

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Consolidated Financial Statements

December 31, 2024 and 2023

**(With Independent Auditor's
Report Thereon)**

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1–2
Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Consolidated Statements of Functional Expenses	6
Notes to Consolidated Financial Statements	7–16
<u>Single Audit Reporting Section</u>	17
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed on Accordance with Government Auditing Standards	18
Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	19–21
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	23
Schedule of Findings and Questioned Costs	24–25
Summary Schedule of Prior Audit Findings	26

Independent Auditor's Report

To the Board of Directors
Community Foundation of Greater Muscatine:

Opinion

We have audited the accompanying consolidated financial statements of Community Foundation of Greater Muscatine (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Greater Muscatine as of December 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of Greater Muscatine and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of Greater Muscatine's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Foundation of Greater Muscatine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of Greater Muscatine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2025 on our consideration of the Community Foundation of Greater Muscatine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Foundation of Greater Muscatine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Community Foundation of Greater Muscatine's internal control over financial reporting and compliance.

Anderson, Lower, Whitlow, P.C.

Bettendorf, Iowa
September 23, 2025

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Consolidated Statements of Financial Position

December 31, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Investments (notes 2 and 3):		
Cash and cash equivalents	\$ 3,265,956	6,597,412
Equity securities	41,274,403	39,135,849
Fixed income securities	16,172,577	14,453,028
Total investments	<u>60,712,936</u>	<u>60,186,289</u>
Accounts and grant receivable	<u>260,631</u>	<u>7,157</u>
Pledges receivable – net (note 4)	<u>2,973,377</u>	<u>4,845,345</u>
Property and equipment:		
Land	48,220	48,220
Building and improvements	699,034	660,148
Furniture and fixtures	10,113	10,113
Equipment	462,817	9,818
	<u>1,220,184</u>	<u>728,299</u>
Less accumulated depreciation	<u>100,198</u>	<u>52,180</u>
Net property and equipment	<u>1,119,986</u>	<u>676,119</u>
Other assets:		
Real estate held for sale (notes 3 and 6)	1,539,179	1,681,612
Rental facility – clinic, net (note 7)	20,220,414	8,854,799
Residential development property held for sale (note 8)	567,463	432,189
Farmland property (note 13)	5,427,000	-
Construction costs and other property (note 15)	472,784	42,500
Other assets	69,168	87,695
Total other assets	<u>28,296,008</u>	<u>11,098,795</u>
 Total assets	 <u>\$ 93,362,938</u>	 <u>76,813,705</u>
 <u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable, including construction payables, and accrued expenses	1,183,568	945,931
Deferred revenue	42,513	15,750
Notes payable – line of credit (note 9)	2,994,316	-
Long-term debt (note 9)	3,920,638	4,360,000
Total liabilities	<u>8,141,035</u>	<u>5,321,681</u>
Net assets:		
Without donor restrictions (note 11)	21,552,158	14,899,933
With donor restrictions (note 10)	63,669,745	56,592,091
Total net assets	<u>85,221,903</u>	<u>71,492,024</u>
 Total liabilities and net assets	 <u>\$ 93,362,938</u>	 <u>76,813,705</u>

See accompanying notes to consolidated financial statements.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Consolidated Statements of Activities

