

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Community Foundation of Johnson County, Iowa  
Coralville, Iowa

We have audited the accompanying financial statements of Community Foundation of Johnson County, Iowa (the Foundation), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of June 30, 2021 and 2020, and the related statements of revenue, expenses, and changes in net assets – modified cash basis, and statements of functional expenses – modified cash for the years 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 Foundation'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 Foundation'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.

Board of Directors  
Community Foundation of Johnson County, Iowa

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and change in net assets of the Foundation as of June 30, 2021 and 2020, and its revenue, expenses, and changes in net assets – modified cash basis for the years then ended, in accordance with the basis of accounting as described in Note 1.

***Basis of Accounting***

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Cedar Rapids, Iowa  
October 6, 2021

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA  
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS –  
MODIFIED CASH BASIS  
JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	2021	2020
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,543,935	\$ 1,416,505
Investments	48,117,362	34,925,693
Total Current Assets	49,661,297	36,342,198
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold Improvements	-	31,272
Building	436,849	-
Land	28,100	-
Equipment	22,025	22,025
Less: Accumulated Depreciation	(21,727)	(14,631)
Total Equipment	465,247	38,666
<b>OTHER ASSETS</b>		
Note Receivable	200,000	200,000
Other	1,206	1,206
Total Other Assets	201,206	201,206
Total Assets	\$ 50,327,750	\$ 36,582,070
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued Expenses and Other Liabilities	\$ 38,133	\$ 29,281
Current Portion Note Payable	14,306	-
Total Current Liabilities	52,439	29,281
Long-Term Note Payable, Less Current Portion above	348,242	-
Total Liabilities	400,681	29,281
<b>NET ASSETS</b>		
Without Donor Restrictions	49,727,069	36,352,789
With Donor Restrictions	200,000	200,000
Total Net Assets	49,927,069	36,552,789
Total Liabilities and Net Assets	\$ 50,327,750	\$ 36,582,070

See accompanying Notes to Financial Statements.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS –  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE</b>			
Contributions	\$ 6,459,872	\$ -	\$ 6,459,872
Investment Income, Net of Investment Management Fees	9,957,747	-	9,957,747
Other	1,460	-	1,460
Loss on Disposal of Property and Equipment	(26,841)	-	(26,841)
Net Assets Released from Restriction	-	-	-
Total Revenue	<u>16,392,238</u>	<u>-</u>	<u>16,392,238</u>
<b>EXPENSES</b>			
Program Services	2,421,413	-	2,421,413
Management and General	355,490	-	355,490
Fundraising	241,055	-	241,055
Total Expenses	<u>3,017,958</u>	<u>-</u>	<u>3,017,958</u>
<b>CHANGE IN NET ASSETS</b>	13,374,280	-	13,374,280
Net Assets - Beginning of Year	<u>36,352,789</u>	<u>200,000</u>	<u>36,552,789</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 49,727,069</u>	<u>\$ 200,000</u>	<u>\$ 49,927,069</u>

See accompanying Notes to Financial Statements.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS –  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Contributions	\$ 3,052,819	\$ -	\$ 3,052,819
Investment Income, Net of Investment Management Fees	1,101,733	-	1,101,733
Other	2,694	-	2,694
Net Assets Released from Restriction	9,926	(9,926)	-
Total Revenue	4,167,172	(9,926)	4,157,246
<b>EXPENSES</b>			
Program Services	3,073,053	-	3,073,053
Management and General	411,817	-	411,817
Fundraising	229,222	-	229,222
Total Expenses	3,714,092	-	3,714,092
<b>CHANGE IN NET ASSETS</b>	453,080	(9,926)	443,154
Net Assets - Beginning of Year	35,899,709	209,926	36,109,635
<b>NET ASSETS - END OF YEAR</b>	\$ 36,352,789	\$ 200,000	\$ 36,552,789

See accompanying Notes to Financial Statements.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA  
STATEMENT OF FUNCTIONAL EXPENSES –  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2021**

