FY – 2019
Request for Funding

Prepared for:
City of Carroll

By:
Carroll Area Development Corporation

CADC

CARROLL AREA DEVELOPMENT CORPORATION

November 22, 2017

Dr. Eric Jensen, Mayor

City of Carroll

City Hall

Carroll, IA 51401

Dear Mayor Jensen,

The purpose of this letter is to ask the City of Carroll to consider funding for Carroll Area Development Corporation in the amount of $72,250 for the City's fiscal year ending 2019.

CADC appreciates its partnership with the City of Carroll. Together we have realized economic success on many fronts, but there is a great deal of work to be done in the coming year. The City's ongoing support of CADC provides for a consistent assistance to existing industry, site and building development and promotion, and marketing of Carroll to companies looking to expand or relocate.

We have provided in the enclosed packet the required forms as requested by the City for non-governmental agencies seeking funding. We look forward to answering any questions you or the council members may have regarding economic development efforts in Carroll. In the meantime, should you have any questions, please contact me.

Sincerely,

Jim Auen

Jim Auen

President

Carroll Area Development Corporation • 407 West Fifth—P.O. Box 307 • Carroll, IA 51401 • 712-792-4383 • Fax 712-792– 4384

Mission Statement

CADC provides support to the existing business base in Carroll County and assists in the establishment of new industry and works to enhance local residents' quality of life.

Existing Industry Programs

The vast majority of growth in capital investment and quality jobs occurs as a result of the expansion of existing industry. CADC conducts regular visits to Carroll County industries to identify opportunities, help remove barriers to growth and make a connection with people and services that can help make companies more successful.

Site Location Services

CADC maintains a listing of available commercial and industrial sites. Specifications including water and sewer, tax assessment, building and lot dimensions, owner contact info, zoning classification and sale/lease information are provided. A key tool in promoting sites and buildings in Carroll County is CADC's website: www.carrollareadev.com

Identifying and applying for financial assistance programs for expanding companies

CADC works with our partners at the local, state and federal level to identify potential forms of financial assistance for qualifying companies with expansion projects. Tax Increment Financing, State of Iowa Financial Assistance Programs, Region XII Revolving Loan Fund and other Iowa Economic Development Authority and Department of Transportation programs are commonly used.

Marketing

A professional approach to community and economic development marketing includes the collection of key data that site selectors and existing industry need to make investment and employment decisions. Promoting CADC's ability to assist industry, and Carroll County's core development assets will result in additional interest in our area to make investment and create quality jobs. CADC's promotional brochure is widely distributed to regional and national site selection consultants and decision makers in targeted industries. In addition, CADC joins neighboring counties in an economic development marketing partnership, Western Iowa Advantage.

Workforce Development

CADC will continue to work closely with the workforce development partners including Iowa Workforce Development to address the critical need for growth in population, workers and quality jobs in Carroll County. CADC maintains labor market information and conducts a Laborshed Analysis every other year with the help of Iowa Workforce Development. The 2013 Laborshed Analysis is attached.

