

**Bidwell Riverside Center  
Des Moines, Iowa**

**FINANCIAL REPORT**

**June 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Bidwell Riverside Center  
Des Moines, Iowa

We have audited the accompanying financial statements of Bidwell Riverside Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 of America; 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 of America. Those standards require that we plan and perform the audits 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 opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bidwell Riverside Center as of June 30, 2019, 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 of America.

## Prior Period Financial Statements

The financial statements of Bidwell Riverside Center as of June 30, 2018, were audited by other auditors whose report dated November 2, 2018, expressed an unmodified opinion on those statements.

*Denman & Company, LLP*  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
November 12, 2019

**Bidwell Riverside Center**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 190,129
Certificates of deposit	45,451
Accounts receivable	22,576
Contributions receivable	29,313
Prepaid expenses	<u>5,066</u>
Total current assets	292,535

**PROPERTY AND EQUIPMENT**

753,848

**INVESTMENTS**

605,304

Total assets

\$1,651,687

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 12,950
Accrued expenses	38,733
Deferred revenue	<u>26,010</u>
Total current liabilities	<u>77,693</u>

**NET ASSETS**

Net assets without donor restrictions	968,690
Net assets with donor restrictions	<u>605,304</u>
Total net assets	<u>1,573,994</u>

Total liabilities and net assets

\$1,651,687

**Bidwell Riverside Center**  
**STATEMENT OF ACTIVITIES**  
Year ended June 30, 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions	\$1,212,342	\$ 598,924	\$1,811,266
Child development program fees	408,105	-	408,105
Special events	52,515	-	52,515
In-kind income	14,600	-	14,600
Investment income	3,565	14,223	17,788
Other income	6,953	-	6,953
Net assets released from restrictions	<u>7,843</u>	<u>(7,843)</u>	<u>-</u>
Total revenue and support	<u>1,705,923</u>	<u>605,304</u>	<u>2,311,227</u>
<b>EXPENSES</b>			
Program services			
Child Development Center	620,909	-	620,909
Distribution Center	239,768	-	239,768
Supporting services			
Management and general	107,355	-	107,355
Fundraising	<u>61,818</u>	<u>-</u>	<u>61,818</u>
Total expenses	<u>1,029,850</u>	<u>-</u>	<u>1,029,850</u>
<b>CHANGE IN NET ASSETS</b>	676,073	605,304	1,281,377
<b>NET ASSETS</b> , beginning	<u>292,617</u>	<u>-</u>	<u>292,617</u>
<b>NET ASSETS</b> , ending	<u>\$ 968,690</u>	<u>\$ 605,304</u>	<u>\$1,573,994</u>

See Notes to Financial Statements.

**Bidwell Riverside Center**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2019

	<u>Program Services</u>		<u>Support Services</u>		<u>Total</u>
	<u>Child Development Center</u>	<u>Distribution Center</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and benefits					
Salaries	\$ 380,701	\$ 132,047	\$ 57,494	\$ 30,322	\$ 600,564
Employee benefits	70,562	16,607	8,143	4,295	99,607
Payroll taxes	<u>32,817</u>	<u>11,494</u>	<u>4,515</u>	<u>2,381</u>	<u>51,207</u>
	484,080	160,148	70,152	36,998	751,378
Accounting	-	-	23,100	-	23,100
Consulting/management fee	-	-	175	410	585
Depreciation	21,609	21,608	-	-	43,217
Food supplies	41,552	5,067	-	-	46,619
Fundraising	-	-	-	2,589	2,589
Human resource services	10,598	3,507	2,273	-	16,378
Information technology	613	1,325	155	711	2,804
Insurance	7,215	7,214	1,542	-	15,971
Occupancy, rent	2,800	2,800	-	-	5,600
Office supplies	1,132	1,248	-	160	2,540
Other	2,206	705	80	275	3,266
Postage and shipping	184	232	-	2,722	3,138
Printing	2,449	2,528	-	5,898	10,875
Professional development	1,534	873	30	69	2,506
Professional services	158	4,110	9,848	-	14,116
Program activities	6,624	7,376	-	-	14,000
Repair and maintenance	18,634	9,351	-	-	27,985
Special events	-	-	-	11,986	11,986
Supplies	3,464	-	-	-	3,464
Telephone	2,938	3,412	-	-	6,350
Utilities	12,462	5,689	-	-	18,151
Vehicle expense	<u>657</u>	<u>2,575</u>	<u>-</u>	<u>-</u>	<u>3,232</u>
Total	<u>\$ 620,909</u>	<u>\$ 239,768</u>	<u>\$ 107,355</u>	<u>\$ 61,818</u>	<u>\$1,029,850</u>

See Notes to Financial Statements.

