

**WISCONSIN POLICY FORUM**

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Wisconsin Policy Forum  
Milwaukee, Wisconsin

We have audited the accompanying financial statements of Wisconsin Policy Forum, which comprise the statements of financial position as of December 31, 2020 and 2019, 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***

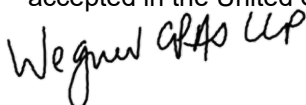
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 Wisconsin Policy Forum as of December 31, 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.



Wegner CPAs, LLP  
Madison, Wisconsin  
March 31, 2021

**WISCONSIN POLICY FORUM**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 902,074	\$ 169,060
Unconditional promises to give	32,678	168,330
Accounts receivable	67,402	22,420
Inventory	2,176	3,200
Prepaid expenses	<u>22,971</u>	<u>26,934</u>
Total current assets	1,027,301	389,944
<b>NONCURRENT ASSETS</b>		
Certificate of deposit	-	205,008
Investments	5,585,449	4,904,220
Beneficial interest in assets held by Greater Milwaukee Foundation	803,286	740,723
Property and equipment, net	<u>13,912</u>	<u>350,680</u>
Total noncurrent assets	<u>6,402,647</u>	<u>6,200,631</u>
<b>Total assets</b>	<u><u>\$ 7,429,948</u></u>	<u><u>\$ 6,590,575</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 14,961	\$ 39,686
Accrued payroll	35,623	29,847
Deferred revenue	18,250	21,813
Current portion of capital lease	<u>4,764</u>	<u>4,869</u>
Total current liabilities	73,598	96,215
Long-term portion of capital lease	<u>9,428</u>	<u>14,192</u>
Total liabilities	83,026	110,407
<b>NET ASSETS</b>		
Without donor restrictions	6,049,694	5,233,211
With donor restrictions	<u>1,297,228</u>	<u>1,246,957</u>
Total net assets	<u>7,346,922</u>	<u>6,480,168</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 7,429,948</u></u>	<u><u>\$ 6,590,575</u></u>

See accompanying notes.

**WISCONSIN POLICY FORUM**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions			
Contributions	\$ 107,117	\$ -	\$ 107,117
Grants	303,427	119,213	422,640
Paycheck Protection Program assistance	197,025	-	197,025
Membership	357,350	30,000	387,350
Sales, contracts, and other revenue and gains			
Subscriptions and publications	5,746	-	5,746
Contracts	253,415	-	253,415
Meetings	34,775	-	34,775
Investment return, net	669,131	117,904	787,035
Gain on sale of building	101,311	-	101,311
Miscellaneous	1,426	-	1,426
Total support and revenue	2,030,723	267,117	2,297,840
<b>EXPENSES</b>			
Program services	1,021,010	-	1,021,010
Management and general	306,726	-	306,726
Fundraising	103,350	-	103,350
Total expenses	1,431,086	-	1,431,086
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	216,846	(216,846)	-
<b>Change in net assets</b>	816,483	50,271	866,754
Net assets at beginning of year	5,233,211	1,246,957	6,480,168
<b>Net assets at end of year</b>	<u>\$ 6,049,694</u>	<u>\$ 1,297,228</u>	<u>\$ 7,346,922</u>

See accompanying notes.

**WISCONSIN POLICY FORUM**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions			
Contributions	\$ 85,494	\$ -	\$ 85,494
Grants	335,243	232,981	568,224
Membership	417,886	-	417,886
Sales, contracts, and other revenue and gains			
Subscriptions and publications	2,409	-	2,409
Contracts	188,437	-	188,437
Meetings	78,615	-	78,615
Investment return, net	795,719	116,864	912,583
Miscellaneous	5,492	-	5,492
Total support and revenue	1,909,295	349,845	2,259,140
<b>EXPENSES</b>			
Program services	1,176,152	-	1,176,152
Management and general	303,755	-	303,755
Fundraising	105,739	-	105,739
Total expenses	1,585,646	-	1,585,646
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	106,834	(106,834)	-
Expiration of time restrictions	50,000	(50,000)	-
Net assets released from restrictions	156,834	(156,834)	-
<b>Change in net assets</b>	480,483	193,011	673,494
Net assets at beginning of year	4,752,728	1,053,946	5,806,674
<b>Net assets at end of year</b>	<u>\$ 5,233,211</u>	<u>\$ 1,246,957</u>	<u>\$ 6,480,168</u>

See accompanying notes.

