

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
TABLE OF CONTENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

|   |          |
|---|----------|
| <b>INDEPENDENT AUDITORS' REPORT</b>                   | <b>1</b> |
| <b>CONSOLIDATED FINANCIAL STATEMENTS</b>              |          |
| <b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>  | <b>3</b> |
| <b>CONSOLIDATED STATEMENTS OF ACTIVITIES</b>          | <b>4</b> |
| <b>CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES</b> | <b>6</b> |
| <b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>          | <b>8</b> |
| <b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>     | <b>9</b> |



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Community Foundation of Dunn County, Inc. which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Dunn County, Inc. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Community Foundation of Dunn County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Dunn County, Inc.'s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.


***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Dunn County, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of Dunn County, 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.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
April 25, 2024

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

|                                   | 2023          | 2022         |
|-----------------------------------|---------------|--------------|
| <b>ASSETS</b>                     |               |              |
| Cash and Cash Equivalents         | \$ 1,797,802  | \$ 759,496   |
| Certificates of Deposit           | 458,790       | -            |
| Unconditional Promises to Give    | 37,765        | 48,009       |
| Interest Receivable               | 5,334         | -            |
| Security Deposit                  | 1,434         | 1,434        |
| Prepaid Expenses                  | 13,577        | 15,273       |
| Investments                       | 7,942,691     | 7,644,083    |
| Operating Right-of-Use Asset      | 20,316        | 37,533       |
| Equipment                         | 15,358        | 15,358       |
| Accumulated Depreciation          | (15,358)      | (15,358)     |
| Total Assets                      | \$ 10,277,709 | \$ 8,505,828 |
| <b>LIABILITIES AND NET ASSETS</b> |               |              |
| <b>LIABILITIES</b>                |               |              |
| Accounts Payable                  | \$ 1,384      | \$ 2,590     |
| Accrued Payroll and Payroll Taxes | 11,930        | 14,284       |
| Grants and Scholarships Payable   | 48,850        | 59,541       |
| Funds Held for Benefit of Others  | 1,483,386     | 1,276,090    |
| Operating Lease Liabilities       | 20,325        | 37,551       |
| Total Liabilities                 | 1,565,875     | 1,390,056    |
| <b>NET ASSETS</b>                 |               |              |
| Without Donor Restrictions        | 150,942       | 108,193      |
| With Donor Restrictions           | 8,560,892     | 7,007,579    |
| Total Net Assets                  | 8,711,834     | 7,115,772    |
| Total Liabilities and Net Assets  | \$ 10,277,709 | \$ 8,505,828 |

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

|                                       | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---------------------------------------|-------------------------------|----------------------------|--------------|
| <b>SUPPORT AND REVENUE</b>            |                               |                            |              |
| Contributions                         | \$ 30,589                     | \$ 1,188,545               | \$ 1,219,134 |
| Fundraising Events                    | 102,625                       | -                          | 102,625      |
| Noncash Donations                     | 34,309                        | -                          | 34,309       |
| Administrative Fees                   | 17,693                        | -                          | 17,693       |
| Investment Return                     | (2,566)                       | 957,372                    | 954,806      |
| Other Income                          | 1,147                         | -                          | 1,147        |
| Net Assets Released from Restrictions | 592,604                       | (592,604)                  | -            |
| Total Support and Revenue             | 776,401                       | 1,553,313                  | 2,329,714    |
| <b>EXPENSES</b>                       |                               |                            |              |
| Program Services                      | 555,931                       | -                          | 555,931      |
| Management and General                | 66,087                        | -                          | 66,087       |
| Fundraising                           | 111,634                       | -                          | 111,634      |
| Total Expenses                        | 733,652                       | -                          | 733,652      |
| <b>CHANGE IN NET ASSETS</b>           | 42,749                        | 1,553,313                  | 1,596,062    |
| Net Assets - Beginning of Year        | 108,193                       | 7,007,579                  | 7,115,772    |
| <b>NET ASSETS - END OF YEAR</b>       | \$ 150,942                    | \$ 8,560,892               | \$ 8,711,834 |

