

**BOULDER JUNCTION COMMUNITY
FOUNDATION, INC.**

Boulder Junction, Wisconsin

Financial Statements

Year Ended December 31, 2020 and 2019

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

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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, 2020, and 2019, and the related statement of activities, 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.

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
Minocqua, Wisconsin

May 5, 2021

FINANCIAL STATEMENTS

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Statements of Financial Position

December 31, 2020

With Comparative Amounts as of December 31, 2019

ASSETS	2020	2019
Current assets:		
Cash and cash equivalents	\$71,017	\$89,479
Contributions receivable	<u>0</u>	<u>0</u>
Total current assets	<u>71,017</u>	<u>89,479</u>
Other assets - Beneficial interest in assets held by others	<u>488,097</u>	<u>366,951</u>
TOTAL ASSETS	<u><u>\$559,114</u></u>	<u><u>\$456,430</u></u>
 NET ASSETS		
Without donor restrictions	\$548,466	\$397,175
With donor restrictions	<u>10,648</u>	<u>59,255</u>
Total net assets	<u>559,114</u>	<u>456,430</u>
TOTAL NET ASSETS	<u><u>\$559,114</u></u>	<u><u>\$456,430</u></u>

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, 2020
 With Comparative Amounts for the Year Ended December 31, 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$94,166	\$32,354	\$126,520	\$52,822	\$54,631	\$107,453
Special events	0	0	0	289	0	289
Board approved transfer	10,000	(10,000)	0	(1,972)	1,972	0
Net assets released from restrictions	70,961	(70,961)	0	1,400	(1,400)	0
TOTAL SUPPORT AND REVENUES	175,127	(48,607)	126,520	52,539	55,203	107,742
EXPENSES						
Program services	83,384	0	83,384	19,885	0	19,885
Management and general	11,973	0	11,973	15,326	0	15,326
TOTAL EXPENSES	95,357	0	95,357	35,211	0	35,211
CHANGE IN NET ASSETS BEFORE OTHER INCOME AND (EXPENSES)	79,770	(48,607)	31,163	17,328	55,203	72,531
OTHER INCOME AND (EXPENSES)						
Realized & Unrealized gain/(losses)	66,593		66,593	51,379		51,379
Investment income	4,928	0	4,928	5,396	0	5,396
TOTAL OTHER INCOME AND (EXPENSES)	71,521	0	71,521	56,775	0	56,775
CHANGE IN NET ASSETS	151,291	(48,607)	102,684	74,103	55,203	129,306
NET ASSETS AT BEGINNING OF YEAR	397,175	59,255	456,430	323,072	4,052	327,124
NET ASSETS AT END OF YEAR	\$548,466	\$10,648	\$559,114	\$397,175	\$59,255	\$456,430

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, 2020
 With Comparative Amounts for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	<u>\$102,684</u>	<u>\$129,306</u>
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
Increase in contributions receivable	0	2,200
Increase in beneficial interest in assets held by others	<u>(121,146)</u>	<u>(78,172)</u>
Total adjustments	<u>(121,146)</u>	<u>(75,972)</u>
Net cash flows from operating activities	<u>(18,462)</u>	<u>53,334</u>
Net change in cash and cash equivalents	(18,462)	53,334
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>89,479</u>	<u>36,145</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$71,017</u></u>	<u><u>\$89,479</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, 2020

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.

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 Foundation follows accounting standards contained in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities.

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

The Foundation considers all interest-bearing deposits with original maturities of three months or less to be cash equivalents.

Contributions and Unconditional Promises to Give

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is deemed to be unconditional. The gifts are reported as donor-restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2020

Management individually reviews all past due balances of unconditional promises to give and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of unconditional promises to give are reduced by collection reserves that reflect management's estimate of uncollectible amounts. Management expects all contributions to be collectible for 2020 and 2019 therefore no allowance for uncollectible amounts has been provided.

Investments and Investment Income

Investments are measured at fair value in the accompanying statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in unrestricted revenue unless the income or loss is restricted by donor or law.

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.

Net Assets

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* are available for use in general operations and not subject to donor (or certain grantor) restrictions and include assets which have been designated by the Board of Directors for specified purposes.

Net assets *with donor restrictions* are subject to donor- or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Foundation's program services, administration, and fund-raising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP.

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2020

Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during 2020.

Income Taxes

The Foundation is a tax-exempt organization as described in Section 501(c)(3) of the U.S. Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 509(a)(2) of the Code. The Foundation is also exempt from state income taxes on related income.

Subsequent Events

Subsequent events have been evaluated through May 5, 2021, which is the date the financial statements were available to be issued.