Years Ended December 31, 2024 and 2023

	<u>2024</u>			<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating support and revenue:						
Contributions	\$ 486,796	9,766,657	10,253,453	201,790	10,647,942	10,849,732
Grants	-	4,663,090	4,663,090	-	317,827	317,827
Net investment income (note 2)	669,232	4,887,074	5,556,306	747,469	5,912,399	6,659,868
Rent income (note 7)	-	189,000	189,000	-	189,000	189,000
Other	-	15,212	15,212	-	4,022	4,022
Net assets released from purpose restrictions and reclassification	11,559,441	(11,559,441)	-	10,448,788	(10,448,788)	-
Transfers – administrative fees	883,938	(883,938)	-	882,813	(882,813)	-
Total operating support and revenue	<u>13,599,407</u>	<u>7,077,654</u>	<u>20,677,061</u>	<u>12,280,860</u>	<u>5,739,589</u>	<u>18,020,449</u>
Operating expenses:						
Program expenses	3,365,167	-	3,365,167	3,714,151	-	3,714,151
General and administrative	1,372,059	-	1,372,059	1,109,977	-	1,109,977
Total operating expenses	<u>4,737,226</u>	<u>-</u>	<u>4,737,226</u>	<u>4,824,128</u>	<u>-</u>	<u>4,824,128</u>
Increase from operating activities	<u>8,862,181</u>	<u>7,077,654</u>	<u>15,939,835</u>	<u>7,456,732</u>	<u>5,739,589</u>	<u>13,196,321</u>
Non–operating activities:						
Interest expense	(80,175)	-	(80,175)	-	-	-
Loss on disposal of clinic facility (note 7)	(2,129,781)	-	(2,129,781)	-	-	-
Total non–operating activities	<u>(2,209,956)</u>	<u>-</u>	<u>(2,209,956)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net assets	<u>6,652,225</u>	<u>7,077,654</u>	<u>13,729,879</u>	<u>7,456,732</u>	<u>5,739,589</u>	<u>13,196,321</u>
Net assets, beginning of year	<u>14,899,933</u>	<u>56,592,091</u>	<u>71,492,024</u>	<u>7,443,201</u>	<u>50,852,502</u>	<u>58,295,703</u>
Net assets, end of year	\$ <u>21,552,158</u>	<u>63,669,745</u>	<u>85,221,903</u>	<u>14,899,933</u>	<u>56,592,091</u>	<u>71,492,024</u>

See accompanying notes to consolidated financial statements.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Consolidated Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Increase in net assets	\$ 13,729,879	13,196,321
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	134,759	38,937
Capital campaign pledges and grants for new facility	(4,148,090)	(3,100,000)
Gain on sale of real estate held for sale	(8,323)	(4,022)
Loss on disposal of clinic facility	2,129,781	-
Amortization of pledge receivable discount	(295,532)	-
Contribution of farmland property	(6,157,836)	-
Contribution of property – parking lot	-	(42,500)
Changes in assets and liabilities:		
Decrease (increase) in accounts and grant receivable	(253,474)	22,699
Increase in pledges receivable	-	(4,845,345)
Realized and unrealized gains on investments	(2,848,723)	(4,809,118)
Decrease (increase) in other assets	18,527	(66,213)
Increase (decrease) in accounts payable and accrued expenses	127,760	(14,142)
Increase in deferred revenue	26,763	15,750
Net cash provided by operating activities	<u>2,455,491</u>	<u>392,367</u>
Cash flows from investing activities:		
Purchase of property and equipment	(491,885)	(181,682)
Proceeds from sale of real estate held for sale	150,756	64,409
Purchase of investments	(4,464,731)	465,898
Proceeds from sales and maturities of investments	3,455,351	1,182,724
Increase in construction costs and other property	(430,284)	-
Residential development property costs, net of reimbursement	129,572	(400,122)
Building costs related to new clinic	(13,737,106)	(5,349,473)
Net cash used in investing activities	<u>(15,388,327)</u>	<u>(4,218,246)</u>
Cash flows from financing activities:		
Capital campaign pledges and grants for new facility	6,315,590	3,100,000
Contribution of farmland property – money market funds	721,836	-
Proceeds from sale of farmland equipment	9,000	-
Proceeds from notes payable and long-term debt	2,994,316	4,360,000
Principal payments on long-term debt	(439,362)	-
Net cash provided by financing activities	<u>9,601,380</u>	<u>7,460,000</u>
Net increase (decrease) in cash and cash equivalents	(3,331,456)	3,634,121
Cash and cash equivalents at beginning of year	6,597,412	2,963,291
Cash and cash equivalents at end of year	<u>\$ 3,265,956</u>	<u>6,597,412</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 80,175</u>	<u>-</u>
Supplemental disclosure of noncash investing and financing activities:		
Net change in unrealized appreciation of investments	<u>\$ 2,435,287</u>	<u>2,451,979</u>
Construction costs included in accounts payable	<u>\$ 977,259</u>	<u>867,382</u>
Contribution of farmland property	<u>\$ 5,436,000</u>	<u>-</u>

See accompanying notes to consolidated financial statements.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Consolidated Statements of Functional Expenses

