

COMMUNITY FOUNDATION OF
CARROLL COUNTY, INC.

Financial Statements
For the Year Ended June 30, 2016

OLSEN, MUHLBAUER & CO., L.L.P.

Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Community Foundation of Carroll County, Inc.
Carroll, IA

We have reviewed the accompanying financial statements of Community Foundation of Carroll County, Inc. (an Iowa 501(c)(3) nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of June 30, 2016, and the related statement of revenues, expenses, and changes in net assets – cash basis for the year 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 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 the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. 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 the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' 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 accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Olsen, Muhlbauer & Co., L.L.P.

OLSEN, MUHLBAUER & CO., L.L.P.
Certified Public Accountants
June 27, 2017

Community Foundation of Carroll County, Inc.

Statement of Assets, Liabilities and Net Assets - Cash Basis
June 30, 2016

Assets	
Cash and Cash Equivalents	38,418
Cash and Cash Equivalents Held for Other Agencies	430,474
Cash and Investments Permanently Restricted	289,819
Cash and Investments Permanently Restricted Held for Other Agencies	<u>346,884</u>
<u>Total Assets</u>	<u><u>1,105,595</u></u>
Liabilities	
Liabilities	<u>0</u>
<u>Total Liabilities</u>	0
Net Assets	
Unrestricted	468,892
Temporarily Restricted	0
Permanently Restricted	<u>636,703</u>
<u>Total Net Assets</u>	<u><u>1,105,595</u></u>
<u>Total Liabilities and Net Assets</u>	<u><u>1,105,595</u></u>

See accompanying notes and the independent accountants' review report.

Community Foundation of Carroll County, Inc.

Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis
For Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue:				
Contributions and Support	117,118	0	27,458	144,576
Interest and Dividends	6,736	0	0	6,736
Other Support and Revenue	0	0	2,000	2,000
<u>Total Support and Revenue</u>	<u>123,854</u>	<u>0</u>	<u>29,458</u>	<u>153,312</u>
Expenses:				
Program Services				
Grant Program				
Advertising	665	0	0	665
Grants	106,663	0	0	106,663
Investment Expenses	458	0	0	458
	<u>107,786</u>	<u>0</u>	<u>0</u>	<u>107,786</u>
Supporting Activities				
Management and General				
Consulting Fees	5,000	0	0	5,000
Filing Fees	1,250	0	0	1,250
Insurance	615	0	0	615
Investment Expenses	458	0	0	458
Professional Fees	999	0	0	999
Utilities	99	0	0	99
Fund Raising	0	0	0	0
	<u>8,421</u>	<u>0</u>	<u>0</u>	<u>8,421</u>
<u>Total Expenses</u>	<u>116,207</u>	<u>0</u>	<u>0</u>	<u>116,207</u>
<u>Net Activity from Operations</u>	<u>7,647</u>	<u>0</u>	<u>29,458</u>	<u>37,105</u>
Net Activity - Other Agencies	<u>22,836</u>	<u>0</u>	<u>105,116</u>	<u>127,952</u>
<u>Change in Net Assets</u>	<u>30,483</u>	<u>0</u>	<u>134,574</u>	<u>165,057</u>
Net Assets, Beginning of Year	<u>438,409</u>	<u>0</u>	<u>502,129</u>	<u>940,538</u>
Net Assets, End of Year	<u><u>468,892</u></u>	<u><u>0</u></u>	<u><u>636,703</u></u>	<u><u>1,105,595</u></u>

See accompanying notes and the independent accountants' review report.

COMMUNITY FOUNDATION OF CARROLL COUNTY, INC.

Notes to Financial Statements For the Year Ended June 30, 2016

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

The Community Foundation of Carroll County, Inc. (the Organization) was formed in 2004 to manage funds received from the State of Iowa and other sources in an effort to grow a community endowment fund and to also make distributions to other 501(c)(3) organizations within Carroll County, Iowa.

The Organization's grant program is required to place 25% of all funds received from the State of Iowa into a permanent endowment with the balance of those funds to be used for community projects within the Carroll County, Iowa area. Those funds are disbursed to qualified 501(c)(3) organizations at the discretion of the Organization's board of directors to enhance various projects within the county for opportunities to continue to improve on the cultural, educational and developmental experiences.

