

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE July 1, 2013

Contact: Andy Nielsen
515/281-5834

The Office of Auditor of State today released an audit report on the Iowa Centennial Memorial Foundation for the year ended May 31, 2013.

The Iowa Centennial Memorial Foundation was incorporated January 5, 1949 and was established as a result of an Executive Order transferring the assets of the Iowa Centennial Committee to the Foundation. A fund was established to recognize and encourage outstanding ability and leadership as a permanent observance of the Centennial.

For the year ended May 31, 2013, the Foundation reported additions of \$8,325 from investment income, a 13.9% decrease from the prior year. The decrease in additions was due to a decrease in interest earnings on investments.

Deductions for the year totaled \$8,301, a 2.9% decrease from the prior year, and consisted of 6 scholarships totaling \$6,000 and \$2,301 of other expenses.

A copy of the audit report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1360-6553-0000.pdf>.

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IOWA CENTENNIAL MEMORIAL FOUNDATION

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

MAY 31, 2013

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Iowa Centennial Memorial Foundation

Officials

Name

Title

Foundation

Honorable Terry E. Branstad	President
Honorable Michael L. Fitzgerald	Treasurer
Honorable Thomas J. Miller	Legal Counsel
Rosie Hussey	Secretary
Honorable Chester J. Culver	Member
Honorable Thomas J. Vilsack	Member
Honorable Robert D. Ray	Member
Honorable Robert D. Fulton	Member
Elaine Estes	Member
Patrick Lynch	Member
Lee Henely	Member
Janet Metcalf	Member

State

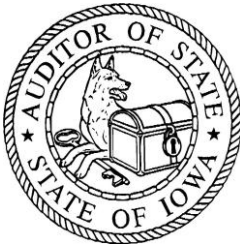
Director, Department of Management

David Roederer

Director, Legislative Services Agency

Glen P. Dickinson

Iowa Centennial Memorial Foundation



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Independent Auditor's Report

To the Members of the Iowa Centennial
Memorial Foundation:

Report on the Financial Statements

We have audited the accompanying financial statements of the Iowa Centennial Memorial Foundation, as of and for the year ended May 31, 2013, and the related notes to financial statements, which collectively comprise the Foundation's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. 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 audit. We conducted our audit 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. 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 Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 fiduciary net position of the Iowa Centennial Memorial Foundation as of May 31, 2013, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis which U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.


Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Iowa Centennial Memorial Foundation's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended May 31, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2013 on our consideration of the Iowa Centennial Memorial Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, the articles of incorporation and other matters. The purpose of that report is 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 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 Iowa Centennial Memorial Foundation's internal control over financial reporting and compliance.


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

June 24, 2013

Exhibit A

Iowa Centennial Memorial Foundation

Statement of Fiduciary Net Position

May 31, 2013

Assets

Cash	\$ 2,119
Accrued interest receivable	5,766
Certificates of deposit	744,347
Inventory - Centennial Memorial coins	436
Total assets	<u>752,668</u>

Liabilities

Accounts payable	<u>300</u>
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Net Position

Restricted:	
Nonexpendable:	
Initial sale of centennial coins	198,008
Retained income	547,970
	<u>745,978</u>
Expendable	<u>6,390</u>
Total net position	<u>\$ 752,368</u>

See notes to financial statements.

Iowa Centennial Memorial Foundation
Statement of Changes in Fiduciary Net Position
Year ended May 31, 2013

Additions:	
Investment income:	
Interest income	\$ 8,325
Deductions:	
Scholarships	6,000
Other	2,301
Total deductions	<u>8,301</u>
Net increase in fiduciary net position	24
Net position beginning of year	<u>752,344</u>
Net position end of year	<u><u>\$ 752,368</u></u>

See notes to financial statements.

Iowa Centennial Memorial Foundation

Notes to Financial Statements

May 31, 2013

(1) Summary of Significant Accounting Policies

The Iowa Centennial Memorial Foundation, a part of the State of Iowa, was incorporated January 5, 1949. It was established as a result of an Executive Order transferring the assets of the Iowa Centennial Committee to the Foundation. The funds were originally accumulated by selling an Iowa Centennial fifty cent silver coin for \$2.50 to \$3.00 each. The intention was to use the funds for the observance of the Centennial. However, the coins were received too late to fulfill the original intention. Therefore, a fund was established to recognize and encourage outstanding ability and potential leadership, as well as to encourage and recognize outstanding service of Iowa citizens, as a permanent observance of the Centennial. This is to be accomplished by the use of scholarships, awards and medals and by providing for historical exhibits.