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Program services:		
Grants	\$ 1,908,953	2,253,948
Scholarships and other fund specific expenses	<u>1,456,214</u>	<u>1,460,203</u>
Total program services	<u>3,365,167</u>	<u>3,714,151</u>
 General and administrative expenses:		
Salaries and wages	763,524	675,673
Payroll taxes and benefits	102,484	102,400
Retirement plan contributions	68,907	59,411
Memberships/publications/subscriptions	16,320	6,231
Insurance	28,163	31,263
Office expenses	67,378	76,819
Rent	34,200	36,639
Professional services	34,389	27,693
Meals and entertainment	1,015	1,619
Professional development	15,530	9,031
Advertising and marketing	48,730	44,261
Depreciation	134,759	38,937
Farm expense – net	56,660	-
Total general and administrative expenses	<u>1,372,059</u>	<u>1,109,977</u>
 Total expenses	<u>\$ 4,737,226</u>	<u>4,824,128</u>

See accompanying notes to consolidated financial statements.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

(1) Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The mission of Community Foundation of Greater Muscatine (the Foundation) is to actively work to improve the quality of life in Muscatine County through philanthropy.

Summary of Significant Accounting Policies

(a) Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Foundation has evaluated subsequent events through September 23, 2025, which is the date the consolidated financial statements were available to be issued.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of West Liberty Fund, LLC, Muscatine Health Support Fund, LLC, Community Foundation Real Estate, LLC, and Front Street Holdings, LLC in which the Foundation is the sole member. These LLCs hold title to real estate property included in other assets on the consolidated financial statements. All material intercompany balances and transactions have been eliminated in consolidation.

(c) Basis of Presentation

Resources are classified for accounting and reporting purposes into two categories of net assets – without donor restrictions and with donor restrictions – according to externally (donor) imposed restrictions.

Net Assets Without Donor Restrictions: Net assets without donor restrictions include all resources that are not subject to donor-imposed restrictions. Revenues received and expenses incurred in conducting the programs and services of the Foundation are presented in the consolidated financial statements as unrestricted operating funds that increase or decrease net assets without donor restrictions. By action of the Board of Directors (the Board), certain net assets without donor restrictions have been designated for long-term investment or other special purposes as described in note 11.

Net Assets With Donor Restrictions: Net assets whose use is 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 perpetually.

(d) Cash and Cash Equivalents

For purposes of cash and cash flows, the Foundation considers only uninvested funds as cash. Cash equivalents includes money market accounts which amounted to \$2,825,105 and \$5,748,173 at December 31, 2024 and 2023, respectively.

The Foundation maintains cash balances and certificates of deposits at financial institutions during the year and at year end for operating needs which are in excess of the \$250,000 Federal Deposit Insurance Corporation insured limit. The cash balances and certificates of deposit are reviewed quarterly by the Foundation's investment committee. Management believes the Foundation is not exposed to any significant credit risk on its cash and certificate of deposit accounts.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Summary of Significant Accounting Policies, continued

(e) Property and Equipment

Property and equipment is stated at cost. Depreciation is computed by the straight-line method over the estimated useful lives of the related assets, which range from three to twenty years.

Depreciation expense for the years ended December 31, 2024 and 2023 amounted to \$134,759 and \$38,937, respectively.

(f) Accounts Receivable

Accounts receivable are stated at invoice amount. Management determines the need for an allowance for credit losses by identifying past due accounts and considering historical credit loss experience. Management also considers relevant current and future economic conditions as well as underlying terms of contracts which could affect collectability. Management believes that the receivables are fully collectable; therefore, no allowance for credit losses has been recorded as of December 31, 2024 and 2023. There were no accounts written off in 2024 or 2023.

(g) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(h) Investments

Investments in equity securities and fixed income securities are stated at fair market value as determined by quoted market prices with related unrealized gains and losses on investments included in the statement of activities. Gains and losses on sales of investments are determined by the specific-identification method. Realized and unrealized gains and losses on investments, interest and dividends (net of related investment expenses) are reported as increases or decreases in net assets without donor restrictions unless the income is restricted by donor or law.