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

|                                       | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---------------------------------------|-------------------------------|----------------------------|--------------|
| <b>SUPPORT AND REVENUE</b>            |                               |                            |              |
| Contributions                         | \$ 14,768                     | \$ 827,891                 | \$ 842,659   |
| Fundraising Events                    | 82,873                        | -                          | 82,873       |
| Noncash Donations                     | 26,936                        | -                          | 26,936       |
| Administrative Fees                   | 18,517                        | -                          | 18,517       |
| Investment Return                     | (68,536)                      | (991,862)                  | (1,060,398)  |
| Rental Income                         | -                             | -                          | -            |
| Loss on Rental Property Held for Sale | -                             | -                          | -            |
| Other Income                          | 940                           | -                          | 940          |
| Net Assets Released from Restrictions | 605,338                       | (605,338)                  | -            |
| Total Support and Revenue             | 680,836                       | (769,309)                  | (88,473)     |
| <b>EXPENSES</b>                       |                               |                            |              |
| Program Services                      | 556,509                       | -                          | 556,509      |
| Management and General                | 63,360                        | -                          | 63,360       |
| Fundraising                           | 86,644                        | -                          | 86,644       |
| Total Expenses                        | 706,513                       | -                          | 706,513      |
| <b>CHANGE IN NET ASSETS</b>           | (25,677)                      | (769,309)                  | (794,986)    |
| Net Assets - Beginning of Year        | 133,870                       | 7,776,888                  | 7,910,758    |
| <b>NET ASSETS - END OF YEAR</b>       | \$ 108,193                    | \$ 7,007,579               | \$ 7,115,772 |

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

|                                   | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total</u>      |
|-----------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
| Grants and Services               | \$ 396,433                  | \$ -                              | \$ -               | \$ 396,433        |
| Professional Fees                 | 7,003                       | 6,211                             | -                  | 13,214            |
| Event Expenses                    | -                           | -                                 | 76,483             | 76,483            |
| Wages and Employee Benefits       | 123,306                     | 25,755                            | 18,299             | 167,360           |
| Continuing Education and Training | -                           | 355                               | -                  | 355               |
| Occupancy                         | 7,884                       | 7,883                             | 1,752              | 17,519            |
| Office Expense                    | 18,776                      | 21,226                            | 816                | 40,818            |
| Telephone                         | 1,531                       | 1,355                             | 59                 | 2,945             |
| Postage and Printing              | 998                         | -                                 | 538                | 1,536             |
| Newsletter and Advertising        | -                           | 848                               | 2,687              | 3,535             |
| Insurance                         | -                           | 2,454                             | -                  | 2,454             |
| Bad Debt                          | -                           | -                                 | 11,000             | 11,000            |
|                                   | <u>          </u>           | <u>          </u>                 | <u>          </u>  | <u>          </u> |
| Total Expenses                    | <u>\$ 555,931</u>           | <u>\$ 66,087</u>                  | <u>\$ 111,634</u>  | <u>\$ 733,652</u> |

*See accompanying Notes to Consolidated Financial Statements.*

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022**

|                                     | <u>Program<br/>Services</u> | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total</u>      |
|-------------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
| Grants and Services                 | \$ 402,624                  | \$ -                              | \$ -               | \$ 402,624        |
| Professional Fees                   | 4,674                       | 4,144                             | -                  | 8,818             |
| Event Expenses                      | -                           | -                                 | 35,589             | 35,589            |
| Wages and Employee Benefits         | 121,518                     | 29,839                            | 19,605             | 170,962           |
| Continuing Education and Convention | -                           | 3,720                             | -                  | 3,720             |
| Rent                                | 7,880                       | 7,880                             | 1,751              | 17,511            |
| Office Expense                      | 12,886                      | 14,568                            | 560                | 28,014            |
| Telephone                           | 1,536                       | 1,359                             | 59                 | 2,954             |
| Postage and Printing                | 4,035                       | -                                 | 2,173              | 6,208             |
| Newsletter and Advertising          | -                           | 602                               | 1,907              | 2,509             |
| Insurance                           | -                           | 1,248                             | -                  | 1,248             |
| Bad Debt                            | -                           | -                                 | 25,000             | 25,000            |
| Rental Property Expenses            | 1,356                       | -                                 | -                  | 1,356             |
|                                     | <u>\$ 556,509</u>           | <u>\$ 63,360</u>                  | <u>\$ 86,644</u>   | <u>\$ 706,513</u> |
| Total Expenses                      | <u>\$ 556,509</u>           | <u>\$ 63,360</u>                  | <u>\$ 86,644</u>   | <u>\$ 706,513</u> |