It is the duty of the Governor to serve as president of the Iowa Centennial Memorial Foundation; it is the duty of the Treasurer to serve as treasurer of the Iowa Centennial Memorial Foundation; it is the duty of the Attorney General to serve as legal counsel of the Iowa Centennial Memorial Foundation; and it is the duty of the president of the State Board of Education to serve as secretary of the Iowa Centennial Memorial Foundation. In addition to the above, all former Governors of the state residing or maintaining their legal residence within the state and four citizens of the state who do not hold elective or full-time appointive positions shall administer the Foundation.

Two bound volumes of the history of the Iowa Centennial coin have been prepared. One copy of the history is at the University Library at the State University of Iowa, Iowa City, and the other is in the Archives in the Iowa State Historical Building.

A detailed report of the coins is in the vault of Wells Fargo Bank Iowa, N.A., Des Moines, Iowa, stored with the 873 unsold Centennial coins.

The financial statements of the Foundation have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The more significant of the Foundation's accounting policies are described below.

A. Reporting Entity

The financial statements include all funds of the Foundation.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Foundation is accounted for using the economic resources measurement focus and the accrual basis of accounting. Additions are recorded when earned and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Foundation is a fiduciary fund and is classified as a private purpose trust for financial statement purposes. A private purpose trust is used to report a trust arrangement under which income benefits individuals, private organizations or other governments. The Foundation is used to account for resources which may be expended only to recognize and encourage outstanding ability and potential leadership, as well as to encourage and recognize outstanding service of Iowa citizens, as a permanent observance of the Centennial. This is to be accomplished by the use of scholarships, awards and medals and by providing for historical exhibits.

C. Centennial Memorial Coins

The inventory of Centennial Memorial coins is valued at cost, which is fifty cents each, and represents a total of 873 coins. Three hundred fifty-one coins are currently for sale in commemoration of Iowa Statehood. Five hundred are to be sold in 2046 to pay expenses of celebrating the 200th anniversary of Statehood. Twenty-two are reserved for the use of the Iowa Centennial Memorial Foundation for gifts, awards, etc.

(2) Cash and Certificates of Deposit

The Iowa Centennial Memorial Foundation's deposits at May 31, 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Foundation had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

At May 31, 2013, the Foundation had certificates of deposit totaling \$744,347.

(3) Net Position

Article V of the Foundation's Articles of Incorporation states:

This Corporation shall allocate no more than fifty percent of its annual income to unrestricted (expendable) fund balance (net position, previously referred to as net assets) until such time as the assets held by this Corporation have been increased to the value of \$500,000 and it shall allocate no more than seventy-five percent of its annual income to unrestricted (expendable) fund balance (net position) until the Corporation shall have increased its assets to the value of \$1,000,000 or more. The restrictions contained herein shall not apply when the asset value exceeds \$1,000,000. The unrestricted (expendable) fund balance (net position) may be used to carry out any and all objects and purposes of the Corporation.

For purposes of allocating its annual income between restricted (nonexpendable) and unrestricted (expendable) fund balance (net position), the Foundation Board has defined annual income earned to exclude market value changes for securities intended to be held until maturity.

The changes in net position are as follows:

	Restricted	
	Nonexpendable	Expendable
Balance June 1, 2012	\$ 743,897	8,447
25% of annual income earned in the year ended May 31, 2013	2,081	-
Balance of annual income	-	6,244
Scholarships	-	(6,000)
Other expenses	-	(2,301)
Balance May 31, 2013	<u>\$ 745,978</u>	<u>6,390</u>