The Organization also administers funds for other local agencies at the direction of those respected agency's board of directors. The Community Foundation of Carroll County, Inc. acts solely at the discretion of those other agencies (the Other Agencies) which include the Coon Rapids Bayard Education Endowment Foundation, Refresh Manning Foundation, Sac County Endowment Foundation, Odebolt Arthur Education Foundation, Auburn Community Foundation and the East Sac County Schools Foundation.

Significant Accounting Policies

The financial statements of the Organization have been prepared on the cash basis of accounting, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenue and support are recognized when received rather than when promised or earned, and certain expenses and purchases are recognized when cash is disbursed rather than when the obligation is incurred. Investments are recorded at the original purchase price of the investment rather than the investment's fair market value which as of June 30, 2016 were \$270,576 for the Organization and \$308,273 for the Other Agencies.

Cash Equivalents. The Organization considers all unrestricted short-term investments with an original maturity of three months or less to be cash equivalents unless the investments are held for meeting restrictions of a capital or endowment nature.

Contributions. Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted. Amounts received that are restricted to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction.

In-kind Donations. The organization receives a significant amount of support in the form services from volunteers in the organization's operations. Services that do not require specialized knowledge are not required to be reported on financial statements prepared on the cash basis of accounting. Accordingly, these financial statements do not reflect these contributions. If these contributions were recorded, revenues would increase by the fair value of the contributions.

COMMUNITY FOUNDATION OF CARROLL COUNTY, INC.

Notes to Financial Statements
For the Year Ended June 30, 2016

Note 1 – Nature of Activities and Significant Accounting Policies

Significant Accounting Policies (Continued)

Net Assets. The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by the Organization's board of directors, as follows:

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting by the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily restricted net assets are resources that are restricted for a particular purpose or future period. Unspent contributions are classified in this class if the board limited their use, as are the unspent appreciation of its donor-restricted endowment funds. When a restriction is satisfied, either by usage of the resources or by the passage of time, the expiration of the restriction is reported by reclassifying the net assets from temporarily restricted to unrestricted net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as unrestricted.

Permanently restricted net assets are resources whose use is limited by board-imposed restrictions that neither expire by being used in accordance with a restriction nor by the passage of time.

All revenues and gains are reported as increases in unrestricted net assets in the Statement of Revenues, Expenses, and Changes in Net Assets - Cash Basis unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. Net losses on endowment investments reduce temporarily restricted net assets to the extent that net gains of the fund from prior years are unspent and classified there; remaining losses are classified as decreases in unrestricted net assets. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decreases in unrestricted net assets.

Expense Recognition and Allocation. The cost of providing the organization's programs and other activities is summarized on a functional basis in the Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis. Expenses that can be identified with a specific program are charged directly to that program. Costs common to multiple functions have been allocated among the various functions benefited. The Organization has elected to use the direct expensing method in accounting for planned major activities. The Organization reports all activity for the Other Agencies as a net total.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in future contributions.

Additionally, advertising costs are expensed as incurred.

COMMUNITY FOUNDATION OF CARROLL COUNTY, INC.

Notes to Financial Statements
For the Year Ended June 30, 2016

Note 1 – Nature of Activities and Significant Accounting Policies

Significant Accounting Policies (Continued)

Use of Estimates. The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the period and as of the date of the financial statements. Actual results could differ from those estimates.

Tax Status. The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also a public charity under the IRC Sections 509(a) and 170(b)(1)(A)(vi). This allows for donations to the Organization to be deductible as charitable contributions.

The Organization accounts for uncertainties in accounting for income taxes using the guidance included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, Income Taxes. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. At June 30, 2016, the Organization had no uncertain tax positions.

Note 2 – Net Assets

Net assets consist of the following and are available for the purpose indicated.

	<u>Organization</u>	<u>Other Agencies</u>	<u>Total</u>
Unrestricted Net Assets	38,418	430,474	468,892
Temporarily Restricted Net Assets	0	0	0
Permanently Restricted Net Assets			
Restricted to Permanent Endowment	<u>289,819</u>	<u>346,884</u>	<u>636,703</u>
Total Net Assets	<u><u>328,237</u></u>	<u><u>777,358</u></u>	<u><u>1,105,595</u></u>

Note 3 – Subsequent Events

The Organization has considered subsequent events through June 27, 2017, which is the date the financial statements were available to be issued.