Carroll Area Development Corporation

DIRECTORS:	**TERM EXPIRES**
Barry Bruner – Carroll	December 2018
Doug Carpenter – Coon Rapids	" "
Tom Farner – Carroll	" "
Mike Franey – Carroll (Treasurer)	" "
Matt Greteman – Carroll	" "
Todd Kanne – Carroll	" "
Jair Mayhall – Carroll	" "
Nancy Janssen – Breda	" "
John Steffes – Carroll	" "
Gene Vincent – Carroll	" "
Jim Gossett – Glidden	December 2019
John Brockelsby – Glidden	" "
R Q Christensen, MD – Carroll	" "
Rob Cordes – Carroll	" "
Rick Hunsaker – Carroll	" "
Aaron Juergens – Carroll	" "
Jim Knott – Carroll	" "
Dr. Steve Kraus – Carroll	" "
Mike Pogge-Weaver – Carroll	" "
Gaylin Ranniger – Manning	" "
Andy Reiman – Carroll	" "
Ashley Ricke – Carroll	" "
Mike Schwabe – Breda	" "
Adam Schweers - Carroll	" "
Kenny Snyder – Carroll	" "
Brandon Vonnahme – Carroll	" "
Jim Auen – Carroll (President)	December 2020
Nick Badding – Carroll (V-President)	" "
Joe Behrens – Templeton	" "
Doug Burns – Carroll	" "
Howie Drees – Carroll	" "
Ann Fitzpatrick – Carroll	" "
Kourtney Irlbeck – Carroll	" "
Joel Lundstrom – Carroll	" "
Rhonda Mart – Carroll	" "
Paul Milligan – Carroll	" "
Dean Onken – Carroll	" "
Dave Quandt – Carroll	" "
Dawn Meyer – Manning	" "
Jeff Scharfenkamp – Carroll	" "
Ed Smith – Carroll	" "
Kim Tiefenthaler – Carroll (Secretary)	" "
Dr. Eric Jensen – Carroll (Mayor)	Appointed Annually
Jill Schweers – Carroll (Chamber Representative)	Appointed Annually
Gene Meiners – Carroll (County Supervisor)	Appointed Annually

EMERITUS

Bob Badding – Carroll (Deceased)
Fred Dolezal – Carroll
Pat Moehn – Carroll
Ron Schechtman – Carroll
Jim Wilson – Carroll (Deceased)
Claus Bunz – Panora
Walt Koster – Breda (Deceased)
John Norgaard – Carroll
Art Neu – Carroll (Deceased)

STAFF:

Shannon Landauer, Executive Director
Rosanne Nees, Business Development Director
Sarah Foley, Program Director
Joseph Rossiter, Program Director

Internal Revenue Service
District Director

Department of the Treasury

Date: APR 23 1987

Employer Identification Number: 42-1255277
Case Number: 366295102EO
Person to Contact: D. Knof
Contact Telephone Number: 312-886-1278
Internal Revenue Code Section 501(c)(6)

Accounting Period Ending: December 31
Form 990 Required: ☒ Yes ☐ No

Caveat Applies: no

CARROLL AREA DEVELOPMENT
CORPORATION
815 NORTH MAIN
CARROLL, IA 51401

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under the provisions of the Internal Revenue Code section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay $100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay $50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of $1,500 or more in any calendar quarter. If you have any questions about excise, employment or other Federal taxes, please address them to this office.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

The box checked at the top of this letter shows whether you must file Form 990, Return of Organization Exempt from Income Tax. If Yes is checked, you are required to file Form 990 only if your gross receipts each year are normally more than $25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law provides for a penalty of $10 a day, up to a maximum of $5,000, when a return is filed late, unless there is reasonable cause for the delay. This penalty may also be charged if a return is not complete. So, please make sure your return is complete before you file it.

(over)

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If the heading of this letter indicates that a caveat applies, the caveat below is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and private foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

District Director

Funding Information Checklist

CADC

Proposed Budget

FY 2018

&

Audited Financial Statements

Carroll Area Development Corporation
Proposed Budget
Fiscal Year Ending December 31, 2018

Account	2018 Budget
Revenue	
Private Investment	$ 40,000
Dues & other	$ 14,700
City of Carroll	$ 72,250
Carroll County	$ 72,250
Total Revenue	**$199,200**
Expenses	
Administration Office equipment, supplies, phone, postage dues and subscriptions, payroll and benefits, development meetings, education, mileage	**$150,700**
Development Existing Industry Program, web development, printing, mailing, prospect contact, industry/project research, special projects, regional marketing, workforce development, small business development	**$48,500**
Total Expenses	**$190,225**
Net Income	**$0**

CARROLL AREA DEVELOPMENT CORPORATION
Independent Accountant's
Review Report

For the Year
Ending December 31, 2016

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CARROLL AREA DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEMBERS

TERM EXPIRES July 2017

Jim Auen, President
Nick Badding, Vice President
Joe Behrens
Doug Burns
Howie Drees
Ann Fitzpatrick
Kourtney Irlbeck
Joel Lundstrom
Rhonda Mart
Paul Milligan
Dean Onken
Dave Quandt
Dawn Rohe
Jeff Scharfenkamp
Ed Smith
Kim Tiefenthaler