Note 2 – Liquidity and Availability of Financial Resources

Financial assets available for general expenditures, that is without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following as of December 31, 2020:

Cash	\$60,369
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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 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. The fund is currently invested in the Managed 70/30 pool and for 2020, the allowable distribution percentage from the endowment fund was 4.0% based on past 3 year's average balances. 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

December 31, 2020

At December 31, 2020 and 2019, the endowment fund has a balance of \$488,097 and \$366,951, respectively, 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, 2020 and 2019 were as follows:

	2020	2019
Beginning balance	\$366,951	\$288,779
Board-approved transfer	55,180	37,682
Interest income	4,928	5,396
Net realized and unrealized gains	66,593	51,379
Distributions	0	(11,403)
Administrative fee	(5,555)	(4,882)
	<u>\$488,097</u>	<u>\$366,951</u>

Note 4 – Investments and Fair Value Measurements

As of December 31, 2020 and 2019, 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 basis. Money market funds are valued using \$1 as the net asset value (NAV). Mutual funds are valued at the daily closing price as reported by the fund. These funds are registered with the U.S. Securities and Exchange Commission and are required to publish their daily NAV and to transact at that price. Exchange-traded and closed-end funds (ETFs) are valued based on quoted market prices from active markets. Government obligations and corporate bonds are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. 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.

Information regarding assets measured at fair value on a recurring basis as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Money market funds	\$0	\$0	\$0	\$0
Equities mutual funds	488,097	0	0	488,097
Corporate bonds	0	0	0	0
Total assets measured at fair value	<u>\$488,097</u>	<u>\$0</u>	<u>\$0</u>	<u>\$488,097</u>

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2020

Information regarding assets measured at fair value on a recurring basis as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Money market funds	\$0	\$0	\$0	\$0
Equities mutual funds	366,951	0	0	366,951
Corporate bonds	0	0	0	0
Total assets measured at fair value	<u>\$366,951</u>	<u>\$0</u>	<u>\$0</u>	<u>\$366,951</u>

Investment return is as follows for year ended December 31, 2020 and December 31, 2019:

	2020	2019
Net interest and dividend income	\$4,928	\$5,396
Net unrealized and realized gains on investments	66,593	51,379
Investment expenses	<u>(5,555)</u>	<u>(4,882)</u>
Investment income - Net	<u>\$65,966</u>	<u>\$51,893</u>

Note 5 - Net Assets Without Donor Restrictions

Board-designated funds include cash set aside by the Board of Directors (the "Board"). The Board retains control over the funds and may subsequently use them for other purposes.

Net assets without donor restrictions consisted of the following at December 31, 2020 and December 31, 2019:

	2020	2019
Undesignated	\$391	\$75,666
Board designated:		
Restricted endowment	488,097	366,951
Greatest needs	46,978	20,353
Long range operational	<u>13,000</u>	<u>8,308</u>
Total net assets without donor restrictions	<u>\$548,466</u>	<u>\$397,175</u>

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31, 2020 and December 31, 2019:

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2020

	2020	2019
Subject to expenditure for specified purpose:		
Arts and culture	\$1,436	\$1,807
Bike trail enhancements	5,792	4,562
North creek loop trail	3,170	0
High speed broadband fund	250	0
Public restroom at Sturm ballfield	0	52,886
Total net assets with donor restrictions	<u>\$10,648</u>	<u>\$59,255</u>

Note 7 – Functional Classification of Expenses

The financial statements report certain categories of expenses that are attributable to one or more supporting functions of the Foundation. Expenses are allocated to supporting functions based on management estimates. The following programs and supporting service expenses are reflected in the statement of activities for the year ended December 31, 2020 and December 31, 2019.

	2020			2019		
	Program Services	Management & General	Total	Program Services	Management & General	Total
Grants to the Town of Boulder Junction	\$750	\$0	\$750	\$4,000	\$0	\$4,000
Grants to other organizations	3,479	0	3,479	8,803	0	8,803
Special projects-Sturm	69,068	0	69,068	0	0	0
Professional fees	0	7,954	7,954	0	8,604	8,604
Endowment administrative fees	5,555	0	5,555	4,882	0	4,882
Advertising	155	0	155	0	0	0
Office expenses	4,377	530	4,907	0	2,420	2,420
Information technology	0	1,800	1,800	0	2,496	2,496
Insurance	0	1,625	1,625	0	1,581	1,581
Write off pledges	0	0	0	2,200	0	2,200
Licenses and fees	0	64	64	0	225	225
TOTAL FUNCTIONAL EXPENSES	<u>\$83,384</u>	<u>\$11,973</u>	<u>\$95,357</u>	<u>\$19,885</u>	<u>\$15,326</u>	<u>\$35,211</u>

Note 8 - 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.