



GREEN LAKE ASSOCIATION, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Green Lake Association, Inc.
Green Lake, Wisconsin

Opinion

We have audited the accompanying financial statements of Green Lake Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green Lake Association, Inc. as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Green Lake Association, Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Green Lake Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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

In performing an audit in accordance with generally accepted auditing standards, 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 Green Lake Association, 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 Green Lake Association, 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.



Fond du Lac, Wisconsin
March 19, 2024

GREEN LAKE ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,420,719	\$ 1,084,574
Restricted cash	14,985	98,756
Prepaid expenses	8,810	9,231
Contribution receivable	241,472	91,275
Grants receivable	42,250	24,000
Pledges receivable, net of discount of \$200,915 and \$212,084 for the years ended 2023 and 2022, respectively	1,943,274	1,962,041
Beneficial interest in assets held by Community Foundation	266,121	-
Operating lease right-of-use asset, net	225,812	-
Property and equipment, net	158,320	66,803
Total Assets	<u>\$ 4,321,763</u>	<u>\$ 3,336,680</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 32,160	\$ 23,532
Accrued expenses	53,159	31,241
Deferred revenue	13,493	-
Operating lease liability	227,390	-
Total Liabilities	<u>326,202</u>	<u>54,773</u>
Net Assets:		
Without donor restrictions	2,018,264	1,563,526
With donor restrictions	1,977,297	1,718,381
	<u>3,995,561</u>	<u>3,281,907</u>
Total Liabilities and Net Assets	<u>\$ 4,321,763</u>	<u>\$ 3,336,680</u>

The accompanying notes are an integral part of these financial statements.

GREEN LAKE ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:						
Membership dues	\$ 79,937	\$ -	\$ 79,937	\$ 77,370	\$ -	\$ 77,370
Leadership contributions	202,624	-	202,624	150,968	-	150,968
Contributed nonfinancial assets	3,200	-	3,200	95,775	-	95,775
Grants	30,257	-	30,257	24,000	-	24,000
Program income	45,406	-	45,406	10,175	-	10,175
Fundraiser/contributions	511,356	1,084,557	1,595,913	808,937	831,209	1,640,146
Interest and dividend income	30,115	-	30,115	6,923	-	6,923
Return on beneficial interest in assets held by Community Foundation	-	6,362	6,362	-	-	-
Merchandise income	-	-	-	180	-	180
Miscellaneous	314	-	314	9,708	-	9,708
Net assets released from restriction	832,003	(832,003)	-	307,402	(307,402)	-
Total Revenues, Gains and Other Support	1,735,212	258,916	1,994,128	1,491,438	523,807	2,015,245
Expenses:						
Program services	954,240	-	954,240	764,247	-	764,247
Management and general	43,186	-	43,186	14,709	-	14,709
Fundraising	283,048	-	283,048	93,873	-	93,873
Total Expenses	1,280,474	-	1,280,474	872,829	-	872,829
Change in Net Assets	454,738	258,916	713,654	618,609	523,807	1,142,416
Net Assets:						
Beginning of year	1,563,526	1,718,381	3,281,907	944,917	1,194,574	2,139,491
End of year	<u>\$ 2,018,264</u>	<u>\$ 1,977,297</u>	<u>\$ 3,995,561</u>	<u>\$ 1,563,526</u>	<u>\$ 1,718,381</u>	<u>\$ 3,281,907</u>

The accompanying notes are an integral part of these financial statements.

