

FORT ATKINSON COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019



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**FORT ATKINSON COMMUNITY FOUNDATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

Board of Directors
Fort Atkinson Community Foundation
Fort Atkinson, Wisconsin

We have audited the accompanying financial statements of Fort Atkinson Community Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, 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 of America; 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.

Auditors' 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 of America. 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 auditors' 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.

Board of Directors
Fort Atkinson Community Foundation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fort Atkinson Community Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
February 25, 2021

**FORT ATKINSON COMMUNITY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,257,485	\$ 1,532,706
Pledges Receivable	57,000	57,000
Total Current Assets	2,314,485	1,589,706
OTHER ASSETS		
Investments	26,074,187	26,682,144
Pledges Receivable - Long Term	210,000	90,000
Total Other Assets	26,284,187	26,772,144
Total Assets	\$ 28,598,672	\$ 28,361,850
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ -	\$ 17,475
Grants Payable	397,885	375,428
Scholarships Payable	496,765	453,500
Total Current Liabilities	894,650	846,403
LONG-TERM LIABILITIES		
Scholarships Payable - Long Term	189,750	211,750
Total Liabilities	1,084,400	1,058,153
NET ASSETS		
Without Donor Restrictions	4,793,634	4,726,487
With Donor Restrictions	22,720,638	22,577,210
Total Net Assets	27,514,272	27,303,697
Total Liabilities and Net Assets	\$ 28,598,672	\$ 28,361,850

See accompanying Notes to Financial Statements.

**FORT ATKINSON COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 10,935	\$ 445,568	\$ 456,503
Net Investment Income	91,354	629,488	720,842
Net Assets Released from Restriction	<u>931,628</u>	<u>(931,628)</u>	<u>-</u>
Total Revenue, Support, and Gains	<u>1,033,917</u>	<u>143,428</u>	<u>1,177,345</u>
EXPENSES			
Program Expense:			
Grants	502,357	-	502,357
Scholarships	<u>348,640</u>	<u>-</u>	<u>348,640</u>
Total Program Expenses	<u>850,997</u>	<u>-</u>	<u>850,997</u>
General and Administrative Expense:			
Staff Compensation	73,029	-	73,029
Technology Fees	25,386	-	25,386
Professional Fees	7,631	-	7,631
Office Costs	<u>9,727</u>	<u>-</u>	<u>9,727</u>
Total General and Administrative Expense	<u>115,773</u>	<u>-</u>	<u>115,773</u>
Total Expenses and Losses	<u>966,770</u>	<u>-</u>	<u>966,770</u>
CHANGE IN NET ASSETS	67,147	143,428	210,575
Net Assets - Beginning of Year	<u>4,726,487</u>	<u>22,577,210</u>	<u>27,303,697</u>
NET ASSETS - END OF YEAR	<u>\$ 4,793,634</u>	<u>\$ 22,720,638</u>	<u>\$ 27,514,272</u>

See accompanying Notes to Financial Statements.

**FORT ATKINSON COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 47,955	\$ 515,499	\$ 563,454
Net Investment Income	209,409	1,013,253	1,222,662
Net Assets Released from Restriction	879,168	(879,168)	-
Total Revenue, Support, and Gains	1,136,532	649,584	1,786,116
EXPENSES			
Program Expense:			
Grants	486,265	-	486,265
Scholarships	369,700	-	369,700
Total Program Expenses	855,965	-	855,965
General and Administrative Expense:			
Staff Compensation	57,985	-	57,985
Technology Fees	47,071	-	47,071
Professional Fees	7,120	-	7,120
Office Costs	8,604	-	8,604
Total General and Administrative Expense	120,780	-	120,780
Total Expenses and Losses	976,745	-	976,745
CHANGE IN NET ASSETS	159,787	649,584	809,371
Net Assets - Beginning of Year	4,566,700	21,927,626	26,494,326
NET ASSETS - END OF YEAR	\$ 4,726,487	\$ 22,577,210	\$ 27,303,697

See accompanying Notes to Financial Statements.

