

**CLEAN WISCONSIN, INC.**

FINANCIAL STATEMENTS

December 31, 2018 and 2017

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## 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, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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, 2018 and 2017, 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.

### ***Adoption of New Accounting Pronouncement***

As discussed in Note 1 to the financial statements, Clean Wisconsin, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities*

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*(Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Wegner CPAs LLP

Wegner CPAs, LLP  
Madison, Wisconsin  
February 14, 2019

**CLEAN WISCONSIN, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 687,450	\$ 676,678
Accounts receivable	70,174	61,663
Unconditional promises to give	324,773	20,200
Prepaid expenses	28,147	25,707
Total current assets	1,110,544	784,248
<b>EQUIPMENT</b>		
Furniture and equipment	127,389	127,389
Less accumulated depreciation	126,216	124,456
Equipment, net	1,173	2,933
<b>OTHER ASSETS</b>		
Unconditional promises to give, long-term	5,000	-
Investments	262,754	191,354
Beneficial interest in assets held by Madison Community Foundation	609,364	673,219
Security deposits	7,850	7,850
<b>Total assets</b>	<b>\$ 1,996,685</b>	<b>\$ 1,659,604</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 30,275	\$ 42,255
Accrued payroll and taxes	40,978	46,696
Deferred revenue	-	5,000
Due to Clean Wisconsin Action Fund, Inc.	5,710	4,019
Due to other organizations	62,682	171,658
Total current liabilities	139,645	269,628
<b>NET ASSETS</b>		
Without donor restrictions	520,737	428,208
With donor restrictions	1,336,303	961,768
Total net assets	1,857,040	1,389,976
<b>Total liabilities and net assets</b>	<b>\$ 1,996,685</b>	<b>\$ 1,659,604</b>

See accompanying notes.

**CLEAN WISCONSIN, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 411,841	\$ 1,515,136	\$ 1,926,977
Program service revenue	278,204	-	278,204
Event income	104,437	-	104,437
Investment return	1,411	-	1,411
Change in value of beneficial interest in assets held by Madison Community Foundation	(7,649)	(9,472)	(17,121)
Other	8,886	-	8,886
<b>Total support and revenue</b>	<b>797,130</b>	<b>1,505,664</b>	<b>2,302,794</b>
<b>EXPENSES</b>			
Program services			
Energy	527,219	-	527,219
Water	685,472	-	685,472
Outreach and education	43,392	-	43,392
Other programs	183,037	-	183,037
Supporting activities			
Management and general	194,548	-	194,548
Fundraising	202,062	-	202,062
<b>Total expenses</b>	<b>1,835,730</b>	<b>-</b>	<b>1,835,730</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of program restrictions	1,131,129	(1,131,129)	-
<b>Change in net assets</b>	<b>92,529</b>	<b>374,535</b>	<b>467,064</b>
Net assets at beginning of year	428,208	961,768	1,389,976
<b>Net assets at end of year</b>	<b>\$ 520,737</b>	<b>\$ 1,336,303</b>	<b>\$ 1,857,040</b>

See accompanying notes.

**CLEAN WISCONSIN, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 402,112	\$ 599,633	\$ 1,001,745
Program service revenue	213,796	-	213,796
Event income	115,525	-	115,525
Investment return	4,148	-	4,148
Change in value of beneficial interest in assets held by Madison Community Foundation	34,716	49,924	84,640
Other	4,050	-	4,050
<b>Total support and revenue</b>	<b>774,347</b>	<b>649,557</b>	<b>1,423,904</b>
<b>EXPENSES</b>			
Program services			
Energy	893,694	-	893,694
Water	479,867	-	479,867
Outreach and education	29,160	-	29,160
Other programs	153,282	-	153,282
Supporting activities			
Management and general	214,966	-	214,966
Fundraising	208,973	-	208,973
<b>Total expenses</b>	<b>1,979,942</b>	<b>-</b>	<b>1,979,942</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of program restrictions	1,289,485	(1,289,485)	-
<b>Change in net assets</b>	<b>83,890</b>	<b>(639,928)</b>	<b>(556,038)</b>
Net assets at beginning of year	344,318	1,601,696	1,946,014
<b>Net assets at end of year</b>	<b>\$ 428,208</b>	<b>\$ 961,768</b>	<b>\$ 1,389,976</b>

See accompanying notes.

