

**BOULDER JUNCTION COMMUNITY
FOUNDATION, INC.**

Boulder Junction, Wisconsin

Financial Statements

Year Ended December 31, 2021 and 2020

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 statements of financial position of Boulder Junction Community Foundation, Inc. (a nonprofit organization) as of December 31, 2021, and 2020, and the related statements 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

OPEN

FINANCIAL STATEMENTS

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Statements of Financial Position

December 31, 2021

With Comparative Amounts as of December 31, 2020

ASSETS	2021	2020
Current assets:		
Cash and cash equivalents	\$235,472	\$71,017
Contributions receivable	0	0
Total current assets	235,472	71,017
Other assets - Beneficial interest in assets held by others	611,880	488,097
TOTAL ASSETS	\$847,352	\$559,114
NET ASSETS		
Without donor restrictions	\$655,812	\$548,466
With donor restrictions	191,540	10,648
Total net assets	847,352	559,114
TOTAL NET ASSETS	\$847,352	\$559,114

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, 2021
 With Comparative Amounts for the Year Ended December 31, 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$94,718	\$181,642	\$276,360	\$94,166	\$32,354	\$126,520
Special events	0	0	0	0	0	0
Board approved transfer	(5,000)	5,000	0	10,000	(10,000)	0
Net assets released from restrictions	5,750	(5,750)	0	70,961	(70,961)	0
TOTAL SUPPORT AND REVENUES	95,468	180,892	276,360	175,127	(48,607)	126,520
EXPENSES						
Program services	33,993	0	33,993	83,384	0	83,384
Management and general	13,655	0	13,655	11,973	0	11,973
TOTAL EXPENSES	47,648	0	47,648	95,357	0	95,357
CHANGE IN NET ASSETS BEFORE OTHER INCOME AND (EXPENSES)	47,820	180,892	228,712	79,770	(48,607)	31,163
OTHER INCOME AND (EXPENSES)						
Realized & Unrealized gain/(losses)	53,401	0	53,401	66,593	0	66,593
Investment income	6,125	0	6,125	4,928	0	4,928
TOTAL OTHER INCOME AND (EXPENSES)	59,526	0	59,526	71,521	0	71,521
CHANGE IN NET ASSETS	107,346	180,892	288,238	151,291	(48,607)	102,684
NET ASSETS AT BEGINNING OF YEAR	548,466	10,648	559,114	397,175	59,255	456,430
NET ASSETS AT END OF YEAR	\$655,812	\$191,540	\$847,352	\$548,466	\$10,648	\$559,114

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Statements of Cash Flows

Year Ended December 31, 2021

With Comparative Amounts for the Year Ended December 31, 2020

	<u>2021</u>	<u>2020</u>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	<u>\$288,238</u>	<u>\$102,684</u>
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
Increase in contributions receivable	0	0
Increase in beneficial interest in assets held by others	<u>(123,783)</u>	<u>(121,146)</u>
Total adjustments	<u>(123,783)</u>	<u>(121,146)</u>
Net cash flows from operating activities	<u>164,455</u>	<u>(18,462)</u>
Net change in cash and cash equivalents	164,455	(18,462)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>71,017</u>	<u>89,479</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$235,472</u></u>	<u><u>\$71,017</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, 2021

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, 2021

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, 2021

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 2021.

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 OPEN, 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, 2021:

Cash	\$45,382
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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 2021, 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, 2021

At December 31, 2021 and 2020, the endowment fund has a balance of \$611,880 and \$488,097, 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, 2021 and 2020 were as follows:

	2021	2020
Beginning balance	\$488,097	\$366,951
Board-approved transfer	72,095	55,180
Interest income	6,125	4,928
Net realized and unrealized gains	53,401	66,593
Distributions	0	0
Administrative fee	(7,838)	(5,555)
	<u>\$611,880</u>	<u>\$488,097</u>

Note 4 – Investments and Fair Value Measurements

As of December 31, 2021 and 2020, 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, 2021:

	Level 1	Level 2	Level 3	Total
Money market funds	\$0	\$0	\$0	\$0
Equities mutual funds	611,880	0	0	611,880
Corporate bonds	0	0	0	0
Total assets measured at fair value	<u>\$611,880</u>	<u>\$0</u>	<u>\$0</u>	<u>\$611,880</u>

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021

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>

Investment return is as follows for year ended December 31, 2021 and December 31, 2020:

	2021	2020
Net interest and dividend income	\$6,125	\$4,928
Net unrealized and realized gains on investments	53,401	66,593
Investment expenses	(7,838)	(5,555)
Investment income - Net	<u>\$51,688</u>	<u>\$65,966</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, 2021 and December 31, 2020:

	2021	2020
Undesignated	\$214	\$391
Board designated:		
Restricted endowment	611,880	488,097
Greatest needs	26,718	46,978
Long range operational	17,000	13,000
Total net assets without donor restrictions	<u>\$655,812</u>	<u>\$548,466</u>

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31, 2021 and December 31, 2020:

BOULDER JUNCTION COMMUNITY FOUNDATION, INC.

Notes to Financial Statements

December 31, 2021

	2021	2020
Subject to expenditure for specified purpose:		
Arts and culture	\$1,520	\$1,436
Bike trail enhancements	6,425	5,792
North creek loop trail	178,945	3,170
High speed broadband fund	4,150	250
Playground	500	0
Total net assets with donor restrictions	<u>\$191,540</u>	<u>\$10,648</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, 2021 and December 31, 2020.

	2021			2020		
	Program Services	Management & General	Total	Program Services	Management & General	Total
Grants to the Town of Boulder Junction	\$5,750	\$0	\$5,750	\$750	\$0	\$750
Grants to other organizations	15,763	0	15,763	3,479	0	3,479
Special projects-Sturm	0	0	0	69,068	0	69,068
Professional fees	0	7,974	7,974	0	7,954	7,954
Endowment administrative fees	7,838	0	7,838	5,555	0	5,555
Advertising	455	0	455	155	0	155
Office expenses	4,187	1,411	5,598	4,377	530	4,907
Information technology	0	2,520	2,520	0	1,800	1,800
Insurance	0	1,686	1,686	0	1,625	1,625
Write off pledges	0	0	0	0	0	0
Licenses and fees	0	64	64	0	64	64
TOTAL FUNCTIONAL EXPENSES	<u>\$33,993</u>	<u>\$13,655</u>	<u>\$47,648</u>	<u>\$83,384</u>	<u>\$11,973</u>	<u>\$95,357</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.