<b>EXPENSES</b>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 125,774	\$ 103,108	\$ 70,620	\$ 299,502
Payroll Taxes and Fringe Benefits	16,433	13,471	9,227	39,131
Professional Fees and Contract Services	7,198	5,901	4,042	17,141
Supplies	33,360	12,990	10,244	56,594
Donor Support	221,371	181,475	124,296	527,142
Postage, Shipping, and Delivery	547	448	307	1,302
Telephone	946	775	531	2,252
Occupancy	13,468	11,041	7,562	32,071
Insurance	2,257	1,850	1,267	5,374
Travel	900	738	506	2,144
Annual Report and Board Membership Dues and Subscriptions	2,425	1,988	1,361	5,774
Advertising	1,036	850	582	2,468
Depreciation	7,515	6,160	4,220	17,895
Miscellaneous	4,833	3,962	2,713	11,508
Grants	55,295	10,733	3,577	69,605
	<u>1,928,055</u>	<u>-</u>	<u>-</u>	<u>1,928,055</u>
 Total Expenses	 <u>\$ 2,421,413</u>	 <u>\$ 355,490</u>	 <u>\$ 241,055</u>	 <u>\$ 3,017,958</u>

See accompanying Notes to Financial Statements.



**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA  
STATEMENT OF FUNCTIONAL EXPENSES –  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2020**

<b>EXPENSES</b>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 88,950	\$ 102,111	\$ 56,837	\$ 247,898
Payroll Taxes and Fringe Benefits	19,232	22,079	12,289	53,600
Professional Fees and Contract Services	5,880	6,751	3,757	16,388
Supplies	22,903	26,291	14,634	63,828
Donor Support	182,288	209,262	116,478	508,028
Postage, Shipping, and Delivery	754	865	481	2,100
Telephone	815	935	521	2,271
Occupancy	18,410	21,134	11,764	51,308
Insurance	1,688	1,938	1,079	4,705
Travel	2,162	2,482	1,381	6,025
Annual Report and Board Membership Dues and Subscriptions	683	784	437	1,904
Advertising	1,053	1,209	673	2,935
Depreciation	4,544	5,217	2,903	12,664
Miscellaneous	2,729	3,133	1,744	7,606
Grants	56,361	7,626	4,244	68,231
	<u>2,664,601</u>	<u>-</u>	<u>-</u>	<u>2,664,601</u>
<b>Total Expenses</b>	<u><u>\$ 3,073,053</u></u>	<u><u>\$ 411,817</u></u>	<u><u>\$ 229,222</u></u>	<u><u>\$ 3,714,092</u></u>

See accompanying Notes to Financial Statements.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization Background**

The Community Foundation of Johnson County, Iowa (the Foundation) was incorporated in September 2000 in the state of Iowa. The Foundation is a nonprofit corporation whose mission is to serve the people of Johnson County by growing endowments and distributing funds to build a greater community.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Basis of Presentation**

The Foundation's accounts are maintained, and those statements are presented, on a modified cash basis of accounting under which only revenue collected, expenses paid, assets, liabilities, and net assets arising as a result of cash transactions to or from the acquisition of long-lived assets, and net appreciation or depreciation related to investments is recognized. This method differs from accounting principles generally accepted in the United States of America primarily because the effect of prepaid and accrued expenses and various receivables and payables, including receivables related to pledges, are not included in the financial statements.

The Foundation reports substantially all of its net assets as without donor restrictions due to the Foundation having variance power. When a donor explicitly grants variance power, the Foundation has the right to redirect funds to another beneficiary without the approval of the donor, or other party, if distributions for the restricted purpose become unnecessary, impossible, or inconsistent with the needs of the community.

Under these provisions, 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 Foundation and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets presently available for use by the Foundation at the discretion of management.

*Net Assets With Donor Restrictions* – Net assets subject to donor restrictions that will be satisfied either by the passage of time or by actions of the Foundation.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

**Funds of the Foundation**

Endowed funds, subject to variance power as described previously, include gifts, which require, by donor restriction, that the corpus of the gift be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. The related income and expense associated with these restrictions have been reflected in endowed funds. The endowed funds are classified as net assets without donor restrictions due to the Foundation's variance power over the assets and are included in net assets without donor restrictions in the financial statements. The various types of endowed agreements are as follows:

<b>Type of Endowed Fund</b>	<b>Description of Fund</b>
Without Donor Restrictions	The donor has made a contribution of cash or assets to a discretionary fund at the Foundation which is invested in perpetuity. The Foundation will make distributions (grants) from the total income of the fund according to the annual board approved spending policy to address current issues and community needs.
Donor Advised	The donor has made a contribution of cash or other assets to an endowed fund at the Foundation which is invested in perpetuity. The Foundation will make distributions (grants) from the total income of the fund according to the annual board approved spending policy. The donor, or someone the donor names, makes recommendations to the Foundation's board of directors for approval.
Donor Designated	The donor has made a contribution of cash or other assets to an endowed fund at the Foundation which is invested in perpetuity. The Foundation will make distributions (grants) from the total income of the fund according to the annual approved spending policy to the beneficiary(ies) that were specified by the donor when the fund was established to support general operations or a specific program of the organization.
Field of Interest	The donor has made a contribution of assets to an endowed fund at the Foundation which is invested in perpetuity. The Foundation will make distributions (grants) from the total income of the fund according to the annual board approved spending policy that focus on a particular charitable cause.

Charitable Giving Funds include gifts (other than for operations) that are presently available for use and are included in net assets without donor restrictions in the financial statements. The corpus of the fund is available for use as determined under donor agreements subject to the variance power as described previously.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

**Cash and Cash Equivalents**

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

**Investments**

Marketable securities are carried at fair value, except for the money market funds, whose values are estimated at cost or the lower of cost or fair value, determined by quoted market prices, with unrealized and realized gains and losses reported as an increase or decrease in net assets. Investment income (loss) is also reported in the statements of revenue, expenses, and changes in net assets based on the intended stipulation by the donor.

Investments in Limited Partnerships are carried at the lower of their original cost basis or net realizable value. The original cost basis is the contribution value at the contribution date.

The Foundation's investment funds consist of numerous funds established for a variety of purposes. These funds are considered net assets without donor restrictions.

The Foundation participates in the Endow Iowa Tax Credit Program (the Program), which is administered by the Iowa Economic Development Authority through qualified community foundations. The Program's purpose is to create sustainable, philanthropic opportunities for charitable giving in Iowa communities. The Program requires that the contributions received be accumulated in a fund, referred to as a 'permanent endowment,' for purposes of calculating annual spending, which may not exceed 5%.

The Foundation's permitted investments include a variety of investment vehicles, including common and preferred stocks which are publicly traded on an established or generally recognized exchange, direct obligations of the U.S. government and its agencies, corporate bonds, notes, and commercial paper, no-load or load waived mutual funds, money market mutual funds or federally insured money market accounts, federally insured certificates of deposit and alternative investments with prior disclosure and notification of exposure to the finance committee.

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

Donated investments are typically sold; however, they may be held depending on the purpose of the fund, nature of the asset, and the preference of the donor.

The objectives of the investment program of the Foundation are for 1) distributions and cash requirements for operational activities, 2) opportunities for long-term growth and appreciation, 3) grant distributions, 4) future expenses, and 5) provide an offset to the effects of inflation.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

**Investments (Continued)**

Spending Policy – Most of the Foundation’s funds distribute grants each year. The charitable disbursement rate, or spending rate, determines the amount available for distribution annually. The Foundation’s maximum allowable spending rate shall be 5% of the previous fiscal year-end balance of each fund’s market value. The full amount does not necessarily need to be spent within the year and can continue to remain in the account for long-term growth. At the November board meeting each year, the board of directors establishes the distribution (spending) rate of the long-term funds for the subsequent year.

Interpretation of Relevant Law – The Foundation follows the state of Iowa’s Uniform Prudent Management of Institutional Funds Act to manage assets with sound and prudent fiduciary practices.

**Property and Equipment**

Property and equipment purchased is recorded at cost while donated equipment is recorded at estimated fair value at the date of the gift. Depreciation is computed on the straight-line method over the estimated useful life of the asset. The Foundation follows the practice of capitalizing at cost, or at fair value if donated, all expenditures for property and equipment in excess of \$5,000 and a useful life greater than one year.

**Impairment of Long-Lived Assets**

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Note Receivable**

All note receivables are valued at the lower of cost or net realizable value. The Foundation has a note receivable of \$200,000 as of June 30, 2021 and 2020.

**Revenue**

The Foundation records contributions when they are received. All contributions are considered to be without donor restrictions due to the Foundation having variance power. Contributions of donated items are recorded at fair values in the period received.

**Functional Expenses**

The Foundation organizes its expenses on a functional basis among its program and supporting activities. Expenses that can be identified with a program or supporting activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by estimated time and effort.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

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

**Income Taxes**

The Foundation is exempt from federal income tax as a Foundation described in Section 501(c)(3) of the Internal Revenue Code and a similar section of Iowa income tax law, which provides income tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Internal Revenue Service determination is that the Foundation is other than a private foundation.