**CLEAN WISCONSIN, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2018 and 2017

	2018						
	Program Services				Supporting Activities		Total Expenses
	Energy	Water	Outreach and Education	Other Programs	Management and General	Fundraising	
Personnel	\$ 356,830	\$ 480,061	\$ 24,965	\$ 143,980	\$ 79,656	\$ 99,598	\$ 1,185,090
Contract services	75,297	78,664	11,856	1,153	78,779	15,345	261,094
Events	6,091	6,896	345	1,991	1,102	62,277	78,702
Graphics and publications	13,677	18,401	957	5,519	3,053	3,818	45,425
Travel and training	10,183	13,700	712	4,109	2,274	2,842	33,820
Supplies	1,832	2,577	128	739	410	511	6,197
Phone	4,345	5,845	304	1,753	970	1,213	14,430
Postage	4,938	6,644	346	1,993	1,102	1,378	16,401
Rent	38,149	51,324	2,669	15,393	8,517	10,648	126,700
Depreciation	530	713	37	214	118	148	1,760
Accounting fees	-	-	-	-	10,575	-	10,575
Dues and subscriptions	11,625	15,640	813	4,691	2,595	3,245	38,609
Other	3,722	5,007	260	1,502	5,397	1,039	16,927
<b>Total expenses</b>	<b>\$ 527,219</b>	<b>\$ 685,472</b>	<b>\$ 43,392</b>	<b>\$ 183,037</b>	<b>\$ 194,548</b>	<b>\$ 202,062</b>	<b>\$ 1,835,730</b>
	2017						
	Program Services				Supporting Activities		Total Expenses
	Energy	Water	Outreach and Education	Other Programs	Management and General	Fundraising	
Personnel	\$ 662,638	\$ 363,878	\$ 21,093	\$ 124,634	\$ 99,234	\$ 107,068	\$ 1,378,545
Contract services	76,253	34,901	811	874	77,469	3,199	194,112
Events	13,825	3,674	2,769	1,258	1,002	75,927	98,455
Graphics and publications	20,868	11,460	664	3,925	3,125	3,372	43,414
Travel and training	15,280	8,391	486	2,874	2,288	2,469	31,788
Supplies	6,213	3,411	198	1,168	930	1,004	12,319
Phone	8,241	4,525	262	1,550	1,234	1,332	17,144
Postage	7,634	4,192	243	1,436	1,143	1,233	15,881
Rent	56,734	31,154	1,806	10,671	8,496	9,167	118,028
Depreciation	845	465	27	159	127	137	1,760
Accounting fees	-	-	-	-	10,800	-	10,800
Dues and subscriptions	19,050	10,460	606	3,583	2,852	3,078	39,629
Other	6,113	3,356	195	1,150	6,266	987	18,067
<b>Total expenses</b>	<b>\$ 893,694</b>	<b>\$ 479,867</b>	<b>\$ 29,160</b>	<b>\$ 153,282</b>	<b>\$ 214,966</b>	<b>\$ 208,973</b>	<b>\$ 1,979,942</b>

See accompanying notes.



**CLEAN WISCONSIN, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2018 and 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 467,064	\$ (556,038)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized (gains) losses on investments	2,721	(3,235)
Depreciation	1,760	1,760
Change in value of beneficial interest in assets held by Madison Community Foundation	17,121	(84,640)
Change in assets and liabilities		
Accounts receivable	(8,511)	(5,146)
Unconditional promises to give	(304,573)	683,690
Due from Clean Wisconsin Action Fund, Inc.	-	1,031
Prepaid expenses	(2,440)	2,311
Accounts payable	(11,980)	22,281
Accrued payroll and taxes	(5,718)	29,415
Deferred revenue	(5,000)	-
Due to Clean Wisconsin Action Fund, Inc.	1,691	4,019
Due to other organizations	(108,976)	(116,306)
Net cash flows from operating activities	43,159	(20,858)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of and interest retained in investments	(74,121)	(188,119)
Distributions from beneficial interest in assets by Madison Community Foundation	46,734	49,307
Net cash flows from investing activities	(27,387)	(138,812)
<b>Net change in cash</b>	15,772	(159,670)
Cash at beginning of year	676,678	836,348
<b>Cash at end of year</b>	<u>\$ 692,450</u>	<u>\$ 676,678</u>

See accompanying notes.

**CLEAN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018 and 2017

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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 the general public.

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

**Accounts Receivable**

Clean Wisconsin, Inc. considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible they will be charged to operations when that determination is made.

**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. At December 31, 2018, unconditional promises to give totaling 324,773 are receivable in less than one year and unconditional promises to give totaling \$5,000 are receivable in one to five years.

**Equipment**

Purchases of equipment in excess of \$2,000 are capitalized. Equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method.

**Investments**

Clean Wisconsin, Inc. reports investments in equity securities with readily determinable fair values at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**Contributions**

Contributions received are recorded as increases in net assets without donor restriction or net assets with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**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 revenues and expenses. Actual results could differ from those estimates.

**CLEAN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018 and 2017

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses except for accounting fees are allocated on the basis of estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements.

