

WISCONSIN LIONS FOUNDATION, INC.

Audited Financial Statements

For the Years Ended December 31, 2021 and 2020

FINANCIAL STATEMENTS

WISCONSIN LIONS FOUNDATION, INC.

Statements of Financial Position
As of December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 963,667	\$ 493,602
Certificates of Deposit	150,601	150,451
Accounts Receivable	65,024	107,464
Inventories	10,310	17,179
Prepaid Expenses	43,309	40,572
Total Current Assets	<u>1,232,911</u>	<u>809,268</u>
PROPERTY AND EQUIPMENT		
Construction in Progress	7,200	6,000
Land and Land Improvements	763,863	763,863
Buildings and Improvements	4,132,829	4,129,569
Operating Equipment	543,353	518,979
Office Equipment	62,356	50,856
Program and Camp Equipment	277,374	270,374
Total Property and Equipment	<u>5,786,975</u>	<u>5,739,641</u>
Less: Accumulated Depreciation	<u>2,032,095</u>	<u>1,927,973</u>
Net Property and Equipment	<u>3,754,880</u>	<u>3,811,668</u>
OTHER ASSETS		
Restricted Cash	208,868	-
Pledge Receivable for Beneficial Interest in Perpetual Trust	600,000	419,564
Total Other Assets	<u>808,868</u>	<u>419,564</u>
TOTAL ASSETS	<u>\$ 5,796,659</u>	<u>\$ 5,040,500</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 26,393	\$ 17,679
Accrued Wages	60,601	53,637
Accrued Payroll Taxes	4,550	3,051
Accrued Property Taxes	18,244	18,244
Other Accrued Expenses	1,453	1,048
Unearned Revenue	3,948	16,351
Total Current Liabilities	<u>115,189</u>	<u>110,010</u>
NET ASSETS		
Without Donor Restrictions:		
Investment in Property and Equipment	3,754,880	3,811,668
Board Designated for Vehicle Purchases	50,543	50,543
Board Designated for Building Projects	-	30,886
Board Designated for Equipment Projects	188,194	196,657
Board Designated for Wish List	5,156	27,617
Undesignated	727,948	204,737
Total Net Assets Without Donor Restrictions	<u>4,726,721</u>	<u>4,322,108</u>
With Donor Restrictions	<u>954,749</u>	<u>608,382</u>
Total Net Assets	<u>5,681,470</u>	<u>4,930,490</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,796,659</u>	<u>\$ 5,040,500</u>

See Accompanying Notes

WISCONSIN LIONS FOUNDATION, INC.

Statement of Activities

For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING REVENUES AND OTHER SUPPORT			
Contributions	\$ 851,608	\$ 264,281	\$ 1,115,889
Support from Related Entities	268,283		268,283
In-Kind Donations	16,290	-	16,290
Offseason Rental	45,315	-	45,315
Trading Post Income	20,800	-	20,800
Promotional Revenue	583	-	583
Diabetes Education Grants	148,063	262,636	410,699
Eyeglass Recycling Handling and Shipping Revenue	5,613	-	5,613
Miscellaneous Income	32,389	-	32,389
Special Event Income	94,985	-	94,985
Interest and Investment Income	642	-	642
Sale of Recycled Material:			
Hearing Program	16,384	-	16,384
Eyeglass Program	82,603	-	82,603
Net Assets Released from Restriction:			
Satisfaction of Restrictions	180,550	(180,550)	-
Total Operating Revenues and Other Support	<u>1,764,108</u>	<u>346,367</u>	<u>2,110,475</u>
EXPENSES			
Program Services	1,652,811	-	1,652,811
Management and General	196,645	-	196,645
Fundraising	120,894	-	120,894
Total Expenses	<u>1,970,350</u>	<u>-</u>	<u>1,970,350</u>
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	<u>(206,242)</u>	<u>346,367</u>	<u>140,125</u>
OTHER ITEMS			
Paycheck Protection Program Loan Contribution	228,147	-	228,147
Employee Retention Tax Credit	382,708	-	382,708
Total Other Items	<u>610,855</u>	<u>-</u>	<u>610,855</u>
CHANGE IN NET ASSETS	404,613	346,367	750,980
NET ASSETS - BEGINNING	<u>4,322,108</u>	<u>608,382</u>	<u>4,930,490</u>
NET ASSETS - ENDING	<u>\$ 4,726,721</u>	<u>\$ 954,749</u>	<u>\$ 5,681,470</u>

See Accompanying Notes

WISCONSIN LIONS FOUNDATION, INC.

