

**RUSH COUNTY COMMUNITY  
FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

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**YEARS ENDED DECEMBER 31, 2016 AND 2015**

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**BRADY WARE**  
& SCHOENFELD

## INDEPENDENT AUDITORS' REPORT

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Board of Directors  
**Rush County Community Foundation, Inc.**  
Rushville, Indiana

We have audited the accompanying financial statements of the **Rush County Community Foundation, Inc.** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities 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.

### **Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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.

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## INDEPENDENT AUDITORS' REPORT

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### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Rush County Community Foundation, Inc.** as of December 31, 2016 and 2015, 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.

### Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records, used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Richmond, Indiana  
May 23, 2017

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash	\$ 1,262,414	\$ 820,981
Investments	14,256,616	11,769,883
Unconditional promises to give	500,000	749,794
Property and equipment, net	<u>252,353</u>	<u>263,788</u>
	<u>\$ 16,271,383</u>	<u>\$ 13,604,446</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accrued expenses	\$ 2,381	\$ 2,483
Grant payable	100,000	-
Deferred revenue	-	54,583
Funds held for others	<u>2,426,319</u>	<u>2,370,056</u>
	<u>2,528,700</u>	<u>2,427,122</u>
<b>NET ASSETS</b>		
Unrestricted	4,438,643	3,318,659
Temporarily restricted	8,310,830	6,866,955
Permanently restricted	<u>993,210</u>	<u>991,710</u>
	<u>13,742,683</u>	<u>11,177,324</u>
	<u>\$ 16,271,383</u>	<u>\$ 13,604,446</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions and grants	\$ 1,165,046	\$ 1,257,195	\$ 1,500	\$ 2,423,741
Investment income, net of \$20,460 in fees	83,533	246,487	-	330,020
Net realized loss on investments	(30,575)	(100,787)	-	(131,362)
Net unrealized gain on investments	148,680	468,787	-	617,467
Administrative fee revenue	34,859	-	-	34,859
Other income	2,429	-	-	2,429
	<u>1,403,972</u>	<u>1,871,682</u>	<u>1,500</u>	<u>3,277,154</u>
Total Public Support and Revenue				
	1,403,972	1,871,682	1,500	3,277,154
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
	<u>427,807</u>	<u>(427,807)</u>	<u>-</u>	<u>-</u>
	<u>1,831,779</u>	<u>1,443,875</u>	<u>1,500</u>	<u>3,277,154</u>
<b>EXPENSES</b>				
Program services	566,232	-	-	566,232
Management and administrative	123,551	-	-	123,551
Fund development	22,012	-	-	22,012
	<u>711,795</u>	<u>-</u>	<u>-</u>	<u>711,795</u>
Total Expenses				
	711,795	-	-	711,795
<b>CHANGE IN NET ASSETS</b>	1,119,984	1,443,875	1,500	2,565,359
<b>NET ASSETS</b>				
Beginning of year	<u>3,318,659</u>	<u>6,866,955</u>	<u>991,710</u>	<u>11,177,324</u>
End of year	<u>\$ 4,438,643</u>	<u>\$ 8,310,830</u>	<u>\$ 993,210</u>	<u>\$ 13,742,683</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Contributions and grants	\$ 327,367	\$ 1,451,434	\$ -	\$ 1,778,801
Investment income, net of \$26,445 in fees	79,304	238,876	-	318,180
Net realized loss on investments	(8,681)	(22,126)	-	(30,807)
Net unrealized loss on investments	(154,201)	(434,658)	-	(588,859)
Administrative fee revenue	35,789	-	-	35,789
Other income	4,095	79	-	4,174
	<u>283,673</u>	<u>1,233,605</u>	<u>-</u>	<u>1,517,278</u>
Total Public Support and Revenue				
	283,673	1,233,605	-	1,517,278
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
	<u>368,285</u>	<u>(368,285)</u>	<u>-</u>	<u>-</u>
	<u>651,958</u>	<u>865,320</u>	<u>-</u>	<u>1,517,278</u>
<b>EXPENSES</b>				
Program services	405,995	-	-	405,995
Management and administrative	98,962	-	-	98,962
Fund development	22,699	-	-	22,699
	<u>527,656</u>	<u>-</u>	<u>-</u>	<u>527,656</u>
Total Expenses				
	527,656	-	-	527,656
<b>CHANGE IN NET ASSETS</b>	124,302	865,320	-	989,622
<b>NET ASSETS</b>				
Beginning of year	<u>3,194,357</u>	<u>6,001,635</u>	<u>991,710</u>	<u>10,187,702</u>
End of year	<u>\$ 3,318,659</u>	<u>\$ 6,866,955</u>	<u>\$ 991,710</u>	<u>\$ 11,177,324</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,565,359	\$ 989,622
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,434	12,447
Net unrealized (gain) loss on investments	(617,467)	588,859
Net realized loss on investments	<u>131,362</u>	<u>30,807</u>
	2,090,688	1,621,735
Changes in operating assets and liabilities:		
Unconditional promises to give	249,794	(658,170)
Accrued expenses	(102)	345
Grant payable	100,000	-
Deferred revenue	(54,583)	(278,979)
Funds held for others	<u>56,263</u>	<u>(93,771)</u>
Net Cash Provided by Operating Activities	<u>2,442,060</u>	<u>591,160</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,481,085	862,760
Purchases of investments	<u>(3,481,712)</u>	<u>(1,114,360)</u>
Net Cash Used by Investing Activities	<u>(2,000,627)</u>	<u>(251,600)</u>
<b>NET INCREASE IN CASH</b>	<b>441,433</b>	<b>339,560</b>
<b>CASH</b>		
Beginning of year	<u>820,981</u>	<u>481,421</u>
End of year	<u>\$ 1,262,414</u>	<u>\$ 820,981</u>