(i) Revenue Recognition

Revenue from Exchange Transactions: The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Exchange transactions of the Foundation consist of rent income which is recognized as revenue in the applicable rental period with rent received in advance recorded as deferred revenue.

(j) Contributions Receivable

The receipt of unconditional promises to give with payments due in future periods is reported as donor restricted support unless explicit donor stipulations or circumstances surrounding the receipt of the promise make clear that the donor intended it to be used to support activities of the current period. Unconditional promises to give are reported at the estimated amounts to be received.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(1) Nature of Organization and Summary of Significant Accounting Policies, continued

Summary of Significant Accounting Policies, continued

(k) Support and Expenses

Contributions received are recognized as revenue in the period the contributions are received. The Foundation reports gifts of cash or other assets as restricted support if the contribution is received with donor restrictions that limit the use of the donated assets or if they are designed as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction or event occurs, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of assets other than cash are recorded at their fair values at the date of the gift. The Foundation records revenue from operating grants in the period in which all contractual requirements of the grant, including approved expenditures if applicable, have been fulfilled.

Grants and scholarships awarded to third parties are recorded when approved by the Board or when all applicable conditions have been met by the grantee. Expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues, support and expenses are allocated directly to the programs to which they relate.

(l) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Certain costs have been allocated between program and supporting services classifications on the basis of time records, actual expenses and/or estimates made by the Foundation's management.

(m) Grant Spending Policy

The Foundation maintains a policy for payout of the grants from endowment funds. In accordance with the policy, up to 5% of the moving 12-quarter average of the market value in the investment portfolio of each fund is available for grant payouts. The Board of Directors annually approves the spending policy and the amount of grants to be paid out under the policy.

(n) Leases

Payments related to operating leases are recognized as rent expense as incurred. The Foundation has no operating leases with terms greater than twelve months which should be recognized as right-of-use assets and corresponding lease liability at December 31, 2024 and 2023.

(o) Income Tax Status

The Foundation has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and the corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes. The Foundation evaluates the tax benefits of a tax position using the "more likely than not" threshold. As of December 31, 2024, management is not aware of any uncertain tax positions and related tax benefits which would be material to the Foundation's consolidated financial statements. The Foundation files a U.S. Federal informational return which for fiscal years subsequent to 2020 are subject to examination by taxing authorities.

(p) Reclassification

Certain accounts for 2023 have been reclassified to conform with the presentation for 2024.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(2) Investments

Investments consist of the following at December 31, 2024 and 2023:

	2024	2023
Cash and cash equivalents – money market funds	\$ 3,265,956	6,597,412
Equity securities	41,274,403	39,135,849
Fixed income securities	16,172,577	14,453,028
Total investments	<u>\$ 60,712,936</u>	<u>60,186,289</u>

Net unrealized gains on investments amounted to \$6,123,284 and \$3,687,997 at December 31, 2024 and 2023, respectively.

Investment income, net of investment fees, is reported in the consolidated statement of activities for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024	2023
Interest and dividends	\$ 2,707,583	1,850,750
Net realized gains (losses) on sale of investments	413,436	(12,715)
Change in net unrealized gains on investments	2,435,287	4,821,833
Net investment income	<u>\$ 5,556,306</u>	<u>6,659,868</u>

The investments of the Foundation are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

(3) Fair Value Measurements

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted prices in active markets of similar assets for assets in non-active markets and Level 3 inputs consist of other valuation techniques which have the lowest priority. The Foundation uses appropriate valuation techniques based on the availability inputs to measure the fair value of its investments.

There were no investments requiring the use of Level 2 inputs in 2024 and 2023 and there were no transfers between levels or changes in methods used to determine fair value as of December 31, 2024 and 2023.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(3) Fair Value Measurements, continued

The fair value of investments and other assets consists of the following as of December 31, 2024 and 2023:

	<u>Fair Value</u>	<u>Quoted Market Price (Level 1)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2024:</u>			
Cash and cash equivalents	\$ 3,265,956	3,265,956	-
Equity securities	41,274,403	41,274,403	-
Fixed income securities	16,172,577	16,172,577	-
Real estate held for sale	1,539,179	-	1,539,179
	<u>\$ 62,252,115</u>	<u>60,712,936</u>	<u>1,539,179</u>
<u>December 31, 2023:</u>			
Cash and cash equivalents	\$ 6,597,412	6,597,412	-
Equity securities	39,135,849	39,135,849	-
Fixed income securities	14,453,028	14,453,028	-
Real estate held for sale	1,681,612	-	1,681,612
	<u>\$ 61,867,901</u>	<u>60,186,289</u>	<u>1,681,612</u>

Level 1 Inputs

The fair value of investments in cash and cash equivalents, equity securities and fixed income securities are based on quoted market prices in active markets.