Statement of Activities

For the Year Ended December 31, 2020

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
OPERATING REVENUES AND OTHER SUPPORT			
Contributions	\$ 729,962	\$ 516,353	\$ 1,246,315
Support from Related Entities	425,000	-	425,000
In-Kind Donations	10,040	-	10,040
Offseason Rental	21,302	-	21,302
Trading Post Income	7,692	-	7,692
Promotional Revenue	160	-	160
Diabetes Education Grants	166,150	-	166,150
Eyeglass Recycling Handling and Shipping Revenue	4,137	-	4,137
Miscellaneous Income	67,157	-	67,157
Special Event Income	85,387	-	85,387
Interest and Investment Income	1,122	-	1,122
Sale of Recycled Material:			
Hearing Program	13,870	-	13,870
Eyeglass Program	19,605	-	19,605
Net Assets Released from Restriction:			
Satisfaction of Restrictions	116,468	(116,468)	-
Total Operating Revenues and Other Support	<u>1,668,052</u>	<u>399,885</u>	<u>2,067,937</u>
EXPENSES			
Program Services	1,448,865	-	1,448,865
Management and General	196,298	-	196,298
Fundraising	115,495	-	115,495
Total Expenses	<u>1,760,658</u>	<u>-</u>	<u>1,760,658</u>
CHANGE IN NET ASSETS BEFORE OTHER ITEM	(92,606)	399,885	307,279
OTHER ITEM			
Paycheck Protection Program Loan Contribution	229,860	-	229,860
CHANGE IN NET ASSETS	137,254	399,885	537,139
NET ASSETS - BEGINNING	<u>4,184,854</u>	<u>208,497</u>	<u>4,393,351</u>
NET ASSETS - ENDING	<u>\$ 4,322,108</u>	<u>\$ 608,382</u>	<u>\$ 4,930,490</u>

See Accompanying Notes

WISCONSIN LIONS FOUNDATION, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2021

EXPENSES	Program Services					Total Program Services
	Summer	Offseason	Eyeglass	Diabetes		
	Camp	Rental	Recycling Center	Education	Hearing	
Salaries	\$ 298,604	\$ 29,878	\$ 58,115	\$ -	\$ -	\$ 386,597
Food	49,994	2,410	-	-	-	52,404
Wish List Purchases	-	-	-	-	-	-
Trading Post Cost of Sales	-	-	-	-	-	-
Golf Outing	-	-	-	-	-	-
5K Run	-	-	-	-	-	-
Employee Benefits	48,085	8,995	6,264	-	-	63,344
Payroll Taxes	25,818	3,799	3,753	-	-	33,370
Camp Raffle	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Postage	-	-	2,656	-	-	2,656
Healthcare Supplies	858	-	-	-	-	858
Kitchen Supplies	2,978	19	-	-	-	2,997
Janitorial Supplies	3,019	1,943	-	-	-	4,962
Program Supplies	1,217	373	11,369	-	60,012	72,971
Diabetes Education	-	-	-	217,599	-	217,599
Telephone	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Auto Expense	-	-	-	-	-	-
Insurance	6,024	4,285	2,723	-	-	13,032
Affiliations and Licenses	10,647	-	-	-	-	10,647
Bedding and Laundry	6,968	182	-	-	-	7,150
Repair and Maintenance - Buildings	-	-	-	-	-	-
Repair and Maintenance - Grounds	-	-	-	-	-	-
Repair and Maintenance - Equipment	-	-	1,471	-	-	1,471
Public Relations	-	-	-	-	-	-
Travel, Meals and Entertainment	-	-	-	-	-	-
Real Estate Taxes	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-
Staff Recruitment	6,912	-	-	-	-	6,912
Drug Testing	1,899	-	-	-	-	1,899
Depreciation	34,759	9,776	-	-	-	44,535
Allocation of Administrative Expenses	92,526	48,043	7,117	7,117	7,117	161,920
Allocation of Facility Expenses	392,876	143,431	18,708	6,236	6,236	567,487
TOTAL EXPENSES	\$ 983,184	\$ 253,134	\$ 112,176	\$ 230,952	\$ 73,365	\$ 1,652,811