Iowa Centennial Memorial Foundation

Supplementary Information

Iowa Centennial Memorial Foundation

Certificates of Deposit

May 31, 2013

Description	Purchase Date	Cost
Certificate of Deposit – People's Trust & Savings Bank, Jefferson, 1.20% Due Jun 23, 2013	Jun 23, 2012	\$ 57,347
Certificate of Deposit – Ames Community Bank, Ames, 1.25% Due Jul 16, 2013	Feb 16, 2012	60,263
Certificate of Deposit – Farmers & Merchants Savings Bank, Waukon, 1.00% Due Aug 15, 2013	Aug 15, 2012	60,303
Certificate of Deposit – MidWestOne Bank, Belle Plaine, 0.85% Due Aug 17, 2013	Feb 14, 2012	32,489
Certificate of Deposit – West Liberty State Bank, West Liberty, 0.75% Due Oct 4, 2013	Sep 4, 2012	32,472
Certificate of Deposit – First National Bank, Sioux Center, 1.45% Due Oct 29, 2013	Jan 29, 2012	50,887
Certificate of Deposit – First State Bank, Webster City, 0.70% Due Jan 12, 2014	Jan 12, 2013	35,298
Certificate of Deposit – First State Bank, Webster City, 0.70% Due Mar 1, 2014	Mar 1, 2013	34,968
Certificate of Deposit – Farmers & Merchants Savings Bank, Waukon, 0.80% Due Mar 12, 2014	Mar 12, 2013	85,852
Certificate of Deposit – First Bank, West Des Moines, 1.14% Due Apr 21, 2014	Apr 23, 2012	59,390
Certificate of Deposit – United Bank & Trust, Hampton, 0.50% Due Apr 27, 2014	Apr 27, 2013	52,533
Certificate of Deposit – United Bank & Trust, Hampton, 0.50% Due May 4, 2014	May 4, 2013	30,271
Certificate of Deposit – West Liberty State Bank, West Liberty, 0.55% Due Oct 9, 2014	Apr 9, 2013	65,855
Certificate of Deposit – American Bank, Le Mars, 1.15% Due Nov 21, 2014	Nov 21, 2012	31,499
Certificate of Deposit – American Bank, Le Mars, 1.05% Due Mar 8, 2015	Mar 8, 2013	54,920
Total		\$ 744,347

See accompanying independent auditor's report.

Schedule 2

Iowa Centennial Memorial Foundation

Scholarships Awarded

Year ended May 31, 2013

<u>Receiver</u>	<u>Amount</u>
Central College (Pella)	\$ 1,000
Hawkeye Community College (Waterloo)	1,000
Iowa State University (Ames)	1,000
Saint Ambrose University (Davenport)	1,000
University of Iowa (Iowa City)	1,000
University of Northern Iowa (Cedar Falls)	1,000
Total	<u>\$ 6,000</u>

6 scholarships of \$1,000 each were awarded for a total of \$6,000. This schedule names the schools the scholarship recipients attended.

See accompanying independent auditor's report.

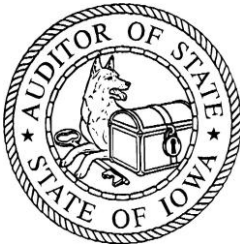
Iowa Centennial Memorial Foundation

Comparative Analysis of Operations

Years ended May 31, 2004 through May 31, 2013

Year Ended May 31,	Additions	Deductions			Total
		Scholarships	Awards and Other Expenses		
2004	\$ 19,777	29,500	10,794		40,294
2005	17,769	30,000	881		30,881
2006	25,189	39,000	3,618		42,618
2007	35,204	32,000	2,594		34,594
2008	33,721	25,000	3,201		28,201
2009	20,776	20,000	5,023		25,023
2010	17,632	12,000	4,586		16,586
2011	11,848	9,965	1,634		11,599
2012	9,762	7,000	1,545		8,545
2013	8,325	6,000	2,301		8,301

See accompanying independent auditor's report.



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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 Members of the Iowa Centennial
Memorial Foundation:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Iowa Centennial Memorial Foundation, as of and for the year ended May 31, 2013, and the related notes to financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated June 24, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Iowa Centennial Memorial Foundation's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Iowa Centennial Memorial Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iowa Centennial Memorial Foundation'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 a material misstatement of the Foundation's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a 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 over financial reporting we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iowa Centennial Memorial Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and the articles of incorporation, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters 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 result of that testing and not to provide an opinion on the effectiveness of the Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa Centennial Memorial Foundation during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

June 24, 2013

Iowa Centennial Memorial Foundation

Staff

This audit was performed by:

Deborah J. Moser, CPA, Manager
Brandon J. Vogel, Staff Auditor
Laura M. Wernimont, Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State