**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business** - Rush County Community Foundation, Inc. (the "Foundation") is a nonprofit organization established to enrich and enhance the quality of life in Rush County, Indiana. The Foundation enables donors to carry out their own philanthropic intentions by serving as a full service agency and catalyst for meeting local needs in areas such as education, arts and culture, health and human services, civic affairs, and community development. The Foundation is supported primarily through donor contributions and grants. Investment earnings from the various funds also provide revenue to the Foundation.

**Basis of Accounting** - The financial statements of the Foundation have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

**Net Asset Classifications** - Management has determined that the majority of the Foundation's net assets meet the definition of endowment under the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation is governed subject to the governing documents for the Foundation, and most contributions are subject to the terms of the governing documents. Certain contributions are received subject to other gift instruments or are subject to specific agreements with the Foundation.

Under the terms of the governing documents, the Board of Directors has the ability to distribute so much of the corpus of some specific endowment funds, or separate gift, devise, bequest, or fund, as the Board in its sole discretion shall determine. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment funds.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Foundation.
7. The investment policies of the Foundation.

As a result of the ability to distribute corpus from some specific endowment funds, the Board of Directors has determined that these contributions received subject to the governing document, and subject to UPMIFA, are classified as temporarily restricted until appropriated, at which time the appropriation is reclassified to unrestricted net assets. Contributions that are subject to other gift instruments may be recorded as permanently restricted, temporarily restricted, or unrestricted, depending on the specific terms of the agreement.

Generally, if the corpus of a contribution will, at some future time, become available for spending, it is recorded as temporarily restricted. In addition, contributions that are promised to be given in a future period are presented as temporarily restricted. If the corpus never becomes available for spending, it will be reported as permanently restricted. Permanently restricted net assets represent the fair value of the original gift as of the gift date, and the original value of subsequent gifts to donor-restricted endowment funds.

Unrestricted net assets include unrestricted resources, including donations, gifts, and bequests available for the use of the Foundation, over which the Board of Directors has discretionary control. The bylaws of the Foundation include a variance provision on the income of endowed gifts, giving the Board of Directors the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose, or to a specified organization if, in its sole judgment, the Board determines that the restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Financial 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 income and expenses during the reporting period. Actual results could differ from those estimates.

**Concentrations** - The Foundation received three bequests that represented 87% of the total contributions and grants revenue for the year 2016. Unconditional promises to give from one of these estates represented 100% of unconditional promises to give at December 31, 2016. The Foundation received a grant from one organization and two bequests that represented 73% of the total contribution and grants revenue for the year 2015. Unconditional promises to give from two of these estates represented 88% of unconditional promises to give at December 31, 2015.

At December 31, 2016 and 2015, the Foundation had deposits held at a financial institution that were in excess of FDIC limits.