See Accompanying Notes

Supporting Services							
Management and General		Fundraising				Total	
Administrative	Facility	Trading Post	Resource Development	Public Relations	Total Fundraising	Supporting Services	Total
\$ 191,240	\$ 193,143	\$ -	\$ -	\$ -	\$ -	\$ 384,383	\$ 770,980
-	-	-	-	-	-	-	52,404
-	42,436	-	-	-	-	42,436	42,436
-	-	14,092	-	-	14,092	14,092	14,092
-	-	-	9,377	-	9,377	9,377	9,377
-	-	-	-	12,745	12,745	12,745	12,745
37,861	50,395	-	-	-	-	88,256	151,600
18,276	13,416	-	-	-	-	31,692	65,062
-	-	-	10,622	-	10,622	10,622	10,622
40,731	-	-	-	-	-	40,731	40,731
3,519	-	-	-	-	-	3,519	6,175
-	-	-	-	-	-	-	858
-	-	-	-	-	-	-	2,997
-	-	-	-	-	-	-	4,962
-	-	-	-	-	-	-	72,971
-	-	-	-	-	-	-	217,599
-	13,919	-	-	-	-	13,919	13,919
-	61,315	-	-	-	-	61,315	61,315
-	7,175	-	-	-	-	7,175	7,175
2,881	86,903	-	-	-	-	89,784	102,816
-	1,160	-	-	-	-	1,160	11,807
-	-	-	-	-	-	-	7,150
-	41,776	-	-	-	-	41,776	41,776
-	25,566	-	-	-	-	25,566	25,566
-	11,681	-	-	-	-	11,681	13,152
1,428	-	-	-	20,627	20,627	22,055	22,055
15,282	-	-	-	-	-	15,282	15,282
-	18,244	-	-	-	-	18,244	18,244
37,050	-	-	-	-	-	37,050	37,050
-	-	-	-	-	-	-	6,912
-	-	-	-	-	-	-	1,899
7,603	56,483	-	-	-	-	64,086	108,621
(177,934)	-	1,779	3,559	10,676	16,014	(161,920)	-
18,708	(623,612)	12,472	6,236	18,709	37,417	(567,487)	-
<u>\$ 196,645</u>	<u>\$ -</u>	<u>\$ 28,343</u>	<u>\$ 29,794</u>	<u>\$ 62,757</u>	<u>\$ 120,894</u>	<u>\$ 317,539</u>	<u>\$ 1,970,350</u>

WISCONSIN LIONS FOUNDATION, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2020

EXPENSES	Program Services					Total Program Services
	Summer	Offseason	Eyeglass	Diabetes		
	Camp	Rental	Recycling Center	Education	Hearing	
Salaries	\$ 247,827	\$ 50,595	\$ 63,807	\$ -	\$ -	\$ 362,229
Food	14,911	921	-	-	-	15,832
Wish List Purchases	-	-	-	-	-	-
Trading Post Cost of Sales	-	-	-	-	-	-
Golf Outing	-	-	-	-	-	-
5K Run	-	-	-	-	-	-
Employee Benefits	43,864	26,683	6,075	-	-	76,622
Payroll Taxes	14,809	6,062	4,189	-	-	25,060
Camp Raffle	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Postage	-	-	2,101	-	-	2,101
Healthcare Supplies	3,484	-	-	-	-	3,484
Kitchen Supplies	1,187	207	-	-	-	1,394
Janitorial Supplies	3,438	1,610	-	-	-	5,048
Program Supplies	4,413	1,267	25	-	39,925	45,630
Diabetes Education	-	-	-	172,334	-	172,334
Telephone	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Auto Expense	-	-	-	-	-	-
Insurance	8,150	5,800	3,700	-	-	17,650
Affiliations and Licenses	7,249	-	-	-	-	7,249
Repair and Maintenance - Buildings	-	-	-	-	-	-
Repair and Maintenance - Grounds	-	-	-	-	-	-
Repair and Maintenance - Equipment	-	-	255	-	-	255
Public Relations	-	-	-	-	-	-
Travel, Meals and Entertainment	-	-	-	-	-	-
Real Estate Taxes	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-
Staff Recruitment	5,065	-	-	-	-	5,065
Drug Testing	908	-	-	-	-	908
Interest Expense	-	-	-	-	-	-
Depreciation	34,047	9,533	-	-	-	43,580
Allocation of Administrative Expenses	93,490	48,543	7,192	7,192	7,192	163,609
Allocation of Facility Expenses	346,719	126,580	16,510	5,503	5,503	500,815
TOTAL EXPENSES	\$ 829,561	\$ 277,801	\$ 103,854	\$ 185,029	\$ 52,620	\$ 1,448,865

