

**CLEAN WISCONSIN, INC.**

**FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

December 31, 2016 and 2015

## CONTENTS

Independent Auditor's Report .....	1
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Cash Flows .....	6
Notes to Financial Statements .....	7
Schedules of Functional Expenses.....	14



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Clean Wisconsin, Inc.  
Madison, Wisconsin

We have audited the accompanying financial statements of Clean Wisconsin, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, 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.

### ***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 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 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 Clean Wisconsin, Inc. as of December 31, 2016 and 2015, 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.

### ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are

**Janesville Office:**  
101 E. Milwaukee Street  
Suite 425  
Janesville, WI 53545  
P: (608) 756-4020

**Baraboo Office:**  
123 Second Street  
P.O. Box 150  
Baraboo, WI 53913  
P: (608) 356-3966  
F: (608) 356-2966

**Milwaukee Office:**  
W229 N1433 Westwood Drive  
Suite 105  
Waukesha, WI 53186  
P: (262) 522-7555  
F: (262) 522-7550

**Madison Office:**  
2110 Luann Lane  
Madison, WI 53713  
P: (608) 274-4020  
F: (608) 274-0775

[www.wegnercpas.com](http://www.wegnercpas.com)  
[info@wegnercpas.com](mailto:info@wegnercpas.com)  
(888) 204-7665

not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wegner CPAs LLP*  
Wegner CPAs, LLP  
Madison, Wisconsin  
February 17, 2017

**CLEAN WISCONSIN, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 836,348	\$ 345,712
Accounts receivable	56,517	5,373
Unconditional promises to give	703,890	63,422
Due from Clean Wisconsin Action Fund	1,031	1,487
Prepaid expenses	28,018	22,693
Total current assets	1,625,804	438,687
<b>EQUIPMENT</b>		
Furniture and equipment	127,389	127,389
Less accumulated depreciation	122,696	118,142
Equipment - net	4,693	9,247
<b>OTHER ASSETS</b>		
Beneficial interest in assets held by MCF	637,886	650,056
Security deposits	7,850	7,850
<b>Total assets</b>	<b>\$ 2,276,233</b>	<b>\$ 1,105,840</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 19,974	\$ 33,607
Accrued payroll and taxes	17,281	13,153
Deferred revenue	5,000	10,000
Due to other organizations	287,964	26,075
Total current liabilities	330,219	82,835
<b>OTHER LIABILITIES</b>		
Liability under operating lease	-	1,717
Total liabilities	330,219	84,552
<b>NET ASSETS</b>		
Undesignated (deficit)	67,812	(31,169)
Designated for Legacy Fund	201,883	192,405
Designated for Litigation Fund	74,623	88,504
Total unrestricted net assets	344,318	249,740
Temporarily restricted	1,340,756	510,608
Permanently restricted	260,940	260,940
Total net assets	1,946,014	1,021,288
<b>Total liabilities and net assets</b>	<b>\$ 2,276,233</b>	<b>\$ 1,105,840</b>

See accompanying notes.

**CLEAN WISCONSIN, INC.**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 371,346	2,045,289	\$ -	\$ 2,416,635
Program service revenue	192,998	-	-	192,998
Event income	111,726	-	-	111,726
Investment return	16,326	20,484	-	36,810
Other	2,844	-	-	2,844
	<hr/>	<hr/>	<hr/>	<hr/>
Total support and revenue	695,240	2,065,773	-	2,761,013
<b>EXPENSES</b>				
Program services				
Energy	849,212	-	-	849,212
Water	407,610	-	-	407,610
Outreach and education	18,234	-	-	18,234
Other programs	141,241	-	-	141,241
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	1,416,297	-	-	1,416,297
Supporting activities				
Management and general	198,984	-	-	198,984
Fundraising	221,006	-	-	221,006
	<hr/>	<hr/>	<hr/>	<hr/>
Total supporting activities	419,990	-	-	419,990
Total expenses	1,836,287	-	-	1,836,287
Net assets released from restrictions	1,235,625	(1,235,625)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Change in net assets</b>	94,578	830,148	-	924,726
Net assets - beginning of year	249,740	510,608	260,940	1,021,288
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net assets - end of year</b>	<u>\$ 344,318</u>	<u>\$ 1,340,756</u>	<u>\$ 260,940</u>	<u>\$ 1,946,014</u>

See accompanying notes.