**Investments** - Investments are carried at fair value.

**Endowment Investment and Spending Policies** - The Foundation has adopted an investment policy for endowment assets that attempt to preserve the real purchasing power of the assets, and provide a growing stream of income to be made available for spending, and keeping pace with inflation in order to sustain the operations and grant-making capacity of the Foundation. The investment policy establishes a return objective through diversification of asset classes.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The Foundation is in the process of establishing a formalized spending policy. Accordingly, over the long term, the Foundation expects that the formalized spending policy will allow its endowment assets to grow consistent with the Foundation's objective to maintain the purchasing power of endowment assets, as well as to provide additional real growth through new gifts and investment return.

**Unconditional Promises to Give** - Pledges and contributions receivable are recorded at net realizable value. Conditional promises to give are recorded only when the conditions on which they depend are substantially met and the promises become unconditional. All of the unconditional promises to give at December 31, 2016 and 2015 were expected to be received within one year.

**Property and Equipment** - Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Donated assets are reflected at their estimated value at the date of receipt. Routine repairs and maintenance are expensed as incurred. Depreciation expense for 2016 and 2015 was \$11,434 and \$12,447.

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

The Foundation reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at December 31, 2016.

**Deferred Revenue** - During 2014, the Foundation received the funding for a \$500,000 conditional grant. As revenue can only be recorded if matching contributions are received in accordance with the grant requirements, the Foundation has recorded deferred revenue of \$54,583 as of December 31, 2015, which represents unmatched grant funds. No deferred revenue was recorded as of December 31, 2016 as all grant funds had been matched.

**Funds Held for Others** - The Foundation receives and distributes assets under certain agency arrangements. Accounting standards require that if a nonprofit organization establishes a fund at a community foundation with its own funds, and specifies itself or its affiliate as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The liability is reflected as funds held for others on the statements of financial position.

**Advertising Expense** - Advertising costs are expensed as incurred. Marketing and promotion expenses were \$4,266 and \$7,943 for the years 2016 and 2015.

**Tax-Exempt Status** - The Foundation, an Indiana nonprofit corporation, is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"), and has been determined not to be a private foundation under Section 509(a)(1) of the Code. Accordingly, no provision for income tax is presented in the statements of financial position.

**Accounting for Uncertainty in Income Taxes** - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Foundation's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Foundation has taken any material uncertain tax positions, including any position that would place the Foundation's exempt status in jeopardy, as of December 31, 2016.

**Subsequent Events** - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 23, 2017, the date the financial statements were available to be issued.

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - INVESTMENTS**

	<u>2016</u>	
	<u>Cost</u>	<u>Fair Value</u>
Money market	\$ 273,310	\$ 273,310
Alternative investments	1,510,567	1,375,224
Fixed income funds	3,302,363	3,284,218
Equities - domestic and international	<u>7,218,231</u>	<u>9,323,864</u>
	<u>\$ 12,304,471</u>	<u>\$ 14,256,616</u>
	 <u>2015</u> 	
	<u>Cost</u>	<u>Fair Value</u>
Money market	\$ 212,259	\$ 212,259
Alternative investments	1,311,548	1,216,225
Fixed income funds	3,051,277	2,958,914
Equities - domestic and international	<u>5,989,425</u>	<u>7,382,485</u>
	<u>\$ 10,564,509</u>	<u>\$ 11,769,883</u>

**NOTE 3 - FAIR VALUE MEASUREMENTS**

Fair values of the Foundation's financial assets measured on a recurring basis at December 31, 2016 and 2015 are as follows:

	<u>2016</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
Investments				
Money market	\$ 273,310	\$ 273,310	\$ -	\$ -
Alternative investments	1,375,224	1,375,224	-	-
Fixed income funds	3,284,218	3,284,218	-	-
Equities - domestic and international	<u>9,323,864</u>	<u>9,323,864</u>	<u>-</u>	<u>-</u>
	<u>\$ 14,256,616</u>	<u>\$ 14,256,616</u>	<u>\$ -</u>	<u>\$ -</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - FAIR VALUE MEASUREMENTS - continued**

	2015			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
Investments				
Money market	\$ 212,259	\$ 212,259	\$ -	\$ -
Alternative investments	1,216,225	1,216,225	-	-
Fixed income funds	2,958,914	2,958,914	-	-
Equities - domestic and international	<u>7,382,485</u>	<u>7,382,485</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,769,883</u>	<u>\$ 11,769,883</u>	<u>\$ -</u>	<u>\$ -</u>