Supporting Services								
Management and General		Fundraising				Total		
Administrative	Facility	Trading Post	Resource Development	Public Relations	Total Fundraising	Total Supporting Services	Total	
\$ 199,801	\$ 190,512	\$ -	\$ -	\$ -	\$ -	\$ 390,313	\$	752,542
-	-	-	-	-	-	-	-	15,832
-	37,406	-	-	-	-	37,406	-	37,406
-	-	6,705	-	-	6,705	6,705	-	6,705
-	-	-	10,211	-	10,211	10,211	-	10,211
-	-	-	-	10,476	10,476	10,476	-	10,476
42,171	31,242	-	-	-	-	73,413	-	150,035
22,961	14,165	-	-	-	-	37,126	-	62,186
-	-	-	10,000	-	10,000	10,000	-	10,000
36,149	-	-	-	-	-	36,149	-	36,149
9,464	-	-	-	-	-	9,464	-	11,565
-	-	-	-	-	-	-	-	3,484
-	-	-	-	-	-	-	-	1,394
-	-	-	-	-	-	-	-	5,048
-	-	-	-	-	-	-	-	45,630
-	-	-	-	-	-	-	-	172,334
-	10,955	-	-	-	-	10,955	-	10,955
-	53,457	-	-	-	-	53,457	-	53,457
-	3,737	-	-	-	-	3,737	-	3,737
4,000	82,000	-	-	-	-	86,000	-	103,650
-	977	-	-	-	-	977	-	8,226
-	28,401	-	-	-	-	28,401	-	28,401
-	7,759	-	-	-	-	7,759	-	7,759
-	14,251	-	-	-	-	14,251	-	14,506
1,487	-	-	-	28,903	28,903	30,390	-	30,390
6,068	-	-	-	-	-	6,068	-	6,068
-	18,244	-	-	-	-	18,244	-	18,244
28,271	2,766	-	-	-	-	31,037	-	31,037
-	-	-	-	-	-	-	-	5,065
-	-	-	-	-	-	-	-	908
1,713	-	-	-	-	-	1,713	-	1,713
7,490	54,475	-	-	-	-	61,965	-	105,545
(179,788)	-	1,798	3,595	10,786	16,179	(163,609)	-	-
16,511	(550,347)	11,007	5,503	16,511	33,021	(500,815)	-	-
<u>\$ 196,298</u>	<u>\$ -</u>	<u>\$ 19,510</u>	<u>\$ 29,309</u>	<u>\$ 66,676</u>	<u>\$ 115,495</u>	<u>\$ 311,793</u>	<u>\$</u>	<u>1,760,658</u>

WISCONSIN LIONS FOUNDATION, INC.
 Statements of Cash Flows
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 750,980	\$ 537,139
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	108,621	105,545
Contributions Restricted for Long-Term Purposes	(180,436)	(419,564)
Interest Added to Certificates of Deposit	(150)	(526)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	42,440	(74,642)
Inventories	6,869	(8,864)
Prepaid Expenses	(2,737)	(3,235)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	8,714	(7,401)
Accrued Liabilities	8,868	(13,275)
Unearned Revenue	(12,403)	12,445
Total Adjustments	<u>(20,214)</u>	<u>(409,517)</u>
Net Cash Flows From Operating Activities	<u>730,766</u>	<u>127,622</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(51,833)</u>	<u>(27,702)</u>
NET CHANGE IN CASH	678,933	99,920
CASH - BEGINNING	<u>493,602</u>	<u>393,682</u>
CASH - ENDING	<u>\$ 1,172,535</u>	<u>\$ 493,602</u>
RECONCILIATION OF CASH PER STATEMENT OF FINANCIAL POSITION TO STATEMENT OF CASH FLOWS		
Cash	\$ 963,667	\$ 493,602
Restricted Cash	208,868	-
Cash Per Statement of Financial Position	<u>\$ 1,172,535</u>	<u>\$ 493,602</u>

See Accompanying Notes

WISCONSIN LIONS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies

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

Nature of Operations

Wisconsin Lions Foundation, Inc. is a nonprofit organization created for the purpose of providing a vehicle for the Lions, Lioness and Leo Clubs to work together toward a common cause, a vision or a project while serving the residents of Wisconsin.

