

Bidwell Riverside Center
Independent Auditor's Report
And
Financial Statements
Years ended December 31, 2017 and 2016

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DONALD W. CROGHAN, CPA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Bidwell Riverside Center
Des Moines, IA 50315

I have audited the accompanying financial statements of Bidwell Riverside Center (a nonprofit 501 (c) (3) organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows 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 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bidwell Riverside Center as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Donald W. Croghan, CPA, P.C.

Donald W. Croghan, CPA, P.C.
Knoxville, Iowa

June 15, 2018

Bidwell Riverside Center
 Statements of Financial Position
 December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 74,005	\$ 56,442
Funds held by others	85,947	101,337
Board designated funds (Note 3)	45,409	45,464
Prepaid expenses	654	2,201
Total current assets	206,015	205,444
Fixed Assets		
Property and equipment, net of accumulated depreciation (Note 1)	193,976	157,828
TOTAL ASSETS	\$ 399,991	\$ 363,272
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 8,147	\$ 13,685
Accrued expenses	26,171	21,549
Deferred income	13,005	-
Total current liabilities	47,323	35,234
NET ASSETS		
Unrestricted	307,259	272,170
Unrestricted-Board designated	45,409	45,464
Total - unrestricted	352,668	317,634
Temporarily restricted (Note 4)	-	10,404
Permanently restricted	-	-
Total net assets	352,668	328,038
TOTAL LIABILITIES AND NET ASSETS	\$ 399,991	\$ 363,272

See notes to financial statements

Bidwell Riverside Center
Statement of Activities
Year ended December 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenues and support				
Contributions	\$ 385,835	\$ -	\$ -	\$ 385,835
Iowa Annual Conference	33,964	-	-	33,964
United Way	61,657	-	-	61,657
Government operating grants/funding	276,416	18,207	-	294,623
Program fees	96,558	-	-	96,558
Investment returns	444	-	-	444
Special events	34,476	-	-	34,476
In-kind income	16,078	-	-	16,078
Management contract	23,045	-	-	23,045
Other income	4,099	-	-	4,099
Net assets released from restriction	28,611	(28,611)	-	-
Total operating revenues and support	<u>961,183</u>	<u>(10,404)</u>	<u>-</u>	<u>950,779</u>
Expenses				
Program services				
Child Development Center	542,192	-	-	542,192
Distribution Center	234,481	-	-	234,481
Support services				
Management and general	91,593	-	-	91,593
Fundraising	57,883	-	-	57,883
Total operating expenses	<u>926,149</u>	<u>-</u>	<u>-</u>	<u>926,149</u>
Change in net assets	35,034	(10,404)	-	24,630
Net assets, December 31, 2016	<u>317,634</u>	<u>10,404</u>	<u>-</u>	<u>328,038</u>
Net assets, December 31, 2017	<u>\$ 352,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352,668</u>

See notes to financial statements

Bidwell Riverside Center
Statement of Activities
Year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenues and support				
Contributions	\$ 324,500	\$ -	\$ -	\$ 324,500
Iowa Annual Conference	40,033		-	40,033
United Way	48,789		-	48,789
Government operating grants/funding	222,386	31,212	-	253,598
Program fees	114,789		-	114,789
Investment returns	321	-	5	326
Special events	7,594	-	-	7,594
In kind income	16,078			16,078
Other income	3,169		-	3,169
Net assets released from restriction	163,724	(63,808)	(99,916)	-
Total operating revenues and support	<u>941,383</u>	<u>(32,596)</u>	<u>(99,911)</u>	<u>808,876</u>
Expenses				
Program services				
Child Development Center	544,602	-	-	544,602
Distribution Center	240,035	-	-	240,035
Support services				
Management and general	34,937	-	-	34,937
Fundraising	7,558	-	-	7,558
Total operating expenses	<u>827,132</u>	<u>-</u>	<u>-</u>	<u>827,132</u>
Change in net assets	114,251	(32,596)	(99,911)	(18,256)
Net assets, December 31, 2015	<u>203,383</u>	<u>43,000</u>	<u>99,911</u>	<u>346,294</u>
Net assets, December 31, 2016	<u>\$ 317,634</u>	<u>\$ 10,404</u>	<u>\$ -</u>	<u>\$ 328,038</u>