**WISCONSIN POLICY FORUM**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2020 and 2019

	2020			
	Program Services	Management and General	Fundraising	Total Expenses
Personnel	\$ 893,618	\$ 213,254	\$ 94,599	\$ 1,201,471
Professional fees	35,440	48,102	-	83,542
Postage	1,630	389	173	2,192
Printing and publications	3,410	-	-	3,410
Office supplies	3,393	810	359	4,562
Membership dues & charges	-	6,150	-	6,150
Travel	7,624	1,819	807	10,250
Occupancy	34,321	8,191	3,633	46,145
Depreciation	8,281	1,976	877	11,134
Miscellaneous	-	15,977	-	15,977
Telephone	3,357	801	355	4,513
Insurance	10,245	3,822	1,085	15,152
Office equipment	794	190	84	1,068
Technology	8,066	1,925	854	10,845
Meeting expense	10,634	3,273	503	14,410
Professional development	197	47	21	265
<b>Total expenses</b>	<b>\$ 1,021,010</b>	<b>\$ 306,726</b>	<b>\$ 103,350</b>	<b>\$ 1,431,086</b>

	2019			
	Program Services	Management and General	Fundraising	Total Expenses
Personnel	\$ 893,525	\$ 196,655	\$ 86,489	\$ 1,176,669
Professional fees	112,609	63,538	-	176,147
Postage	3,186	702	308	4,196
Printing and publications	21,578	-	-	21,578
Office supplies	5,544	1,220	537	7,301
Membership dues & charges	-	8,448	-	8,448
Travel	12,853	2,829	1,244	16,926
Occupancy	39,901	8,782	3,862	52,545
Depreciation	11,434	2,516	1,107	15,057
Miscellaneous	-	5,653	-	5,653
Telephone	4,625	1,018	448	6,091
Insurance	9,210	3,302	891	13,403
Office equipment	6,371	1,402	617	8,390
Technology	7,718	1,699	747	10,164
Meeting expense	46,040	5,648	9,338	61,026
Professional development	1,558	343	151	2,052
<b>Total expenses</b>	<b>\$ 1,176,152</b>	<b>\$ 303,755</b>	<b>\$ 105,739</b>	<b>\$ 1,585,646</b>

See accompanying notes.

**WISCONSIN POLICY FORUM**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 866,754	\$ 673,494
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	11,134	15,057
Net realized and unrealized gains on investments	(577,973)	(713,702)
Change in value of beneficial interest in assets held by Greater Milwaukee Foundation	(87,805)	(84,991)
Donated investment	-	(5,267)
Gain on sale of building	(101,311)	-
Write off of obsolete inventory	-	12,049
(Increase) decrease in assets		
Unconditional promises to give	135,652	(80,092)
Accounts receivable	(44,982)	1,328
Inventory	1,024	-
Prepaid expenses	3,963	(13,186)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(24,725)	(35,710)
Accrued payroll	5,776	4,483
Deferred revenue	(3,563)	8,813
Net cash flows from operating activities	183,944	(217,724)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Distribution from beneficial interest in assets held by Greater Milwaukee Foundation	25,242	25,271
Purchase of certificate of deposit	-	(199,876)
Redemption of certificate of deposit	205,008	-
Proceeds from sale of building	426,945	-
Purchases of investments	(119,521)	(109,318)
Proceeds from sales of investments	16,265	249,194
Net cash flows from investing activities	553,939	(34,729)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease	(4,869)	(2,292)
<b>Change in cash</b>	733,014	(254,745)
Cash at beginning of year	169,060	423,805
<b>Cash at end of year</b>	<u>\$ 902,074</u>	<u>\$ 169,060</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	\$ 903	\$ 360
Noncash investing and financing transactions		
Donated investment	-	5,267
Purchase of equipment financed by capital lease	-	15,700

See accompanying notes.



**WISCONSIN POLICY FORUM**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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

**Nature of Activities**

Wisconsin Policy Forum works to research, analyze and communicate information about the finances, performance, and relationship of state and local governmental bodies in the state of Wisconsin to enhance government efficiency and educate citizens and taxpayers.

**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. All promises to give are collectible in less than one year.

**Accounts Receivable**

Accounts receivable primarily represents amounts due from municipalities and foundations for contract services provided by Wisconsin Policy Forum. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of December 31, 2020 and 2019, management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Inventory**

Inventory consists of publications, which are valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis. Obsolete inventory of \$12,049 was charged to publications expense during the year ended December 31, 2019.