Basis of Accounting

The financial statements of the Organization 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 statements of cash flows, the Organization considers as cash equivalents all highly liquid investments with a maturity period of ninety days or less at the time of purchase to be cash. The Organization maintains its bank accounts at five financial institutions. Aggregate accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, balances at each bank may exceed FDIC limits but the Organization has not experienced any loss in such accounts.

Receivables

Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the outstanding balances, it has concluded that the realization losses on the balances outstanding at December 31, 2021 and 2020 will be immaterial.

Pledges Receivable

Unconditional pledges 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 contributions receivable are reflected as either current or non-current pledges receivable on the statements of financial position depending on when payments are expected to be received or whether the pledges receivable are restricted for long-term purposes. Management has determined that the pledge receivable is fully collectible; therefore, no allowances for uncollectible accounts are necessary for December 31, 2021 and 2020.

Inventories

Inventories, which consist mainly of food, hats, t-shirts and sweatshirts, are stated at the lower of cost or net realizable value, using the first-in, first-out (FIFO) valuation method.

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. 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.

WISCONSIN LIONS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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.

The Organization recognizes revenue from offseason rental services when the services are provided. Trading post sales are recognized at the time of purchase, all goods are transferred at a point in time. Special event revenue is recorded equal to the cost of direct benefits to donors, and contribution revenue for the difference. Revenue from recycled materials for the eyeglass and hearing programs is recognized when items are sent to the recycling company. Revenue from diabetes grants are recognized when the related service is provided or expense is incurred.

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. Federal and state grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Financial Statements Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated for vehicle purchases, building projects, and equipment projects.

Net Assets With Donor Restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors 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, depending on the nature of the restrictions.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Wisconsin Lions Foundation, Inc.'s ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Restricted Cash

The Organization has restricted cash of \$208,868 as of December 31, 2021. The cash, which is required to be kept in a separate bank account, was received from a grant and is restricted for use toward the expansion of the diabetes program at the Wisconsin Lions Camp.

WISCONSIN LIONS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Property, Equipment and Depreciation

Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at estimated fair value at date of donation. The Organization capitalizes items greater than \$2,500. Depreciation for financial reporting purposes is calculated primarily using the straight-line method. Estimated useful lives of the assets are as follows:

Land Improvements	5 – 50 Years
Buildings and Improvements	9 – 50 Years
Operating Equipment	5 – 50 Years
Office Equipment	5 – 25 Years
Program and Camp Equipment	5 – 50 Years

In-Kind Contributions

The Organization records various types of in-kind contributions including professional services, equipment and supplies. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by a like amount included in assets or expenses. In-kind contributions of \$9,490 and \$10,040 were recorded for the years ended December 31, 2021 and 2020, respectively. In-kind services of \$6,800 were recorded for the year ended December 31, 2021.

Additionally, the Organization receives a significant amount of skilled, contributed time which does not meet the two recognition criteria described above. The Organization received 1,424 and 493 volunteer hours (unaudited) for the years ended December 31, 2021 and 2020. The estimated value of these services amounted to \$17,088 and \$5,916, (unaudited) for the years ended December 31, 2021 and 2020.

Income Taxes

The Organization is a charitable organization under Section 501(c)(3) of the Internal Revenue Code, and thus is exempt from income taxes. Gifts, grants and bequests are deductible by donors within limitations of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business income. The Organization continually evaluates its tax position, changes in tax law and new authoritative rulings for potential implication to its tax status.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and Benefits	Time and Effort
Postage	Actual Usage
Supplies	Actual Usage
Insurance	Actual Usage
Affiliations and Licences	Actual Usage
Public Relations	Actual Usage
Depreciation	Square Footage/Actual Usage
Other	Actual Usage

WISCONSIN LIONS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences

The Organization's policy allows its employees to earn vacation days on their anniversary date of hire. A maximum of one-half of the employee's earned vacation days may be carried over to the next year of employment. Accrued compensated absences of \$47,696 and \$44,860 have been recorded in the statements of financial position as of December 31, 2021 and 2020, respectively.

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.