Level 3 Inputs

The fair value of the real estate held for sale is based on the appraised value of the property at the date of donation to the Foundation. Management believes there was no material change in the fair value of the asset in 2024 and 2023.

(4) Pledges Receivable

The Foundation conducted a capital campaign to provide funds to assist with the construction of a new clinic as described in note 7. Unconditional pledges at December 31, 2024 and 2023, net of discount to present value, are expected to be collected as follows:

	<u>2024</u>	<u>2023</u>
Gross amounts due in:		
Less than one year	\$ 1,362,500	1,369,000
One to five years	1,835,000	3,996,000
Total pledges receivable	3,197,500	5,365,000
Less net present value discount	224,123	519,655
Net pledges receivable	<u>\$ 2,973,377</u>	<u>4,845,345</u>

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(5) Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for long-term investing in the board designated funds that could be drawn upon if the governing board approves that action.

	2024	2023
Cash and cash equivalents	\$ 3,265,956	6,597,412
Investments – equity and fixed securities	57,446,980	53,588,877
Total financial assets	60,712,936	60,186,289
Less:		
Contractual or donor-imposed restrictions	(53,730,189)	(47,935,353)
Board designated funds	(6,475,046)	(6,215,302)
Financial assets available to meet cash needs for general expenditures within one year	\$ 507,701	6,035,634

(6) Real Estate Held for Resale

The Foundation owns the West Liberty Business Park in West Liberty, Iowa, which was created as a charitable venture to promote and encourage businesses to locate in the West Liberty, Iowa community to expand employment opportunities. The property was received through an anonymous donor in 2001 and developed through the West Liberty Fund, LLC, a member-managed limited liability company created by the Foundation (as sole member) which appoints an operational and granting committee approved by the Board. The sale of lots increase the West Liberty Park Endowment Fund, from which grants determined under the Foundation's spending policy, may be paid to benefit the expansion of employment opportunities in West Liberty, as specified by the donor. The carrying amount of the real estate is the fair value of the land at the date of donation plus the direct costs of improvements less cost of lots sold. The Foundation sold five lots in 2024 and two lots in 2023 for a gain of \$8,323 and \$6,717, respectively. Management of the Foundation believes the carrying value of the lots approximates fair value as of December 31, 2024 and 2023.

(7) Rental Facility – Clinic

The Foundation received a contribution of a medical clinic facility in 2018 with a fair value of \$2,129,781 from a physician group under an arrangement whereby the Foundation leased the underlying land from the physician group under a long-term land lease which requires nominal yearly rent payments. The clinic was leased to the physician group as described below.

The Foundation constructed a new clinic facility in Muscatine, Iowa at a total cost of \$20,307,155 which was completed October of 2024 and was financed through a combination of contributions, grants, and loans. The new clinic facility replaced the existing clinic facility described above. The physician group which occupied the old clinic facility relocated to the new facility under lease arrangements described below. The remaining cost of this project includes demolition of the old clinic, construction of a parking lot, and a walkway from the new clinic to the hospital, with an estimated completion cost of \$725,000 and estimated completion date of August or September 2025.