**Bidwell Riverside Center**  
**STATEMENT OF CASH FLOWS**  
Year ended June 30, 2019

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$1,281,377
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Depreciation	43,217
Realized and unrealized (gains) on investments, net	(5,230)
Donated building and improvements	(473,800)
Contributions restricted for long-term purposes, net	(598,924)
Changes in operating assets and liabilities	
Accounts receivable	(22,576)
Contributions receivable	(29,313)
Prepaid expenses	(2,106)
Accounts payable	6,485
Accrued expenses	10,391
Deferred revenue	<u>26,010</u>
Net cash provided by operating activities	<u>235,531</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of certificates of deposit	(45,451)
Purchase of property and equipment	(146,018)
Proceeds from sale of investments	10,104
Purchase of investments	<u>(610,178)</u>
Net cash used in investment activities	<u>(791,543)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Contributions received for long-term purposes	<u>598,924</u>
Net cash provided by financing activities	<u>598,924</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

42,912

**CASH AND CASH EQUIVALENTS**

Beginning	<u>147,217</u>
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Ending	<u>\$ 190,129</u>
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**NONCASH INVESTING AND FINANCING ACTIVITIES**

Contributed property and equipment	<u>\$ 473,800</u>
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**Bidwell Riverside Center**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Bidwell Riverside Center (the "Organization") is organized as an Iowa Nonprofit Corporation. The Organization's mission is to provide services to individuals and families which will meet immediate needs and to work in cooperation with those persons and the community to develop programs and policies which will promote continual improvement in their lives.

Programs offered include a Distribution Center that provides individuals and families with food, clothing, and household items and a Child Development Center which provides comprehensive education and care for children age 24 months to 5 years.

**Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented on the basis of net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. All other net assets, including board-designated or appropriated amounts, are net assets without donor restrictions and are reported as part of the net assets without donor restriction class.

**Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash Equivalents**

Cash equivalents include money market funds and all highly liquid investments with a maturity date of less than three months from the date of purchase. The Organization's cash balances that are maintained in bank accounts may exceed Federal Deposit Insurance Corporation limits from time to time. The Organization has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash.

**Certificates of Deposit**

The Organization has two certificates of deposit at local banks. These certificates bear interest at rates of 1.55% and 1.70% and both mature within one year.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The Organization has recorded an allowance for uncollectible receivables of \$-0-, as of June 30, 2019.

**Bidwell Riverside Center**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions Receivable**

Contributions receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Contributions receivable are written-off when deemed uncollectible.

**Pooled Cash and Investments**

Cash includes \$46,917 of pooled checking and money market funds held at the Community Foundation of Greater Des Moines (Community Foundation).

Pooled investments consist of assets held at the Community Foundation that are carried at fair value and are reported with investments on the statement of financial position, with gains and losses resulting from market fluctuations recognized in the period in which the fluctuations occur. Investment income is reported as an increase or decrease in net assets without donor restrictions, unless the use of the assets is restricted by the donor and the restrictions have not been met in the reporting period in which the income was recognized.

Assets held by the Community Foundation under designated agency agreements consist of pooled cash held by and funds invested at the Community Foundation. The Organization holds a share of the pooled funds and not direct ownership of the underlying investments. The funds are subject to the policies and governing documents of the Community Foundation, including control over investment and asset management.

**Property and Equipment and Depreciation**

Property and equipment are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Contributions of cash that must be used to acquire property and equipment and assets donated with explicit restrictions regarding their use are reported as restricted support.

The Organization reports expirations of donor restrictions and reclassifies net assets with donor restrictions to net assets without donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Furniture and equipment	5-15 years
Building and improvements	5-39 years

**Donated Assets, Property and Equipment, and Services**

Donated marketable securities, property and equipment, and other noncash donations are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**Bidwell Riverside Center**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Donated Assets, Property and Equipment, and Services (continued)**

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization also receives donated services from other contributors and volunteers that are not measurable, and therefore, are excluded from the financial statements.