GREEN LAKE ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	Management	Fundraising	Total
Postage	\$ 1,609	\$ 73	\$ 476	\$ 2,158
Telephone and internet	771	35	230	1,036
Rent	15,020	676	4,419	20,115
Insurance	8,377	2,048	3,399	13,824
Salaries	285,980	11,607	116,037	413,624
Payroll taxes	21,411	869	8,687	30,967
Employee benefits	29,253	1,625	9,429	40,307
Meetings and mileage	26,720	255	1,667	28,642
Office supplies, printing, and payroll service	17,241	729	2,770	20,740
Professional Services - Accounting	-	15,300	-	15,300
Professional Services - Graphic Design	4,807	11	2,334	7,152
Professional Services - IT	1,500	557	-	2,057
Professional Services - HR Consultant	-	6,292	-	6,292
Professional Services - Videography	5,250	-	2,650	7,900
Professional Services - Resource/Staff Appreciation	922	42	274	1,238
Administrative Expense: Professional Fees: Legal	193	-	1,640	1,833
Administrative Expense: Professional Fees: Campaign & Research	-	-	22,708	22,708
Administrative Expense: Office expansion/relocation	28,089	1,490	8,341	37,920
Dues and fees	16,602	697	4,495	21,794
Communication - Annual Meeting	5,951	-	-	5,951
Miscellaneous	-	371	-	371
Program - Aqweed	1,000	-	-	1,000
Program - fish rearing	1,000	-	-	1,000
Program - Community Engagement	9,855	-	-	9,855
Phosphorus Reduction	65,849	-	-	65,849
Program - trail maintenance	13,986	-	-	13,986
AIS Prevention	123,909	-	-	123,909
Clean streams	171,970	-	-	171,970
Invader defense	45,326	-	-	45,326
Gala	-	-	91,820	91,820
Development engagements	2,712	-	-	2,712
Membership Dues	23,597	-	-	23,597
Depreciation	25,340	509	1,672	27,521
	<u>\$ 954,240</u>	<u>\$ 43,186</u>	<u>\$ 283,048</u>	<u>\$ 1,280,474</u>

GREEN LAKE ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
Postage	\$ 1,693	\$ 55	\$ 73	\$ 1,821
Telephone and internet	1,272	13	26	1,311
Lease expense	11,688	121	241	12,050
Insurance	15,715	524	1,222	17,461
Salaries	280,003	3,111	28,000	311,114
Payroll taxes	23,635	263	2,363	26,261
Employee benefits	10,474	116	1,047	11,637
Meetings and mileage	6,515	206	137	6,858
Office supplies, printing, and payroll service	17,826	581	969	19,376
Admin expense - Capital Expenditures	5,099	53	105	5,257
Professional development	923	-	-	923
Professional Services - Accounting	10,139	338	788	11,265
Professional Services - Graphic Design	12,508	-	-	12,508
Professional Services - Professional Fees	2,744	92	214	3,050
Professional Services - Resources & Reference Materials	18	2	2	22
Professional Services - HR Consultant	-	3,000	-	3,000
Professional Services - Videography	2,875	-	2,875	5,750
Professional Services - Resource/Staff Appreciation	-	5,112	-	5,112
Administrative Expense:Professional Fees:Legal	2,706	-	-	2,706
Administrative Expense:Professional Fees:Campaign & Research	5,426	678	678	6,782
Administrative Expense:Professional Fees:Event Planner	-	-	8,750	8,750
Dues and fees	16,668	172	344	17,184
Communication - Annual Meeting	16,677	-	-	16,677
Communication - Annual Report	1,702	-	-	1,702
Program - Aqweed	1,000	-	-	1,000
Program - fish rearing	1,000	-	-	1,000
Program - Green Team	32	-	-	32
Program - Community Discretionary	15,358	-	-	15,358
Clean streams	1,862	-	-	1,862
Green acres	69,976	-	-	69,976
Invader defense	177,032	-	-	177,032
Gala	28,993	-	43,489	72,482
Development engagements	986	-	1,479	2,465
Leadership Campaign	291	-	436	727
Membership Dues	13,242	-	-	13,242
Depreciation	8,169	272	635	9,076
	<u>\$ 764,247</u>	<u>\$ 14,709</u>	<u>\$ 93,873</u>	<u>\$ 872,829</u>

The accompanying notes are an integral part of these financial statements.