The Foundation files information returns in the U.S. federal jurisdiction. The Foundation follows the accounting standard to evaluate uncertain tax positions and has determined that it was not required to record a liability related to uncertain tax positions at June 30, 2021 and 2020.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Foundation regularly monitors the availability of resources required to meet its operating and other commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities as well as the conduct of services to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

As of June 30, 2021 and 2020, the following table shows the total financial assets held by the Foundation, that is, without donor restrictions limiting their use, within one year of the statement of assets, liabilities and net assets – modified cash basis date to meet general expenditures and future needs of the Foundation:

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,543,935	\$ 1,416,505
Investments	47,002,685	34,925,693
Total	<u>\$ 48,546,620</u>	<u>\$ 36,342,198</u>

**NOTE 3 INVESTMENTS**

Investments consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Money Market	\$ 398,638	\$ 709,260
Bonds and Fixed Income	12,130,473	10,325,498
Equities and Real Estate Funds	34,473,574	23,890,935
Investment in Limited Partnership	1,114,677	-
Total Investments	<u>\$ 48,117,362</u>	<u>\$ 34,925,693</u>

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 INVESTMENT INCOME**

Investment income consists of the following for the years ended June 30:

	2021	2020
Interest and Dividends	\$ 615,553	\$ 715,292
Net Unrealized Gain (Loss)	8,247,101	(624,612)
Net Realized Gain	1,238,021	1,138,769
Investment Management Fees	(142,928)	(127,716)
Total	\$ 9,957,747	\$ 1,101,733

**NOTE 5 FAIR VALUE MEASUREMENT**

The Foundation follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. It describes three levels of inputs that may be used to measure fair value:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Foundation has the ability to access (examples include actively traded equity and fixed income securities, mutual funds or commingled pools containing securities that are actively traded and priced daily).

*Level 2* – Financial assets and liabilities that are not actively traded or model inputs whose values are based on quoted prices in markets that are observable either directly or indirectly for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

*Bonds and Fixed Income Funds:* Comprised of debt security obligations generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality, and type.

*Equity Securities, Exchange Traded Products, and Real Estate Fund:* Valued at last sales price, if listed on a national market or exchange, or if there is no sale and the market is still considered active, at the last transaction price before year-end.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 5 FAIR VALUE MEASUREMENT (CONTINUED)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation 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 tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30:

	2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Bonds and Fixed Income	\$ 9,481,062	\$ -	\$ -	\$ 9,481,062
Equities and Real Estate Funds	26,538,345	-	-	26,538,345
Exchange Traded Products:				
Fixed Income	2,649,411	-	-	2,649,411
Equities	3,021,352	-	-	3,021,352
Equity Securities	4,913,877	-	-	4,913,877
Total Investments at Fair Value	<u>\$ 46,604,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,604,047</u>
	2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Bonds and Fixed Income	\$ 7,749,913	\$ -	\$ -	\$ 7,749,913
Equities and Real Estate Funds	19,272,263	-	-	19,272,263
Exchange Traded Products:				
Fixed Income	2,575,586	-	-	2,575,586
Equities	1,110,333	-	-	1,110,333
Equity Securities	3,508,338	-	-	3,508,338
Total Investments at Fair Value	<u>\$ 34,216,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,216,433</u>

During the year ended June 30, 2021, the Foundation received a contribution of approximately 377,358 units of a privately held limited liability company (LLC). At the date of the contribution, the aggregate fair value of the units was estimated to be approximately \$2,400,000. Subsequent to receipt of the units, the Foundation received \$1,285,323 in cash and an escrow account was set up totaling \$149,118. The Foundation's ownership in the LLC represents approximately 1% of the total units outstanding.

**NOTE 6 NOTE RECEIVABLE**

On July 12, 2010, Foundations in Learning, Inc. assigned a note receivable of \$200,000 to the Foundation. The note receivable was due on July 12, 2020; however, was extended and is now due on July 12, 2025. Interest on the unpaid principal balance shall be payable at a rate of 3.94%. The Foundation recorded interest income of \$12,414 and \$-0- for the years ended June 30, 2021 and 2020.