Upon completion and occupancy of the new clinic facility, the donated facility was demolished and the net book value of the facility of \$2,129,781 was written off in 2024.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(7) Rental Facility - Clinic, continued

A summary of the costs relating to the clinic facilities as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Donated clinic facility	\$ -	2,129,781
New clinic facility	20,130,257	-
Construction in progress – new clinic	<u>176,898</u>	<u>6,725,018</u>
Total clinic	20,307,155	8,854,799
Less accumulated depreciation	<u>(86,741)</u>	-
Net rental facility – clinic	<u>\$ 20,220,414</u>	<u>8,854,799</u>

The Foundation leases the clinic facility to an unrelated physician group under an operating lease which was renewed in 2024 through 2043. The lease arrangement for the facility requires annual rent payments of \$189,000 until the new clinic facility described above is completed and occupied, at which time the annual base rent increases to \$500,000 for 2025 and 2026 with incremental increases of 5.5% in 2027 and 3.5% in 2030, 2035 and 2040. The lease arrangement is security for the debt described in note 9. Rent income from the lease arrangement amounted to \$189,000 for each of the years ended December 31, 2024 and 2023, respectively. The rent income received from the building is Board directed to the Muscatine Health Support Granting Fund which is used to support grants to the local healthcare system.

(8) Residential Development Property Held for Sale

The Foundation purchased four vacant lots in Muscatine, Iowa, to develop and share innovative, cost-effective housing solutions and increase the supply of affordable residential homes for sale to qualified buyers in Muscatine County. The Foundation is currently developing three of the lots and estimates the total cost to develop the lots will be approximately \$1,100,000 with expected completion in late 2025. Total development costs related to these lots amounted to \$567,463 and \$432,189 as of December 31, 2024 and 2023, respectively. The Foundation has obtained aggregate financing of \$1,000,000 from a bank that is available to finance the project which was not used in 2024.

In 2023, the Foundation identified problems with costs paid to a subcontractor in connection with the development of these lots. The subcontractor reimbursed the Foundation \$199,766 in 2024 for certain costs related to these problems.

(9) Indebtedness

A summary of long-term debt as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Note payable to Central Iowa Power Cooperative, 0% interest, due in monthly installments of \$16,807 through November 2033; secured by leasehold mortgage, assignment of rents and a letter of credit	\$ 1,798,319	2,000,000
Note payable to Eastern Iowa Light and Power Cooperative, 0% interest, due in monthly installments of \$16,807 through November 2033; secured by leasehold mortgage, assignment of rent and a letter of credit	1,798,319	2,000,000
Note payable to Eastern Iowa Light and Power Cooperative, 0% interest, due in monthly installments of \$3,000 through December 2033; secured by leasehold mortgage, assignment of rent and a letter of credit	<u>324,000</u>	<u>360,000</u>
Total long-term debt	<u>\$ 3,920,638</u>	<u>4,360,000</u>

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(9) Indebtedness, continued

The aggregate future maturities of the long-term debt are as follows:

<u>Year Ending December 31,</u>	
2025	\$ 439,360
2026	439,360
2027	439,360
2028	439,360
2029	439,360
Thereafter	<u>1,723,838</u>
	<u>\$ 3,920,638</u>

The Foundation obtained a line of credit agreement in 2024 with a bank which allows for aggregate borrowings of \$6,500,000 through October 15, 2025 at a rate of 6.50%. Interest is payable quarterly and outstanding borrowings due at maturity in 2025. The line of credit is to be utilized to fund the new clinic facility described in note 7 and is collateralized by real estate and assignment of rents. Outstanding borrowings under the agreement amounted to \$2,994,316 as of December 31, 2024.

(10) Net Assets With Donor Restrictions

Net assets with donor restrictions carry restrictions that expire upon the passage of a prescribed period or upon the occurrence of a stated purpose as specified by the donor. Included in this category are contributions received by the Foundation from donors which have been segregated into two hundred and eighty-eight separate funds whose use is restricted by the donor for charitable distributions, scholarships or other specified purposes. Net assets with donor restrictions consist of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Restricted subject to timing or expenditure for specific purpose:		
Arts, culture and humanities	\$ 2,475,937	2,368,406
Community and public benefit	10,577,769	4,106,122
Education	5,012,255	4,487,395
Environment and animals	3,248,770	3,118,413
Health	10,786,178	13,556,935
Housing	769,730	899,439
Human services	13,395,388	12,629,747
Other temporarily restricted funds	<u>457,469</u>	<u>416,054</u>
	<u>46,723,496</u>	<u>41,582,511</u>
Restricted in perpetuity:		
Arts, culture and humanities	2,413,180	2,266,712
Community and public benefit	2,833,555	2,254,942
Education	6,305,507	5,416,554
Environment and animals	75,883	70,060
Health	2,758,250	2,588,618
Housing	41,003	14,903
Human servies	2,318,139	2,206,990
Other permanently restricted funds	<u>200,732</u>	<u>190,801</u>
	<u>16,946,249</u>	<u>15,009,580</u>
Total net assets with donor restrictions	<u>\$ 63,669,745</u>	<u>56,592,091</u>