TERM EXPIRES July 2018

Barry Bruner
Doug Carpenter
Tom Farner
Mike Franey, Treasurer
Matt Greteman
Todd Kanne
Jair Mayhall
Nancy Janssen
John Steffes
Gene Vincent

TERM EXPIRES JULY 2019

Jim Gossett
John Brockelsby
R Q Christensen, MD
Rob Cordes
Rick Hunsaker
Aaron Juergens
Jim Knott
Dr. Steve Kraus
Mike Pogge-Weaver
Gaylin Ranniger
Ashley Ricke
Mike Schwabe
Adam Schweers
Kenny Snyder

APPOINTED ANNUALLY

Dr. Eric Jensen, Carroll Mayor
Jill Schweers, Chamber Representative
Gene Meiners, Carroll County Supervisor

CARROLL AREA DEVELOPMENT MANAGEMENT

Shannon Landauer, Executive Director

John D. Morrow

Certified Public Accountant

Member
Iowa
Society
Certified Pubic Accountants

PO Box 400
109 Main Street
Wall Lake, Iowa 51466

Phone: (712) 664-2891
FAX: (712) 664-2717
Cell: (712) 830-3121
morrowjd@netins.net

May 25, 2017

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Carroll Area Development Corporation
Carroll, IA 51401

I have reviewed the accompanying financial statements Carroll Area Development Corporation (a non-profit corporation), which comprise the statement of financial position as of December 31, 2016, the related statement of activities and change in net assets, cash flow for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility
My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion
Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

John D Morrow
Certified Public Accountant

FINANCIAL STATEMENTS

Exhibit A

CARROLL AREA DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
Year Ending December 31, 2016

	2016
ASSETS:	
CURRENT ASSETS:	
Cash equivalents	$ 140,067
Accounts Receivable	1,388
Total Current Assets	141,455
OTHER ASSETS:	
Equipment	2,093
Accumulated Depreciation	(1,725)
Total Other Assets	368
TOTAL ASSETS	$ 141,823
LIABILITIES AND NET ASSETS:	
CURRENT LIABILITIES:	
Accounts payable	$ 6,145
NET ASSETS:	
Unrestricted Net Assets	135,678
TOTAL LIABILITIES & NET ASSETS	$ 141,823

See accompanying Notes to Financial Statements

Exhibit B

CARROLL AREA DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
Year Ending December 31, 2016

	2016
Revenues:	
Local Revenues	
City of Carroll	$ 67,838
Carroll County	66,163
Private Investment	37,575
Membership Dues	9,250
Special Projects	17,500
Interest from investments	228
In Kind Contribution	32,291
Total Revenue	$ 230,845
Expenditures:	
Program Services:	
Development projects	46,764
Administrative Costs:	
Support Services	117,613
In Kind Expenditures	32,291
Total Expenses	196,668
Revenue over Expenses	34,177
Net Assets Beginning of Year	101,501
Net Assets End of Year	$ 135,678

See accompanying Notes to Financial Statements.

Exhibit C

CARROLL AREA DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOW
Year Ended December 31, 2016

	2016
Resources Provided (Used) By:	
Cash Flow From Operating Activities:	
Increase in Net Assets	$ 34,177
Adjustments to Reconcile Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	259
(Increase) Decrease in Accounts Receivable	2,593
(Increase) Decrease in Prepaid Expenses	483
Increase (Decrease) in Accounts Payable	984
Net Cash Provided by Operating Activities	38,496
Cash Flow from Investing Activities:	
None	0
Cash Flow from Financing Activities:	
None	0
Net Increase in Cash	38,496
Cash, Beginning of Year	101,571
Cash, End of Year	$ 140,067

Supplemental Disclosures of Cash Flow Information:

NONE

See accompanying Notes to Financial Statements.