*See accompanying Notes to Consolidated Financial Statements.*

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

|   | 2023         | 2022         |
|---|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |              |
| Change in Net Assets  | \$ 1,596,062 | \$ (794,986) |
| Adjustments to Reconcile Change in Net Assets to<br>Net Cash Provided (Used) by Operating Activities: |              |              |
| Contributions Restricted for Endowments   | (660,894)    | (369,257)    |
| Amortization of Right-of-Use Assets   | 17,217       | 17,041       |
| Realized and Unrealized (Gain) Loss on Investments  | (902,715)    | 1,435,283    |
| Changes in Operating Assets and Liabilities:  |              |              |
| Unconditional Promises to Give  | 10,244       | 52,260       |
| Interest Receivable   | (5,334)      | -            |
| Prepaid Expenses  | 1,696        | (6,842)      |
| Accounts Payable  | (1,206)      | (2,051)      |
| Accrued Payroll and Employee Benefits   | (2,354)      | 1,533        |
| Grants and Scholarships Payable   | (10,691)     | 6,661        |
| Funds Held for Benefit of Others  | 207,296      | (165,176)    |
| Operating Lease Liabilities   | (17,226)     | (17,023)     |
| Net Cash Provided by Operating Activities   | 232,095      | 157,443      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |              |              |
| Purchase of Certificates of Deposit   | (458,790)    | -            |
| Investment Proceeds   | 2,995,133    | 219,820      |
| Investment Purchases  | (2,391,026)  | (591,572)    |
| Net Cash Provided (Used) by Investing Activities  | 145,317      | (371,752)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |              |              |
| Contribution Proceeds Restricted for Investment in<br>Permanent Endowment                             | 660,894      | 369,257      |
| Net Cash Provided by Financing Activities   | 660,894      | 369,257      |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>  | 1,038,306    | 154,948      |
| Cash and Cash Equivalents - Beginning of Year   | 759,496      | 604,548      |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>  | \$ 1,797,802 | \$ 759,496   |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>  |              |              |
| Right-of-Use Assets Obtained in Exchange for Operating Lease<br>Liabilities                           | \$ -         | \$ 54,574    |
| Cash Paid During the Year for:  |              |              |
| Unrelated Business Income Taxes   | \$ -         | \$ 1,870     |
| Total   | \$ -         | \$ 1,870     |

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Community Foundation of Dunn County, Inc. (the Foundation) serves the people of Dunn County, Wisconsin, 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 Consolidation**

The accompanying consolidated financial statements of the Foundation are prepared including the financial activity of CFDC Properties, LLC. The Foundation has an economic relationship with these entities. CFDC Properties, LLC is wholly owned by the Foundation and was set up to accept real estate gifts and sell those gifts with the funds being given to the Foundation.

**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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released when the asset is placed in service. 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.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Foundation considers all highly liquid investments with an initial maturity of less than three months to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Investments**

Investments are recorded at fair value on a recurring basis on the consolidated statements of financial position. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions.

Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

**Donated Services**

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets, or (2) require specialized skills that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation.

**Equipment**

Acquisitions of equipment in excess of \$5,000 are capitalized. Equipment is carried at cost or, if donated, at the estimated fair value of the date of donation. Equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

**Leases**

The Foundation leases certain office space in the Menomonie area. The Foundation determines if an arrangement is a lease at inception. Operating leases are included in operating right-of-use (ROU) assets, and operating lease liabilities on the statements of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease computations may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as ROU assets and lease liabilities on the statements of financial position.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Leases (Continued)**

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

**Uniform Prudent Management of Institutional Funds Act**

During fiscal 2009, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) became effective in the state of Wisconsin. UPMIFA provides guidance on the classification of endowment fund net assets for states that have enacted versions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and enhances disclosures for endowment funds. Under UPMIFA all unappropriated endowment fund assets are considered restricted. The consolidated financial statements impact for implementation is detailed in Note 7.

**Fair Value Measurements**

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Foundation emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value.

**Fair Value Hierarchy**

The Foundation has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Fair Value Measurements (Continued)**

Fair Value Hierarchy (Continued)

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that The Foundation has the ability to access (examples include active exchange-traded equity securities, listed derivatives, and most U.S. government and agency securities).

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets (for example, restricted stock);
- quoted prices for identical or similar assets or liabilities in nonactive markets (examples include corporate and municipal bonds, which trade infrequently);
- pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including interest rate and currency swaps); and pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability (examples include certain residential and commercial mortgage related assets, including loans, securities, and derivatives).