Subsequent Events

The Organization has evaluated subsequent events through April 13, 2022, the date which the financial statements were available to be issued.

Note 2 - Paycheck Protection Program (PPP) Loan Contribution

In April 2020, the Organization received a loan in the amount of \$229,860 under the Paycheck Protection Program (PPP Loan). The PPP Loan and accrued interest were forgivable after the covered period, up to 24-weeks, if the borrower uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP Loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, up to 24 weeks. The unforgiven portion of the PPP Loan is payable over 2 years at an interest rate of 1%, with a deferral of payments for the first 10 months.

In February 2021, the Organization qualified for and received a second loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$228,147. The PPP loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has an original maturity date of two years which can be extended to five years by mutual agreement of the Organization and the lender, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Interest will only be charged if the SBA determines the loan is not eligible for forgiveness (in whole or in part) or if the Organization does not apply for loan forgiveness within ten months of the end of their covered period.

The Organization met the PPP's eligibility criteria and, therefore, has concluded that the PPP Loans represent, in substance, grants that have been forgiven. As a result, the Organization has accounted for the PPP Loans in accordance with FASB ASC 958-605 as contributions. During the years ended December 31, 2021 and 2020, the Organization has used the entire proceeds from each loan for purposes consistent with the PPP, which were also forgiven by the bank, resulting in recognition of the entire PPP Loan amounts as contribution revenue in the accompanying financial statements for 2021 and 2020.

Note 3 - Beneficial Interest in Perpetual Trust

The Organization is the beneficiary of a perpetual trust, the assets of which are not in the possession of the Organization. The Organization has legally enforceable rights and claims to such assets and income there from. Net realized and unrealized gains related to the beneficial interest will be reported as changes in net assets with donor restrictions when earned. The Organization expects to collect this pledge receivable during 2022.

WISCONSIN LIONS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021 and 2020

Note 4 - Availability and Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	2021	2020
Financial assets at year end:		
Cash	\$ 963,667	\$ 493,602
Certificates of Deposit	150,601	150,451
Accounts receivable	65,024	107,464
Restricted Cash	208,868	-
Pledge Receivable for Beneficial Interest in Perpetual Trust	600,000	419,564
Total financial assets	<u>1,988,160</u>	<u>1,171,081</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	954,749	608,382
Less net assets with purpose restrictions to be met in less than a year	<u>(354,749)</u>	<u>(188,818)</u>
	<u>600,000</u>	<u>419,564</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,388,160</u>	<u>\$ 751,517</u>

Wisconsin Lions Foundation, Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$490,000). As part of its liquidity plan, excess cash is invested in short-term investments such as certificates of deposit.

Note 5 - Net Assets

Net assets consist of the following at December 31, 2021 and 2020:

	2021	2020
Net Assets Without Donor Restrictions:		
Investment in Property and Equipment	\$ 3,754,880	\$ 3,811,668
Board Designated for Vehicle Purchases	50,543	50,543
Board Designated for Building Projects	-	30,886
Board Designated for Equipment Projects	188,194	196,657
Board Designated for Wish List	5,156	27,617
Undesignated	727,948	204,737
Total Net Assets Without Donor Restrictions	<u>4,726,721</u>	<u>4,322,108</u>
Net Assets With Donor Restrictions:		
Pledge Receivable for Beneficial Interest in Perpetual Trust	600,000	419,564
Wish List	58,109	88,002
Vehicle	5,158	5,158
Diabetes Education	291,482	95,658
Total Net Assets With Donor Restrictions	<u>954,749</u>	<u>608,382</u>
Total Net Assets	<u>\$ 5,681,470</u>	<u>\$ 4,930,490</u>

WISCONSIN LIONS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021 and 2020

Note 6 - Net Assets With Donor Restrictions Released From Restrictions

Net assets released from net assets with donor restrictions are as follows:

	<u>2021</u>	<u>2020</u>
Wish List	\$ 29,893	\$ 27,617
Diabetes Education	150,657	88,851
Total Net Assets Released from Donor Restriction	<u>\$ 180,550</u>	<u>\$ 116,468</u>

Note 7 - Retirement Plan

The Organization annually contributes 3.5% of eligible employee earnings to a tax deferred annuity plan subject to Internal Revenue Service Regulations. Eligible employees are at least 21 years old and have been employed for one year and have completed 1,500 hours of service within the year. The pension costs are funded as incurred and are fully vested. The amount charged to pension expense was \$19,198 and \$22,559 for the years ended December 31, 2021 and 2020, respectively.

