

**WAUKESHA COUNTY COMMUNITY
DENTAL CLINIC, INC.**

d/b/a COMMUNITY SMILES DENTAL

FINANCIAL STATEMENTS

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Waukesha County Community Dental Clinic, Inc.
Waukesha, Wisconsin

Opinion

We have audited the financial statements of Waukesha County Community Dental Clinic, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Waukesha County Community Dental Clinic, Inc. as of December 31, 2024 and 2023, 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 (GAAS). 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 Waukesha County Community Dental Clinic, 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 Waukesha County Community Dental Clinic, 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 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 Waukesha County Community Dental Clinic, 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 Waukesha County Community Dental Clinic, 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.

Wegner CPAs LLP

Wegner CPAs, LLP
Waukesha, Wisconsin
May 7, 2025

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 860,603	\$ 1,076,737
Accounts receivable	14,918	10,644
Grants receivable	82,998	19,333
Current portion of unconditional promises to give	194,963	362,765
Prepaid expenses	<u>27,441</u>	<u>17,203</u>
Total current assets	1,180,923	1,486,682
LEASEHOLD IMPROVEMENTS AND EQUIPMENT		
Leasehold improvements	589,603	589,603
Furniture and equipment	<u>808,067</u>	<u>765,617</u>
Total leasehold improvements and equipment	1,397,670	1,355,220
Less accumulated depreciation	<u>(1,036,492)</u>	<u>(970,636)</u>
Leasehold improvements and equipment, net	361,178	384,584
OTHER ASSETS		
Unconditional promises to give less current portion	253,445	-
Investments	1,878,804	1,083,205
Beneficial interests in assets held by community foundations	321,200	287,829
Security deposit	2,741	2,741
Operating lease right-of-use assets	<u>335,446</u>	<u>375,005</u>
Total other assets	<u>2,791,636</u>	<u>1,748,780</u>
Total assets	<u><u>\$ 4,333,737</u></u>	<u><u>\$ 3,620,046</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 67,388	\$ 11,888
Accrued payroll	54,040	31,700
Current portion of operating lease liabilities	<u>37,748</u>	<u>35,964</u>
Total current liabilities	159,176	79,552
LONG-TERM LIABILITIES		
Operating lease liabilities less current portion	<u>311,864</u>	<u>349,613</u>
Total liabilities	471,040	429,165
NET ASSETS		
Without donor restrictions	2,687,962	2,642,177
With donor restrictions	<u>1,174,735</u>	<u>548,704</u>
Total net assets	<u>3,862,697</u>	<u>3,190,881</u>
Total liabilities and net assets	<u><u>\$ 4,333,737</u></u>	<u><u>\$ 3,620,046</u></u>

See accompanying notes.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions			
General donations and grants	\$ 676,755	\$ 1,139,352	\$ 1,816,107
Government grants	231,998	-	231,998
Special events (less costs of direct benefits to donors of \$33,752)	152,305	7,500	159,805
Contributions of nonfinancial assets	203,240	-	203,240
Service fees and other revenue			
Dental service fees	1,221,601	-	1,221,601
Investment return, net	140,003	-	140,003
Change in value of beneficial interests in assets held by community foundations	31,121	-	31,121
Other income	943	-	943
	<u>2,657,966</u>	<u>1,146,852</u>	<u>3,804,818</u>
Total support and revenue			
	2,657,966	1,146,852	3,804,818
EXPENSES			
Dental care	2,605,480	-	2,605,480
Management and general	274,554	-	274,554
Fundraising	252,968	-	252,968
	<u>3,133,002</u>	<u>-</u>	<u>3,133,002</u>
Total expenses			
	3,133,002	-	3,133,002
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of purpose restrictions and expiration of time restrictions	520,821	(520,821)	-
	<u>520,821</u>	<u>(520,821)</u>	<u>-</u>
Change in net assets	45,785	626,031	671,816
Net assets at beginning of year	2,642,177	548,704	3,190,881
	<u>2,642,177</u>	<u>548,704</u>	<u>3,190,881</u>
Net assets at end of year	<u>\$ 2,687,962</u>	<u>\$ 1,174,735</u>	<u>\$ 3,862,697</u>