**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 7 NOTE PAYABLE**

The Foundation has a note payable to a local bank for the purchase of property. The note payable has an interest rate of 2.57% of the unpaid balance. The note requires monthly payments, principal and interest, of \$1,965 beginning March 1, 2021 and a final payment equal to all unpaid principal and accrued interest on February 1, 2026, the maturity date.

Future maturity of the note payable is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 14,306
2023	14,683
2024	15,047
2025	15,467
2026	303,045
Total	<u>\$ 362,548</u>

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions is comprised of contributions to the Foundation for which donor-imposed purpose or time restrictions have not been accomplished. These contributions will be released to net assets without donor restrictions as the contributions are spent in accordance with the donor restrictions.

Net assets with donor restrictions are available for the following purpose or time periods as of June 30:

	<u>2021</u>	<u>2020</u>
Time	<u>\$ 200,000</u>	<u>\$ 200,000</u>

**NOTE 9 ADMINISTRATIVE FEES**

The Foundation charges each established fund an equitable share of the Foundation's expenses in accordance with its current administrative fee schedule. For the years ended June 30, 2021 and 2020, administrative fee revenue and expenses charged within the Foundation totaled \$527,392 and \$508,030, respectively.

**NOTE 10 DISCLOSURE ABOUT CERTAIN CONCENTRATIONS**

**Cash Balances**

The Foundation maintains its cash accounts in banks in Johnson County Iowa. As of June 30, 2021, cash balances in two accounts were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor per bank. Balances in excess of FDIC limits are uninsured. As of June 30, 2021, the Foundation had cash balances on deposit of \$1,555,427 in one bank.

**COMMUNITY FOUNDATION OF JOHNSON COUNTY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 DISCLOSURE ABOUT CERTAIN CONCENTRATIONS (CONTINUED)**

**Credit**

The Foundation is supported primarily through contributions from individuals, businesses, and agencies. For the years ended June 30, 2021 and 2020 the source and amount of the revenue and the approximate percentage of total revenue from these sources is as follows:

Source	2021		2020	
	Amount	Percentage	Amount	Percentage
Individual A	\$ 1,200,000	19 %	\$ -	- %
Individual B	1,200,000	19	-	-
Individual C	400,000	6	600,000	20
Individual D	995,017	15	-	-

**NOTE 11 INTERFUND TRANSFERS**

The Foundation's board approved \$232,246 and \$357,659 of grants for the years ended June 30, 2021 and 2020, respectively. These grants represent transfers between funds held by the Foundation. The revenue and expense are eliminated during the preparation of the financial statements.

**NOTE 12 RETIREMENT PLAN**

The Foundation sponsors a deferred compensation and retirement plan qualified under Section 403(b) of the Internal Revenue Code. The plan is available to all employees who have completed one year of service, during which they have worked at least 1,000 hours, and who have attained age 21. The Foundation makes a contribution to the plan each year equal to 100% of elective deferrals that do not exceed 3% of compensation plus 50% of elective deferrals between 3% and 5% of an employee's compensation. The Foundation may make discretionary contributions. If the Foundation makes a discretionary additional matching contribution, the discretionary additional matching contribution will not apply as to the elective deferrals exceeding 6% of the employees' compensation. The total amount of this discretionary additional matching contribution will not exceed 4% of employees' compensation. The Foundation's expense under this plan was \$11,225 and \$18,890 for the years ended June 30, 2021 and 2020, respectively.

**NOTE 13 RISKS AND UNCERTAINTIES**

In early March, 2020, the COVID-19 virus was declared a global pandemic. The Foundation cannot predict the length or severity of the pandemic, or the extent to which the disruption may interrupt operations. Management is closely monitoring the situation and has taken action to mitigate known vulnerabilities. No adjustments have been made to these financial statements as a result of this uncertainty.

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**NOTE 14 RECLASSIFICATION OF AMOUNTS**

Certain reclassifications have been made to the 2021 financial statement presentation to correspond to the current year format. Total assets, net assets, and change in net assets were unchanged due to these reclassifications.

**NOTE 15 SUBSEQUENT EVENTS**

Management evaluated subsequent events through October 6, 2021, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2021, but prior to October 6, 2021 that provided additional evidence about conditions that existed at June 30, 2021, have been recognized in the financial statements for the year ended June 30, 2021. Events or transactions that provided evidence about conditions that did not exist at June 30, 2021 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2021.

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