Note 8 - Related Entities

While the Organization has an economic interest in Wisconsin Lions Birch-Sturm Memorial Fund, Inc. and Lions Pride Endowment Fund of Wisconsin, Inc., it does not have control. The three organizations share a common focus serving the residents of Wisconsin. Wisconsin Lions Foundation Inc. focuses specifically on providing a vehicle for the Lions, Lioness and Leo Clubs to work together toward a common cause, a vision or a project while serving the residents of Wisconsin. In 2021 and 2020, Lions Pride Endowment Fund of Wisconsin, Inc. provided the Organization approximately \$268,000 and \$225,000, respectively, of interest and dividends from the endowment fund for operations. The Wisconsin Lions Birch-Sturm Memorial Fund, Inc. provided the Organization \$200,000 of interest and dividends from the endowment fund for operations in 2020.

Note 9 - Services Provided to Affiliate

The Organization has an agreement with Wisconsin Lions Birch-Sturm Memorial Fund, Inc. to provide services and use of facilities. During each of the years ended December 31, 2021 and 2020, the Organization provided all administrative and bookkeeping services to the Wisconsin Lions Birch-Sturm Memorial Fund, Inc. as well as use of facilities for a cost of \$3,000.

SUPPLEMENTARY INFORMATION

WISCONSIN LIONS FOUNDATION, INC.
Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2021

Grantor Agency/Pass-Through Agency/ Grant Title, Project Grant Year or Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Award Amount
FEDERAL			
Department of Health and Human Services			
Wisconsin Department of Health Services			
Diabetes Prevention Control Program			
June 30, 2020 - June 29, 2021	93.426	46686	\$ 60,500
September 30, 2020 - September 29, 2021	93.435	48047	60,500
June 30, 2021 - June 29, 2022	93.426	51745	60,500
September 30, 2021 - September 29, 2022	93.435	53750	60,500
Total Federal Expenditures			
STATE			
Wisconsin Department of Health Services			
Diabetes Prevention Control Program			
June 30, 2020 - September 29, 2021	N/A	46686	29,050
June 30, 2021 - June 29, 2022	N/A	51745	29,050
Total State Expenditures			
TOTAL FEDERAL AND STATE AWARDS			

Accounts Receivable 1/1/2021	Receipts	Expenditures	Accounts Receivable 12/31/2021
\$ 4,455	\$ 27,225	\$ 22,770	\$ -
17,102	60,500	43,398	-
-	31,308	38,443	7,135
-	-	13,228	13,228
<u>21,557</u>	<u>119,033</u>	<u>117,839</u>	<u>20,363</u>
-	13,970	13,970	-
-	16,255	16,255	-
<u>-</u>	<u>30,225</u>	<u>30,225</u>	<u>-</u>
<u>\$ 21,557</u>	<u>\$ 149,258</u>	<u>\$ 148,064</u>	<u>\$ 20,363</u>

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

WISCONSIN LIONS FOUNDATION, INC.
Settlement of DHS Cost Reimbursement Award
Diabetes Prevention
For the Year Ended December 31, 2021

DHS Identification Number	Purchase Order 32259	Purchase Order 33685	Purchase Order 37650	Purchase Order 38693
Award Amount	\$89,550	\$60,500	\$89,550	\$60,500
Award Period	06/30/2020-06/29/2021	09/30/2020-09/29/2021	06/30/2021-06/30/2022	09/30/2021-09/29/2022
Period of Award Within Audit Period	<u>01/01/2021-06/29/2021</u>	<u>01/01/2021-09/29/2021</u>	<u>06/01/2021-06/30/2021</u>	<u>09/01/2021-09/29/2022</u>
 A. Payment from DHS	 \$ 89,550	 \$ 64,955	 \$ 47,563	 \$ -
 B. Actual Allowable Cost of Award				
Program Expenses				
1. Diabetes Prevention Costs	\$ 47,143	\$ 60,500	\$ 52,810	\$ 17,102

WISCONSIN LIONS FOUNDATION, INC.

Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2021

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Wisconsin Lions Foundation, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of the *Wisconsin Department of Health Services Audit Guide*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Allowable Cost Policy Manual*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Oversight Agency

The Organization's state oversight agency is the Wisconsin Department of Health Services.