See accompanying notes.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions			
General donations and grants	\$ 708,093	\$ 512,634	\$ 1,220,727
Government grants	224,500	-	224,500
Special events (less costs of direct benefits to donors of \$43,671)	214,837	-	214,837
Contributions of nonfinancial assets	186,808	-	186,808
Service fees and other revenue			
Dental service fees	1,252,363	-	1,252,363
Investment return, net	136,274	-	136,274
Change in value of beneficial interests in assets held by community foundations	27,751	-	27,751
	<u>2,750,626</u>	<u>512,634</u>	<u>3,263,260</u>
Total support and revenue	2,750,626	512,634	3,263,260
EXPENSES			
Dental care	2,438,743	-	2,438,743
Management and general	284,375	-	284,375
Fundraising	255,199	-	255,199
	<u>2,978,317</u>	<u>-</u>	<u>2,978,317</u>
Total expenses	2,978,317	-	2,978,317
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of purpose restrictions and expiration of time restrictions	258,876	(258,876)	-
	<u>258,876</u>	<u>(258,876)</u>	<u>-</u>
Change in net assets	31,185	253,758	284,943
Net assets at beginning of year	2,610,992	294,946	2,905,938
	<u>2,610,992</u>	<u>294,946</u>	<u>2,905,938</u>
Net assets at end of year	\$ 2,642,177	\$ 548,704	\$ 3,190,881
	<u>\$ 2,642,177</u>	<u>\$ 548,704</u>	<u>\$ 3,190,881</u>

See accompanying notes.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	<u>Dental Care</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 1,981,319	\$ 110,399	\$ 110,073	\$ 2,201,791
Professional fees	95,213	39,846	19,004	154,063
Occupancy	168,007	77,022	7,929	252,958
Equipment and maintenance	18,010	300	-	18,310
Information technology	56,119	5,446	3,088	64,653
Insurance	15,430	6,637	130	22,197
Advertising and promotion	-	1,579	38,999	40,578
Office expenses	10,108	2,810	2,297	15,215
Travel	1,039	683	397	2,119
Program supplies and fees	179,826	-	-	179,826
Event supplies and fees	-	-	76,213	76,213
Dues and subscriptions	3,989	2,257	9,788	16,034
Printing and postage	3,901	3,130	12,188	19,219
Conferences and meetings	8,414	17,087	1,559	27,060
Depreciation	59,271	3,292	3,293	65,856
Miscellaneous	4,834	2,066	1,762	8,662
Bad debt	-	2,000	-	2,000
	<u>2,605,480</u>	<u>274,554</u>	<u>286,720</u>	<u>3,166,754</u>
Total expenses				
Less expenses included with support and revenue on the statement of activities	<u>-</u>	<u>-</u>	<u>(33,752)</u>	<u>(33,752)</u>
Total expenses included in the expenses section of the statement of activities	<u>\$ 2,605,480</u>	<u>\$ 274,554</u>	<u>\$ 252,968</u>	<u>\$ 3,133,002</u>