CARROLL AREA DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 Nature of Activities and Significant Accounting Policies

A. Nature of Organization

The Carroll Area Development Corporation was organized for the purpose of economic development activities. To accomplish these purposes, Carroll Area Development Corporation has all the powers enumerated in Chapter 504 of the Code of Iowa. These powers are limited to the definitions and purposes encompassed by Section 501(c)(6), of the Internal Revenue Code.

B. Significant Accounting Policies

Basis of Accounting - The financial statements of Carroll Area Development Corporation have been prepared on the accrual basis of accounting and in accordance with the American Institute of Accountants' Audit and Accounting Guide, *Not-For-Profit Organizations.* The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117 (ASC 958), *Financial Statements of Not-for-Profit Organizations.* Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Carroll Area Development Corporation and changes therein are classified and reported as follows:
Unrestricted net assets are resources over which the Board of Directors has discretionary control and are available for the various programs and administration of the Organization.
Temporarily Restricted Net Assets are resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or the passage of time. Donor restricted contributions for which restrictions are met in the same reporting period are reported as unrestricted support.
Permanently Restricted Net Assets are resources subject to donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.
There currently are no temporarily or permanently restricted net assets.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk - Financial instruments that potentially subject the Carroll Area Development Corporation to concentrations of credit risk consist principally of temporary cash investments and deposits. The Chamber places its cash investments with financial institutions and limits the amount of credit exposure to any one financial institution.

Note 1 Nature of Activities and Significant Accounting Policies (continued)

B. Significant Accounting Policies (continued)

Assets, Liabilities and Net Assets - The following accounting policies are followed in preparing the statement of financial position.

Cash Equivalents - For the statement of cash flow, all cash investments that are highly liquid are considered to be cash equivalents. Cash includes amounts in demand deposits, savings accounts, certificates of deposits, and money market funds.

Accounts Receivable and Program Reimbursements - Carroll Area Development Corporation carries it's accounts receivables at cost.

Allowance for Doubtful Accounts - There is no provision for accounts receivable bad debts since all receivables are considered to be collectible.

Property and Equipment - The Organization's management has adopted the policy to expense small purchases of furniture and equipment with costs of less than $250. Assets with costs of greater than $250 are recorded at cost if purchased or fair value if donated. Depreciation is computed by the straight-line method over estimated useful lives. Maintenance and repairs are charges to expense as incurred, major renewals and betterments are capitalized. When items of equipment or property are sold or retired, the related costs are removed from the accounts and any gain or loss is recognized.

Income Taxes - Carroll Area Development Corporation is exempt from Federal income taxes under provisions of Internal Revenue Code Section 501(c)(6).

The organization files Form 990, Return of Organization Exempt From Income Tax, in the U.S. federal jurisdiction.

Donated Services and Facilities - Various individuals volunteer their time and perform a variety of tasks that assist the Organization with various assignments. Contributions In-kind are also the result of a commitment by the Carroll Chamber of Commerce, along with private business contributions, to match contributions of cash by the City of Carroll, Iowa, and Carroll County, Iowa, which were $67,838 and $66,163 respectively. The value estimated by the Board of Carroll Area Development Corporation and the Carroll Chamber of commerce is $32,291 based upon the fair market value of the facility, the supplies and the services provided by the Carroll Chamber of Commerce. The contributed amounts are recognized in the financial statements because it meets the criteria for recognition under FASB ASC 958-605-25. The private business contributions, which include the in-kind from the Chamber for the year ended December 31, 2016 satisfied the letter of understanding.

Note 1 Nature of Activities and Significant Accounting Policies (continued)

B. Significant Accounting Policies (continued)

Cash Flow - The statement of cash flow is presented using the indirect method. For purposes of the statement of cash flow, the Carroll Area Development Corporation considers cash equivalents to include time deposits and certificates of deposit. Carroll Area Development Corporation's certificates of deposit are readily convertible to cash if needed for operations.

Advertising Costs - Advertising costs are charged to operations when incurred. The Chamber has not incurred any direct-response advertising.