**FORT ATKINSON COMMUNITY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 210,575	\$ 809,371
Adjustments to Reconcile Change in Net Assets to Net Cash		
Flows from Operating Activities:		
Net Realized and Unrealized Gains on Investments	(244,431)	(748,044)
Changes in Operating Assets and Liabilities:		
Contributions Receivable	(120,000)	1,103,231
Accounts Payable	(17,475)	17,475
Grants and Scholarships Payable	43,722	295,300
Net Cash Flows from Operating Activities	<u>(127,609)</u>	<u>1,477,333</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,889,368)	(11,890,755)
Proceeds from Sales of Investments	<u>3,741,756</u>	<u>10,940,317</u>
Net Cash Flows from Investing Activities	<u>852,388</u>	<u>(950,438)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	724,779	526,895
Cash and Cash Equivalents - Beginning of Year	<u>1,532,706</u>	<u>1,005,811</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,257,485</u>	<u>\$ 1,532,706</u>

See accompanying Notes to Financial Statements.

**FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

The purpose of Fort Atkinson Community Foundation (the Foundation), a nonprofit organization, is to receive and accept funds exclusively for educational, cultural, charitable, or benevolent purposes for the benefit and improvement of residents of the Fort Atkinson, Wisconsin metropolitan area in such a way that the quality of life in the area shall be enhanced. Distributions may be made occasionally to qualified organizations located or operating outside of the Fort Atkinson metropolitan area provided that the Board determines there will be a substantial benefit derived there for the residents of the area.

Method of Accounting

The financial statements have been prepared on the accrual method of accounting. Receivables and payables and the related revenues and expenses are recognized when there is a right to the revenue and obligation to pay the expense.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation 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.

Fund Structure

The Foundation maintains its fund structure in two categories of funds: Endowed Funds and Non-Endowed Funds. Endowed Funds are used for long-term funds of a more permanent nature and their assets are pooled and invested. Non-Endowed Funds are used for shorter term and their assets are held in a short-term money market account. Approximately 98% of fund assets held at June 30, 2020 and 2019 were endowed.

Within each category, the funds are classified according to their nature and purpose. The Foundation currently maintains approximately 80 different funds in six different types.

General Fund – Many contributors to the Foundation do not establish a specific fund but contribute to the General Fund of the Foundation for the unrestricted use of the Foundation. Income from this fund is used for administrative costs and grants.

Acorn Fund – Gradually builds into an endowment fund and, upon maturity, is directed toward philanthropic interests.

FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Designated Fund – Established by a donor who identifies a specific charitable organization to benefit.

Donor-Advised Fund – Established by a donor who recommends awards for local causes they would like to support.

Field of Interest Fund – A donor specifies an area of interest, such as arts or recreation, leaving the Board to choose appropriate projects.

Scholarship Funds – Support educational opportunities for area students.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, including certificates of deposit and Institutional Money Market Funds. Cash equivalents are valued at cost, which approximates market. The Foundation maintains cash and cash equivalents at two financial institutions. Cash deposits periodically exceed the Federal Deposit Insurance Corporation (FDIC) limit.

Pledges Receivable

Pledges are recorded as receivables in the year the pledge is received. Current pledges receivable are expected to be collected during the next year and are recorded at net realizable value. An allowance for uncollectible promises to give is determined based on experience. There was \$0 allowance for uncollectible promises to give for the years ended June 30, 2020 and 2019. The receivable is not discounted because net present value approximates fair value.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment income (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

Revenue Recognition

Contributions, including pledges receivable, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The statement of activities presents the natural classification detail of expenses by function. No costs have been allocated among the programs and supporting services benefited. All expenses are direct expenses which are specifically identifiable with a function and are charged to the function that benefited.

Income Taxes

The Foundation is exempt from federal income taxes as provided in Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation, having qualified for exemption under provisions of the IRC, is also exempt from state income tax. The Foundation does not consider any of its support and revenue to be unrelated business income and, accordingly, no provision for income taxes has been provided in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 could differ from those estimates.

