments

Cost and carrying value of investments at December 31 consist of:

	2012		2011	
	Cost	Carrying Value	Cost	Carrying Value
Certificates of deposit	\$ 106,146	\$ 106,146	\$ 71,450	\$ 71,450
Mutual funds	3,115,406	3,375,703	2,261,178	2,264,767
	<u>\$3,221,552</u>	<u>\$3,481,849</u>	<u>\$2,332,628</u>	<u>\$2,336,217</u>

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

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### Note 4 Fair Value Measurements

The Foundation follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability between market participants at a measurement date. This statement describes a fair value hierarchy that includes three levels of inputs to be used to measure fair value. The three levels are defined as follows as interpreted for use by the Foundation:

Level 1—Inputs into the fair value methodology are based on quoted market prices in active markets.

Level 2—Inputs into the fair value methodology are based on quoted prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves. The inputs are generally seen as observable in active markets for similar items for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

Level 3—Inputs into the fair value methodology are unobservable and significant to the fair value measurement (primarily consisting of alternative type investments, which include but are not limited to limited partnership interests, hedges, private equity, real estate, and natural resource funds). Often these types of investments are valued based on historical cost and then adjusted by shared earnings of a partnership or cooperative, which can require some varying degree of judgment.

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

### Note 4 Fair Value Measurements (Continued)

Information regarding assets (principally assets limited as to use) measured at fair value on a recurring basis as of December 31, 2012 and 2011, is as follows:

Assets at Fair Value as of December 31, 2012				
	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Assets at fair value:				
Cash and cash equivalents, money market funds, and certificates of deposit	\$ -	\$ 106,146	\$ -	\$ 106,146
Mutual funds:				
Equity securities	2,064,660	-	-	2,064,660
Fixed income and debt securities	1,311,043	-	-	1,311,043
<b>Total assets at fair value</b>	<b>\$ 3,375,703</b>	<b>\$ 106,146</b>	<b>\$ -</b>	<b>\$ 3,481,849</b>

Assets at Fair Value as of December 31, 2011				
	Fair Value Measurements Using			Total Assets at Fair Value
	Level 1	Level 2	Level 3	
Assets at fair value:				
Cash and cash equivalents, money market funds, and certificates of deposit	\$ -	\$ 71,450	\$ -	\$ 71,450
Mutual funds:				
Equity securities	1,352,982	-	-	1,352,982
Fixed income and debt securities	911,785	-	-	911,785
<b>Total assets at fair value</b>	<b>\$ 2,264,767</b>	<b>\$ 71,450</b>	<b>\$ -</b>	<b>\$ 2,336,217</b>

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

### Note 4 Fair Value Measurements (Continued)

The methods described above and shown above for fair value calculations may produce a fair value calculation that may be different from the net realizable value or not reflective of future values expected to be received. The Foundation believes that its valuation methods are appropriate and consistent with other market participants; however, the use of these various methodologies and assumptions may produce results that differ in the estimates of fair value at the financial reporting date.

### Note 5 Temporarily and Permanently Restricted Net Assets and Endowments

Endowments that are donor restricted consisted of the following at December 31:

	Donor Restricted	
	2012	2011
Unrestricted	\$ (294)	\$ (19,015)
Temporarily restricted	667,034	480,983
Permanently restricted	2,580,077	2,183,464
<b>Total</b>	<b>\$ 3,246,817</b>	<b>\$ 2,645,432</b>

Changes in endowment net assets for the years ended December 31, 2012 and 2011, consisted of the following:

	2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets at beginning of year	\$ (19,015)	\$ 480,983	\$ 2,183,464	\$ 2,645,432
Investment return	18,721	304,229	-	322,950
Contributions	-	337,560	318,917	656,477
Funds released from restrictions	-	(455,738)	77,696	(378,042)
Endowment net assets at end of year	<b>\$ (294)</b>	<b>\$ 667,034</b>	<b>\$ 2,580,077</b>	<b>\$ 3,246,817</b>

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

### Note 5 Temporarily and Permanently Restricted Net Assets and Endowments (Continued)

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets at beginning of year	\$ -	\$ 640,768	\$ 1,984,669	\$ 2,625,437
Investment return	(19,015)	(79,756)	-	(98,771)
Contributions	-	560,049	206,971	767,020
Funds released from restrictions	-	(640,078)	(8,176)	(648,254)
Endowment net assets at end of year	\$ (19,015)	\$ 480,983	\$ 2,183,464	\$ 2,645,432

### Note 6 Equipment

Equipment acquisitions are recorded at cost. Donated capital assets are capitalized at their fair market value at the time they are received. Depreciation is provided over the estimated useful life and is computed using the straight-line method and was \$2,679 and \$2,483 for the years ended 2012 and 2011, respectively. Equipment acquisitions are capitalized over a 5- to 7-year period. A summary of equipment is as follows:

	2012	2011
Equipment	\$ 15,358	\$ 15,358
Less - Accumulated depreciation	10,553	7,874
	\$ 4,805	\$ 7,484

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

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### **Note 7**      **Restricted Investments and Assets Held for Others**

Restricted assets held for others are included in investments on the balance sheet and consist of funds owed to United Way of Dunn County, Inc., Indianhead Enterprises, Inc., and Menomonie Public Library Foundation Endowment.

### **Note 8**      **Allocation of Costs**

Certain wages and payroll taxes totaling \$67,741 and \$68,166 in 2012 and 2011, respectively, have been allocated as follows: 25% each to program services and fund-raising and 50% to management and general. These percentages are based on management's estimates of time spent.

### **Note 9**      **Concentration of Credit Risk**

The Foundation maintains depository account relationships with local financial institutions. Operating cash requirements frequently require that amounts on deposit exceed Federal Deposit Insurance Corporation limits. Management believes that these financial institutions have a strong credit rating and that credit risk related to these deposits is minimal. At December 31, 2012 and 2011, the Foundation did not exceed these insured limits.

### **Note 10**     **Market and Donor Concentration**

The Foundation's primary geographic source of support is western Wisconsin and principally Dunn County. The level of support is partly determined by the state of the economy in the area. During 2012 and 2011, \$307,015 from three donors and \$183,939 from a single donor, respectively, represented 44.5% and 23.5%, respectively, of total support.

# Community Foundation of Dunn County, Inc.

## Notes to Financial Statements

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### Note 11      Leases

The Foundation leases office space in Menomonie, Wisconsin, under an operating lease that expires May 31, 2016. Lease expense was \$3,144 and \$3,076 during 2012 and 2011, respectively. Future payments under this lease are as follows:

2013	\$3,180
2014	3,180
2015	3,180
2016	1,325