See accompanying notes.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	<u>Dental Care</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 1,903,365	\$ 105,164	\$ 105,742	\$ 2,114,271
Professional fees	50,023	47,952	41,319	139,294
Occupancy	139,689	58,304	6,222	204,215
Equipment and maintenance	44,605	29,902	-	74,507
Information technology	5,399	2,088	300	7,787
Insurance	11,614	4,056	223	15,893
Advertising and promotion	1,238	119	11,111	12,468
Office expenses	10,441	4,274	3,380	18,095
Travel	1,042	495	396	1,933
Program supplies and fees	187,811	45	380	188,236
Event supplies and fees	-	-	109,645	109,645
Dues and subscriptions	4,210	2,577	7,030	13,817
Printing and postage	7,111	1,303	4,943	13,357
Conferences and meetings	7,512	19,061	2,697	29,270
Depreciation	61,810	3,434	3,434	68,678
Miscellaneous	2,873	1,601	2,048	6,522
Bad debt	-	4,000	-	4,000
	<u>2,438,743</u>	<u>284,375</u>	<u>298,870</u>	<u>3,021,988</u>
Total expenses				
Less expenses included with support and revenue on the statement of activities	<u>-</u>	<u>-</u>	<u>(43,671)</u>	<u>(43,671)</u>
Total expenses included in the expenses section of the statement of activities	<u>\$ 2,438,743</u>	<u>\$ 284,375</u>	<u>\$ 255,199</u>	<u>\$ 2,978,317</u>

See accompanying notes.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 671,816	\$ 284,943
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gains on investments	(66,418)	(86,169)
Change in value of beneficial interests in assets held by community foundations	(31,121)	(27,751)
Contributions restricted for long-term purposes	(500,000)	-
Amortization of discount on unconditional promises to give	16,555	-
Bad debt	2,000	-
Donated furniture and equipment	-	(16,014)
Depreciation	65,856	68,678
Amortization of operating lease right-of-use assets	39,559	38,896
(Increase) decrease in assets		
Accounts receivable	(4,274)	(8,174)
Grants receivable	(63,665)	39,057
Unconditional promises to give	(104,198)	(156,457)
Prepaid expenses	(10,238)	8,452
Increase (decrease) in liabilities		
Accounts payable	55,500	(17,173)
Accrued payroll	22,340	25,148
Operating lease liabilities	(35,965)	(34,162)
Net cash flows from operating activities	57,747	119,274
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments and reinvested income	(729,181)	(50,462)
Contributions to beneficial interests in assets held by community foundations	(2,250)	(155)
Purchases of furniture and equipment	(42,450)	-
Net cash flows from investing activities	(773,881)	(50,617)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for long-term purposes	500,000	-
Change in cash	(216,134)	68,657
Cash at beginning of year	1,076,737	1,008,080
Cash at end of year	<u>\$ 860,603</u>	<u>\$ 1,076,737</u>
SUPPLEMENTAL DISCLOSURES		
Noncash investing and financing transactions		
Donated furniture and equipment	\$ -	\$ 16,014

See accompanying notes.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Waukesha County Community Dental Clinic, Inc. is a nonprofit organization conducting business as Community Smiles Dental (hereafter, the “Clinic”). The Clinic serves residents of Waukesha County who, for lack of dental insurance, income, or other reasons, cannot access traditional dental services. The Clinic has offices in Waukesha and Menomonee Falls, Wisconsin. The Clinic is supported primarily through dental service fees and contributions.

Accounts Receivable

Accounts receivable primarily represent amounts due from individuals or third party payers for dental services provided by the Clinic. The Clinic uses historical loss information based on the aging of accounts receivable as the basis to determine expected credit losses. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Leasehold Improvements and Equipment

Acquisitions of leasehold improvements and equipment in excess of \$5,000 are capitalized. Leasehold improvements and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Investments

The Clinic reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

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

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial Interests in Assets Held by Community Foundations

The Clinic established funds at the Greater Milwaukee Foundation and the Waukesha County Community Foundation. The agreements between the Clinic and the Foundations state that the transfers of assets are irrevocable and that the transferred assets will not be returned to the Clinic. However, the Foundations will make annual distributions of the income earned on the funds subject to the Foundations' respective spending policies. The Clinic has the right to recommend distributions greater than those set by the Foundations' spending policies as long as the fund balances are maintained at an amount consistent with the Foundations' respective minimum balance requirements. The agreements also grant variance power to the Foundations, which permits the Foundations to substitute another beneficiary in place of the Clinic if the Clinic ceases to exist or if the Foundations' respective board of directors votes that support of the Clinic either is no longer necessary or is inconsistent with the needs of the community. The fair value of the funds is based on the fair value of the underlying assets as reported to the Clinic by the Foundations. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Revenue Recognition

The Clinic provides dental services to eligible patients based on insurance coverage or to uninsured individuals whose income level is less than 200% of the federal poverty level guidelines. Revenue from dental services is recognized when the Clinic provides the service. The Clinic generally bills the individual or the third party payer on a daily basis based on approved rates.