See notes to financial statements

Bidwell Riverside Center
Statement of Functional Expenses
Year ended December 31, 2017

	Program Services		Support Services		Total
	Child Development Center	Distribution Center	Management and General	Fund Raising	
Salaries and benefits					
Salaries	\$ 327,112	\$ 133,100	\$ -	\$ 34,136	\$ 494,348
Employee benefits	50,277	14,024	-	6,531	70,832
Payroll taxes	31,214	13,184	-	3,114	47,512
	<u>408,603</u>	<u>160,308</u>	<u>-</u>	<u>43,781</u>	<u>612,692</u>
Accounting	-	-	22,700	-	22,700
Repair & Maintenance	24,729	8,991	-	-	33,720
Supplies	4,400	269	-	-	4,669
Miscellaneous	769	94	5	132	1,000
Consulting/Mgt fee	-	-	59,138	939	60,077
Depreciation	15,103	15,103	-	-	30,206
Food supplies	37,382	3,381	-	-	40,763
Fundraising	-	-	-	2,343	2,343
Human Resource services	3,503	1,911	-	601	6,015
Information Technology	2,061	2,936	-	-	4,997
Insurance	6,175	6,175	1,404	-	13,754
Office supplies	1,456	1,186	503	1,049	4,194
Postage & shipping	909	220	343	2,296	3,768
Printing	2,938	4,581	-	4,490	12,009
Professional services	-	-	7,500	-	7,500
Professional development	1,754	1,673	-	105	3,532
Program activities	7,183	4,113	-	-	11,296
Special events	4,188	3,938	-	1,741	9,867
Telephone	2,115	2,227	-	-	4,342
Occupancy-rent	8,039	8,039	-	-	16,078
Utilities	10,607	5,641	-	-	16,248
Vehicle expense	278	3,695	-	406	4,379
Total	<u>\$ 542,192</u>	<u>\$ 234,481</u>	<u>\$ 91,593</u>	<u>\$ 57,883</u>	<u>\$ 926,149</u>

See notes to financial statements

Bidwell Riverside Center
Statement of Functional Expenses
Year ended December 31, 2016

	Program Services		Support Services		Total
	Child Development Center	Distribution Center	Management and General	Fund Raising	
Salaries and benefits					
Salaries	\$ 318,193	\$ 118,403	\$ -	\$ -	\$ 436,596
Employee benefits	52,487	12,719	-	-	65,206
Payroll taxes	28,061	10,404	-	-	38,465
	<u>398,741</u>	<u>141,526</u>	<u>-</u>	<u>-</u>	<u>540,267</u>
Accounting	11,375	11,375	3,740	-	26,490
Repair & Maintenance	28,846	26,321	-	-	55,167
Supplies	4,675	71	-	-	4,746
Miscellaneous	1,979	1,080	59	-	3,118
Consulting/Mgt fee	-	-	24,410	-	24,410
Depreciation	12,416	15,823	-	-	28,239
Food supplies	36,390	657	-	-	37,047
Fundraising	-	-	-	2,702	2,702
Human Resource services	2,961	1,474	670	-	5,105
Information Technology	4,689	4,637	-	-	9,326
Insurance	7,282	7,282	4,342	-	18,906
Office supplies	2,525	1,118	239	142	4,024
Postage & shipping	545	532	181	1,578	2,836
Printing	5,523	5,539	1,296	3,000	15,358
Program activities	5,945	2,861	-	-	8,806
Special events				136	136
Telephone	1,778	1,940	-	-	3,718
Occupancy-rent	8,039	8,039	-	-	16,078
Utilities	10,844	5,755	-	-	16,599
Vehicle expense	49	4,005	-	-	4,054
Total	<u>\$ 544,602</u>	<u>\$ 240,035</u>	<u>\$ 34,937</u>	<u>\$ 7,558</u>	<u>\$ 827,132</u>