Functional Allocation of Expense - The costs of providing the various programs and activities have been summarized on a functional basis in the notes to the financial statements.

Note 2 Organization Risk Management

Carroll Area Development Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Carroll Area Development Corporation assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two fiscal years.

Note 3 Total Deposit Accounts And Insured Depository Limits

Carroll Area Development Corporation maintains checking, savings, and certificates of deposit in a financial institution. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Carroll Area Development Corporation did not exceed the $250,000 limit during the audit period.

Note 4 Date of Management's Review

The Organization has performed an evaluation of subsequent events through May 25, 2017, which is the date the financial statements were available to be issued, noting no events which affect the financial statements as of December 31, 2016.

Note 5 Retirement Plan

The Carroll Chamber of Commerce established a Simple IRA retirement plan effective March 15, 2004. A nonelective 2% contribution for all eligible employees was made for this audit period totaling $1,173.

Note 6 Functional Expenses

Carroll Area Development Corporation's functional expenses are as follows:

Program Services:	
Development Projects:	
Access Washington	$ 3,396
Industry/Project research	1,453
Miscellaneous projects	23,138
Printing & mailing	398
Small business development	5,000
Web development	3,379
Western Iowa Advantage	10,000
Total Development Projects	46,764
Support Services:	
Administrative:	
Salaries & Wages	84,771
Payroll taxes	7,178
Employee benefits	8,919
Contract Services	750
Depreciation	259
Dues & subscriptions	2,548
Meetings	6,351
Office supplies, misc	2,721
Professional development	2,444
Telephone	1,672
Total Administrative	117,613
In Kind Expenditures:	
Office equipment	600
Rent-office space	15,567
Utilities	4,514
Property tax	3,608
Insurance	4,407
Building custodial & maintenance	3,595
Total In Kind Expenditures	32,291
TOTAL EXPENSES	$ 196,668

History of Revenue

Local Governments

CADC Revenue
From Local Governments

FY	City	County	Public Total	Private Total
90	$ NA	$ NA	$ NA	$ 0
91	$ 15,000	$ 15,000	$ 30,000	$ 0
92	$ 15,000	$ 15,000	$ 30,000	$ 1,800
93	$ 30,000	$ 15,000	$ 45,000	$ 5,000
94	$ 30,000	$ 30,000	$ 60,000	$ 500
95	$ 30,000	$ 30,000	$ 60,000	$ 700
96	$ 30,000	$ 30,000	$ 60,000	$ 6,200
97	$ 35,000	$ 35,000	$ 70,000	$ 5,200
98	$ 35,000	$ 35,000	$ 70,000	$ 5,000
99	$ 35,000	$ 35,000	$ 70,000	$ 6,000
00	$ 35,000	$ 35,000	$ 70,000	$ 5,700
01	$ 35,000	$ 35,000	$ 70,000	$ 5,400
02	$ 35,000	$ 35,000	$ 70,000	$ 12,900
03	$ 42,500	$ 42,500	$ 85,000	$ 13,850
04	$ 42,500	$ 42,075	$ 84,575	$ 13,850
05	$ 42,500	$ 42,500	$ 85,000	$ 16,250
06	$ 42,500	$ 42,500	$ 85,000	$ 21,250
07	$ 45,000	$ 45,000	$ 90,000	$ 21,250
08	$ 47,250	$ 47,250	$ 94,500	$ 25,750
09	$ 49,600	$ 49,600	$ 99,200	$ 26,000
10	$ 52,000	$ 52,000	$ 104,000	$ 28,000
11	$ 53,100	$ 53,100	$ 106,200	$ 31,000
12	$ 55,750	$ 55,080	$ 110,830	$ 35,650
13	$ 58,550	$ 57,154	$ 115,704	$ 33,500
14	$ 61,500	$ 60,011.50	$ 121,511.50	$ 34,850
15	$ 64,575	$ 63,012	$ 127,587	$ 34,850
16	$ 67,037	$ 66,963	$ 134,000	$ 36,625
17	$ 70,262.50	$ 69,388	$ 139,650.50	$ 38,000

Partners In Progress