**Property and Equipment**

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of property and equipment is computed over estimated useful lives using the straight-line method.

**Investments**

Wisconsin Policy Forum reports investments in equity securities with readily determinable fair values and all investments in debt securities 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.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

**WISCONSIN POLICY FORUM**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Beneficial Interest in Assets Held by Greater Milwaukee Foundation**

Wisconsin Policy Forum established a fund at the Greater Milwaukee Foundation. The agreement between Wisconsin Policy Forum and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to Wisconsin Policy Forum. However, the Foundation will make annual distributions of the income earned on the fund 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 Wisconsin Policy Forum if Wisconsin Policy Forum ceases to exist or if the Foundation's board of governors votes that support of Wisconsin Policy Forum either is no longer necessary or is inconsistent with the needs of the community. The fair value of the fund is based on the fair value of the underlying assets as reported to Wisconsin Policy Forum 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.

**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. When a 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.

**Donated Services**

Donated services are recognized as contributions in the financial statements at their fair value if the services (a) create or enhance nonfinancial assets or (b) require specialized skill, are performed by people with those skills, and would otherwise be purchased if not donated.

**Grants**

Wisconsin Policy Forum receives grants from government agencies and foundations that are conditioned upon Wisconsin Policy Forum incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by Wisconsin Policy Forum, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions. Grants for future periods which are considered conditional total \$167,627 at December 31, 2020.

**WISCONSIN POLICY FORUM**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Subscriptions and Publications**

Revenue from subscriptions and publications sales are recognized when the customer receives and pays for the publication. Sales taxes collected from customers are excluded from revenue. Wisconsin Policy Forum does not have any financing components as payment is received at or shortly after the point of sale. There are no returns accepted.

**Contracts**

Wisconsin Policy Forum also provides contract services to certain local governments, foundations, and others to conduct fact-based public policy research and disseminate reports for public policy decision-making. Contract revenue is earned after meeting performance obligations which are outline in each specific contract. Typically 50% of the revenue is earned based on the first progress meeting and acceptance of preliminary data and the remainder earned upon delivery of the draft report. Other contract revenue for data processing services under a fixed-price contract is recognized over the period of the contract on a straight-line basis.

**Meetings**

Meetings are held throughout the year to present current topics to members and donors. Meetings are considered to be a single performance obligation that is satisfied at a point in time and revenue is recognized when the meeting is held.

**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. The expenses that are allocated include personnel which is allocated based on estimates of time and effort; postage, office supplies, travel, occupancy, depreciation, telephone, insurance, office equipment, technology, and professional development which is allocated based on personnel. The following program services and supporting activities are included in the accompanying financial statements:

*Program services*—Wisconsin Policy Forum researches state and local government finances and policy making and shares its nonpartisan findings with citizens, the press, school groups, public officials, and community leaders.

*Management and general*—Management and general activities relate to the overall direction of Wisconsin Policy Forum and include the functions necessary to ensure proper administrative functioning of the board of directors, manage financial and budgetary responsibilities, and perform other administrative functions.

*Fundraising*—Fundraising activities relate to soliciting contributions from individuals, foundations, governments, and others, and other activities that involve inducing potential donors to contribute assets, services, or time to Wisconsin Policy Forum.

**WISCONSIN POLICY FORUM**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Income Tax Status**

Wisconsin Policy Forum is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**Date of Management’s Review**

Management has evaluated subsequent events through March 31, 2021, the date which the financial statements were available to be issued.

NOTE 2 – INVESTMENTS

Investments are comprised of the following:

	2020	2019
Money market funds	\$ 189,021	\$ 69,584
Exchange traded funds	806,407	779,709
Mutual funds - fixed income	1,816,587	1,463,769
Mutual funds - equity	2,773,434	2,591,158
Investments	\$ 5,585,449	\$ 4,904,220

Fair values of exchange traded and mutual funds are based on quoted net asset values of the shares as reported by the funds. The exchange traded and mutual funds held by Wisconsin Policy Forum are open-end exchange traded and mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The exchange traded and mutual funds held by Wisconsin Policy Forum are considered to be actively traded.

