

**Richard P. Kimmel & Laurine Kimmel
Charitable Foundation, Inc.**

**Audited Financial Statements
For the Year Ended
December 31, 2018**

**BUCKLEY & SITZMAN, LLP
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Lincoln, Nebraska 68506
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Richard P. Kimmel & Laurine Kimmel
Charitable Foundation, Inc.

We have audited the accompanying statement of assets, liabilities and net assets arising from cash transactions of Richard P. Kimmel & Laurine Kimmel Charitable Foundation, Inc. as of December 31, 2018, and the related statement of cash receipts and disbursements, and changes in net assets for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities and net assets arising from cash transactions of Richard P. Kimmel & Laurine Kimmel Charitable Foundation, Inc. as of December 31, 2018, and its cash receipts and disbursements and changes in net assets for the year then ended on the basis of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Buckley & Sitzman, LLP

Lincoln, Nebraska
May 5, 2019

**Richard P. Kimmel & Laurine Kimmel
Charitable Foundation, Inc.
Statement of Assets, Liabilities & Net Assets
Arising from Cash Transactions
December 31, 2018**

Assets

Cash:

Petty cash funds	\$ 161
Checking accounts	29,305
Cash & cash equivalents in brokerage accounts	5,391,887
	<u>\$ 5,421,353</u>

Investment Securities, at Cost:

Corporate bonds	\$ -
Common & Preferred stocks/Mutual funds	11,870,462
	<u>\$ 11,870,462</u>

Property & Equipment, at Cost	\$ 1,017,622
Allowance for Depreciation	504,784
	<u>\$ 512,838</u>

TOTAL ASSETS	<u>\$ 17,804,653</u>
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Liabilities & Net Assets

Payroll taxes & retirement withheld	\$ 1,179
Net assets	17,803,474
	<u>17,803,474</u>

TOTAL LIABILITIES & NET ASSETS	<u>\$ 17,804,653</u>
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See accompanying notes to financial statements

**Richard P. Kimmel & Laurine Kimmel
Charitable Foundation, Inc.
Statement of Cash Receipts and Disbursements
and Changes in Net Assets
For the Year Ended December 31, 2018**

<u>Cash Receipts</u>	
Interest/Dividend Income	\$ 746,575
Artist fees	8,623
	\$ 755,198
<u>Cash Disbursements</u>	
Salaries	\$ 315,313
Charitable donations/grants	1,292,196
Accountant/auditor fees	13,480
Advertising	4,186
Artist stipends	24,000
Attorney fees	175
Bank charges	400
Cleaning service	7,673
Computer supplies & service	4,845
Custodial fees	7,278
Directors fees	10,000
Dues & subscriptions	16,459
Employee retirement	3,941
Insurance	25,447
Meals & Entertainment	5,188
Meetings & Gatherings	1,045
Office supplies	3,449
Postage	361
Professional fees-other	1,104
Rent	14,977
Repairs and maintenance	29,935
Seminars/professional development	1,543
Supplies	2,752
Taxes - Form 990-PF	10,000
Taxes - payroll	21,514
Travel & meetings	6,457
Tuition program	7,018
Utilities	21,944
Website	11,505
	\$ 1,864,185
Total Disbursements	\$ 1,864,185
Excess of Cash Disbursements over Cash Receipts	\$ (1,108,987)
Net Gain/(Loss) on Sale of Investments	232,685
Non-Cash Deduction - Depreciation	(22,249)
Net Assets - December 31, 2017	18,702,025
Net Assets - December 31, 2018	\$ 17,803,474

See accompanying notes to financial statements

**Richard P. Kimmel & Laurine Kimmel
Charitable Foundation, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2018**

A. Summary of Significant Accounting Policies

1. The financial statements of the Foundation are prepared on the basis of cash transactions. Accordingly, income is recognized when received and expenses are recognized when paid. Under generally accepted accounting principles, income would be recognized when earned and expenses would be recognized when incurred.
2. Investments and depreciable assets are stated at cost. The Foundation uses the specific identification method for determining the cost of investments sold. Maintenance and repairs are charged to expenses as paid; new acquisitions are capitalized. Depreciation is provided over estimated useful lives of the depreciable asset on mainly a straight-line basis.
3. The preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

B. Historical Information

The Foundation was incorporated in the State of Nebraska on November 10, 1988 as a private non-operating foundation under Code Sections 501(c)(3) and 509(a).