**CLEAN WISCONSIN, INC.**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 311,404	\$ 821,643	\$ 1,300	\$ 1,134,347
Program service revenue	233,606	-	-	233,606
Event income	93,799	-	-	93,799
Investment return	(2,285)	(4,428)	-	(6,713)
Other	1,663	-	-	1,663
	<u>638,187</u>	<u>817,215</u>	<u>1,300</u>	<u>1,456,702</u>
Total support and revenue	638,187	817,215	1,300	1,456,702
<b>EXPENSES</b>				
Program services				
Energy	953,364	-	-	953,364
Water	458,517	-	-	458,517
Outreach and education	41,260	-	-	41,260
Other programs	144,929	-	-	144,929
	<u>1,598,070</u>	<u>-</u>	<u>-</u>	<u>1,598,070</u>
Total program services	1,598,070	-	-	1,598,070
Supporting activities				
Management and general	271,917	-	-	271,917
Fundraising	203,142	-	-	203,142
	<u>475,059</u>	<u>-</u>	<u>-</u>	<u>475,059</u>
Total supporting activities	475,059	-	-	475,059
Total expenses	2,073,129	-	-	2,073,129
Net assets released from restrictions	<u>1,252,069</u>	<u>(1,252,069)</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	(182,873)	(434,854)	1,300	(616,427)
Net assets - beginning of year	<u>432,613</u>	<u>945,462</u>	<u>259,640</u>	<u>1,637,715</u>
<b>Net assets - end of year</b>	<u>\$ 249,740</u>	<u>\$ 510,608</u>	<u>\$ 260,940</u>	<u>\$ 1,021,288</u>

See accompanying notes.

**CLEAN WISCONSIN, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years ended December 31, 2016 and 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 924,726	\$ (616,427)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	4,554	9,093
Contributions restricted for long-term purposes	-	(1,300)
Change in assets and liabilities		
Accounts receivable	(51,144)	101,130
Unconditional promises to give	(640,468)	636,328
Due from Clean Wisconsin Action Fund	456	3,916
Prepaid expenses	(5,325)	(2,366)
Accounts payable	(13,633)	(11,878)
Accrued payroll and taxes	4,128	(10,177)
Deferred revenue	(5,000)	(8,333)
Due to other organizations	261,889	(123,925)
Liability under operating lease	(1,717)	(4,448)
<b>Net cash flows from operating activities</b>	478,466	(28,387)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment return retained in agency endowment	(36,564)	6,893
Transfers to agency endowment	(6,330)	(3,800)
Distributions from agency endowment	55,064	61,344
<b>Net cash flows from investing activities</b>	12,170	64,437
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for investment in permanent endowment	-	1,300
Net change in cash	490,636	37,350
Cash - beginning of year	345,712	308,362
<b>Cash - end of year</b>	<u>\$ 836,348</u>	<u>\$ 345,712</u>

See accompanying notes.



**CLEAN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

---

---

Clean Wisconsin, Inc. is engaged in advocacy, public education, and grassroots organizing around the issues of clean water, clean energy, and environmental stewardship. Clean Wisconsin, Inc. is funded primarily by contributions from foundations and from the general public.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Clean Wisconsin, Inc. is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net assets* – Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

*Temporarily restricted net assets* – Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

*Permanently restricted net assets* – Net assets that have been restricted by donors to be maintained by Clean Wisconsin in perpetuity.

**Accounts Receivable**

Clean Wisconsin, Inc. considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Promises to Give**

Unconditional promises to give are recognized as revenue or gains 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. Uncollectible promises are stated at unpaid balances, less an allowance for doubtful accounts. Clean Wisconsin, Inc.'s policy is to charge off uncollectible unconditional promises to give when management has used reasonable collection efforts and determines the promises will not be collected.

**Equipment**

Purchases of equipment in excess of \$2,000 are recorded at cost or, if donated, at the asset's estimated fair value. Depreciation is recorded using the straight-line method over the assets' estimated useful lives. Depreciation expense for 2016 and 2015 was \$4,554 and \$9,093.

**Contributions**

All 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 reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**CLEAN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

---

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The costs of Clean Wisconsin, Inc.'s programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the following program services and their supporting activities.

*Energy* – Working to increase the state's investment in energy efficient and renewable energy sources, thus reducing global warming gas emissions, by moving Wisconsin forward with the clean energy jobs act, increasing energy efficiency in Wisconsin, reducing Wisconsin's contribution to global warming, protecting Wisconsin from unsafe nuclear power plants and toxic waste, increasing renewable energy in Wisconsin, and stopping Alliant Energy's proposed coal plant. Today's innovative technologies combined with abundant Wisconsin resources, like wind and agriculture byproducts, offer an opportunity to create new jobs and economic activity with clean, efficient and safe energy sources.