**Investments** - Fair values for investments are determined by reference to quoted market prices.

**NOTE 4 - PROPERTY AND EQUIPMENT**

	2016	2015
Land	\$ 100,293	\$ 100,293
Building	272,602	272,602
Furniture and equipment	<u>112,769</u>	<u>112,769</u>
Total cost	485,664	485,664
Less accumulated depreciation	<u>233,311</u>	<u>221,876</u>
	<u>\$ 252,353</u>	<u>\$ 263,788</u>

**NOTE 5 - GRANT PAYABLE**

A grant that is authorized but unpaid is reported as a liability. The following is a summary of a grant authorized and payable at December 31, 2016:

	2016
Payable in less than one year	\$ 25,000
Payable in one to three years	<u>75,000</u>
	<u>\$ 100,000</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - ENDOWMENT FUNDS AND NET ASSETS**

The following is a summary of changes in endowment net assets for the years 2016 and 2015:

	<b>2016</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
Endowment net assets, beginning of year	\$ 2,546,418	\$ 6,816,609	\$ 991,710	\$ 10,354,737
Investment income, net of fees	83,257	246,020	-	329,277
Net investment gain (realized and unrealized)	118,105	367,395	-	485,500
Contributions	1,116,440	1,234,047	1,500	2,351,987
Amounts appropriated for expenditure	<u>(246,467)</u>	<u>(413,722)</u>	<u>-</u>	<u>(660,189)</u>
Endowment net assets, end of year	<u>\$ 3,617,753</u>	<u>\$ 8,250,349</u>	<u>\$ 993,210</u>	<u>\$ 12,861,312</u>

  

	<b>2015</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
Endowment net assets, beginning of year	\$ 2,434,644	\$ 5,952,168	\$ 991,710	\$ 9,378,522
Investment income, net of fees	79,387	238,415	-	317,802
Net investment loss (realized and unrealized)	(151,835)	(455,955)	-	(607,790)
Contributions	321,193	1,438,696	-	1,759,889
Amounts appropriated for expenditure	<u>(136,971)</u>	<u>(356,715)</u>	<u>-</u>	<u>(493,686)</u>
Endowment net assets, end of year	<u>\$ 2,546,418</u>	<u>\$ 6,816,609</u>	<u>\$ 991,710</u>	<u>\$ 10,354,737</u>

The following is a summary of endowment net asset composition by type of fund as of December 31, 2016 and 2015:

	<b>2016</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
Donor designated endowment funds	\$ 1,666,154	\$ 8,250,349	\$ 993,210	\$ 10,909,713
Donor advised endowment funds	41,829	-	-	41,829
Board designated endowment funds	<u>1,909,770</u>	<u>-</u>	<u>-</u>	<u>1,909,770</u>
	<u>\$ 3,617,753</u>	<u>\$ 8,250,349</u>	<u>\$ 993,210</u>	<u>\$ 12,861,312</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - ENDOWMENT FUNDS AND NET ASSETS - continued**

	2015			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor designated endowment funds	\$ 579,858	\$ 6,816,609	\$ 991,710	\$ 8,388,177
Donor advised endowment funds	37,319	-	-	37,319
Board designated endowment funds	<u>1,929,241</u>	<u>-</u>	<u>-</u>	<u>1,929,241</u>
	<u>\$ 2,546,418</u>	<u>\$ 6,816,609</u>	<u>\$ 991,710</u>	<u>\$ 10,354,737</u>

In addition to endowment net assets, the Foundation also manages other non-endowed funds. The following tables summarize all Foundation net assets as of December 31, 2016 and 2015:

	2016			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds	\$ 3,617,753	\$ 8,250,349	\$ 993,210	\$ 12,861,312
Non-endowment funds:				
Special projects	-	27,466	-	27,466
Agency	-	22,797	-	22,797
Scholarship funds	-	10,218	-	10,218
Plant fund	252,353	-	-	252,353
Operating	<u>568,537</u>	<u>-</u>	<u>-</u>	<u>568,537</u>
	<u>\$ 4,438,643</u>	<u>\$ 8,310,830</u>	<u>\$ 993,210</u>	<u>\$ 13,742,683</u>

	2015			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds	\$ 2,546,418	\$ 6,816,609	\$ 991,710	\$ 10,354,737
Non-endowment funds:				
Special projects	-	28,063	-	28,063
Agency	-	12,184	-	12,184
Scholarship funds	-	10,099	-	10,099
Plant fund	263,789	-	-	263,789
Operating	<u>508,452</u>	<u>-</u>	<u>-</u>	<u>508,452</u>
	<u>\$ 3,318,659</u>	<u>\$ 6,866,955</u>	<u>\$ 991,710</u>	<u>\$ 11,177,324</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7 - RELATED PARTY TRANSACTIONS**

Due to the small community size of Rush County, Indiana, members of the Foundation's Board of Directors also serve on the Board of Directors for other local non-profit agencies. Some of these nonprofit organizations have applied for and received grants from the Foundation.