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability (examples include certain private equity investments and split-interest agreements).

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses based on an analysis of personnel time and space utilized for related activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Income Tax Status**

The Foundation has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Wisconsin Statute. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible.

The Foundation has evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2023.

**Estimates**

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**Subsequent Events**

We have evaluated subsequent events through April 25, 2024, the date the consolidated financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

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. In addition, the Foundation receives support without donor restrictions; which along with investment income without donor restrictions and appropriated earnings from gifts with donor restrictions, funds annual program needs.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation's Grants Committee (the Committee) meet semi-annually 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 semi-annual grant commitments approved by the Committee. The Foundation limits maximum distribution to 5% of the fund balance annually and administrative fees of are approximately 1% to 2% of the annual fund balance and transferred to the Foundation's general operating funds.

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

|                                       | 2023                |   |   |
|---------------------------------------|---------------------|---|---|
| <u>Description of Financial Asset</u> | <u>Gross Amount</u> | <u>Less: Amounts Unavailable for General Expenditures</u> | <u>Available to Meet Cash Needs Within One Year</u> |
| Cash and Cash Equivalents             | \$ 1,797,802        | \$ 1,761,550  | \$ 36,252   |
| Certificates of Deposit               | 458,790             | 354,868   | 103,922   |
| Operating Investments                 | 7,942,691           | 7,890,095   | 52,596  |
| Promises to Give                      | 37,765              | 37,765  | -   |
| Total                                 |                     |   | \$ 192,770  |

|                                       | 2022                |   |   |
|---------------------------------------|---------------------|---|---|
| <u>Description of Financial Asset</u> | <u>Gross Amount</u> | <u>Less: Amounts Unavailable for General Expenditures</u> | <u>Available to Meet Cash Needs Within One Year</u> |
| Cash and Cash Equivalents             | \$ 759,496          | \$ 599,635  | \$ 159,861  |
| Operating Investments                 | 7,644,083           | 7,636,025   | 8,058   |
| Promises to Give                      | 48,009              | 48,009  | -   |
| Total                                 |                     |   | \$ 167,919  |

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 3 UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, using three-year treasury rate which was 3.05% as of December 31, 2022. No discount was recorded at December 31, 2023 since amounts over one year are immaterial. These promises are due as follows:

|  | 2023             | 2022             |
|--|------------------|------------------|
| Within One Year  | \$ 37,265        | \$ 6,000         |
| In One to Five Years   | 500              | 42,740           |
| Total  | <u>37,765</u>    | <u>48,740</u>    |
| Less: Discount to Net Present Value at Rates of<br>0.00% and 3.05%, Respectively | -                | (731)            |
| Total  | <u>\$ 37,765</u> | <u>\$ 48,009</u> |

**NOTE 4 INVESTMENTS**

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

The Foundation's investments at December 31 are summarized below:

|                             | 2023                |                     |                        |
|-----------------------------|---------------------|---------------------|------------------------|
|                             | Fair Value          | Original Value      | Unrealized Gain (Loss) |
| Mutual Funds - Equities     | \$ 4,996,299        | \$ 3,317,822        | \$ 1,678,477           |
| Mutual Funds - Fixed Income | 2,946,392           | 3,182,306           | (235,914)              |
| Total                       | <u>\$ 7,942,691</u> | <u>\$ 6,500,128</u> | <u>\$ 1,442,563</u>    |
|                             | 2022                |                     |                        |
|                             | Fair Value          | Original Value      | Unrealized Gain (Loss) |
| Mutual Funds - Equities     | \$ 4,596,405        | \$ 3,962,473        | \$ 633,932             |
| Mutual Funds - Fixed Income | 3,047,678           | 3,579,859           | (532,181)              |
| Total                       | <u>\$ 7,644,083</u> | <u>\$ 7,542,332</u> | <u>\$ 101,751</u>      |

**Fair Value Measurements**

The Foundation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Foundation measures fair value refer to Note 1 – Principal Activity and Summary of Significant Accounting Policies.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 4 INVESTMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

