

**BOULDER JUNCTION COMMUNITY  
FOUNDATION, INC.**

Boulder Junction, Wisconsin

**Financial Statements**

Year Ended December 31, 2018 and 2017

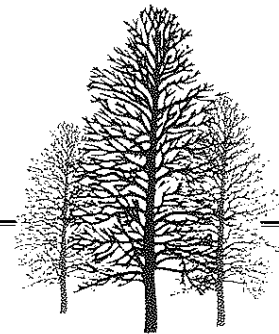
BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

TABLE OF CONTENTS

	Page
Independent Accountant's Review Report	3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8

# PETERSON METZ Ltd.

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of Boulder Junction Community Foundation, Inc. (a nonprofit organization) as of December 31, 2018, and the related statement of activities, statement of functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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. The financial information included as of December 31, 2017 and for the year ended December 31, 2017 was not part of our review and is included for comparative purposes only.

### Management's Responsibility 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

### Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

### Accountant's Conclusion

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

*Peterson Metz Ltd.*  
Peterson Metz Ltd  
Minocqua, Wisconsin

May 7, 2019

**FINANCIAL STATEMENTS**

**BOULDER JUNCTION COMMUNITY FOUNDATION, INC.**

Statements of Financial Position

December 31, 2018

With Comparative Amounts as of December 31, 2017

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
Current assets:		
Cash and cash equivalents	\$36,145	\$47,758
Contributions receivable	2,200	1,800
Total current assets	<u>38,345</u>	<u>49,558</u>
Other assets - Beneficial interest in assets held by others	<u>288,779</u>	<u>270,450</u>
<b>TOTAL ASSETS</b>	<b><u>\$327,124</u></b>	<b><u>\$320,008</u></b>
<b>NET ASSETS</b>		
Without donor restrictions	\$323,072	\$317,231
With donor restrictions	4,052	2,777
Total net assets	<u>327,124</u>	<u>320,008</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$327,124</u></b>	<b><u>\$320,008</u></b>

See independent accountant's review report.  
See accompanying notes to financial statements.

**BOULDER JUNCTION COMMUNITY FOUNDATION, INC.**  
 Statements of Activities  
 For the Year Ended December 31, 2018  
 With Comparative Amounts for the Year Ended December 31, 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>						
Contributions	\$40,908	\$2,425	\$43,333	\$81,425	\$2,209	\$83,634
Special events	280	0	280	3,313	0	3,313
Net assets released from restrictions	1,150	(1,150)	0	288	(288)	0
<b>TOTAL SUPPORT AND REVENUES</b>	<b>42,338</b>	<b>1,275</b>	<b>43,613</b>	<b>85,026</b>	<b>1,921</b>	<b>86,947</b>
<b>EXPENSES</b>						
Program services	2,350	0	2,350	3,138		3,138
Management and general	17,725	0	17,725	12,790		12,790
<b>TOTAL EXPENSES</b>	<b>20,075</b>	<b>0</b>	<b>20,075</b>	<b>15,928</b>		<b>15,928</b>
<b>CHANGE IN NET ASSETS BEFORE OTHER INCOME AND (EXPENSES)</b>	<b>22,263</b>	<b>1,275</b>	<b>23,538</b>	<b>69,098</b>	<b>1,921</b>	<b>71,019</b>
<b>OTHER INCOME AND (EXPENSES)</b>						
Unrealized gain/(losses)	(30,571)		(30,571)	19,079		19,079
Investment income	14,149	0	14,149	11,729	0	11,729
<b>TOTAL OTHER INCOME AND (EXPENSES)</b>	<b>(16,422)</b>	<b>0</b>	<b>(16,422)</b>	<b>30,808</b>	<b>0</b>	<b>30,808</b>
<b>CHANGE IN NET ASSETS</b>	<b>5,841</b>	<b>1,275</b>	<b>7,116</b>	<b>99,906</b>	<b>1,921</b>	<b>101,827</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>317,231</b>	<b>2,777</b>	<b>320,008</b>	<b>217,325</b>	<b>856</b>	<b>218,181</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$323,072</b>	<b>\$4,052</b>	<b>\$327,124</b>	<b>\$317,231</b>	<b>\$2,777</b>	<b>\$320,008</b>

See Independent Accountant's Review Report.  
 See accompanying notes to financial statements.

**BOULDER JUNCTION COMMUNITY FOUNDATION, INC.**  
 Statements of Functional Expenses  
 For the Year Ended December 31, 2018  
 With Comparative Amounts for the Year Ended December 31, 2017

	2018			2017		
	Program Services	Management & General	Total	Program Services	Management & General	Total
Grants to the Town of Boulder Junction	\$750	\$0	\$750	\$288	\$0	\$288
Grants to other organizations	1,600	0	1,600	2,850	0	2,850
Professional fees	0	11,568	11,568	0	7,937	7,937
Advertising	0	75	75	0	0	0
Office expenses	0	4,169	4,169	0	2,853	2,853
Information technology	0	146	146	0	126	126
Insurance	0	1,498	1,498	0	1,474	1,474
Miscellaneous	0	269	269	0	400	400
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$2,350</b>	<b>\$17,725</b>	<b>\$20,075</b>	<b>\$3,138</b>	<b>\$12,790</b>	<b>\$15,928</b>

See independent accountant's review report.  
 See accompanying notes to financial statements.

