Camp Jorn Young Men's Christian Association, Inc.

Financial Statements

Years Ended February 28, 2018 and 2017

WIPFLi LLP

Independent Auditor's Report

Board of Directors
Camp Jorn Young Men's Christian Association, Inc.
Manitowish Waters, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Camp Jorn Young Men's Christian Association, Inc. (the "Association") which comprise the statement of financial position as of February 28, 2018, and the related statements of activities, functional expenses, and cash flows 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Jorn Young Men's Christian Association, Inc. as of February 28, 2018, 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.

Report on Summarized Comparative Information

Other auditors have audited Camp Jorn Young Men's Christian Association, Inc.'s 2017 financial statements, and have expressed an unmodified opinion on those audited financial statements in their report dated September 14, 2017. The summarized comparative information presented herein as of and for the year ended February 28, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wipfli LLP

Wipfli LLP

October 10, 2018
Rhinelander, Wisconsin

Camp Jorn Young Men's Christian Association, Inc.

Statements of Financial Position

February 28, 2018 and 2017

Assets		2018		2017
Current assets:				
Cash and cash equivalents	$	287,149	$	307,761
Accounts receivable		7,228		17,844
Inventories		13,615		17,157
Prepaid expenses		36,877		42,853
Total current assets		344,869		385,615
Restricted/designated assets:				
Investments		2,667,216		2,342,471
Property and equipment - Net		9,358,558		9,544,233
TOTAL ASSETS	$	12,370,643	$	12,272,319
Liabilities and Net Assets				
Liabilities:				
Accounts payable	$	40,485	$	24,791
Accrued expenses		17,286		24,865
Security deposits		9,160		13,945
Deferred revenue		100,024		122,383
Total current liabilities		166,955		185,984
Net assets:				
Unrestricted - Board designated:				
Capital projects		52,718		52,718
Maintenance		159,959		152,458
Equipment reserve		25,000		20,000
Board designated endowment principal		211,595		173,214
Unrestricted - Undesignated		9,696,360		9,768,546
Temporarily restricted		569,284		444,641
Permanently restricted		1,488,772		1,474,758
Total net assets		12,203,688		12,086,335
TOTAL LIABILITIES AND NET ASSETS	$	12,370,643	$	12,272,319

See accompanying notes to financial statements.

Camp Jorn Young Men's Christian Association, Inc.

Statements of Activities

Year Ended February 28, 2018 (With Summarized Comparative Information for the Year Ended February 28, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2018	Totals 2017
Revenues and other support:					
Contributions	$ 146,624	$ 121,532	$ 14,014	$ 282,170	$ 198,371
In-kind contributions	56,968			56,968	136,922
Grants	19,300			19,300	16,070
Bus operations, net of cost of services $51,250	7,134			7,134	16,070
Trading post income, net of cost of sales $16,404	7,759			7,759	7,843
Childcare income, net of discounts $4,478	182,346			182,346	184,129
Milk rebates	2,038			2,038	2,062
Special events, net of direct benefit to donors of $39,970	35,643			35,643	27,926
Program income, net of discounts $12,644	540,342			540,342	533,930
Rental income	49,582			49,582	40,201
Investment income	128,615	112,748		241,363	261,377
Gain on sale of assets	3,500			3,500	52,289
Other revenue	4,766			4,766	1,705
Net assets released from restrictions	109,637	(109,637)			
Total revenues and other support	1,294,254	124,643	14,014	1,432,911	1,478,895
Expenses:					
Program services:					
Camp Jorn	1,153,321			1,153,321	1,184,736
Support services:					
Management and administrative	160,085			160,085	145,453
Fundraising	2,152			2,152	2,113
Total expenses	1,315,558			1,315,558	1,332,302
Change in net assets	(21,304)	124,643	14,014	117,353	146,593
Net assets at beginning of year	10,166,936	444,641	1,474,758	12,086,335	12,008,101
Net assets at end of year	$ 10,145,632	$ 569,284	$ 1,488,772	$ 12,203,688	$ 12,154,694

See accompanying notes to financial statements.

Camp Jorn Young Men's Christian Association, Inc.