Assets Measured at Fair Value on a Recurring Basis

|                             | 2023                |             |             | Total               |
|-----------------------------|---------------------|-------------|-------------|---------------------|
|                             | Level 1             | Level 2     | Level 3     |                     |
| Investments:                |                     |             |             |                     |
| Mutual Funds - Equities     | \$ 4,996,299        | \$ -        | \$ -        | \$ 4,996,299        |
| Mutual Funds - Fixed Income | 2,946,392           | -           | -           | 2,946,392           |
| Total                       | <u>\$ 7,942,691</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,942,691</u> |
|                             |                     |             |             |                     |
|                             | 2022                |             |             | Total               |
| Investments:                |                     |             |             |                     |
| Mutual Funds - Equities     | \$ 4,596,405        | \$ -        | \$ -        | \$ 4,596,405        |
| Mutual Funds - Fixed Income | 3,047,678           | -           | -           | 3,047,678           |
| Total                       | <u>\$ 7,644,083</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,644,083</u> |

**NOTE 5 FUNDS HELD FOR BENEFIT OF OTHERS**

The Foundation, when accepting cash or other financial assets from a nonprofit organization, recognizes the fair value of those assets as a liability to the specified beneficiary (generally the same nonprofit organization) concurrent with recognition of the assets received from the nonprofit organization if the Foundation agrees to any of the following (1) use those assets on behalf of the nonprofit organization, (2) transfer those assets to the nonprofit organization, (3) use the return on those assets to benefit the nonprofit organization, (4) apply any of the above to an unaffiliated specified beneficiary determined by the nonprofit organization.

Funds held for benefit of others at December 31 consisted of the following:

|   | 2023                | 2022                |
|---|---------------------|---------------------|
| Menomonie Public Library Foundation                 | \$ 456,104          | \$ 420,681          |
| West Wisconsin Land Trust Stewardship Fund          | 223,171             | 198,434             |
| Indianhead Enterprises                              | 190,539             | 176,076             |
| St. Joseph School Endowment                         | 190,664             | 169,635             |
| St. Joseph Parish Endowment                         | 157,664             | 140,287             |
| Stepping Stones of Dunn County                      | 58,534              | 48,594              |
| Dunn County Humane Association                      | 52,939              | 43,211              |
| Mabel Tainter Center for the Arts Endowment         | 27,944              | 24,796              |
| Dunn County Historical Society                      | 28,997              | 17,928              |
| Free Clinic of the Greater Menomonie Area Endowment | 69,079              | 14,640              |
| CORBA   | 16,250              | 11,031              |
| WESTCAP Endowment                                   | 9,887               | 8,750               |
| United Way of Dunn County                           | 1,614               | 2,027               |
| Total Funds Held for Benefit of Others              | <u>\$ 1,483,386</u> | <u>\$ 1,276,090</u> |

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 5 FUNDS HELD FOR BENEFIT OF OTHERS (CONTINUED)**

Funds held for benefit of others are included in investments on the consolidated statements of financial position.

**NOTE 6 NET ASSETS**

Net assets with donor restrictions at December 31 are available for the following purposes:

|   | 2023         | 2022         |
|---|--------------|--------------|
| Subject to Expenditure for Specified Purpose: |              |              |
| Arts and Culture                              | \$ 21,342    | \$ 26,419    |
| Community Development                         | 63,872       | 88,534       |
| Education and Youth                           | 200,902      | 182,459      |
| Health and Wellness                           | 249,496      | 164,255      |
| Human Services                                | 16,060       | 16,541       |
| Scholarships                                  | 77,679       | 66,411       |
| Animal Welfare                                | 307,628      | 274,977      |
| Other   | 807,315      | 583,458      |
| Total   | 1,744,294    | 1,403,054    |
| Subject to Endowment Spending Policy:         |              |              |
| Arts and Culture                              | 150,739      | 136,527      |
| Community Development                         | 113,464      | 102,528      |
| Education and Youth                           | 759,765      | 631,262      |
| Health and Wellness                           | 2,035,109    | 1,881,943    |
| Human Services                                | 564,106      | 134,341      |
| Scholarships                                  | 1,811,890    | 1,543,232    |
| Animal Welfare                                | 46,725       | 41,766       |
| Other   | 1,334,800    | 1,132,926    |
| Total   | 6,816,598    | 5,604,525    |
| Total Net Assets With Donor Restrictions      | \$ 8,560,892 | \$ 7,007,579 |

**NOTE 7 ENDOWMENT**

The endowment fund consists of funds held in various types of investments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 7 ENDOWMENT (CONTINUED)**

The state of Wisconsin enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) on June 30, 2009, the provisions of which apply to endowment funds existing on or established after that date. The board of directors has determined that its endowment restricted net assets meet the definition of endowment funds under UPMIFA. The board of directors of the endowment fund has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the endowment fund classified as endowment restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as endowment restricted net assets is classified as net asset with donor restrictions until those amounts are appropriated for expenditure by the endowment fund in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the endowment fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effects of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the endowment fund, and (7) the endowment fund's investment policies.