GREEN LAKE ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 713,654	\$ 1,142,416
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Amortization of operating lease right-of-use asset	15,282	-
Depreciation	27,521	9,076
Return on beneficial interest in assets held by Community Foundation	(6,362)	-
Present value adjustment on pledges receivable	(11,169)	162,633
Contributed property and equipment	(17,950)	(4,500)
Effects of changes in operating assets and liabilities:		
Prepaid expenses	421	(6,232)
Contribution receivable	(150,197)	(91,275)
Grants receivable	(18,250)	73,668
Pledges receivable	29,936	(813,125)
Accounts payable	8,628	20,444
Accrued expenses	21,918	27,084
Deferred revenue	13,493	-
Operating lease liability	(13,704)	-
Net Cash Flows from Operating Activities	<u>613,221</u>	<u>520,189</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(101,088)	(19,763)
Purchase of beneficial interest in assets held by Community Foundation	(259,759)	-
Net Cash Flows from Investing Activities	<u>(360,847)</u>	<u>(19,763)</u>
Net Change in Cash	252,374	500,426
Cash, Cash Equivalents and Restricted Cash:		
Beginning of year	1,183,330	682,904
End of year	<u>\$ 1,435,704</u>	<u>\$ 1,183,330</u>
Reconciliation of cash, cash equivalents and restricted cash reported in the statement of financial position that sum to the total of the same such amounts in the statement of cash flows:		
Cash and cash equivalents	\$ 1,420,719	\$ 1,084,574
Restricted cash	<u>14,985</u>	<u>98,756</u>
	<u>\$ 1,435,704</u>	<u>\$ 1,183,330</u>

**GREEN LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Green Lake Association, Inc. is a nonprofit association and its purpose is to promote the conservation of Big Green Lake and its watershed.

Green Lake Association, Inc. (the “Association”) is on the accrual basis of accounting under which revenues are recognized when earned and expenses are recorded when they are incurred. Other contributions from members are recognized when received.

Cash and Cash Equivalents

The Association considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable are stated as unpaid balances, less an allowance for credit losses that reflects management's best estimate of current expected credit losses. The Association provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of grantors or purchasers of services to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management has determined that the allowance for credit losses is zero at December 31, 2023 and 2022, respectively.

Contributions, Grants and Pledges Receivable

Contributions, grants and pledges receivable are recognized as contribution revenue in the period promised and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Pledges receivable are recognized only when the conditions on which they depend are substantially met.

Pledges receivable that are to be received in one year or less are reported at net realizable value. Pledges receivable that are to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value at a risk-adjusted rate. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible pledges receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors.

Investments

Investments are carried at fair value. Unrealized gains and losses are included in the change in net assets.

Fair Value Measurements

In accordance with accounting standards, the Association defines fair value as the exchange price (an exit price) that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

**GREEN LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fair Value Measurements – Continued

The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

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

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation for financial statement purposes has been computed using a straight-line method over estimated service lives as listed below.

Equipment	5-10 years
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Leases

A lease is defined as a contract that conveys controls of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction based on FASB ASC 842, *Leases*. By definition, a short-term lease has a maximum term of 12 months or less and does not include a purchase option that the lease is reasonably certain to exercise. The Association has elected not to apply ASC 842 to short-term leases. Lease payments are recognized as operating expense straight-line over the lease term.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association 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.

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.

**GREEN LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Public Support and Revenue

All contributions are available for unrestricted use unless specifically restricted by the donor. 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, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Revenue received in the form of grants is considered a contribution if the resource provider does not receive commensurate value in exchange for the asset transferred, if the value received is incidental to the potential public benefit to be provided by using the assets, if the Association will plan and carry out the activity specified by the grant, and if it has the right to the benefits of carrying out that activity. A grant is considered an exchange transaction if the potential public benefit to be derived from the activity is secondary to the potential benefit received by the resource provider.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Liquidity and Availability of Resources

The Association is responsible for the development and management of the Association's liquidity policy. This includes but is not limited to: monitoring available funding to pay all expenses in a timely manner (operational funding as well as funding for capital expenditures, emergency situations, opportunities for growth and expansion, and developing and monitoring a balanced budget). The Association is responsible for developing and maintaining board-designated reserve accounts which can all be used to meet operational needs through a simple board resolution, if desired.

The Association has an endowment fund that is held and managed by the Oshkosh Area Community Foundation. Income generated from this endowments are available each year based on the spending policy of either the fund of the Foundation. The requirements are monitored by the Community Foundation.

The Association receives significant contributions each year from its members and from grant funding. These contributions allow the Association to meet annual cash needs for general expenditures. The Association strives to maintain liquid financial assets sufficient to cover at least 180 days of general expenditures and to maintain a checking account with a balance generally sufficient to pay 30 days of general expenditures.

**GREEN LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Functional Expense Allocations

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. The financial statements report certain categories of expenses that are attributed to program services, management, or fundraising. General ledger accounts that can be directly attributed to either category is assigned to either category. Payroll related accounts are allocated based on where employees spend their time. All other general accounts that cannot be directly allocated to either category is allocated based on the discretion of management.