Statements of Functional Expenses

Year Ended February 28, 2018 (With Summarized Comparative Information for the Year Ended February 28, 2017)

	Program Services	Support Services			
	Camp Jorn	General and Administrative	Fundraising and Special Events	2018 Total	2017 Total
Salaries and wages	$ 359,458	$ 89,382	$ 0	$ 448,840	$ 430,409
Staff outside services	77,472			77,472	136,495
Payroll taxes and benefits	88,742	18,610		107,352	100,711
Employee related expenses	21,171	5,525		26,696	25,205
Communication expenses	12,097	2,510		14,607	14,369
Conferences	1,351	5,675		7,026	1,251
Program supplies and expenses	54,516	2,508		57,024	38,814
Professional and contractual service	15,600	21,599	1,000	38,199	34,520
Other supplies and expenses	88,133	1,256	159	89,548	91,284
Equipment rental and maintenance	30,877	206		31,083	15,047
Insurance	27,248			27,248	33,339
National support dues	16,002	541	440	16,983	16,500
Postage	3,971	79	50	4,100	3,821
Occupancy	58,262	419		58,681	98,433
Utilities	31,462			31,462	
Printing and publications	17,035	3,776		20,811	18,113
Travel and business	2,410	3,338	503	6,251	4,125
Miscellaneous	733	2,408		3,141	6,976
Depreciation	246,781			246,781	246,677
Bad debt expense		2,253		2,253	16,213
Totals	$ 1,153,321	$ 160,085	$ 2,152	$ 1,315,558	$ 1,332,302

See accompanying notes to financial statements.

Camp Jorn Young Men's Christian Association, Inc.

Statements of Cash Flows

Years Ended February 28, 2018 and 2017

	2018	2017
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	$ 117,353	$ 78,234
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	246,781	246,677
Realized/unrealized gains on investments	(175,379)	(208,461)
Gain on sale of fixed assets	(3,500)	
Changes in operating assets and liabilities:		
Receivables	10,616	849
Inventories	3,542	25
Prepaid expenses	5,976	(13,841)
Accounts payable	15,694	(2,357)
Accrued and other liabilities	(7,579)	(8,584)
Security deposits	(4,785)	
Deferred revenue	(22,359)	48,189
Net cash provided by operating activities	186,360	140,731
Cash flows from investing activities:		
Purchase of investments	(149,366)	(257,358)
Proceeds from disposition of fixed assets	4,500	18,050
Purchase of fixed assets	(62,106)	(91,231)
Cash flows used in investing activities	(206,972)	(330,539)
Net decrease in cash and cash equivalents	(20,612)	(189,808)
Cash and cash equivalents at beginning of year	307,761	497,569
Cash and cash equivalents at end of year	$ 287,149	$ 307,761

See accompanying notes to financial statements.

Note 1: Summary of Significant Accounting Policies

Principal Business Activity

Camp Jorn Young Men's Christian Association, Inc. (the "Association") is a charitable community service organization that is focused on positive youth, family, and community development. The Association is dedicated to building strong kids, strong families, and strong communities by putting Christian principles into practice through programs that promote healthy lifestyles, strong values, leadership development, community interaction, and international understanding. The Association's mission is for all who engage in the Association's experiences to recognize and develop value in themselves and in the world around them.

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.

Summarized Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended February 28, 2017, from which the summarized information was derived.

Basis of Accounting

The Association follows accounting standards set by the Financial Accounting Standards Board (FASB). The Accounting Standards Codification (ASC) is an aggregation of previously issued authoritative accounting principles generally accepted in the United States (GAAP) in one comprehensive set of guidance organized by subject area. In accordance with ASC, references to previously issued accounting standards have been replaced by ASC references.

The Association prepares its financial statements in accordance with GAAP for not-for-profit organizations.

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 Association and changes therein are classified and reported as follows:

- Unrestricted net assets are the net assets of the Association 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

- Temporarily restricted net assets are subject to donor-imposed stipulations that may or may not be met, either by actions of the Association 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 Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investments for general or specific purposes.

Cash and Cash Equivalents

The Association considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of program service fees. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on history with customers having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial. Therefore, no allowance has been recorded.

Contributions Receivable

Unconditional promises to give are recorded as contributions receivable in the year promised. Conditional promises to give 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 promises to give 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 income 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 considers contributions receivable to be fully collectible.

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

The Association carries investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the statement of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

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.

Inventories

Inventories consist of merchandise for resale. Inventories as of December 31, 2016, are stated at the lower of cost or market on a first-in, first-out basis. In 2017, the Association adopted Accounting Standards Update (ASU) 2015-11; *Inventory - Simplifying the Measurement of Inventory* which changed how inventory is valued. Inventories as of December 31, 2017, are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The adoption of ASU 2015-11 did not have a material impact on the Association's financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Depreciation

Property and equipment are capitalized at cost or, if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The Association capitalizes property and equipment with a value greater than or equal to $2,500.

The Association reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year the contributions are recognized.

Income from annual member fees is deferred and recognized over the periods to which the dues and fees relate. Program fees are recognized when the related services are provided.

Grant revenue is recognized as revenue in the period in which it is expended for cost-reimbursement agreements.