Further, the Foundation's Executive Director is related to two board members. Management has represented that these board members abstain from conversation and voting on matters pertaining to the Executive Director.

**NOTE 8 - FUNDS HELD FOR OTHERS**

During the years 2016 and 2015, the following activities occurred in the Foundation's funds held for others. These amounts are not reflected in the statements of activities.

	<u>2016</u>	<u>2015</u>
Contributions	\$ 54,933	\$ 252,649
Investment income, net of fees	69,336	79,011
Net realized loss on investments	(27,709)	(7,023)
Net unrealized gain (loss) on investments	<u>129,303</u>	<u>(138,360)</u>
	<u>225,863</u>	<u>186,277</u>
Grants	134,531	244,253
Foundation administrative fees	<u>35,069</u>	<u>35,795</u>
	<u>169,600</u>	<u>280,048</u>
Increase (decrease) in funds held for others	56,263	(93,771)
Balance at beginning of year	<u>2,370,056</u>	<u>2,463,827</u>
Balance at end of year	<u>\$ 2,426,319</u>	<u>\$ 2,370,056</u>



**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**SCHEDULE OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2016**

	<b>Program Services</b>	<b>Management and Administrative</b>	<b>Fund Development</b>	<b>Total</b>
Grants and scholarships	\$ 482,292	\$ -	\$ -	\$ 482,292
Salaries and wages	65,746	59,743	11,479	136,968
Employee benefits	8,086	7,348	1,412	16,846
Professional fees	668	3,788	-	4,456
Travel and meetings	1,795	239	359	2,393
Telephone and utilities	326	5,873	326	6,525
Advertising and promotion	1,706	-	2,560	4,266
Consultants	-	6,533	-	6,533
Repairs and maintenance	-	9,027	-	9,027
Insurance	-	4,055	-	4,055
Donor cultivation	-	-	5,080	5,080
Dues and subscriptions	-	1,357	-	1,357
Postage	487	1,705	244	2,436
Printing	552	1,657	552	2,761
Supplies	-	11,467	-	11,467
Miscellaneous	-	3,899	-	3,899
	<u>561,658</u>	<u>116,691</u>	<u>22,012</u>	<u>700,361</u>
Total Expenses Before Depreciation				
Depreciation	<u>4,574</u>	<u>6,860</u>	<u>-</u>	<u>11,434</u>
Total Expenses	<u>\$ 566,232</u>	<u>\$ 123,551</u>	<u>\$ 22,012</u>	<u>\$ 711,795</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**SCHEDULE OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2015**

	<b>Program Services</b>	<b>Management and Administrative</b>	<b>Fund Development</b>	<b>Total</b>
Grants and scholarships	\$ 337,437	\$ -	\$ -	\$ 337,437
Personnel costs	51,325	40,822	11,235	103,382
Employee benefits	5,452	4,336	1,193	10,981
Professional fees	925	5,244	-	6,169
Travel and meetings	1,187	158	237	1,582
Telephone and utilities	337	6,066	337	6,740
Advertising and promotion	3,177	-	4,766	7,943
Consultants	-	2,957	-	2,957
Repairs and maintenance	-	11,290	-	11,290
Insurance	-	2,754	-	2,754
Donor cultivation	-	-	3,949	3,949
Dues and subscriptions	-	1,220	-	1,220
Postage	388	1,359	194	1,941
Printing	788	2,365	788	3,941
Supplies	-	11,246	-	11,246
Miscellaneous	-	1,677	-	1,677
	<u>401,016</u>	<u>91,494</u>	<u>22,699</u>	<u>515,209</u>
Total Expenses Before Depreciation				
Depreciation	<u>4,979</u>	<u>7,468</u>	<u>-</u>	<u>12,447</u>
Total Expenses	<u>\$ 405,995</u>	<u>\$ 98,962</u>	<u>\$ 22,699</u>	<u>\$ 527,656</u>