The Foundation is organized exclusively for charitable purposes to make distributions to organizations described in Code Sections 170(c)(1) and 501(c)(3) which are operating within the States of Nebraska and Iowa, with emphasis being placed on those qualifying organizations located and operating within Nebraska City, Nebraska and Otoe County, Nebraska.

The funding for the Foundation was entirely from bequests from Richard P. and Laurine Kimmel, who are both deceased. The Foundation has the ability to request funding grants from public charities.

C. Estimated Market Value of Net Assets

Estimated market values at December 31, 2018 were determined as follows:

1. Investments in U.S. securities at latest bid quotation;
2. Investments in common stock at closing prices on national securities exchange or latest bid quotations.

The total estimated market value of the Foundation's net assets, including cash and property at book value, at December 31, 2018 was \$23,792,881.

**Richard P. Kimmel & Laurine Kimmel
Charitable Foundation, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2018**

D. Federal Excise Tax and Required Distributions

The Internal Revenue Service has classified the Foundation as a private non-operating foundation as defined in Code Section 509(a). The 2018 federal excise tax liability was \$6,971 and there had been estimated tax payments of \$16,613 paid. The Foundation has no amounts required to be paid in 2019 to satisfy 2018 distribution requirements. At December 31, 2018, the Foundation had accumulated excess distributions of \$2,679,149 of which \$1,118,606 expires on January 1, 2020.

E. Leasing Agreements

The Foundation conducts its business in leased office space under a non-cancellable operating lease expiring March 31, 2019. The required minimum monthly lease payment for this term is \$1,278 for Years 1 & 2, \$1,316 for Years 3 & 4 and \$1,355 for the final year of the lease. There are options to renew for two periods of three years each. This lease was renewed effective April 1, 2019 for a term of five years. The required minimum lease payment for this term is \$1,355 for Years 2 and \$1,382 for Years 3 – 5.

The Foundation has also entered into operating leases of office equipment..

F. Commitments and Subsequent Events

In addition to charitable contributions of \$1,292,196 paid in 2018, the Foundation is committed, at December 31, 2018, to additional payments of \$336,000 to be made in 2019 for grants approved prior to December 31, 2018.

The Foundation paid expenses of \$303,435 in 2018 that qualified as charitable contributions paid.

G. Simple IRA Retirement Plan

The Foundation authorized a simple IRA plan for employees effective July 1, 2014. Eligibility requirements are based on compensation and length of service.

Employee voluntary contributions are contributed by the Foundation as they are withheld from compensation. An employer matching contribution of up to 3% of eligible and participating employee compensation was contributed after December 31, 2018

**Richard P. Kimmel & Laurine Kimmel
Charitable Foundation, Inc.
Schedule of Equity Contributions (Principal)
and Amount Held in Excess of Principal
December 31, 2018**

	<u>@ Cost</u>	<u>@ Market</u>
Richard P. and Laurine Kimmel	\$ 34,000	\$ 34,000
Laurine Kimmel Trust	4,139,558	4,139,558
Richard Kimmel Life Insurance	29,572	29,572
Richard P. Kimmel Trust	<u>26,691,691</u>	<u>26,691,691</u>
	\$ 30,894,821	\$ 30,894,821
Non-cash assets transferred to public charity - 2012	<u>\$ (4,204,273)</u>	<u>\$ (5,949,563)</u>
	\$ 26,690,548	\$ 24,945,258
Total Net Assets - December 31, 2018	<u>\$ 17,803,474</u>	<u>\$ 23,792,881</u>
Net Assets in Excess/(Deficit) of Equity Contributions (Principal)	<u><u>\$ (8,887,074)</u></u>	<u><u>\$ (1,152,377)</u></u>

See accompanying notes to financial statements