Contributed Services and Materials

Contributions of donated services and materials that create or enhance a non-financial asset, or that require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation, are recorded at their fair values in the period received.

No amounts have been reflected in the financial statements for donated non-professional volunteer services since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the Association.

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.

Income Taxes

The Association 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 Association is classified as a public charity. The Association is also exempt from state income tax.

The Association 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 Association recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits.

New Accounting Pronouncements

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-14 (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities* ("Update"). The Update reduces the number of net asset classes from three to two, those with donor restrictions and those without, requires all nonprofits to report expenses by nature and function and improves information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance, and cash flows. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application of the amendments in this Update is permitted. The Association has not elected to early implement the amendments.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, *Revenue Recognition*, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods beginning after December 15, 2018. The Association is currently evaluating the impact of the provisions of ASC 606.

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

On June 21, 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Amendments in this Update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, and determining whether a transaction is conditional. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019, for transactions in which the entity serves as the resource recipient. Early application of the amendments in this Update is permitted. The Association has not elected to early implement the amendments.

Note 2: Concentration of Credit Risk

The Association maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. The Association has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Note 3: Investments

Investments at February 28, 2018, consisted of the following:

Money market	$	209,255
Mutual funds		219,503
Equities		1,241,543
Bonds		178,349
Certificates of deposit		219,757
Fixed income funds		598,809
Total	$	2,667,216

Note 4: Investment Income

Investment income for the year ended February 28, 2018, consists of the following:

Dividends and interest	$	74,596
Unrealized gains		170,393
Realized gains		4,986
Fees		(8,612)
Total	$	241,363

Note 5: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

Quoted market prices are used to determine the fair value of investments in publicly traded equity securities funds and fixed income funds. Money market funds and 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 value. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy at February 28, 2018:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 0	$ 209,255	$ 0	$ 209,255
Mutual funds:				
Equity funds	111,768			111,768
Exchange traded funds	107,735			107,735
Equities:				
U.S. equities	1,144,818			1,144,818
Foreign equities	96,725			96,725
Bonds:				
Corporate bonds		104,614		104,614
Municipal bonds		21,559		21,559
U.S. Treasury notes		52,176		52,176
Fixed income funds	598,809			598,809
Total	$ 2,059,855	$ 387,604	$ 0	$ 2,447,459

There were no assets or liabilities measured at fair value on a nonrecurring basis as of February 28, 2018.

Note 6: Property and Equipment

A summary of property and equipment is as follows as of February 28, 2018:

Land	$ 4,469,725
Land improvements	970,708
Buildings	4,587,112
Equipment	1,141,459
Totals	11,169,004
Less - Accumulated depreciation	(1,810,446)
Total	$ 9,358,558

Note 7: Retirement Plan

The Association participates in the YMCA Retirement Fund Plan, which is a defined contribution, money purchase, church plan, and the YMCA Retirement Fund Tax-Deferred Savings Plan, which is a retirement income account plan, under which employee voluntary contributions and interest credits are accumulated in individual accounts. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As defined contribution plans, the retirement plan and tax-deferred savings plan have no unfunded benefit obligations.

In accordance with the agreement, contributions to the YMCA Retirement Fund Plan are 12% of the participating employees' salary and are paid by the employer. Total contributions charged to retirement costs were $51,808 for the year ended February 28, 2018.

Note 8: Endowment Funds

The Board of the Association has interpreted Wisconsin's adoption of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. The Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of applicable donor gift instrument at the time the accumulation is added to the fund. The Association considers these factors in deciding to spend or retain gains on investments:

1. The duration and preservation of the fund;
2. The Association's purpose and the donor's purpose in establishing the endowment;
3. General economic conditions;
4. The possible effect of inflation or deflation;
5. The expected total return from investment income and gains from endowment assets; and
6. Other resources of the Association

The remaining portion of the donor-restricted endowment funds in excess of the original fair value that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. If the market value of the permanently restricted net asset at year-end is below the original fair value, the deficit is recorded as a temporarily restricted unrealized loss. The Board of Directors has approved a resolution that appropriates earnings on donor restricted endowments to be used to establish a board designated principal endowment to preserve the earnings. See Note 9 for more information.

Note 8: Endowment Funds (Continued)

The primary long-term financial objective for the Association's endowments is to preserve the real purchasing power of endowment assets and income after accounting for endowment spending and costs of portfolio management. Performance of the overall endowment against this objective is measured over rolling periods of one, three, and five years.

The endowment funds are managed to optimize the long run total rate of return on invested assets, assuming a prudent level of risk. The goal for this rate of return is one that provides funding for the Association's existing spending policy. Over the short term, the return for each element of the endowment portfolio should match or exceed each of the returns for the broader capital markets in which assets are invested.