Donor advised funds included in net assets with donor restrictions amounted to \$622,909 and \$574,838 at December 31, 2024 and 2023, respectively.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(11) Limitations on Net Assets Without Donor Restrictions

Net assets without donor restrictions as of December 31, 2024 and 2023 consist of:

	<u>2024</u>	<u>2023</u>
Undesignated	\$ 1,887,199	1,959,613
Board designated:		
New clinic facility	12,570,373	6,725,018
Cares & Shares Endowment Fund	2,562,678	2,346,172
Other programs	<u>4,531,908</u>	<u>3,869,130</u>
Total board designated	<u>19,664,959</u>	<u>12,940,320</u>
Total net assets without donor restrictions	\$ <u>21,552,158</u>	<u>14,899,933</u>

Unrestricted contributions received from donors which are subject only to the Board's annual spending policy are classified as Board-designated endowments as described in note 12.

(12) Endowments

The Foundation's endowments consist of funds established to support program activities and includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. The net assets associated with the endowment funds, including Board-designated endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions.

A summary of endowment activity for the year ended December 31, 2024 and 2023 is as follows:

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total Endowments</u>
<u>December 31, 2024:</u>			
Net assets, beginning of year	\$ 15,878,806	5,263,270	21,142,076
Changes in endowment funds during the year:			
Contributions during the year	1,026,702	139,396	1,166,098
Net investment income	1,803,860	507,111	2,310,971
Amounts appropriated for expenditures	<u>(831,966)</u>	<u>(330,401)</u>	<u>(1,162,367)</u>
Net assets, end of year	\$ <u>17,877,402</u>	<u>5,579,376</u>	<u>23,456,778</u>
<u>December 31, 2023:</u>			
Net assets, beginning of year	\$ 14,096,414	4,800,938	18,897,352
Changes in endowment funds during the year:			
Contributions during the year	464,928	162,961	627,889
Net investment income	2,013,916	621,181	2,635,097
Amounts appropriated for expenditures	<u>(696,452)</u>	<u>(321,810)</u>	<u>(1,018,262)</u>
Net assets, end of year	\$ <u>15,878,806</u>	<u>5,263,270</u>	<u>21,142,076</u>

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Consolidated Financial Statements

(12) Endowments, continued

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain investment return of endowment assets. The Foundation's investment policy establishes investment portfolio guidelines regarding the composition of equity and fixed income securities as well as diversification with investment categories. The Foundation's endowment funds are invested in various types of investments, all of which are publicly traded and are subject to its investment policy. The Foundation's investments are at a moderate level of risk with a diversification of assets within the parameters of its investment policy.

(13) Beneficial Interest in Estate

The Foundation was notified in 2023 that it is an 80% beneficiary of the estate of an individual. The assets of the estate include farmland, equipment and investments. The estate went through the probate process and the Foundation received a partial distribution of \$6,157,836 on November 1, 2024 which consisted of \$721,836 of cash, \$5,432,000 of property and equipment, and \$4,000 of receivables. The Foundation used \$500,000 of the distribution to establish three new endowment funds at the Foundation as required in the individual's will. The farmland is leased to a tenant under a yearly lease arrangement which requires rental payments of \$144,445 for 2025. The farm income will be allocated to the three endowment funds.

(14) Affiliation with Community Foundation of Louisa County

The Foundation entered into a formal affiliation agreement on September 20, 2016 with the Community Foundation of Louisa County (affiliate). The affiliate is organized as a geographic component fund of the Foundation. As a component fund, the Foundation provides policy governance, along with financial, investment and administrative management services to the affiliate, including tax deductibility for donors.

(15) Commitments

The Board has approved grants and scholarships amounting to approximately \$1,200,000 which will be paid in future years as the conditions of the grant or scholarship have been satisfied by the grantee.