*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.

*Management and general*—Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of Clean Wisconsin's program strategy; secure proper administrative functioning of the board of directors; maintain competent legal services for the program administration of Clean Wisconsin; and manage the financial and budgetary responsibilities of Clean Wisconsin.

*Fundraising*—Provides the structure necessary to encourage and secure private financial from individuals, foundations, and corporations.

**Adoption of New Accounting Pronouncement**

Clean Wisconsin, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended December 31, 2018. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The changes required by the update have been applied retrospectively to all periods presented. A key change required by the update are the net asset classes used in these financial statements. Amounts previously reported as

**CLEAN WISCONSIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018 and 2017

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

**Income Tax Status**

Clean Wisconsin, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Clean Wisconsin, Inc. 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 14, 2019, the date which the financial statements were available to be issued.

**NOTE 2—INVESTMENTS**

Investments are comprised of the following:

	2018	2017
Mutual funds	\$ 198,318	\$ 145,532
Money market funds	64,436	45,822
	\$ 262,754	\$ 191,354

**NOTE 3—NET ASSETS**

Clean Wisconsin, Inc.’s board of directors has chosen to place the following limitations on net assets without donor restrictions:

	2018	2017
Litigation Fund	\$ 51,967	\$ 67,653
Legacy Fund	205,511	219,857
Undesignated	263,259	140,698
Total net assets without donor restrictions	\$ 520,737	\$ 428,208

Net assets with donor restrictions are restricted for the following purposes or periods:

	2018	2017
Subject to expenditure for specific purpose:		
Litigation Fund	\$ 41,917	\$ 54,569
Water Program	516,250	128,867
Energy Program	413,167	427,191
Others	55,000	20,000
	1,026,334	630,627

**CLEAN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018 and 2017

NOTE 3—NET ASSETS (continued)

	2018	2017
Subject to Clean Wisconsin, Inc.'s spending policy and appropriation		
Investment in perpetuity (including amounts above original gift amount of \$49,029 and \$70,201 for 2018 and 2017, respectively)		
which, once appropriated, is expendable to support:		
Legacy Fund	202,497	216,633
Speaker Fund	107,472	114,508
	309,969	331,141
Total net assets with donor restrictions	\$ 1,336,303	\$ 961,768

NOTE 4—OPERATING LEASE

Clean Wisconsin, Inc. leases office space under a non-cancelable operating lease that expires April 30, 2019. Monthly lease payments began at \$7,850 and increase 2.75% per year. The lease also requires a security deposit of \$7,850. Lease expense was \$126,700 and \$118,028 for the years ended December 31, 2018 and 2017, respectively.

NOTE 5—JOINT COSTS

Clean Wisconsin, Inc. achieves some of its programmatic and management and general goals in direct mail campaigns that include requests for contributions. The costs of conducting those campaigns include a total of \$18,950 and 16,522 joint costs that are not directly attributable to either program or management and general components or the fund raising component of the activities for the years ended December 31, 2018 and 2017. Those joint costs were allocated as follows:

	2018	2017
Energy	\$ 5,706	\$ 7,942
Water	7,676	4,361
Outreach and education	399	253
Other programs	2,302	1,494
Management and general	1,274	1,189
Fundraising	1,593	1,283
Total	\$ 18,950	\$ 16,522

NOTE 6—RETIREMENT PLAN

Clean Wisconsin, Inc. sponsors a tax-sheltered annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all employees of Clean Wisconsin, Inc. Clean Wisconsin, Inc. matches participant's contributions to the plan up to 6% of the individual participant's compensation. Plan expenses were \$53,946 and \$62,801 for the years ended December 31, 2018 and 2017, respectively.

**CLEAN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018 and 2017

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**NOTE 7—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 and Clean Wisconsin Inc. are related through common management. At December 31, 2018 and 2017, Clean Wisconsin, Inc. charged \$127 and \$871, respectively, to CWAFF for the previously listed services. In addition, Clean Wisconsin, Inc. receives contributions on behalf of CWAFF and periodically remits them to CWAFF. At December 31, 2018 and 2017, Clean Wisconsin, Inc. owed CWAFF \$5,710 and \$4,019, respectively.

**NOTE 8—ENDOWMENT**

Clean Wisconsin, Inc.'s endowment consists of two individual funds established for clean water, clean energy, and environmental stewardship. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Clean Wisconsin, Inc. is subject to Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of Clean Wisconsin, Inc. has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, Clean Wisconsin, Inc. considers a fund to be underwater when the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. Clean Wisconsin, Inc. has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, Clean Wisconsin, Inc. considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of Clean Wisconsin, Inc. and 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) the investment policies of Clean Wisconsin, Inc.