Change in Accounting Principle

In June, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Foundation has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

We have evaluated subsequent events through February 25, 2021, the date the financial statements were available to be issued.

**FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 LIQUIDITY AND AVAILABILITY

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:

	<u>2020</u>	<u>2019</u>
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 2,257,485	\$ 1,532,706
Investments	<u>2,536,149</u>	<u>3,193,781</u>
Total Financial Assets	<u><u>\$ 4,793,634</u></u>	<u><u>\$ 4,726,487</u></u>

As part of their liquidity, the Foundation invests cash in excess of daily requirements in short-term investments such as money market funds.

NOTE 3 PLEDGES RECEIVABLE

The pledges receivable balances as of June 30 are expected to be collected according to the following schedule:

	<u>2020</u>	<u>2019</u>
Within One Year	\$ 57,000	\$ 57,000
In One to Five Years	210,000	90,000
Less: Allowance for Uncollectible Promises to Give	-	-
Total	<u><u>\$ 267,000</u></u>	<u><u>\$ 147,000</u></u>

NOTE 4 GRANTS AND SCHOLARSHIPS PAYABLE

Grant and scholarship distributions are made in accordance with the stipulations of the various individual funds and as approved by the Board. Distributions authorized but unpaid at year-end are reported as liabilities. Grant and scholarships payable at June 30, 2020 and 2019 totaled \$1,084,400 and \$1,040,678, respectively.

The Foundation's grant and scholarships payable are due over the following periods as of June 30, 2020:

2021	\$ 894,650
2022	89,250
2023	63,250
2024	<u>37,250</u>
Total	<u><u>\$ 1,084,400</u></u>

**FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 FAIR VALUE MEASUREMENTS AND DISCLOSURES

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used at June 30, 2020 and 2019.

Short-Term Cash Investments: Valued at cost, which approximates fair value.

Debt Securities: Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual Funds and Common Stock: Securities listed on national markets or exchanges are valued at the last sales price, or, if there is no sale and the markets are still considered active, at the last transaction price before year-end.

**FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30:

	2020			
	Total	Level 1	Level 2	Level 3
Common Stock:				
Equities	\$ 2,446,963	\$ 1,877,713	\$ 569,250	\$ -
Debt Securities:				
Corporate Bonds	4,068,225	3,849,445	218,780	-
Brokerage	73,063	73,063	-	-
Mutual Funds:				
Fixed	5,434,711	5,434,711	-	-
Equities	14,051,225	14,051,225	-	-
Total	\$ 26,074,187	\$ 25,286,157	\$ 788,030	\$ -
	2019			
	Total	Level 1	Level 2	Level 3
Common Stock:				
Equities	\$ 2,288,025	\$ 1,749,825	\$ 538,200	\$ -
Debt Securities:				
Corporate Bonds	4,046,344	3,846,925	199,419	-
Brokerage	225,166	225,166	-	-
Mutual Funds:				
Fixed	5,334,401	5,334,401	-	-
Equities	14,788,208	14,788,208	-	-
Total	\$ 26,682,144	\$ 25,944,525	\$ 737,619	\$ -

NOTE 6 LICENSE AGREEMENT

The Foundation is the licensee of a specialized software system for monitoring and reporting on its finances and grants. The license agreement expired on September 30, 2019 and was subsequently extended for three years. The new monthly fee (including maintenance and support services) is \$1,500 and totaled \$19,500 and \$24,000 for the years ended June 30, 2020 and 2019, respectively.

NOTE 7 INTERNAL ADMINISTRATIVE FEES

The Foundation charges an internal administrative fee to the various funds held based on a variable schedule charged on the dollar value of each fund. This fee helps to cover operating expenses of the Foundation. Since these fees are internal in nature, they are eliminated on the financial statements. Total fees charged to the funds for the years ended June 30, 2020 and 2019 totaled \$96,323 and \$91,301, respectively.

**FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8 ENDOWMENT

The Foundation utilizes a “total return” method to measure investment performance. Under this concept, investment objectives are established to provide the Foundation with income to meet its current needs and also preserve and enhance the real purchasing power of principal. To satisfy this long-term objective, the Foundation targets a diversified portfolio. Investment managers are guided by asset allocation guidelines and other criteria. The Foundation’s spending policy is based on the type of fund held. Field of interest funds distribution goal is not to exceed 5% annually based on a rolling five-year time frame. Other funds have an annual distribution goal of 3%-5% of prior year fund balance. These criteria do not apply to Non-Endowed Funds.

Interpretation of Relevant Law – The board of directors has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. The Foundation does not hold any net assets with donor restrictions in perpetuity. The portion of the endowment fund that is not classified as net assets without donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA as adopted by the state of Wisconsin.

As of June 30, the Foundation had the following endowment net asset composition by type of fund:

June 30, 2020	Without Donor Restriction	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 4,793,634	\$ -	\$ 4,793,634
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Accumulated Investment Gains	-	23,285,119	23,285,119
Endowment Net Assets - End of Year	<u>\$ 4,793,634</u>	<u>\$ 23,285,119</u>	<u>\$ 28,078,753</u>
June 30, 2019	Without Donor Restriction	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 4,743,962	\$ -	\$ 4,743,962
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Accumulated Investment Gains	-	23,056,341	23,056,341
Endowment Net Assets - End of Year	<u>\$ 4,743,962</u>	<u>\$ 23,056,341</u>	<u>\$ 27,800,303</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). UPMIFA has been interpreted by the Foundation to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2020 and 2019, there were no underwater endowments.

**FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8 ENDOWMENT (CONTINUED)

Fund Objectives – The endowment funds are established to assist the Foundation in its mission as a community foundation providing grants for educational, cultural, or other charitable purposes. The endowment funds consist of individual endowment funds with donor restrictions and individual endowment funds without donor restrictions.

Investment Objective and Cash Flow Policy – Generally, the endowment funds with donor restrictions’ long-term objectives are, at a minimum, to maintain current real value. The assets are to be invested in a manner to generate investment returns in excess of the annual spending rate combined with inflation.

The endowment funds will make use of a total return-based spending policy, meaning that they will fund required distributions from net investment income, net realized capital gains, and from the proceeds received from the sale of investments, including principal.

Investment Policies – Endowment fund assets will be managed as a portfolio comprised of two major components: equity investments to maximize long-term growth of assets, and fixed income investments to generate current income, provide greater stability of periodic returns, and protect against prolonged decline of the equity markets.

The endowment funds will be invested primarily in marketable financial assets. Therefore, contributions of real estate, personal property or business entities that may from time to time be received, will typically be converted to financial assets in an orderly fashion.

Changes in endowment net assets for the fiscal year ended June 30 are as follows:

<u>June 30, 2020</u>	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ 4,743,962	\$ 23,056,341	\$ 27,800,303
Investment Return, Net	136,258	737,395	873,653
Additions	108,974	213,124	322,098
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(195,560)</u>	<u>(721,741)</u>	<u>(917,301)</u>
Endowment Net Assets - End of Year	<u>\$ 4,793,634</u>	<u>\$ 23,285,119</u>	<u>\$ 28,078,753</u>
<u>June 30, 2019</u>	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets - Beginning of Year	\$ 4,566,700	\$ 21,127,504	\$ 25,694,204
Investment Return, Net	221,594	1,146,120	1,367,714
Additions	143,993	1,444,155	1,588,148
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(188,325)</u>	<u>(661,438)</u>	<u>(849,763)</u>
Endowment Net Assets - End of Year	<u>\$ 4,743,962</u>	<u>\$ 23,056,341</u>	<u>\$ 27,800,303</u>

FORT ATKINSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 CONCENTRATIONS

The Foundation received approximately 38% and 29% of its contributions from one donor and two donors for the years ended June 30, 2020 and 2019, respectively.

NOTE 10 RISKS AND UNCERTAINTIES

During March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, business, and communities. Specific to the Foundation, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, additional costs for emergency preparedness, potential shortages of personnel, or potential loss of revenue due to reduction in certain revenue streams. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events have continued subsequent to year-end and are still developing.