Revenue Recognition

The Association recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. Accordingly, revenue is recognized when services are rendered in an amount that reflects the consideration to which the Association expects to be entitled in exchange for the goods or services.

The Association satisfies a performance obligation by transferring services to the customers which is satisfied over the performance period on a straight-line basis. See Note J of the Notes to Financial Statements for information regarding the Association's revenue recognition practices.

Contributed Nonfinancial Assets

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Association.

Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as contributed support are offset by a like amount included in expenses.

Income Taxes

The Association is a not-for-profit Association that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Association has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b) (1) (A) (vi). The Association is subject to a tax on income from unrelated business.

The Association has evaluated tax positions taken for filing with the Internal Revenue Service and all state tax jurisdictions where it operates. The Association believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Association's financial condition, results of operations or cash flows. Accordingly, the Association has not recorded any reserves, or related accruals for interest and penalties for uncertain tax positions at December 31, 2023 and 2022, respectively.

GREEN LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE B – NEW FASB PRONOUNCEMENTS/CHANGE IN ACCOUNTING PRINCIPLE

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. The FASB has subsequently issued additional ASUs amending certain aspects of ASU 2016-13.

On January 1, 2022, the Association adopted the new accounting standard and all of the related amendments using the modified retrospective method. There is no effect on net assets in connection with this implementation.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor-imposed or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

	<u>2023</u>	<u>2022</u>
Financial assets, at year end	\$ 3,928,821	\$ 3,169,371
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Subject to appropriation and satisfaction of donor restrictions	14,985	98,756
Earnings restricted by donor with time restrictions	7,623	-
Restricted by donor with time restrictions	1,454,689	1,619,625
Endowment restricted by donor with purpose restrictions	241,472	-
Not subject to appropriation or expenditure	258,528	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,951,524</u>	<u>\$ 3,070,615</u>

NOTE D – PLEDGES RECEIVABLE

Pledges receivable consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Capital Campaign	<u>\$ 1,943,274</u>	<u>\$ 1,962,041</u>
Receivable in less than one year	\$ 689,500	\$ 554,500
Receivable in one to five years	1,454,689	1,619,625
	<u>2,144,189</u>	<u>2,174,125</u>
Less discount to present value	200,915	212,084
	<u>\$ 1,943,274</u>	<u>\$ 1,962,041</u>

Pledges receivable more than one year are discounted at 4.82%.

**GREEN LAKE ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023 AND 2022**

NOTE E – BENEFICIAL INTEREST HELD BY THE COMMUNITY FOUNDATION AND ENDOWMENT

Endowed Beneficial Interest in Assets Held by Community Foundation

The Association has established one fund at the Oshkosh Area Community Foundation. The Foundation invests the assets held in the fund. The income and principal may be distributed as follows:

Green Lake Association, Inc. Funds – The Foundation may annually distribute to the Association, the net income, after deducting expenses of administering the fund, according to the spending policy of the Foundation. Distributions are to be used for the operations of the Association. None of the principal in the fund may be distributed except that all or a portion of the principal in the fund may be distributed to the Association, as approved in writing by two-thirds of the members of the governing body of the Association and a majority of the Board of Governors of the Foundation.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Association has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) as requiring the preservation of the fair value of the contributions to the donor restricted endowment fund.

In accordance with WUPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Association and the donor restricted endowment fund,
- The possible effect of inflation and deflation,
- Other resources of the Association
- The investment policies of the Association
- The expected total return from income and the appreciation of investments, and
- General economic conditions.

Endowment Net Asset Composition by Type of Fund as of December 31:

	<u>2023</u>	<u>2022</u>
	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>
Beneficial interest in Community Foundation	<u>\$ 266,121</u>	<u>\$ -</u>

**GREEN LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE E – BENEFICIAL INTEREST HELD BY THE COMMUNITY FOUNDATION AND ENDOWMENT –
Continued

Changes in Endowment Net Assets for the Years Ended December 31:

	<u>2023</u>	<u>2022</u>
	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>
Endowed beneficial interest, beginning of year	\$ -	\$ -
Contributions	259,759	-
Return on beneficial interest:		
Unrealized gains	4,183	-
Realized gains	1,136	-
Investment income	1,229	-
Administrative fees	(186)	-
Net return on beneficial interest	<u>6,362</u>	<u>-</u>
Endowed beneficial interest, end of year	<u>\$ 266,121</u>	<u>\$ -</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with endowment funds may fall below the level that the Board of Directors or WUPMIFA requires the Association to retain as a fund of perpetual duration. There were no such deficiencies for the years ended December 31, 2023.