NOTE 3 – CONCENTRATIONS

Wisconsin Policy Forum maintains its cash balances with multiple financial institutions in Wisconsin. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. Wisconsin Policy Forum’s uninsured cash balances on December 31, 2020 were approximately \$339,000. There were no uninsured cash balances on December 31, 2019.

**WISCONSIN POLICY FORUM**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	2020	2019
Land	\$ -	\$ 176,661
Buildings and improvements	-	365,263
Furniture and equipment	125,429	125,429
Property and equipment	125,429	667,353
Accumulated depreciation	(111,517)	(316,673)
Property and equipment, net	\$ 13,912	\$ 350,680

Wisconsin Policy Forum sold their building, located in Madison, in July 2020. The gain on the sale is recognized in the statement of activities.

**NOTE 5 – ENDOWMENT**

Wisconsin Policy Forum established a fund the Greater Milwaukee Foundation to invest its endowment assets. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Wisconsin Policy Forum is subject to Wisconsin’s enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment absent explicit donor stipulations to the contrary. As a result of this interpretation, Wisconsin Policy Forum classifies as net asset with donor restrictions (a) the original value of gift donated to the endowment required to be maintained in perpetuity, (b) the original value of subsequent gifts to the endowment required to be maintained in perpetuity, and (c) accumulations to the endowment required to be maintained in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Wisconsin Policy Forum has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required by the law.

In accordance with UPMIFA, Wisconsin Policy Forum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (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 organization, and (7) the investment policy.

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. G 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 markets cycles to provide stability in spending support, and long-term capital appreciation through incorporation of risk-based assets, including non-marketable, illiquid alternatives.

**WISCONSIN POLICY FORUM**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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NOTE 5 – ENDOWMENT (continued)

Endowment net asset composition by type of fund as of December 31, 2020 and 2019, is as follows:

	With Donor Restrictions	
	2020	2019
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 481,657	\$ 481,657
Accumulated investment gains	321,629	259,066
Endowment net assets	\$ 803,286	\$ 740,723

Changes in endowment net assets are as follows:

	With Donor Restrictions	
	2020	2019
Endowment net assets at beginning of year	\$ 740,723	\$ 681,003
Investment return, net	95,212	84,991
Amounts appropriated for expenditure	(32,649)	(25,271)
Endowment net assets at end of year	\$ 803,286	\$ 740,723

NOTE 6 – PAYCHECK PROTECTION PROGRAM

On May 13, 2020, Wisconsin Policy Forum received a \$197,025 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). Wisconsin Policy Forum accounts funds received under the PPP as a grant conditioned upon the organization incurring qualifying expenses. Prior to December 31, 2020, Wisconsin Policy Forum incurred \$197,025 of qualifying expenses, recognized the grant assistance, and applied for forgiveness. On November 10, 2020, the SBA preliminarily approved forgiveness of the loan.

Wisconsin Policy Forum must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review Wisconsin Policy Forum's good-faith certification concerning the necessity of its loan request, whether the organization calculated the loan amount correctly, whether Wisconsin Policy Forum used loan proceeds for the allowable uses specified in the CARES Act, and whether the Wisconsin Policy Forum is entitled to loan forgiveness in the amount claimed on its application. If SBA determines Wisconsin Policy Forum was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of funds.

**WISCONSIN POLICY FORUM**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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**NOTE 7 – RETIREMENT PLAN**

Wisconsin Policy Forum maintains a retirement plan with a salary reduction option in which employee contributions are voluntary. The plan covers substantially all employees. Wisconsin Policy Forum makes 100% matching contributions up to 4%, of the elective contributions made by the eligible employee and an additional 50% match up to the next 2% of elective contributions from the eligible employee, for a maximum of 5% of the employee's salary. Retirement expense for the years ended December 31, 2020 and 2019 was \$33,464 and \$32,488, respectively.