*Water* – Working to protect and improve Wisconsin's waters by passing and enforcing the Great Lakes Compact, restoring the Great Lakes, protecting Wisconsin's groundwater, reducing mercury pollution that is contaminating our lakes and fish and harming our citizens, and reducing the amount of animal waste, fertilizers and toxins polluting our lakes and rivers.

*Outreach and Education* – Provide press releases, mailings, and phone calls to membership and other interested parties on important environmental issues, and to ask for their support, involvement through contacts with legislators' writing letters to editors to advocate for important environmental changes.

*Other Programs* – Clean Wisconsin, Inc.'s other environmental programs.

**Estimates**

Management uses estimates and assumptions in preparing 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.

**Income Tax Status**

Clean Wisconsin, Inc. is an exempt public charity under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Date of Management's Review**

Management has evaluated subsequent events through February 17, 2017, the date which the financial statements were available to be issued.

**CLEAN WISCONSIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016 and 2015

---

**NOTE 2 – NET ASSETS**

Temporarily restricted net assets at December 31, 2016 and 2015 are available for:

	<u>2016</u>	<u>2015</u>
Litigation Fund	\$ 60,192	\$ 71,388
Legacy Fund	37,983	34,852
Speaker Fund	2,265	1,966
Water Program	594,200	109,974
Energy Program	626,220	251,177
Others	<u>19,896</u>	<u>41,251</u>
Temporarily restricted net assets	<u>\$ 1,340,756</u>	<u>\$ 510,608</u>

Permanently restricted net assets at December 31, 2016 and 2015 are available for:

	<u>2016</u>	<u>2015</u>
Legacy Fund	\$ 160,940	\$ 160,940
Speaker Fund	<u>100,000</u>	<u>100,000</u>
Permanently restricted net assets	<u>\$ 260,940</u>	<u>\$ 260,940</u>

**NOTE 3 – OPERATING LEASE**

Clean Wisconsin, Inc. entered into a lease agreement for office space in Madison, Wisconsin effective April 15, 2011 through April 30, 2016. The lease was amended to extend from May 1, 2016 through April 30, 2019. Monthly lease payments were \$7,850 until March 31, 2012 and then increase 2.75% per year. The lease also requires a security deposit of \$7,850. Lease expense for 2016 and 2015 was \$114,658 and \$107,828. Future minimum payments for 2017, 2018, and 2019 are \$109,863, \$112,884, and \$37,967.

**NOTE 4 – INVESTMENT RETURN**

Investment return for 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Interest	\$ 246	\$ 180
Change in value of beneficial interest	<u>36,564</u>	<u>(6,893)</u>
Investment return	<u>\$ 36,810</u>	<u>\$ (6,713)</u>

**CLEAN WISCONSIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016 and 2015

---

**NOTE 5 – JOINT COSTS**

Certain printing and postage costs that were incurred to communicate with Clean Wisconsin, Inc.'s members have been allocated between program services and fundraising. The total amount incurred for printing and postage during 2016 was \$17,648 with \$14,683 allocated to program services and \$1,678 allocated to fundraising. The total amount incurred for printing and postage during 2015 was \$19,796 with \$15,789 allocated to program services and \$1,766 and allocated to fundraising.

**NOTE 6 – RELATED PARTY TRANSACTIONS**

Clean Wisconsin, Inc. provides personnel, office equipment, and facilities to Clean Wisconsin Action Fund, Inc. (CWAFF) under the terms of an agreement executed on March 31, 2002. CWAFF is organized under Section 501(c)(4) of the Internal Revenue Code. Clean Wisconsin, Inc. in 2016 and 2015 charged CWAFF \$3,491 and \$234 for these services. CWAFF at December 31, 2016 and 2015, owed Clean Wisconsin, Inc. \$1,031 and \$1,487.

**NOTE 7 – RETIREMENT PLAN**

Clean Wisconsin, Inc. has a 403(b) retirement plan administered by TIAA-CREF, which employees are eligible to participate in. Clean Wisconsin, Inc. matches up to 6% of employee's contributions. Retirement plan expense for 2016 and 2015 was \$56,821 and \$53,925.