Return Objectives and Risk Parameters

The Association has adopted the investment and spending policies of the Community Foundation where the endowment assets are held that attempt to provide a predictable stream of available funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under agreements with the Community Foundation, as approved by the Board of Directors, the endowment assets held are invested in a manner that is intended to produce results benchmarked on appropriate market indices based on the level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation shall make distributions from the endowment fund in accordance with an adopted spending policy approved by the Foundation’s Board of Directors. The Foundation’s spending policy is reviewed annually, and the Foundation’s Board of Directors approves the spending rate for the following fiscal year. The spending rate generally permits the Association to spend four to five percent annually. The Association monitors the spending of endowment assets and makes requests for distributions, if necessary. No distributions are made if endowment assets fall below specified amounts.

**GREEN LAKE ASSOCIATION, INC.
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NOTE F – FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds – Valued at the net asset value (NAV) of shares on the last trading day of the year, which is the basis for transactions at that date.

Beneficial interests in assets held by Community Foundation are valued by the respective Community Foundation as a pro-rata share of the investment pool held by the Foundation. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Association’s beneficial interest at fair value as of December 31:

	2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in Community Foundation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,121</u>	<u>\$ 266,121</u>

There were no assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2023 and 2022.

Information regarding the changes in the fair value of the Association’s Level 3 investment as of December 31:

	2023	2022
Beginning of year	\$ -	\$ -
Contributions	259,759	-
Net gains, realized and unrealized included in change in net assets, net of fees	6,362	-
End of year	<u>\$ 266,121</u>	<u>\$ -</u>

NOTE G – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Equipment	\$ 207,221	\$ 88,183
Less accumulated depreciation	48,901	21,380
	<u>\$ 158,320</u>	<u>\$ 66,803</u>

**GREEN LAKE ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
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NOTE H – NET ASSET RESTRICTIONS

The Association’s net asset with donor restrictions are subject to the following restrictions at December 31:

	<u>2023</u>	<u>2022</u>
Subject to purpose restriction:		
Clean stream	\$ -	\$ 82,002
Aquatic plant management plan	14,985	-
Hammer’s trails	-	16,754
Endowment receivable	241,472	-
Total subject to purpose restriction	<u>256,457</u>	<u>98,756</u>
 Subject to time restriction:		
Endowment earnings	7,623	-
Pledge receivable	1,454,689	1,619,625
Total subject to time restriction	<u>1,462,312</u>	<u>1,619,625</u>
 Beneficial interest to be used as endowment in perpetuity	<u>258,528</u>	<u>-</u>
 Total net assets with donor restrictions	<u><u>\$ 1,977,297</u></u>	<u><u>\$ 1,718,381</u></u>

NOTE I – REVENUE FROM CONTRACTS WITH CUSTOMERS

In accordance with Topic 606, the Association accounts for a customer contract when both parties have approved the contract and are committed to perform their respective obligations, each party’s rights can be identified, payment terms can be identified, the contract has commercial substance, and it is probable that the Association will collect substantially all of the consideration to which it is entitled. Revenue is recognized when, or as, performance obligations are satisfied by transferring control of a promised product or service to a customer.

The Association generates revenue from the following primary activity:

- Memberships - promote the conservation of Big Green Lake and its watershed

Membership dues performance obligations are stand-ready and satisfied over time. Dues are renewed annually and include multiple distinct performance obligations, including access to the Association’s annual meeting and opportunity to take part in programmatic and volunteer opportunities throughout the year during the membership period.

