RHINELANDER COMMUNITY FOUNDATION, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rhinelander Community Foundation, Inc.
Rhinelander, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rhinelander Community Foundation, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Rhinelander Community Foundation, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rhinelander Community Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rhinelander Community Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rhinelander Community Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rhinelander Community Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Middleton, Wisconsin
February 25, 2026

RHINELANDER COMMUNITY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS		
Cash	$	617,508
Pledges Receivable		1,000
Prepaid Expenses		2,331
Total Current Assets		620,839
OTHER ASSETS		
Investments		1,216,526
Total Assets	$	1,837,365

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	$	35,224
NET ASSETS		
Without Donor Restrictions:		
Undesignated		627,136
Board-Designated:		
Donor-Advised Funds		213,705
Donor-Designated Funds		630,029
Total Board Designated		843,734
Total Without Donor Restrictions		1,470,870
With Donor Restrictions		331,271
Total Net Assets		1,802,141
Total Liabilities and Net Assets	$	1,837,365

See accompanying Notes to Financial Statements.

RHINELANDER COMMUNITY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	$ 661,395	$ 187,191	$ 848,586
In-Kind Contributions	8,258	-	8,258
Interest Income	12,147	9,484	21,631
Investment Income	89,591	-	89,591
Net Assets Released from Restrictions	22,556	(22,556)	-
Total Revenues and Other Support	793,947	174,119	968,066
EXPENSES			
Program Services	107,448	-	107,448
Management and General	28,538	-	28,538
Total Expenses	135,986	-	135,986
CHANGE IN NET ASSETS	657,961	174,119	832,080
Net Assets - Beginning of Year	812,909	157,152	970,061
NET ASSETS - END OF YEAR	$ 1,470,870	$ 331,271	$ 1,802,141

See accompanying Notes to Financial Statements.

RHINELANDER COMMUNITY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Total
Grant Expenses	$ 107,448	$ -	$ 107,448
Bank Fees	-	730	730
Marketing and Promotion	-	4,423	4,423
Professional Fees	-	18,639	18,639
Operating Expenses	-	4,746	4,746
Total Expenses by Function	$ 107,448	$ 28,538	$ 135,986

See accompanying Notes to Financial Statements.

RHINELANDER COMMUNITY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$	832,080
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Investment Gains		(89,591)
(Increase) Decrease in Operating Assets:		
Prepaid Expenses		209
Increase (Decrease) in Operating Liabilities:		
Accounts Payable		10,356
Net Cash Provided by Operating Activities		753,054
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments		(579,315)
Proceeds from Sale of Investments		32,684
Net Cash Used by Investing Activities		(546,631)
NET CHANGE IN CASH		206,423
Cash - Beginning of Year		411,085
CASH - END OF YEAR	$	617,508

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Rhinelander Community Foundation, Inc. (the Foundation) is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

The Foundation is a nonprofit corporation whose purpose is to facilitate charitable giving and, together with its donors, enhance the quality of living in the Rhinelander community now and for future generations. The Foundation's primary funding source is donor contributions and investment earnings.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

Cash deposits consist of demand deposits with financial institutions and are carried at cost. For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash.

The Foundation maintains cash balances at two financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Foundation has not experienced any loss in such accounts. The approximate amount subject to risk of loss for amounts above FDIC coverage at December 31, 2024 was approximately $273,000

Investments

Investments consist of cash and debt and equity securities held as of December 31, 2024. Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Donated investments are recorded at their estimated fair value at the date received. Realized gains and losses on the sale of investments are reported as gains or losses, based upon specific identification.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Unconditional pledges receivable are recorded as received. Unconditional pledges receivable due in the next year are recorded at their net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. These pledges receivable are reflected on the statement of financial position depending on when payments are expected to be received or whether the pledges receivable are restricted for long-term purposes. The Foundation uses the direct write-off method for receivables. There was $-0- written off in the current year.

Financial Statement Presentation

Under generally accepted accounting principles, nonprofit organizations are required to report information regarding their financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. All contributions, including those with donor-imposed restrictions, are subject to the variance power established by the Foundation's governing documents and applicable laws. The variance power gives the Board of Directors of the Foundation the ability to modify donor restrictions that are incapable of fulfillment or inconsistent with the charitable needs of the community. Based on this variance power, the Foundation classifies all net assets as without donor restrictions, other than those on which time or purpose restrictions have been placed by the donor. Accordingly, the Foundation reports its net assets in the following classes:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Foundation currently does not have any donor restrictions that are perpetual in nature.

Revenue and Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as without donor restricted contributions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Contributions of cash and other assets are reported as with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

During the year ended December 31, 2024, approximately 67% of the Organization's total contributions were received from two donors.

Donated Services

The Foundation receives donated services from individuals who volunteer their time to support program activities. In accordance with ASC 958-605, contributed services are recognized in the financial statements if they (1) create or enhance a nonfinancial asset, or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

For the year ended December 31, 2024, the Foundation recognized $8,258 of donated professional services consisting of accounting services. This amount is included in contributions and is reported as professional fees expense in the accompanying statement of activities.

Fund Types

The Foundation's component funds are of various types reflecting the purposes of the donors who have contributed to them.

Undesignated Funds

Undesignated funds are those for which the Board has full discretion in making distributions for charitable purposes to meet community needs.

Donor-Designated Funds

Donor-designated funds have been established by donors to provide sustaining support to a specific institution, agency, or program specified by the donor.

Donor-Advised Funds

Donor-advised funds have been established by donors to provide sustaining support to an institution, agency, or program specified by the donor. The donor retains the ability to advise the Foundation on how the fund's income (or principal and income) should be distributed.