Endowment net asset composition by type of fund as of February 28, 2018, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Donor-restricted endowment funds	$ 0	$ 499,609	$ 1,488,772	$ 1,988,381
Board-designated endowment funds	211,595			211,595
Totals	$ 211,595	$ 499,609	$ 1,488,772	$ 2,199,976

Endowment net asset components of change by type of fund as of February 28, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
Endowments at March 1, 2017	$ 173,214	$ 328,902	$ 1,474,758	$ 1,976,874
Contributions	38,381		14,014	52,395
Investment return		175,207		175,207
Appropriated for expenditure		(4,500)		(4,500)
Endowments at February 28, 2018	$ 211,595	$ 499,609	$ 1,488,772	$ 2,199,976

Note 9: Board Designated Net Assets

The Board has the following funds with designated purposes:

Capital Projects Fund - For future physical capital improvements.

Maintenance Fund and Equipment Reserve - For emergency maintenance or equipment purchases.

Principal Endowment - On February 9, 2011, the Association's Board of Directors approved a resolution providing for annual adjustments to the principal balances of certain restricted and Board-designated funds. The adjustments are intended to preserve value in the various funds during inflationary periods by providing an increasing principal balance which is to remain invested and not expended. CPI principal increments for the 2017-2018 fiscal year were based on adding 2.1% to the previous principal balance in each of the funds. The total increments are reflected among the unrestricted-board designated net assets of the Association on the statement of financial position.

The following funds adjusted as of Februrary 28, 2018, is as follows:

	Previous Increment	2017-2018 Increment	Principal February 28, 2018
Carl and Mildred Mellen Scholarship Fund	$ 9,850	$ 1,959	$ 11,809
Richard Mellen Endowment Fund	118,422	24,869	143,291
Grace Y. and David Rose Endowment Fund	30,569	6,975	37,544
Maintenance Endowment	14,373	4,578	18,951
Total	$ 173,214	$ 38,381	$ 211,595

Note 10: Temporarily Restricted Net Assets

Temporarily restricted net asset balances are restricted for use in programs as identified below:

- Child Care Donations - These donations have been awarded to campers for camper fees.
- Albert Cherne Scholarship Fund - The Cherne Scholarship is to be awarded as camper scholarships at the rate of at least $8,000, but not more than $12,000 per calendar year. All income earned from contributions shall be credited to the Cherne Scholarship Fund.
- Liz Uihlein Fund - Funds are used for restoration projects and other expenses upon approval of donor.
- Carl and Mildred Mellen Scholarship Fund - Investment earnings can be awarded to campers for camper fees.
- Richard Mellen Endowment Fund - Investment earnings can be awarded to campers for camper fees.

Note 10: Temporarily Restricted Net Assets (Continued)

- Grace Y. and David Rose Endowment Fund - Investment earnings can be used to fund camper scholarships and provide assistance to local hardship cases.
- Maintenance Endowment - Investment earnings can be used to fund expenditures for maintenance of the camp.

Temporarily restricted net assets as of February 28, 2018, consist of the following:

Child Care Donations	$	52,853
Albert Cherne Scholarship Fund		1,930
Liz Uihlein Fund		14,891
Carl and Mildred Mellen Scholarship Fund		35,359
Richard Mellen Endowment Fund		352,596
Grace Y. and David Rose Endowment Fund		85,602
Maintenance Endowment		26,053
Total	$	569,284

Note 11: Concentration of Contributions or Grants

The Association received approximately 81.5% of its annual contributions from one donor in 2018. A significant reduction in the level of this support, if this were to occur, may affect the Association's programs and activities.

Note 12: Deed Restriction

No title or interest in Camp Jorn Young Men's Christian Association, Inc.'s real property may be transferred, gifted, or conveyed in any manner at any time, except to a charitable tax exempt organization to maintain and use the property consistent with the spirit of the master plan. If, at any time in the future, Camp Jorn Young Men's Christian Association, Inc. is not willing and able to maintain and use the property in a manner consistent with the Master Plan, and no other charitable tax exempt organization is willing and able to acquire the property for the purposes, then the property shall be conveyed to a nature conservancy or land trust such as the Northwoods Land Trust presently located in Eagle River, Wisconsin, or the Nature Conservancy presently with a branch location in Madison, Wisconsin, with the requirement that the property except for walking trails or other amenities consistent with the purposes of forested and undeveloped property.

Note 13: Subsequent Events

Subsequent to year end, the Association entered into a construction contract for renovations to be done at the camp facility in Manitowish Waters for approximately $365,000.

Subsequent events have been evaluated through October 10, 2018, which is the date the financial statements were available to be issued.