GREEN LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE I – REVENUE FROM CONTRACTS WITH CUSTOMERS – Continued

Disaggregation of Revenue

The table below presents net sales disaggregated by timing of revenue recognition and segment:

Segments	2023 Memberships	2022 Memberships
Timing of revenue recognition		
Services transferred over time	\$ 79,937	\$ 77,370

Opening and Closing Balance of Accounts Receivable

The following table provides information about accounts receivable balance:

	At December 31, 2023	At December 31, 2022	At January 1, 2022
Accounts receivable	\$ -	\$ -	\$ -

Practical Expedients

The Association has elected to apply the following practical expedients when determining revenue from contracts with customers and capitalization of related costs:

- The Association has elected to not adjust revenue for the effects of a significant finance component when the timing difference between receipt of payment and recognition of revenue is less than one year.
- The Association has elected to expense incremental costs to obtain a contract when the amortization period of the related asset is expected to be less than one year.

NOTE J – CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, contributed nonfinancial assets recognized within the statements of activities include:

	2023	
	Revenue Recognized	Utilization in Programs/activities
Laboratory equipment	\$ 1,200	Program
Contributed property and equipment	17,950	Program
	\$ 19,150	
	2022	
	Revenue Recognized	Utilization in Programs/activities
Equipment	\$ 4,500	Program
Vehicle	91,275	Program
	\$ 95,775	

**GREEN LAKE ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023 AND 2022**

NOTE J – CONTRIBUTED NONFINANCIAL ASSETS – Continued

The Association used the following valuation techniques and inputs to recognize contributed nonfinancial assets:

Annual auction, furniture/fixtures, vehicle, and miscellaneous program equipment and supplies – valued at the estimated fair value based on market rates for similar items.

For the years ended December 31, 2023 and 2022, there was no donor restrictions on any of the contributed nonfinancial assets received.

NOTE K – SHORT-TERM LEASES

The Association rented a storage shed for the years ended December 31, 2023 and 2022 in the amount of \$600 and \$1,130, respectively, which included the security deposit. The terms of the lease is on a month-to-month basis.

NOTE L – OPERATING LEASES

The Association rented office space for the year ended December 31, 2022 in the amount of \$12,050. The landlord was responsible for such costs as utilities, maintenance, and property tax. The lease was on a month-to-month basis. This lease was terminated in April 2023. In May 2023 the Association signed two operating lease agreements of six office suites that are located in the City of Green Lake, Wisconsin. The term of those lease agreements is three years and expire in April 2026. The Association has the option to extend the leases for two additional terms of five years each commencing at the expiration of the initial lease term. The lease payment is \$1,713 per month for the first three years and increases to \$2,055 for years 4-13. Total lease payments charged to operations were \$17,937 for the year ended December 31, 2023.

The discount rates are based on the discount rates implicit in the lease, if applicable. The Association has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free rate option has been applied to the equipment and leasehold improvements classes of assets.

The Association also elected the practical expedient to not separate lease and non-lease components for building leases.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023:

Weighted Average Remaining Lease Term in Years	
Operating leases	12.33
 Weighted Average Discount Rate	
Operating leases	3.66%

The following table summarizes the supplemental cash flow information for the year ended December 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 11,991
Right-of-use assets obtained in exchange for new operating lease liabilities	233,763

**GREEN LAKE ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
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NOTE L – OPERATING LEASES – Continued

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2023:

	2024	\$ 20,556
	2025	20,556
	2026	21,924
	2027	22,608
	2028	22,608
	Thereafter	<u>176,052</u>
	Total undiscounted cash flows	284,304
	Less: present value discount	<u>(56,914)</u>
	Total lease liabilities	<u><u>\$ 227,390</u></u>

NOTE M – EMPLOYEE BENEFIT PLANS

The Association provides a SIMPLE Retirement Plan for employees who received at least \$5,000 in compensation. The Association matches employee’s contributions up to 3% of compensation. The Association contributed \$11,944 and \$7,897 for the years ended December 31, 2023 and 2022.

The Association provides a medical reimbursement plan for full time employees. The Association contributed \$19,872 and \$14,981 to the plan for the years ended December 31, 2023 and 2022.

NOTE N – SIGNIFICANT CONCENTRATIONS

Generally accepted accounting principles require disclosure of information about current vulnerabilities due to certain concentrations. The Association received approximately 52% of its support from three donors for the year ended December 31, 2023.

NOTE O – CASH FLOW DISCLOSURES

The Association received a donated equipment in the amount of \$17,950 during the year ended December 31, 2023.

NOTE P – SUBSEQUENT EVENTS

The Association has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through March 19, 2024, the date on which the financial statements were available for issuance.