**NOTE 8 – NET ASSETS**

The governing board of Wisconsin Policy Forum has designated net assets without donor restrictions as follows:

	2020	2019
Investments held for future programming	\$ 5,088,830	\$ 4,435,830
Gill Fellowship	211,890	195,137
Undesignated	748,974	602,244
<b>Total</b>	<b>\$ 6,049,694</b>	<b>\$ 5,233,211</b>

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

	2020	2019
Subject to expenditure for specific purposes:		
Community Justice	\$ 10,515	\$ 6,340
Safety Justice Challenges	14,848	44,141
Gill Fellowship	211,890	195,137
Publications	72,839	78,116
Local Government	60,000	120,000
Workforce Development	-	50,000
Teacher Workforce Diversity	-	12,500
Enhancing Education	75,000	-
Milwaukee Parks	10,200	-
Affordable Housing Landscape	8,650	-
Subject to expenditure in a future period:	30,000	-
Subject to spending policy and appropriations:		
General use	803,286	740,723
<b>Total net assets with donor restrictions</b>	<b>\$ 1,297,228</b>	<b>\$ 1,246,957</b>

**WISCONSIN POLICY FORUM**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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NOTE 9 – LEASES

**Capital Lease**

Wisconsin Policy Forum leases copiers through capital lease agreements which requires payments of \$181 and \$300 per month through October 2021 and December 2024. The copiers have been capitalized and are included in fixed assets with a cost of \$25,484 and \$25,484 and accumulated depreciation of \$11,633 and \$6,629 at December 31, 2020 and 2019, respectively. Interest expense for the copiers for the years ended December 31, 2020 and 2019 was \$903 and \$345. The balance of the capital lease obligation as of December 31, 2020 and 2019 was \$14,192 and \$19,061, respectively.

Future minimum payments are as follows:

	Principal	Interest	Total
2021	\$ 4,764	\$ 646	\$ 5,410
2022	3,144	456	3,600
2023	3,294	306	3,600
2024	2,990	142	3,132
	\$ 14,192	\$ 1,550	\$ 15,742

**Operating Lease**

Wisconsin Policy Forum leases office space under an operating lease which expires in November 2022. The lease requires monthly payments of \$3,029 from December 1, 2019 to November 30, 2020, \$3,105 from December 1, 2020 to November 30, 2021, and \$3,182 from December 1, 2021 to November 30, 2022. Lease expense for the years ended December 31, 2020 and 2019 was \$34,400 each year.

Future minimum payments are as follows for the years ending December 31:

2021	\$ 37,342
2022	35,004
	\$ 72,346

NOTE 10 – DONATED SERVICES

Included in contributions and supporting activities are donated legal services, which totaled \$2,727 and \$4,358 for the years ended December 31, 2020 and 2019, respectively.



**WISCONSIN POLICY FORUM**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

**NOTE 11 – COVID-19 CONSIDERATIONS**

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. COVID-19 had several effects on Wisconsin Policy Forum including, but not limited to, a disruption to Wisconsin Policy Forum’s donor base, decrease in membership, cancellation of all in person events, and periods of decline in investment value. The ultimate disruption and effect on Wisconsin Policy Forum is uncertain; however, it may result in a material adverse impact on Wisconsin Policy Forum’s assets, revenue, and expenses.

**NOTE 12 – LIQUIDITY AND AVAILABILITY**

The following table reflects Wisconsin Policy Forum’s financial assets as of the date of the statements of financial position, reduced by amounts not available for general expenditures within one year of the date of the statements of financial position because of contractual restrictions, internal board designations, or donor imposed restrictions.

	2020	2019
Cash	\$ 902,074	\$ 169,060
Unconditional promises to give	32,678	168,330
Accounts receivable	67,402	22,420
Certificate of deposit	-	205,008
Investments	5,585,449	4,904,220
Beneficial interest in assets held by Greater Milwaukee Foundation	803,286	740,723
Financial assets, at year-end	7,390,889	6,209,761
Less those unavailable for general expenditures within one year due to:		
Funds held for unemployment reserve	(9,814)	(5,132)
Restricted by donors with purpose restrictions	(463,942)	(506,234)
Restricted by donors for endowment purposes	(803,286)	(740,723)
Financial assets available to meet cash needs for general expenditures within one year	6,113,847	4,957,672
Board designated reserves	(5,300,720)	(4,630,967)
Financial assets available to meet cash needs without board approval	\$ 813,127	\$ 326,705

Wisconsin Policy Forum strives to maintain liquid financial assets sufficient to cover 90 – 180 days of general expenditures. As a non-profit funded by contributions, grants, membership, and contracts, Wisconsin Policy Forum has various monthly revenues, which are available to meet annual cash needs for general operating expenditures. Financial assets that will not be used for 6 months or more are invested in markets funds, certificates of deposit, or other investments. Financial assets not available for general expenditures also includes amounts set aside for reserves by the board of directors, which could be made available as necessary as approved by the board of directors.