The Clinic's accounts receivable from contracts with customers are as follows:

	2024	2023
Accounts receivable at beginning of year	\$ 10,644	\$ 2,470
Accounts receivable at end of year	14,918	10,644

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Government Grants

The Clinic receives grants from government agencies that are conditioned upon the Clinic incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by the Clinic, both a

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also provided dental visit preparation services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Clinic received 283 and 79 volunteer hours during the years ended December 31, 2024 and 2023, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, insurance, and depreciation, which are allocated on the basis of estimates of time and effort, as well as occupancy and office expenses, which are allocated on a square-footage basis.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred.

Income Tax Status

The Clinic is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Leases

The Clinic does not recognize short-term leases in the statement of financial position. For these leases, the Clinic recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Clinic also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Clinic uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management’s Review

Management has evaluated subsequent events through May 7, 2025, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS OF CREDIT RISK

The Clinic maintains cash balances at two financial institutions located in southeastern Wisconsin. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024, the Clinic’s uninsured cash balances total approximately \$552,000.

NOTE 3—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at the end of the year are as follows:

	2024	2023
Receivable in less than one year	\$ 194,963	\$ 362,765
Receivable in one to five years	270,000	-
Total unconditional promises to give	464,963	362,765
Discounts to net present value at 4.27%	(16,555)	-
Net unconditional promises to give	\$ 448,408	\$ 362,765

Unconditional promises to give receivable in more than one year are discounted at a rate of 4.27%

NOTE 4—INVESTMENTS

Investments are comprised of the following:

	2024	2023
Cash equivalents held by investment manager	\$ 93,187	\$ 44,496
Fixed income funds	664,677	555,009
Exchange traded funds	1,120,940	483,700
	\$ 1,878,804	\$ 1,083,205

Fair values for fixed income funds and exchange traded funds are valued at unadjusted quoted prices reported on the active markets on which the individual securities are traded, which are Level 1 fair value measurements.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 5—NET ASSETS

At December 31, 2024 and 2023, the Clinic's board of directors has designated, from net assets without donor restrictions \$242,000, each year, as a reserve for expansion of the Clinic's operations.

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

	<u>2024</u>	<u>2023</u>
Future years' operations	\$ 400,033	\$ 212,533
Expansion of Clinic to Milwaukee	478,325	-
Clinical equipment and operatory suites improvements	221,837	13,288
Scholarship fund	41,540	30,109
Health improvement fund	17,500	17,500
Lake Area children access to care	8,000	-
Laugh for a Smile event	7,500	10,000
Menomonee Falls clinic operations	-	131,643
Medical dental integration	-	112,500
Education outreach program	-	21,131
	<u>\$ 1,174,735</u>	<u>\$ 548,704</u>

NOTE 6—CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities include:

	<u>2024</u>	<u>2023</u>
Rent	\$ 164,508	\$ 124,008
Event planning and marketing services	2,700	8,600
Professional fees	23,643	17,783
Dental services	9,375	7,912
Dental supplies	2,804	10,677
Staff development and training	210	-
Furniture and equipment	-	16,014
Office supplies and equipment	-	1,814
	<u>\$ 203,240</u>	<u>\$ 186,808</u>

Contributed rent is valued on the basis of comparable rental prices in the Waukesha, Wisconsin, rental market. Contributed event planning and marketing services, professional fees, dental services, and staff development and training are valued based on current rates for similar services. Contributed dental supplies, furniture and equipment, and office supplies and equipment are valued at the estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. Contributed nonfinancial assets did not have donor-imposed restrictions.