**Net Assets**

The Organization's net assets and changes therein are classified and reported as follows:

**Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions or law. The governing board has designated, from net assets without donor restrictions, net assets for board designated endowment.

**With Donor Restrictions**

Net assets subject to donor-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.

**Revenue Recognition**

Unconditional promises to give are recognized as revenue in the period the promise was made. Conditional promises are recorded as revenue when the conditions are substantially met. Contributions and grants are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reported period in which the revenue is recognized.

Program service fees are recorded at the estimated net realizable amounts from third party payors, clients, and others, typically based on services provided at agreed-upon rates.

**Functional Expense Allocations**

The allocations of expenses shown on the statement of functional expenses were made first by direct allocation to program areas from supporting documentation. Salaries and directly related costs were assigned to program areas based on time reports. Other expenses such as utility costs and building repairs and maintenance were allocated using percentages determined to be the best representation of usage. Additional allocations, where possible, were prepared using estimates determined by management.

**Bidwell Riverside Center**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Liquidity**

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash	\$ 190,129
Accounts Receivable	22,576
Contributions receivable	29,313
Certificates of deposit	<u>45,451</u>
 Total	 \$ <u>287,469</u>

As part of the Organization's liquidity management, it has policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash in excess of immediate requirements in a money market accounts and certificates of deposit. Although not anticipated, these savings would be available to the Organization to meet liquidity needs should they arise.

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Management believes that the Organization is no longer subject to income tax examinations for years prior to 2016.

**Change in Accounting Principle**

Financial Accounting Standards Board Accounting Standards Update 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* was implemented in the year ended June 30, 2019. The revised requirements changed financial reporting requirements for nonprofits. The new standard modified net asset reporting requirements and increased reporting and disclosure of nonprofit organizations' functional expenses and liquidity.

**NOTE 2 CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist primarily of pledges as of the year ended June 30, 2019 and all are due within one year. The Organization has recorded an allowance for uncollected receivables of \$-0- as of June 30, 2019.

**Bidwell Riverside Center  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 INVESTMENT IN ASSETS HELD AT THE COMMUNITY FOUNDATION OF GREATER DES MOINES**

Investment income consisted of the following:

Interest and dividends	\$ 11,255
Realized gains	3,175
Change in unrealized gains	2,055
Investment fees	<u>(2,262)</u>
	<u>\$ 14,223</u>

**NOTE 3 INVESTMENT IN ASSETS HELD AT THE COMMUNITY FOUNDATION OF GREATER DES MOINES**

The Organization follows the Fair Value Measurements and Disclosures Topic of the *FASB Accounting Standards Codification*, which establishes a framework for measuring fair value and expands disclosures about fair value measurement. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities, Level 1, and the lowest priority to unobservable inputs, Level 3. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are generally available indirect information, such as quoted prices for identical or similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active. Level 3 inputs are the most subjective, are generally based on the management's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances. The Organization had no Level 1 or Level 2 investments at June 30, 2019.

Following is a description of the valuation methodologies used for the Organization's investments measured at fair value. There have been no changes in the methodologies used at June 30, 2019:

*Pooled investments* – Pooled investments consist of assets held by the Community Foundation. Although the pooled funds include investments in equity, fixed income, real assets, and other marketable securities, the pool itself is not a publicly traded instrument. Management estimates the fair value of its pooled investments at the statement of financial position date based on its relative ownership investment in the pool. All funds held at the Community Foundation are measured using Level 3 inputs as provided by the Community Foundation as there is no direct ownership of the underlying investments. However, the underlying investments in the pooled funds at the Community Foundation consist of investments that have been measured by the Community Foundation using Level 1, Level 2, and Level 3 inputs and other investments using the net asset value.

The following tables set forth by level within the fair value hierarchy the Organization's investments at fair value as of June 30, 2019. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

<u>June 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investments	\$ <u>—</u>	\$ <u>—</u>	\$ <u>605,304</u>	\$ <u>605,304</u>

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the year ended June 30, 2019.