Clean Wisconsin, Inc. established funds at the Madison Community Foundation to invest its endowment assets. The agreement between Clean Wisconsin, Inc. and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to Clean Wisconsin, Inc. However, the Foundation will make annual distributions of the income earned on the funds, subject to the Foundation's spending policy. The agreement also grants variance power to the Foundation, which permits the Foundation to substitute another beneficiary in place of Clean Wisconsin, Inc. if Clean Wisconsin, Inc. ceases to exist or if the Foundation's board of governors votes that support of Clean Wisconsin, Inc. either is no longer necessary or is inconsistent with the needs of the community.

**CLEAN WISCONSIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018 and 2017

NOTE 8—ENDOWMENT (continued)

The Foundation's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. The Foundation seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including non-marketable, illiquid alternatives.

Endowment net asset composition by type of fund as of December 31, 2018 and 2017, is as follows:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 205,510	\$ -	\$ 205,510
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	260,940	260,940
Accumulated investment gains	-	49,029	49,029
<b>Total funds</b>	<b>\$ 205,510</b>	<b>\$ 309,969</b>	<b>\$ 515,479</b>
	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 219,857	\$ -	\$ 219,857
Donor-restricted endowment funds:			
Original donor-restricted gift amount	-	260,940	260,940
Accumulated investment gains	-	70,201	70,201
<b>Total funds</b>	<b>\$ 219,857</b>	<b>\$ 331,141</b>	<b>\$ 550,998</b>

Changes in endowment net assets for the years ended December 31, 2018 and 2017, are as follows:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 219,857	\$ 331,141	\$ 550,998
Investment return	(5,495)	(7,735)	(13,230)
Amounts appropriated for expenditure	(8,852)	(13,437)	(22,289)
<b>Endowment net assets at end of year</b>	<b>\$ 205,510</b>	<b>\$ 309,969</b>	<b>\$ 515,479</b>

**CLEAN WISCONSIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018 and 2017

NOTE 8—ENDOWMENT (continued)

	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 201,883	\$ 301,188	\$ 503,071
Investment return	26,762	43,509	70,271
Amounts appropriated for expenditure	(8,788)	(13,556)	(22,344)
Endowment net assets at end of year	<u>\$ 219,857</u>	<u>\$ 331,141</u>	<u>\$ 550,998</u>

NOTE 9—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

Assets at Fair Value as of December 31, 2018

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 198,318	\$ 198,318	\$ -	\$ -
Money market funds	64,436	64,436	-	-
Beneficial interest in assets held by Madison Community Foundation	609,364	-	-	609,364
	<u>\$ 872,118</u>	<u>\$ 262,754</u>	<u>\$ -</u>	<u>\$ 609,364</u>

Assets at Fair Value as of December 31, 2017

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 145,532	\$ 145,532	\$ -	\$ -
Money market funds	45,822	45,822	-	-
Beneficial interest in assets held by Madison Community Foundation	673,219	-	-	673,219
	<u>\$ 864,573</u>	<u>\$ 191,354</u>	<u>\$ -</u>	<u>\$ 673,219</u>



**CLEAN WISCONSIN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018 and 2017

NOTE 9—FAIR VALUE MEASUREMENTS (continued)

Fair values for mutual funds and money market funds are determined by reference to quoted market prices in active markets. When quoted prices are not available, fair value is estimated using recently executed transactions. The beneficial interest in assets held by Madison Community 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. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to Clean Wisconsin, Inc. by the Foundation. Little information about those assets is released publicly. The estimated fair 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 table below presents a reconciliation from the beginning balance to the ending balance of the beneficial interest in assets held by Madison Community Foundation measured at fair value on a recurring basis using significant unobservable inputs for the years ended December 31, 2018 and 2017:

	2018	2017
Beginning balance	\$ 673,219	\$ 637,886
Change in value of beneficial interest	(17,121)	84,640
Distributions	(46,734)	(49,307)
Ending balance	\$ 609,364	\$ 673,219

NOTE 10—LIQUIDITY AND AVAILABILITY

The table below reflects Clean Wisconsin's financial assets as of the date of the statement of financial position reduced by amounts not available for general expenditures within one year of the date of the statement of financial position:

Financial assets - at end of year	\$ 1,954,515
Less those unavailable for general expenditures within one year:	
Restricted by donors with time or purpose restrictions	1,084,856
Long-term investment funds including endowment assets	826,118
Unconditional promises to give in more than one year	5,000
Financial assets available to meet cash needs for general expenditures within one year	\$ 38,541

Financial assets not available for general expenditures include \$826,118 set aside for long-term investing. However, non-endowment assets totaling \$262,754 could be made available if necessary. As part of Clean Wisconsin, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.