**NOTE 8 – BENEFICIAL INTEREST IN ASSETS HELD BY MCF**

Clean Wisconsin, Inc.'s beneficial interest in assets held by Madison Community Foundation (Foundation) at December 31, 2016 and 2015 consisted of the following:

	2016	2015
Litigation Fund (Maximum Giving Fund)	\$ 134,815	\$ 159,893
Legacy Fund (Endowment)	400,806	388,197
Speaker's Fund (Endowment)	102,265	101,966
Beneficial interest in assets held by MCF	\$ 637,886	\$ 650,056

Clean Wisconsin, Inc.'s Litigation Fund is a maximum giving fund (MGF) that is an alternative type of investment at the Foundation that allows for distribution of principal, as well as income. The MGF is an option for those donors who desire greater spending flexibility while at the same time achieving a reasonable level of asset growth. The requirements of an MGF are as follows: a minimum initial gift of \$250,000, with additional gifts at any time; a maximum annual distribution of 20% of the January 1<sup>st</sup> fund balance; a minimum account balance of \$100,000; a minimum time horizon of 10 years. After 10 years, the fund may remain in perpetuity or convert to a pass-through fund and be spent down.

**CLEAN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

---

---

NOTE 8 – BENEFICIAL INTEREST IN ASSETS HELD BY MCF (continued)

Clean Wisconsin, Inc.'s endowment consists of two individual funds held by the Foundation established for clean water, clean energy, and environmental stewardship, which includes donor - restricted endowment funds and investment return earned by those funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including the investment return, are classified and reported based on the existence or absence of donor-imposed restrictions. The state of Wisconsin enacted UPMIFA effective July 20, 2009, the provisions of which apply to endowment funds existing on or established after that date. Clean Wisconsin, Inc. had determined that its permanently restricted net assets meet the definition of endowment funds under UPMIFA. Clean Wisconsin, Inc. has interpreted Wisconsin's enacted version of 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. However, Clean Wisconsin, Inc. has notified its' donors that they reserve the right to make a distribution from their funds even if the value of the fund drops below the amount of the initial gift.

In accordance with Wisconsin's enacted version of UPMIFA, Clean Wisconsin, Inc. expects it will need to consider 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 effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Clean Wisconsin, Inc., and (7) Clean Wisconsin, Inc.'s investment policies.

Clean Wisconsin, Inc. has adopted investment and spending policies for endowment assets that attempt 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 Clean Wisconsin, Inc. 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 the sustainability of Clean Wisconsin, Inc.'s work while assuming a moderate level of investment risk. To satisfy its long-term rate-of-return objectives, Clean Wisconsin, Inc. relies on the Foundation's total return strategy in which investment returns are achieved through both realized and unrealized gains/loss and interest and dividends. Clean Wisconsin, Inc., through the Foundation, 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.

**CLEAN WISCONSIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016 and 2015

NOTE 8 – BENEFICIAL INTEREST IN ASSETS HELD BY MCF (continued)

Endowment net asset composition by type of funds as of December 31, 2016 and 2015 are:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total
Board designated	\$ 201,883	\$ -	\$ -	\$ 201,883
Donor restricted	-	40,248	260,940	301,188
<b>Total endowment net assets</b>	<b>\$ 201,883</b>	<b>\$ 40,248</b>	<b>\$ 260,940</b>	<b>\$ 503,071</b>
	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
Board designated	\$ 192,405	\$ -	\$ -	\$ 192,405
Donor restricted	-	36,818	260,940	297,758
<b>Total endowment net assets</b>	<b>\$ 192,405</b>	<b>\$ 36,818</b>	<b>\$ 260,940</b>	<b>\$ 490,163</b>

Changes in endowment net assets for 2016 and 2015 were:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total
Endowment net assets- beginning of year	\$ 192,405	\$ 36,818	\$ 260,940	\$ 490,163
Transfers in	6,330	-	-	6,330
Investment income	676	1,426	-	2,102
Net appreciation	11,583	15,977	-	27,560
Distributions	(9,111)	(13,973)	-	(23,084)
<b>Endowment net assets- end of year</b>	<b>\$ 201,883</b>	<b>\$ 40,248</b>	<b>\$ 260,940</b>	<b>\$ 503,071</b>
	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
Endowment net assets- beginning of year	\$ 201,515	\$ 55,335	\$ 259,640	\$ 516,490
Transfers in	2,500	-	1,300	3,800
Investment income	434	385	-	819
Net depreciation	(3,725)	(5,479)	-	(9,204)
Distributions	(8,319)	(13,423)	-	(21,742)
<b>Endowment net assets- end of year</b>	<b>\$ 192,405</b>	<b>\$ 36,818</b>	<b>\$ 260,940</b>	<b>\$ 490,163</b>

**CLEAN WISCONSIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016 and 2015

**NOTE 9 – FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis at December 31, 2016 and 2015 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2016</u>				
Beneficial interest in assets held by MCF	\$ 637,886	\$ -	\$ -	\$ 637,886
<u>2015</u>				
Beneficial interest in assets held by MCF	\$ 650,056	\$ -	\$ -	\$ 650,056