Expense Allocation

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Gifts, grants, and bequests are deductible by donors within limitation of the IRC. The Foundation is subject to a tax on income from any unrelated business income. The Foundation has not identified any unrelated business income. The Foundation continually evaluates its tax position, changes in tax law, and new authoritative rulings for potential implications to its tax status.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates. Such differences may be material.

Subsequent Events

The Foundation has evaluated subsequent events through February 25, 2026, the date which the financial statements were available to be issued.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give which have been made by donors but have not yet been received by the Foundation. All pledges are receivable in the next year.

NOTE 3 AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at December 31, 2024:

Financial Assets at Year-End:		
Cash	$	617,508
Pledges Receivable		1,000
Investments		1,216,526
Total Financial Assets		1,835,034
Less Amounts Not Available to be Used Within One Year:		
Net Assets with Board Designations		843,734
Net Assets with Donor Restrictions		331,271
Total Amounts Not Available Within One Year		1,175,005
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	$	660,029

NOTE 3 AVAILABILITY AND LIQUIDITY (CONTINUED)

The Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $33,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

NOTE 4 INVESTMENTS

Investments are stated at fair market value and consist of the following at December 31, 2024:

Cash and Cash Equivalents	$	39,721
Equity Securities		833,118
Fixed Income Securities		343,687
Total	$	1,216,526

Investment income for the year ended December 31, 2024 consists of the following:

Interest and Dividends	$	20,576
Net Realized Gain on Investments		34,452
Net Unrealized Gain on Investments		34,563
Total Investment Gain	$	89,591

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements.

NOTE 5 FAIR VALUE MEASUREMENTS

Long-term investments held are carried at fair value measured in accordance with the framework as established by Financial Accounting Standards Board, Fair Value Measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

As defined in the framework, fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income, and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Foundation has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

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

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

Fair values of assets measured on a recurring basis at December 31, 2024 are as follows:

	Fair Value	Level 1
Cash and Cash Equivalents	$ 39,721	$ 39,721
Equity Securities	833,118	833,118
Fixed Income Securities	343,687	343,687
Total	$ 1,216,526	$ 1,216,526

NOTE 6 ENDOWMENT ASSETS

The Financial Accounting Standards Board (FASB), *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*, provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). FASB also improved disclosures about an organization's endowment funds (both donor-restricted and board-designated endowment funds) whether or not the Foundation is subject to UPMIFA.

The Foundation is governed subject to the Governing Documents for the Foundation and most contributions are subject to the terms of the Governing Documents and the related Fund or Gift Agreements. Certain contributions are received subject to other gift or grant instruments, or are subject to specific agreements with the Foundation, and may be recorded as with donor restricted or without donor restricted, depending on the specific terms of the agreements.

Under the terms of the Governing Documents and the Fund or Gift Agreements, the Board of directors has the ability to modify any restrictions or condition on the distribution of funds that becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community of area serviced. The Board of directors also has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as with donor restricted net assets are classified as without donor restricted net assets for financial statement purposes.

The Foundation requires preservation of the fair value of the original gift, as of the gift date, of donor restricted funds absent explicit donor stipulations to the contrary. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds and board-designated funds:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation or depreciation of investments.
6. Other resources of the Foundation.
7. The investment policies of the Foundation.

Endowment net asset composition by type of fund at December 31, 2024 is as follows:

Without Donor Restricted Board-Designated Funds	$ 630,029

NOTE 6 ENDOWMENT ASSETS (CONTINUED)

Changes in board-designated net assets for the year ended December 31, 2024 is as follows:

Endowment Assets - Beginning of Year	$	246,779
Contributions		370,961
Investment Gains		41,963
Grants Appropriated		(22,571)
Administrative Fees		(7,103)
Endowment Assets - End of Year	$	630,029

The Foundation has adopted investment and spending policies for endowment assets that are designed and intended to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of the Foundation's endowment assets. The Foundation's investment and spending policies work together to achieve this objective.

The Foundation's investment policy objective is a long-term rate of return on assets that is at least 5%. Actual returns will vary from year to year. The Foundation relies on a total return strategy. The investment strategy targets a diversified asset allocation that includes domestic securities, non-U.S. securities, fixed income, and equity exchange-traded products. The majority of assets are invested in equity securities and fixed-income securities. Diversification by asset class, investment style, and investment manager is employed to avoid undue risk concentrations and enhance total return. Investment returns are achieved through capital appreciation and current yield.

The Foundation's spending policy includes a spending goal for grant making that states it will not exceed 4.5%- 5.5% of endowed assets. The available to spend balance is calculated annually in July using a rolling average of the fund's net balance for 12 quarters, or available quarters up to 12 quarters since the fund has been in existence. The amount calculated shall be available for the grant distribution in the subsequent calendar year. The fund's balance used for calculation is net of investment and administration fees. Any unspent amounts will be carried over for future distributions or may be considered for reinvestment in endowment principal balance at the discretion of the board of directors.

NOTE 7 WITH DONOR RESTRICTED NET ASSETS

With donor restricted net assets consisted of the following at December 31, 2024:

Time Restriction:		
Pledges Receivable	$	1,000
Purpose Restriction:		
Hodag Park Fund		95,442
Short-Term Projects		28
Friends of the Parks		1,261
Rhinelander Cultural Arts Fund		49,569
Rhinelander Youth Project		44,479
Pioneer Park Historical Complex		59,124
Urban Forestry Fund		78,368
John Estabrook Pass Through Fund		2,000
Total Purpose Restricted Net Assets		330,271
Total With Donor Restricted Net Assets	$	331,271

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