Bidwell Riverside Center
 Statements of Cash Flows
 Year ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 24,630	\$ (18,256)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	30,206	28,239
Donation of capital asset	(51,471)	-
(Increase) decrease in:		
Prepaid expenses	1,547	6,050
Funds Held by others	15,390	18,242
Contributions receivable	-	13,811
Increase (decrease) in:		
Accounts payable	(5,539)	3,686
Deferred income	13,005	-
Accrued expenses	4,622	18,374
Net cash provided (used) by operating activities	\$ 32,390	\$ 70,146
 Cash flows from investing activities:		
Purchase of fixed assets	(14,882)	(19,014)
Change in board designated funds	55	4,448
Net cash provided (used) by investing activities	(14,827)	(14,566)
 Net increase (decrease) in cash and cash equivalents	17,563	55,580
 Cash and cash equivalents, beginning of year	56,442	862
 Cash and cash equivalents, end of year	\$ 74,005	\$ 56,442

Non-cash investing activity:

During the year ended December 31, 2017, receipt of donated asset-vehicle, valued at \$51,471.

See notes to financial statements

Bidwell Riverside Center
Notes to the Financial Statements
December 31, 2017 and 2016

Note 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of 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 aged 24 months to 5 years.

The Organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and files an annual federal return as an exempt organization. The Organization's prior three years' tax returns remain subject to examination by the Internal Revenue Service. A summary of the Organization's significant accounting policies follows:

Basis of Accounting: Financial statements are prepared in accordance with U.S. GAAP.

Financial Statement Presentation: The Organization follows the recommendations of the Financial Accounting Standards Board (FASB). Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are those assets which are neither temporarily or permanently restricted by donor-imposed stipulations and represent the portion of expendable assets available for support of Organization operations. Temporarily restricted net assets represent contributions or other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Organizations pursuant to those stipulations. Permanently restricted net assets represent contributions or other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

Direct Support: All contributions received are considered to be available for unrestricted use unless specifically restricted by donor. When the donor stipulation expires by accomplishing the purpose of the gift, temporarily restricted net assets are reported in the statement of activities as net assets released from restrictions.

Funds held by others: Funds held by others represent the Organization's interest in a pooled money market fund and certificates of deposit held by the Community Foundation of Greater Des Moines and are subject to credit risks, including loss of principal.

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 unrestricted support 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.

Bidwell Riverside Center
Notes to the Financial Statements
December 31, 2017 and 2016

Note 1 NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment and Depreciation (continued):

The Organization reports expirations of donor restrictions and reclassifies temporarily restricted net assets to unrestricted net assets when the donated or acquired assets are placed into service as instructed by the donor. Depreciation is calculated by the straight-line method over the following estimated useful lives:

Furniture and equipment	5-10 years
Vehicles	5-8 years
Leasehold improvements	5-30 years

Functional Expense Allocations: The allocations of expenses shown on the statement of functional expenses paid 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.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events Evaluation: Management has performed an evaluation of subsequent events through June 15, 2018, the date of the financial report. Management believes there are no events that have occurred that require additional disclosure or adjustments in the financial statements.

Note 2 DONATED SERVICES

The Organization receives use of the building and location of the Center under a nominal lease agreement with the Iowa Conference United Methodist Women. Terms of the agreement 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. For the years ended December 31, 2017 and 2016, the fair value of the annual rent of the property has been determined to be \$16,078 and \$16,078 and it is included in contributions and expenses in the statements of activities.

A number of volunteers donate an amount of their time in various program areas, advisory boards, and committees. No amounts have been recognized in the statement of activities because the criteria for recognition of such volunteer effort under FASB ASC 958 have not been satisfied.

Bidwell Riverside Center
Notes to the Financial Statements
December 31, 2017 and 2016

Note 3 BOARD DESIGNATED FUNDS

Effective December 15, 1998, the Organization established a fund with an unrestricted contribution received in a prior year. The board required that all capital gains realized on the sale of any investments from the fund, remain within the fund. The objective of the fund is to support the Organization's general charitable activities and non-recurring projects not regularly budgeted. The funds are invested conservatively, currently in a money market fund.

Note 4 TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2017</u>	<u>2016</u>
Community Foundation	\$ --	\$18,000
Polk County	--	25,000
Hunger Free Polk County	<u>28,611</u>	<u>20,808</u>
	<u>\$28,611</u>	<u>\$63,808</u>

Note 5 PROGRAM SERVICE FEES

The source of program service fees of \$96,558 and \$114,789 for the years ended December 31, 2017 and 2016 were from providing child development services.