Clean Wisconsin, Inc.'s beneficial interest in assets held by the Foundation represents an agreement between Clean Wisconsin, Inc. and the Foundation in which Clean Wisconsin, Inc. transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value of the beneficial interest is measured at the proportional share of the underlying assets as reported to Clean Wisconsin, Inc. by the Foundation. Little information about those assets is released publicly. The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

The following table presents additional information about assets measured at fair value on a recurring basis using significant unobservable inputs:

	Beneficial Interest in Assets Held by MCF	
	2016	2015
Beginning balance	\$ 650,056	\$ 714,493
Change in value of beneficial interest included in change in net assets	36,564	(6,893)
Purchases	6,330	3,800
Distributions	(55,064)	(61,344)
Ending balance	\$ 637,886	\$ 650,056

The change in value of beneficial interest included in change in net assets is reported as part of investment return on the statement of activities.

**CLEAN WISCONSIN, INC.**  
**SCHEDULES OF FUNCTIONAL EXPENSES**  
Years ended December 31, 2016 and 2015

<b>2016</b>	<u>Energy</u>	<u>Water</u>	<u>Outreach and Education</u>	<u>Other Programs</u>
Personnel	\$ 645,071	\$ 264,612	\$ 7,113	\$ 110,544
Contract services	31,988	69,177	6,921	1,197
Events	17,881	7,335	2,499	3,064
Graphics and publication	27,627	11,333	305	4,734
Travel and training	18,246	7,485	201	3,127
Supplies	5,265	2,160	58	902
Phone	9,303	3,816	103	1,594
Postage	9,219	3,782	102	1,580
Rent	58,226	27,083	642	9,977
Depreciation	2,378	979	26	408
Accounting fees	-	-	-	-
Dues and subscriptions	15,700	6,440	173	2,690
Other	8,308	3,408	91	1,424
<b>Total expenses</b>	<b>\$ 849,212</b>	<b>\$ 407,610</b>	<b>\$ 18,234</b>	<b>\$ 141,241</b>

<b>2015</b>	<u>Energy</u>	<u>Water</u>	<u>Outreach and Education</u>	<u>Other Programs</u>
Personnel	\$ 596,990	\$ 262,496	\$ 8,900	\$ 115,317
Contract services	200,860	130,497	23,141	1,790
Events	21,858	3,754	7,228	1,430
Graphics and publication	22,603	9,939	337	4,366
Travel and training	16,065	7,064	239	3,103
Supplies	2,879	1,266	43	556
Phone	7,986	3,511	119	1,543
Postage	9,669	4,252	144	1,868
Rent	51,201	25,513	763	9,890
Depreciation	4,441	1,953	66	858
Accounting fees	-	-	-	-
Dues and subscriptions	12,343	5,427	184	2,384
Other	6,469	2,845	96	1,824
<b>Total expenses</b>	<b>\$ 953,364</b>	<b>\$ 458,517</b>	<b>\$ 41,260</b>	<b>\$ 144,929</b>



Total Program	Supporting Activities		Total
	Management and General	Fundraising	
\$ 1,027,340	\$ 90,052	\$ 117,514	\$ 1,234,906
109,283	74,899	4,543	188,725
30,779	2,496	70,851	104,126
43,999	3,857	5,034	52,890
29,059	2,547	3,324	34,930
8,385	735	959	10,079
14,816	1,299	1,694	17,809
14,683	1,287	1,678	17,648
95,928	8,128	10,602	114,658
3,791	332	431	4,554
-	10,000	-	10,000
25,003	2,192	2,861	30,056
13,231	1,160	1,515	15,906
<u>\$ 1,416,297</u>	<u>\$ 198,984</u>	<u>\$ 221,006</u>	<u>\$ 1,836,287</u>

Total Program	Supporting Activities		Total
	Management and General	Fundraising	
\$ 983,703	\$ 129,683	\$ 109,057	\$ 1,222,443
356,288	98,789	2,696	457,773
34,270	1,606	66,973	102,849
37,245	5,003	4,129	46,377
26,471	3,485	2,935	32,891
4,744	625	526	5,895
13,159	1,732	1,459	16,350
15,933	2,098	1,766	19,797
87,367	11,108	9,353	107,828
7,318	964	811	9,093
-	9,700	-	9,700
20,338	2,678	2,255	25,271
11,234	4,446	1,182	16,862
<u>\$ 1,598,070</u>	<u>\$ 271,917</u>	<u>\$ 203,142</u>	<u>\$ 2,073,129</u>