**Bidwell Riverside Center  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 INVESTMENT IN ASSETS HELD AT THE COMMUNITY FOUNDATION  
OF GREATER DES MOINES (continued)**

Investments measured at fair value on a reoccurring basis using significant unobservable inputs (Level 3 inputs):

Pooled investments	
July 1, 2018	\$ -
Contributions	598,924
Investment income	14,223
Appropriation	<u>(7,843)</u>
June 30, 2019	<u>\$ 605,304</u>

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of June 30, 2019:

Land	\$ 91,300
Building and improvements	902,736
Furniture and equipment	<u>184,151</u>
Total at cost	1,178,187
Accumulated depreciation	<u>424,339</u>
Total property and equipment	<u>\$ 753,848</u>

**NOTE 5 ENDOWMENT FUNDS**

The Organization's endowment consists of one individual fund established by a donor to provide annual funding for non-reoccurring activities.

Absent explicit donor stipulations to the contrary, the Board of Directors of the Organization has interpreted 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. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with the standard of prudence prescribed by UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the various funds
- (2) The purposes of the donor-restricted endowment funds
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The Organization's investment policies

**Bidwell Riverside Center**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 ENDOWMENT FUNDS (continued)**

*Investment Return Objectives, Risk Parameters and Strategies.* The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return. The Organization expects its endowment assets, over time, to produce an average rate of return of approximately 5.2 to 8.2% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund, investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

*Spending Policy – Donor-restricted endowment.* The Organization has a policy of appropriating for distribution up to 5% of the endowment's value at December 31 of the prior year for non-reoccurring expenses, and may appropriate up to 10% with board approval. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment funds to grow at an average rate of 1-2% above inflation annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets and net assets by type of fund were as follows for the year ended June 30, 2019:

Net assets with donor restrictions, beginning of year	\$ -
Contributions	598,924
Investment returns	14,223
Appropriation	<u>(7,843)</u>
Net assets with donor restrictions, end of year	<u>\$ 605,304</u>

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions have the following donor-imposed restrictions:

Endowment funds for non-recurring expenditures	<u>\$ 605,304</u>
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**NOTE 7 NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Board of Directors has designated funds to support the Organization's general charitable activities and projects otherwise not budgeted and provided for by the operating funds. The principal may be distributed to the operating funds of the Organization upon the approval of the majority of the Board of Directors at a meeting where a quorum is present. The income shall be distributed annually to the operating funds at the direction of the Board of Directors.

The funds are held in certificates of deposit with a balance of \$45,451 at June 30, 2019.

**Bidwell Riverside Center**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 DONATED GOODS AND SERVICES**

The Organization receives use of the building and location of the Child Development Center under a nominal lease agreement, whose terms call for rent of one dollar per year continuing for an indefinite term on a month-to-month basis until terminated upon at least 60 days' notice by either party. This lease was terminated during fiscal year 2019 when the building and various improvements totaling \$473,800 were donated to the Organization. For the year ended June 30, 2019, the fair value of the rent of the property of \$5,600 is included in contributions and expenses in the statement of activities and the fair value of the building and various improvements donated of \$473,800 is included in contributions in the statement of activities.

**NOTE 9 RETIREMENT PLAN**

The Organization has a defined contribution retirement plan which covers employees who have met specific eligibility requirements. Under the plan, the Organization is required to match employee contributions equal to a maximum of 3 percent of covered employee compensation. Total retirement plan cost was \$4,791 for the year ended June 30, 2019.

**NOTE 10 RELATED PARTIES**

The Organization participates in a management service organization through an affiliation with Hawthorn Hill, another nonprofit organization. The management service organization, BRC-HH, is the sole member of Bidwell Riverside Center and the board members of BRC-HH also serve as board members for Bidwell Riverside Center. Expenses incurred by BRC-HH related to providing management, administrative and fundraising services are shared among the Organization and Hawthorn Hill. Management service fees allocated to the Organization totaled \$112,147 for the year ended June 30, 2019. The affiliation can be terminated by either of the members at any time.

**NOTE 11 CONCENTRATIONS**

The Organization provides daycare services under a Iowa Department of Human Services (DHS) reimbursement contract, for which services are provided at agreed upon rates. During the year, program service fees from DHS were approximately \$273,000. At June 30, 2019, accounts receivable included approximately \$10,900 from DHS. Future agreements with DHS are dependent upon appropriations of the Iowa State Legislature.

During the year ended June 30, 2019, approximately \$1,064,000 of contributions came from two donors.

**NOTE 12 SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions occurring after June 30, 2019 for the potential items required to be recognized or disclosed in the financial statements. Subsequent events were evaluated through November 12, 2019, the date the financial statements were available to be issued.