

**Boulder Junction Community
Foundation, Inc.**

Boulder Junction, Wisconsin

Financial Statements

Year Ended December 31, 2013

Boulder Junction Community Foundation, Inc.

Financial Statements

Year Ended December 31, 2013

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Boulder Junction Community Foundation, Inc. (the "Foundation") which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended and the related notes to the financial statements.

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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boulder Junction Community Foundation, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP

April 24, 2014
Rhineland, Wisconsin

Boulder Junction Community Foundation, Inc.

Statement of Financial Position

December 31, 2013

<i>Assets</i>	
Current assets:	
Cash and cash equivalents	\$126,072
Contributions receivable - Net	27,253
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Total current assets	153,325
<hr/>	
Other assets - Beneficial interest in assets held by others	68,887
<hr/>	
TOTAL ASSETS	\$222,212

<i>Net Assets</i>	
Net assets:	
Unrestricted:	
Undesignated	\$40,273
Designated for endowment	68,887
<hr/>	
Total unrestricted	109,160
<hr/>	
Temporarily restricted	113,052
<hr/>	
TOTAL NET ASSETS	\$222,212

Boulder Junction Community Foundation, Inc.

Statement of Activities

Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Contributions	\$62,440	\$344,601	\$407,041
Membership dues	1,850		1,850
Special event revenues - Net of costs of direct benefits to donors of \$4,681	18,676		18,676
Net assets released from restriction	250,000	(250,000)	
Net revenues	332,966	94,601	427,567
Investment income	5,524	213	5,737
Total revenues, gains, and other support	338,490	94,814	433,304
Expenses:			
Program services	251,500		251,500
Management and general	4,199		4,199
Total expenses	255,699		255,699
Change in net assets	82,791	94,814	177,605
Net assets at beginning	26,369	18,238	44,607
Net assets at end	\$109,160	\$113,052	\$222,212

See accompanying notes to financial statements.

Boulder Junction Community Foundation, Inc.

Statement of Cash Flows

Year Ended December 31, 2013

Increase in cash and cash equivalents:

Cash flows from operating activities:

Change in net assets

\$177,605

Adjustments to reconcile change in net assets
to net cash provided by operating activities:

Changes in operating assets and liabilities:

Contributions receivable

(27,253)

Beneficial interest held by others

(48,978)

Total adjustments

(76,231)

Net cash provided by operating activities

101,374

Net increase in cash and cash equivalents

101,374

Cash and cash equivalents at beginning

24,698

Cash and cash equivalents at end

\$126,072

Boulder Junction Community Foundation, Inc.

Statement of Functional Expenses

Year Ended December 31, 2013

	Program Services	Management and General	Total
Grants to the Town of Boulder Junction	\$250,000	\$0	\$250,000
Grants to other organizations	1,500		1,500
Professional fees		1,153	1,153
Advertising		660	660
Office expenses		547	547
Information technology		154	154
Insurance		1,198	1,198
Miscellaneous		487	487
Total functional expenses	\$251,500	\$4,199	\$255,699

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

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 develop and promote efforts to preserve and enhance the strength and vitality of the area 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 restrictions.
- 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 assets in 2013.

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

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.

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.

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Fair Value Measurements (Continued)

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.

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Contributions Receivable (Continued)

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.

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. Federal returns for the years ended 2010 and thereafter remain subject to examination by the Internal Revenue Service.

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

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 \$660 for the year ended December 31, 2013.

Subsequent Events

Subsequent events have been evaluated through April 24, 2014, which is the date the financial statements were available to be issued.

Note 2 **Contributions Receivable**

Contributions receivable consisted of the following at December 31, 2013:

Less than one year	\$16,900
One to five years	11,200
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Subtotals	28,100
Discount	(847)
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Totals	\$27,253

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 3 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 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, 2013, the endowment fund has a balance of \$68,887, which is reported in the statement of financial position as beneficial interest in assets held by others. The activity for the year ended December 31, 2013, was as follows:

Beginning balance	\$19,909
Contributions	44,257
Investment income	2,193
Net realized and unrealized gains	3,331
Administrative fee	(803)
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Ending balance	\$68,887

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 4 Fair Value Measurements

As of December 31, 2013, 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.

Assets measured at fair value on a recurring basis as of December 31, 2013, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value are as follows:

	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)	
Beneficial interest in assets held by others	\$68,887	\$0	\$0	\$68,887

Note 5 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, 2013, was:

Community Center Building	\$113,052
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