Rent, professional fees, staff development and training, furniture and equipment, and office supplies and equipment were utilized for dental care services and supporting activities. Dental services and supplies were utilized for dental care services. Event planning and marketing services were utilized for fundraising activities.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7—LEASES

The Clinic leases office space in Menomonee Falls, Wisconsin and copiers under operating leases. The leases have lease terms up to five years and the office space includes an option to extend the lease term for two 5 year options. The Organization is reasonably certain to exercise these options and, thus, it is included in the measurement of right-of-use assets and lease liabilities. The Clinic has leases with variable payments, primarily in the form of common area maintenance charges that are based on actual costs incurred. These variable payments are excluded from the measurement of right-of-use assets and lease liabilities since they are not fixed or in-substance fixed payments.

The components of total lease cost are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 45,680	\$ 45,594
Variable lease cost	19,007	14,116
	<u>\$ 64,687</u>	<u>\$ 59,710</u>

Other information related to operating leases is as follows:

	<u>2024</u>	<u>2023</u>
Cash payments classified as part of operating cash flows for amounts included in the measurement of lease liabilities	\$ 42,085	\$ 40,775
Right-of-use assets obtained in exchange for new lease liabilities	-	5,129
Weighted-average remaining lease term	8.13 years	9.10 years
Weighted-average discount rate	1.67%	1.67%

The maturities of operating lease liabilities are as follows:

Year ending December 31:	
2025	\$ 43,258
2026	44,466
2027	44,561
2028	44,333
2029	45,309
Thereafter	<u>152,540</u>
Total minimum lease payments	374,467
Imputed interest	<u>(24,855)</u>
Total lease liabilities	<u>\$ 349,612</u>

The Clinic receives the use of program and administrative space in Waukesha, Wisconsin, free of charge from Waukesha Memorial Hospital and has recorded the donated rent at the estimated fair market value.

WAUKESHA COUNTY COMMUNITY DENTAL CLINIC, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 8—EMPLOYEE BENEFIT PLAN

The Clinic sponsors a 401(k) retirement plan, which covers all employees who meet age and length of service requirements. Employees may contribute elective deferrals into the plan. Employees become 100% vested in the employers match after 2 years. The Clinic may make a voluntary matching contribution, upon approval of the board of directors. For the years ended December 31, 2024 and 2023, the Clinic contributed a matching contribution to each eligible employee's plan equal to 2% and 3%, respectively, of the employee's compensation. Contributions for the years ended December 31, 2024 and 2023 were \$29,094 and \$46,304, respectively.

NOTE 9—CONDITIONAL GRANTS

The Clinic has grants that are conditioned upon the Clinic incurring qualifying expenses under the grant programs. At December 31, 2024, these conditional grants totaled approximately \$116,000. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

NOTE 10—LIQUIDITY AND AVAILABILITY

The following table reflects the Clinic's financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditures within one year of the date of the statement of financial position because of donor-imposed restrictions or internal designations:

	<u>2024</u>	<u>2023</u>
Financial assets at end of year:		
Cash	\$ 860,603	\$ 1,076,737
Accounts receivable	14,918	10,644
Grants receivable	82,998	19,333
Unconditional promises to give	448,408	362,765
Investments	1,878,804	1,083,205
Beneficial interests in assets held by community foundations	<u>321,200</u>	<u>287,829</u>
Total financial assets at end of year	3,606,931	2,840,513
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	(774,702)	(336,171)
Designated by the board of directors for future use	<u>(242,000)</u>	<u>(242,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,590,229</u>	<u>\$ 2,262,342</u>

As part of the Clinic's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets not available for general expenditures at December 31, 2024 and 2023, include \$242,000, each year, designated by the board of directors for future use; however, amounts could be made available if necessary.