

Boulder Junction Community Foundation, Inc.

Financial Statements

Years Ended December 31, 2017 and 2016

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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, 2017 and 2016, 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 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 black ink that reads "Wipfli LLP".

Wipfli LLP

April 26, 2018
Rhineland, Wisconsin

Boulder Junction Community Foundation, Inc.

Statements of Financial Position

December 31, 2017 and 2016

	<i>Assets</i>	2017	2016
Current assets:			
Cash and cash equivalents		\$ 47,758	\$ 24,216
Contributions receivable		1,800	1,800
Total current assets		49,558	26,016
Other assets - Beneficial interest in assets held by others		270,450	192,165
TOTAL ASSETS		\$ 320,008	\$ 218,181
	<i>Net Assets</i>		
Net assets:			
Unrestricted:			
Undesignated		\$ 46,781	\$ 25,160
Designated for endowment		270,450	192,165
Total unrestricted		317,231	217,325
Temporarily restricted		2,777	856
TOTAL NET ASSETS		\$ 320,008	\$ 218,181

See accompanying notes to financial statements.

Boulder Junction Community Foundation, Inc.

Statements of Activities

Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:						
Contributions	\$ 81,425	\$ 2,209	\$ 83,634	\$ 64,876	\$ 31,104	\$ 95,980
Special event revenue - Net of costs of direct benefits to donors of \$4,740 for 2017 and \$7,523 for 2016	3,313		3,313	14,750		14,750
Net assets released from restriction	288	(288)		30,448	(30,448)	
Net revenues	85,026	1,921	86,947	110,074	656	110,730
Investment income	30,808		30,808	12,756		12,756
Total revenues, gains, and other support	115,834	1,921	117,755	122,830	656	123,486
Expenses:						
Program services	3,138		3,138	45,458		45,458
Management and general	12,790		12,790	9,776		9,776
Total expenses	15,928		15,928	55,234		55,234
Change in net assets	99,906	1,921	101,827	67,596	656	68,252
Net assets at beginning	217,325	856	218,181	149,729	200	149,929
Net assets at end	\$ 317,231	\$ 2,777	\$ 320,008	\$ 217,325	\$ 856	\$ 218,181

See accompanying notes to financial statements.

Boulder Junction Community Foundation, Inc.

Statements of Cash Flows

Years Ended December 31, 2017 and 2016

	2017	2016
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 101,827	\$ 68,252
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Contributions receivable		(400)
Beneficial interest in assets held by others	(78,285)	(59,321)
Accounts payable		(495)
Total adjustments	(78,285)	(60,216)
Net cash provided by operating activities	23,542	8,036
Net increase in cash and cash equivalents	23,542	8,036
Cash and cash equivalents at beginning	24,216	16,180
Cash and cash equivalents at end	\$ 47,758	\$ 24,216

See accompanying notes to financial statements.

Boulder Junction Community Foundation, Inc.

Statements of Functional Expenses

Years Ended December 31, 2017 and 2016

	2017			2016		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Grants to the Town of Boulder Junction	\$ 288	\$ 0	\$ 288	\$ 45,235	\$ 0	\$ 45,235
Grants to other organizations	2,850			200		200
Professional fees		7,937	7,937		4,564	4,564
Advertising					479	479
Office expenses		2,853	2,853	23	2,543	2,566
Information technology		126	126		96	96
Insurance		1,474	1,474		1,503	1,503
Miscellaneous		400	400		591	591
Total functional expenses	\$ 3,138	\$ 12,790	\$ 13,078	\$ 45,458	\$ 9,776	\$ 55,234

See accompanying notes to financial statements.

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

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. The Foundation currently has no permanently restricted net assets.

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 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

Note 1: Summary of Significant Accounting Policies (Continued)

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 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. Management expects all contributions to be collectible for 2017 and 2016 therefore no allowance for uncollectible amounts has been provided.

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.

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 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 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.

Subsequent Events

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through April 26, 2018, 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 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.

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 2: Beneficial Interest in Assets Held by Others (Continued)

At December 31, 2017 and 2016, the endowment fund has a balance of \$270,450 and \$192,165, 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, 2017 and 2016, were as follows:

	2017	2016
Beginning balance	\$ 192,165	\$ 132,844
Board-approved transfer	53,615	50,948
Interest income	4,526	3,290
Net realized and unrealized gains	26,063	9,174
Distributions	(2,450)	(1,695)
Administrative fee	(3,469)	(2,396)
Ending balance	\$ 270,450	\$ 192,165

Note 3: Fair Value Measurements

As of December 31, 2017 and 2016, 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, 2017 and 2016, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value are as follows:

	2017			
	Recurring Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets Measured at Fair Value				
Beneficial interest in assets held by others	\$ 270,450	\$ 0	\$ 0	\$ 270,450

Boulder Junction Community Foundation, Inc.

Notes to Financial Statements

Note 3: Fair Value Measurements (Continued)

	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	

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 specified charitable purposes. The total amount of temporarily restricted net assets as of December 31, 2017, and 2016, were:

	2017	2016
Arts and Culture	\$ 410	\$ 210
Bike Trail Enhancements	1,617	646
Boulder Junction Town Flowers	750	
Total	\$ 2,777	\$ 856