***Investment Return Objectives, Risk Parameters, and Strategies*** – The endowment fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Endowment Fund has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the original investment of the endowment. Endowment assets include those assets of donor-restricted funds that the endowment fund must hold in perpetuity. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce returns to fund scholarships and programs while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the endowment fund relies on a total return strategy in which investment returns are achieved through both realized and unrealized gains/losses and interest and dividends.

***Spending Policy*** – The endowment fund has a policy that is based on the needs of the Foundation's budget for the fiscal year and is limited to the current quarter earnings of the endowment. In establishing this policy, the endowment fund considered the long-term expected rate of return on its endowments.

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 7 ENDOWMENT (CONTINUED)**

Changes in endowment net assets for 2023 and 2022 were as follows:

|  | Net Assets With Donor Restrictions |                     |                     |
|--|------------------------------------|---------------------|---------------------|
|  | Earnings                           | Endowment<br>Funds  | Total               |
| Endowment Fund Balance - December 31, 2021 | \$ 2,091,856                       | \$ 4,251,284        | \$ 6,343,140        |
| Contributions                              | 18,268                             | 369,257             | 387,525             |
| Disbursement                               | (296,799)                          | -                   | (296,799)           |
| Transfers                                  | 43,623                             | -                   | 43,623              |
| Return on Investments                      | (872,964)                          | -                   | (872,964)           |
| Endowment Fund Balance - December 31, 2022 | 983,984                            | 4,620,541           | 5,604,525           |
| Contributions                              | 25,635                             | 660,894             | 686,529             |
| Disbursements                              | (283,103)                          | -                   | (283,103)           |
| Transfers                                  | 8,716                              | -                   | 8,716               |
| Return on Investments                      | 799,930                            | -                   | 799,930             |
| Endowment Fund Balance - December 31, 2023 | <u>\$ 1,535,162</u>                | <u>\$ 5,281,435</u> | <u>\$ 6,816,597</u> |

**NOTE 8 OPERATING LEASES – ASC 842**

The Foundation leases its office space under a long-term, noncancelable lease agreement which expires on February 28, 2025.

The following table provides quantitative information concerning the Foundations leases for the years ended December 31, 2023 and 2022.

|   | 2023      | 2022      |
|---|-----------|-----------|
| Lease Costs:  |           |           |
| Operating Lease Costs   | \$ 17,519 | \$ 17,511 |
| Other Information:  |           |           |
| Operating Cash Flows Used by Operating Leases                               | \$ 17,226 | \$ 17,422 |
| Right-of-Use Assets Obtained in Exchange for<br>Operating Lease Liabilities | \$ -      | \$ 54,574 |
| Weighted-Average Remaining Lease Term                                       | 2.1 Years | 2.1 Years |
| Weighted-Average Discount Rate  | 1.04%     | 1.04%     |

The Foundation classifies the total discounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023, is as follows:

| Year Ending December 31, | Amount           |
|--------------------------|------------------|
| 2024                     | \$ 17,519        |
| 2025                     | 2,920            |
| Undiscounted Cash Flows  | 20,439           |
| Less: Imputed Interest   | (114)            |
| Total Present Value      | <u>\$ 20,325</u> |

**COMMUNITY FOUNDATION OF DUNN COUNTY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 9 CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Foundation to credit risk consist principally of unconditional promises to give, cash deposits in excess of insured limits, and investments of marketable equity and debt securities.

**NOTE 10 CONTRIBUTED NONFINANCIAL ASSETS**

The Foundation receives noncash donations for their annual fundraiser. The donations are valued at the fair value which is determined based on the amount the item sells for at auction or an estimated fair market value. The Foundation received \$34,309 and \$26,936 of noncash donations during the years ending December 31, 2023 and 2022, respectively.

All gifts in-kind received by the Foundation were considered without donor restrictions and are able to be used by the Foundation at determined by the board of directors and management.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.