

# Boulder Junction Community Foundation, Inc.

Financial Statements

Years Ended December 31, 2016 and 2015



**WIPFLI**<sup>LLP</sup>  
CPAs and Consultants

# Boulder Junction Community Foundation Inc.

## Financial Statements

Years Ended December 31, 2016 and 2015

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## Independent Accountant's Review Report

Board of Directors  
Boulder Junction Community Foundation Inc.  
Boulder Junction, Wisconsin

We have reviewed the accompanying financial statements of Boulder Junction Community Foundation Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

May 12, 2017  
Rhineland, Wisconsin

# Boulder Junction Community Foundation Inc.

## Statements of Financial Position

December 31, 2016 and 2015

<i>Assets</i>	2016	2015
Current assets:		
Cash and cash equivalents	\$24,216	\$16,180
Contributions receivable - Net	1,800	1,400
Total current assets	26,016	17,580
Other assets - Beneficial interest in assets held by others	192,165	132,844
<b>TOTAL ASSETS</b>	<b>\$218,181</b>	<b>\$150,424</b>
<i>Liabilities and Net Assets</i>		
Liabilities - Accounts payable	\$0	\$495
Net assets:		
Unrestricted:		
Undesignated	25,160	16,885
Designated for endowment	192,165	132,844
Total unrestricted	217,325	149,729
Temporarily restricted	856	200
Total net assets	218,181	149,929
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$218,181</b>	<b>\$150,424</b>

# Boulder Junction Community Foundation Inc.

## Statements of Activities

Years Ended December 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:						
Contributions	\$59,759	\$31,104	\$90,863	\$30,104	\$12,200	\$42,304
Membership dues	7,280		7,280	6,095		6,095
Special event revenues - Net of costs of direct benefits to donors of \$7,523 for 2016 and \$18,465 for 2015	12,587		12,587	6,321		6,321
Net assets released from restriction	30,448	(30,448)		12,501	(12,501)	
Net revenues	110,074	656	110,730	55,021	(301)	54,720
Investment income	12,756		12,756	(6,344)		(6,344)
Total revenues, gains, and other support	122,830	656	123,486	48,677	(301)	48,376
Expenses:						
Program services	45,457		45,457	12,702		12,702
Management and general	9,777		9,777	8,329		8,329
Total expenses	55,234		55,234	21,031		21,031
Change in net assets	67,596	656	68,252	27,646	(301)	27,345
Net assets at beginning	149,729	200	149,929	122,083	501	122,584
Net assets at end	\$217,325	\$856	\$218,181	\$149,729	\$200	\$149,929

# Boulder Junction Community Foundation Inc.

## Statements of Cash Flows

Years Ended December 31, 2016 and 2015

	2016	2015
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$68,252	\$27,345
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Contributions receivable	(400)	10,998
Beneficial interest in assets held by others	(59,321)	(31,145)
Accounts payable	(495)	495
Total adjustments	(60,216)	(19,652)
Net cash provided by operating activities	8,036	7,693
Net increase in cash and cash equivalents	8,036	7,693
Cash and cash equivalents at beginning	16,180	8,487
Cash and cash equivalents at end	\$24,216	\$16,180

# Boulder Junction Community Foundation Inc.

## Statements of Functional Expenses

Years Ended December 31, 2016 and 2015

	2016			2015		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Grants to the Town of Boulder Junction	\$45,234	\$0	\$45,234	\$12,502	\$0	\$12,502
Grants to other organizations	200		200	200		200
Professional fees		4,565	4,565		3,699	3,699
Advertising		479	479		427	427
Office expenses	23	2,543	2,566		1,151	1,151
Information technology		96	96		896	896
Insurance		1,503	1,503		1,118	1,118
Miscellaneous		591	591		1,038	1,038
<b>Total functional expenses</b>	<b>\$45,457</b>	<b>\$9,777</b>	<b>\$55,234</b>	<b>\$12,702</b>	<b>\$8,329</b>	<b>\$21,031</b>

# Boulder Junction Community Foundation Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Nature of Activities

Boulder Junction Community Foundation Inc. (the "Foundation"), a nonprofit community-based volunteer organization, was organized to preserve and enhance Boulder Junction for present and future generations.

#### Basis of Presentation

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 Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets are the net assets of the Foundation that are neither permanently restricted nor temporarily restricted. Thus, they include all net assets whose use has not been restricted by donors or by law.
- Board designations, which are voluntary board-approved segregations of net assets for specific purposes, projects, or investments, are also a part of unrestricted net assets.
- Temporarily restricted net assets are subject to donor-imposed stipulations that may or may not be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restriction.
- Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets in 2016.

#### Basis of Accounting

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

#### Use of Estimates

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

#### Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.



# Boulder Junction Community Foundation Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

The Foundation measures the fair value of its financial instruments using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to significant unobservable inputs (Level 3 measurements). The Foundation determines fair value by:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access, and where transactions occur within.

Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology reflect management's assumptions about significant unobservable inputs that market participants would use in pricing the asset or liability.

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

#### Contributions Receivable

Unconditional pledges are recorded as contributions receivable in the year pledged. Conditional pledges are recognized only when the conditions on which they depend are substantially met. Pledges and other promises to give whose eventual uses are restricted by the donors are recorded as increases in temporarily restricted net assets. Unrestricted pledges to be collected in future periods are also recorded as an increase to temporarily restricted net assets and reclassified to unrestricted net assets when received, unless the donor's intention is to support current-period activities.

Contributions receivable expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution revenue over the duration of the pledge.

Management individually reviews all past due contributions receivable balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of contributions receivable are reduced by allowances that reflect management's estimate of uncollectible amounts.

# Boulder Junction Community Foundation Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Contribution Revenue

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as temporarily restricted or permanently restricted support, depending on the existence and nature of any donor restrictions. Unconditional promises to give cash and other assets to the Foundation are reported at fair value at the date the promise is received, less an allowance for promises estimated to be uncollectible.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

#### Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Foundation is classified as public charity. The Foundation is also exempt from Wisconsin state taxes.

The Foundation assesses whether it is more-likely-than-not that a tax position will be sustained upon examination of the technical merits or the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of the tax position is not recognized in the financial statements. The Foundation recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits.

#### Functional Expenses

The costs of providing the 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.

#### Advertising

Advertising costs are charged to operations in the period the advertising is initially utilized. Advertising expense was \$479 and \$427 for the years ended December 31, 2016 and 2015.

#### Subsequent Events

Subsequent events have been evaluated through May 12, 2017, which is the date the financial statements were available to be issued.

# Boulder Junction Community Foundation Inc.

## Notes to Financial Statements

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### Note 2: Beneficial Interest in Assets Held by Others

In 2010 the Foundation established the Boulder Junction Community Foundation Restricted Endowment Fund with the Community Foundation of North Central Wisconsin, Inc. (CFoNCW). The fund was structured as a designated fund, a component fund of the Foundation whose beneficiaries have been specified by a donor or a governing board.

The designated purpose of the Fund is to create a permanent source for funding distributions for such charitable purposes consistent with those specified in the Articles of Incorporation and Bylaws of the Foundation. Payouts to beneficiaries of the fund are made for such purposes consistent with those set forth in the Foundation's Articles of Incorporation and Bylaws. Payouts are based on a percentage of the total assets of the fund. This percentage is a portion of the total return of the fund, with the remaining portion left to allow the fund to grow. However, the Board of Directors of CFoNCW may, if it determines unusual circumstances exist which make it advisable to invade principal, authorize distributions from the principal of the Fund for the designated purpose of the Fund.

An Advisory Committee, designated by the CFoNCW is responsible for setting the guidelines for distributions from the Fund and advises the CFoNCW as to the amount and timing of such distributions.

At December 31, 2016 and 2015, the endowment fund has a balance of \$192,165 and \$132,844, which is reported in the statements of financial position as beneficial interest in assets held by others. The activity for the years ended December 31, 2016 and 2015, were as follows:

	2016	2015
Beginning balance	\$132,844	\$101,699
Board approved transfer	50,948	39,449
Interest income	3,290	6,910
Net realized and unrealized gains (losses)	9,174	(13,465)
Distributions	(1,695)	
Administrative fee	(2,396)	(1,749)
Ending balance	\$192,165	\$132,844

### Note 3: Fair Value Measurements

As of December 31, 2016 and 2015, the Foundation does not have any liabilities that are measured at fair value. Following is a description of the valuation methodology used for each asset measured at fair value on a recurring or nonrecurring basis, as well as the classification of the asset within the fair value hierarchy.

Beneficial interest in assets held by others is based on the fair value of the underlying assets held by the Community Foundation of North Central Wisconsin, Inc.

# Boulder Junction Community Foundation Inc.

## Notes to Financial Statements

### Note 3: Fair Value Measurements (Continued)

Assets measured at fair value on a recurring basis as December 31, 2016 and 2015, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value are as follows:

	2016			
	Recurring Fair Value Measurement Using			
Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Beneficial interest in assets held by others	\$192,165	\$0	\$0	\$192,165

	2015			
	Recurring Fair Value Measurement Using			
Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Beneficial interest in assets held by others	\$132,844	\$0	\$0	\$132,844

The detail of the change in Level 3 assets is presented in Note 2.

### Note 4: Temporarily Restricted Net Assets

Temporarily restricted net asset balances are restricted for distributions for charitable purposes. The total amount of temporarily restricted net assets as of December 31, 2016 and 2015, were:

	2016	2015
Community Center Building	\$0	\$200
Art and Culture	210	
Bike Enhancement Trails	646	
<b>Totals</b>	<b>\$856</b>	<b>\$200</b>