**BOULDER JUNCTION COMMUNITY FOUNDATION, INC.**

Statements of Cash Flows

Year Ended December 31, 2018

With Comparative Amounts for the Year Ended December 31, 2017

	<u>2018</u>	<u>2017</u>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	<u>\$7,116</u>	<u>\$101,827</u>
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
Increase in contributions receivable	(400)	0
Increase in beneficial interest in assets held by others	<u>(18,329)</u>	<u>(78,285)</u>
Total adjustments	<u>(18,729)</u>	<u>(78,285)</u>
Net cash flows from operating activities	<u>(11,613)</u>	<u>23,542</u>
Net change in cash and cash equivalents	(11,613)	23,542
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>47,758</u>	<u>24,216</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$36,145</u></u>	<u><u>\$47,758</u></u>

See independent accountant's review report.  
See accompanying notes to financial statements.



## BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2018

### Note 1 - Summary of Significant Accounting Policies

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

Effective January 1, 2018, the Foundation adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit Foundations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for financial statements issued for fiscal years beginning after December 31, 2017.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. Net assets previously reported as temporarily restricted are now reported as net assets with donor restrictions. Likewise, net assets previously reported as unrestricted are now reported as net assets without donor restrictions. The Foundation did not have any permanently restricted net assets.

#### Organization

The Foundation, a nonprofit community-based volunteer organization, was organized to preserve and enhance Boulder Junction for present and future generations.

#### 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.

#### Financial Statement Presentation

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

*Net assets without donor restrictions* – consists of amounts that are available for use in carrying out the supporting activities of the Foundation and are not subject to donor-imposed stipulations.

## BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2018

*Net assets with donor restrictions* – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

### Use of Estimates

The preparation of the Foundation's financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

### Cash and Cash Equivalents

All cash and cash equivalents are stated at cost, which equals fair value. For purposes of the statement of cash flows, the Foundation considers all equity securities and deposits purchased with a maturity of three months or less to be cash equivalents.

### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

### Contribution Receivable

Unconditional pledges are recorded as receivables in the year pledged. Conditional pledges receivable 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 net assets with donor restrictions. Unrestricted pledges to be collected in future periods are also recorded as an increase to temporarily restricted net assets with donor restrictions and reclassified to net assets without donor restrictions 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 contributions receivable balances and estimates the portion, if any, of the balance that will not be collected. Management expects all contributions to be collectible for 2018 and 2017 therefore no allowance for uncollectible amounts has been provided.

## **BOULDER JUNCTION COMMUNITY FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2018

### **Contribution Revenue**

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as net assets with donor restrictions or net asset without donor restrictions, 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 increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

### **Income Taxes**

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

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 Expense**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Subsequent Events**

Subsequent events have been evaluated through May 7, 2019, which is the date the financial statements were available to be issued.

### **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 purpose 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

**BOULDER JUNCTION COMMUNITY FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2018

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, 2018 and 2017, the endowment fund has a balance of \$288,779 and \$270,450, 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, 2018 and 2017, were as follows:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$270,450	\$192,165
Board-approved transfer	40,336	53,615
Interest income	4,142	4,526
Net realized and unrealized gains	(20,564)	26,063
Distributions	(1,200)	(2,450)
Administrative fee	<u>(4,385)</u>	<u>(3,469)</u>
Ending balance	<u><u>\$288,779</u></u>	<u><u>\$270,450</u></u>

**Note 3 - Fair Value Measurements**

As of December 31, 2018 and 2017, 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, 2018 and 2017, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value are as follows:

	<b>2018</b>			
	<b>Recurring Fair Value Measurement Using</b>			
	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	<u><u>\$288,779</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$288,779</u></u>

**BOULDER JUNCTION COMMUNITY FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2018

2017

**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	<u>\$270,450</u>	<u>\$0</u>	<u>\$0</u>	<u>\$270,450</u>

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

**Note 4 - Net Assets**

At December 31, 2018, all unrestricted net assets are undesignated as to their use.

Net assets with donor restrictions are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Arts and Culture	\$610	\$410
Bike Trail Enhancements	3,442	1,617
Boulder Junction Town Flowers	<u>0</u>	<u>750</u>
Total net assets with donor restrictions	<u>\$4,052</u>	<u>\$2,777</u>

**Note 5 - Risk Management**

The Foundation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and illnesses of employees. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.