The Foundation has committed to purchase and restore several homes in the Muscatine area at an estimated cost of \$920,000 with a completion date in 2025. The project will be funded through a combination of a grant received from ARPA in the amount of \$875,000 and private donations. The fully restored homes will be sold to first time home buyers with the proceeds from the home sales restricted for providing assistance to additional first time home buyers purchase a home. As of December 31, 2024, total costs of the project amounted to \$430,284 which are included in construction costs and other property on the statement of financial position.

The Foundation has committed to construct a triplex in Muscatine to be rented to families with children attending a local elementary school at an estimated cost of \$1,250,000 with a completion date in 2025. The project is expected to be fully funded by a private foundation grant of \$1,250,000 and a land donation from a local company. Upon completion, the triplex is to be transferred to a local non-profit organization whose mission is to provide shelter for those in need. The land ownership will be retained by the Foundation and leased to the holder of the triplex under a long-term land lease. As of December 31, 2024, no costs have been incurred.

(16) Economic Impacts

National and worldwide factors have led to significant volatility in financial markets and other economic impacts. These factors have affected, and may continue to affect, the value of the Foundation's investments. The potential future impact of these conditions is difficult to assess or predict and the Foundation is not able to estimate the full impact of these conditions on its financial statements.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Single Audit Reporting Section

Year Ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Community Foundation of Greater Muscatine:

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community Foundation of Greater Muscatine (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 23, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bettendorf, Iowa
September 23, 2025

Anderson, Lower, Whitlow, P.C.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Community Foundation of Greater Muscatine:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Foundation of Greater Muscatine's (the "Organization") compliance with the types of compliance requirements identified as subject to an audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal programs for the year ended December 31, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the Organization as of and for the year ended December 31, 2024, and have issued our report thereon dated September 23, 2025 which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Anderson, Lower, Whitlow, P.C.

Bettendorf, Iowa
September 23, 2025

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-Through Number	Amount Expended
Department of the Treasury:			
Pass-Through Muscatine County, Iowa:			
Coronavirus State and Local Fiscal Recover Funds	21.027	Award #919	\$ 1,500,000
Coronavirus State and Local Fiscal Recover Funds	21.027	Award #920	<u>215,506</u>
Subtotal Department of the Treasury			<u>1,715,506</u>
Department of Health and Human Services:			
Direct Award:			
Congressional Directives – Community Project Funding	93.493	HRSA-23-117	<u>2,635,590</u>
Subtotal Department of Health and Human Services			<u>2,635,590</u>
Total expenditures of federal awards			<u><u>\$ 4,351,096</u></u>

See accompanying notes to schedule of expenditures of federal awards.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule represents only a selected portion of the operations of the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets or cash flows of the Organization.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D – Subrecipients

The Organization did not provide federal awards to subrecipients during the year ended December 31, 2024.

Note E – Insurance and Loan Guarantees

The Organization had no insurance in effect, relating to federal funds, for the year ending December 31, 2024.

The Organization had no loans or loan guarantees, relating to federal funds, outstanding at December 31, 2024.

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Part I Summary of Independent Auditor's Results

Consolidated Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	___ <u>x</u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	___ <u>x</u> no
Noncompliance material to financial statements noted?	___ yes	___ <u>x</u> no

Federal Awards

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	___ <u>x</u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	___ <u>x</u> no
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	___ yes	___ <u>x</u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount Expended</u>
21.027	Coronavirus State and Local Fiscal Recover Funds	\$ 1,715,506
93.493	Congressional Directives – Community Project Funding	<u>2,635,590</u>
		<u>\$ 4,351,096</u>
	Dollar threshold used to distinguish between Type A and Type B Programs:	\$ 750,000
Auditee qualified as low-risk auditee?	___ yes	___ <u>x</u> no

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Schedule of Findings and Questioned Costs, Continued

Year Ended December 31, 2024

Part II Findings related to the financial statement audit as required to be reported in accordance with Government Auditing Standards.

a. **Deficiencies in Internal Control**

None

b. **Compliance Findings**

None

Part III Findings and Questioned Costs for Federal Awards

None

COMMUNITY FOUNDATION OF GREATER MUSCATINE

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2024

There were no findings or deficiencies identified in the prior year audit which required a response.