

STORY COUNTY HOUSING TRUST
FINANCIAL REPORT
JUNE 30, 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-2
------------------------------	-----

FINANCIAL STATEMENTS	
Statements of financial position	3
Statements of activities	4
Statement of functional expenses, 2021	5
Statement of functional expenses, 2020	6
Statements of cash flows	7
Notes to financial statements	8-10



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Story County Housing Trust
Ames, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Story County Housing Trust (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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

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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Story County Housing Trust as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Schnew & Company, LLP

Ames, Iowa
May 27, 2022

STORY COUNTY HOUSING TRUST

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 and 2020**

	2021	2020
ASSETS		
Current Assets:		
Cash	\$ 100,761	\$ 26,921
Contributions receivable	1,831	48,666
Total current assets	<u>102,592</u>	<u>75,587</u>
Total assets	<u>\$ 102,592</u>	<u>\$ 75,587</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 14,592	\$ 6,000
Total current liabilities	<u>14,592</u>	<u>6,000</u>
Net Assets:		
Without donor restrictions	<u>88,000</u>	<u>69,587</u>
Total liabilities and net assets	<u>\$ 102,592</u>	<u>\$ 75,587</u>

See Notes to Financial Statements.

STORY COUNTY HOUSING TRUST

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2021 and 2020

	2021	2020
Support and Revenue:		
Contributions	\$ 4,067	\$ 41,433
Grants	<u>328,852</u>	<u>73,923</u>
Total support and revenue	<u>332,919</u>	<u>115,356</u>
Expenses:		
Housing activities	290,135	147,262
Management and general	<u>24,371</u>	<u>7,287</u>
Total expense	<u>314,506</u>	<u>154,549</u>
Change in net assets	18,413	(39,193)
Net assets, beginning of year	<u>69,587</u>	108,780
Net assets, end of year	<u>\$ 88,000</u>	<u>\$ 69,587</u>

See Notes to Financial Statements.

STORY COUNTY HOUSING TRUST

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

	Housing Activities	Management and General	Total
General and administrative	\$ -	\$ 23,771	\$ 23,771
Legislative fees	-	600	600
Grant expenses	290,135	-	290,135
	\$ 290,135	\$ 24,371	\$ 314,506

See Notes to Financial Statements.

STORY COUNTY HOUSING TRUST

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020

	Housing Activities	Management and General	Total
General and administrative	\$ -	\$ 6,687	\$ 6,687
Legislative fees	-	600	600
Grant expenses	147,262	-	147,262
	<u>\$ 147,262</u>	<u>\$ 7,287</u>	<u>\$ 154,549</u>

See Notes to Financial Statements.

STORY COUNTY HOUSING TRUST

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 18,413	\$ (39,193)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Effect of changes in:		
Contributions receivable	46,835	17,330
Accounts payable	8,592	(1,918)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	73,840	(23,781)
	<hr/>	<hr/>
Net increase (decrease) in cash	73,840	(23,781)
Cash, beginning of year	26,921	50,702
	<hr/>	<hr/>
Cash, end of year	\$ 100,761	\$ 26,921
	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

STORY COUNTY HOUSING TRUST

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies

Nature of activity: The Story County Housing Trust (“Organization”) is a non-profit organization formed to address the housing needs of low income persons in Story County by providing innovative and flexible funding from various federal, state and local sources of revenue to produce new and preserve existing affordable housing, to promote homeownership, and support homes and transitional housing services.

A summary of the Organization’s significant accounting policies follows:

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions receivable: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets without restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue and revenue recognition: Grants under cost-reimbursable contracts are reported in the period the expenditure is incurred.

The Organization recognizes contributions when cash or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return are not recognized until the conditions on which they depend have been substantially met.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Significant accounting policies (continued):

Functional allocation of expenses: The costs of program and supporting services activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses presents the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes: Story County Housing Trust is organized as an Iowa nonprofit organization, has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(c)(3), and has been determined not to be a private foundation.

Subsequent events: Subsequent events have been evaluated through May 27, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be warranted.

Note 2. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Years ending June 30,	2021	2020
Cash	\$ 100,761	\$ 26,921
Contributions receivable	1,831	48,666
	<u>\$ 102,592</u>	<u>\$ 75,587</u>

NOTES TO FINANCIAL STATEMENTS

Note 3. Commitments and Contingencies

In 2018, the Organization entered into an agreement with the Iowa Finance Authority (IFA) to assist in the development and maintenance of decent, safe, and affordable housing for low- and moderate- income families. The Local Housing Trust Fund (LHTF) Program funding will be used to promote the development and/or preservation of affordable housing for households at or below 80 percent of the area median income, with at least 30 percent of the LHTF Program funding used to assist households with incomes at or below 30 percent of the area median.

The LHTF Program requires a minimum local match of 25 percent of the total grant amount requested. Awards from the LHTF Program must be used for the development or preservation of affordable housing for eligible recipients, including infrastructure development, transitional housing, housing for homeless persons, homeownership, rental, capacity building, or other purposes that further the State Housing Trust Fund's goals. Disbursements of grant proceeds are made on an expense reimbursable basis by the IFA. The total LHTF Program amount awarded was \$207,973 and \$190,065 for the years ended June 30, 2021 and 2020, respectively. The Organization requested total LHTF disbursements of \$258,138 and \$73,923 for the years ended June 30, 2021 and 2020, respectively. The SFY 2020 grant award expires December 31, 2021. The SFY 2021 grant award expires December 31, 2022.

Note 4. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses are reflected in the statement of functional expenses. All expenses are allocated by specific identification of costs.