

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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YEARS ENDED DECEMBER 31, 2020 AND 2019

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

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, 2020 and 2019, and 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.

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 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 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

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, 2020 and 2019, 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.

Brady, Ware & Schoenfeld, Inc.

Richmond, Indiana
May 25, 2021

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 5,365,192	\$ 290,357
Investments	20,422,661	18,302,560
Unconditional promise to give	52,500	12,500
Property and equipment, net	<u>318,402</u>	<u>321,884</u>
	<u>\$ 26,158,755</u>	<u>\$ 18,927,301</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses	\$ 3,534	\$ 8,678
Grants and scholarships payable	9,884	70,000
Refundable advance	5,000,000	-
Funds held for others	<u>2,144,865</u>	<u>2,003,825</u>
	<u>7,158,283</u>	<u>2,082,503</u>
NET ASSETS		
Without donor restrictions		
Donor advised endowment funds	175,934	45,865
Undesignated	5,359,508	5,049,301
Board designated	832,055	610,409
Plant fund	<u>318,402</u>	<u>321,884</u>
	<u>6,685,899</u>	<u>6,027,459</u>
With donor restrictions		
Purpose restrictions	11,283,863	9,786,629
Time-restricted for future periods	37,500	37,500
Perpetual in nature	<u>993,210</u>	<u>993,210</u>
	<u>12,314,573</u>	<u>10,817,339</u>
	<u>19,000,472</u>	<u>16,844,798</u>
	<u>\$ 26,158,755</u>	<u>\$ 18,927,301</u>

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

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	\$ 266,710	\$ 876,518	\$ 1,143,228
Contributions - Paycheck Protection Program loan	31,700	-	31,700
Net investment return	147,811	296,214	444,025
Net realized loss on investments	(80,857)	(203,910)	(284,767)
Net unrealized gain on investments	538,717	1,149,328	1,688,045
Administrative fee revenue	29,194	-	29,194
Other income	28,714	-	28,714
	<u>961,989</u>	<u>2,118,150</u>	<u>3,080,139</u>
Total Public Support and Revenue			
NET ASSETS RELEASED FROM RESTRICTIONS	<u>620,916</u>	<u>(620,916)</u>	<u>-</u>
	<u>1,582,905</u>	<u>1,497,234</u>	<u>3,080,139</u>
EXPENSES			
Program services	635,749	-	635,749
Management and administrative	167,817	-	167,817
Fund development	120,899	-	120,899
	<u>924,465</u>	<u>-</u>	<u>924,465</u>
Total Expenses			
CHANGE IN NET ASSETS	658,440	1,497,234	2,155,674
NET ASSETS			
Beginning of year	<u>6,027,459</u>	<u>10,817,339</u>	<u>16,844,798</u>
End of year	<u>\$ 6,685,899</u>	<u>\$ 12,314,573</u>	<u>\$ 19,000,472</u>

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

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	\$ 213,136	\$ 278,462	\$ 491,598
Net investment return	157,844	344,197	502,041
Net realized gain on investments	11,604	32,423	44,027
Net unrealized gain on investments	629,389	1,436,074	2,065,463
Administrative fee revenue	31,788	-	31,788
Special events, net of \$5,254 in direct costs	22,261	-	22,261
Other income	513	-	513
	<u>1,066,535</u>	<u>2,091,156</u>	<u>3,157,691</u>
Total Public Support and Revenue			
NET ASSETS RELEASED FROM RESTRICTIONS	<u>1,013,994</u>	<u>(1,013,994)</u>	<u>-</u>
	<u>2,080,529</u>	<u>1,077,162</u>	<u>3,157,691</u>
EXPENSES			
Program services	634,772	-	634,772
Management and administrative	163,362	-	163,362
Fund development	64,179	-	64,179
	<u>862,313</u>	<u>-</u>	<u>862,313</u>
Total Expenses			
CHANGE IN NET ASSETS	1,218,216	1,077,162	2,295,378
NET ASSETS			
Beginning of year	<u>4,809,243</u>	<u>9,740,177</u>	<u>14,549,420</u>
End of year	<u>\$ 6,027,459</u>	<u>\$ 10,817,339</u>	<u>\$ 16,844,798</u>

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

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and Administrative	Fund Development	Total
Grants and scholarships	\$ 484,126	\$ -	\$ -	\$ 484,126
Salaries and wages	98,764	66,286	41,657	206,707
Employee benefits	19,795	13,286	8,349	41,430
Professional fees	2,069	11,725	-	13,794
Travel and meetings	1,535	205	307	2,047
Telephone and utilities	346	6,220	346	6,912
Advertising and promotion	275	-	413	688
Contracted services	13,077	-	48,293	61,370
Repairs and maintenance	889	2,073	-	2,962
Insurance	1,305	3,046	-	4,351
Donor cultivation	-	-	18,351	18,351
Dues and subscriptions	-	2,239	-	2,239
Postage	369	1,289	184	1,842
Printing	1,525	4,575	1,525	7,625
Supplies	-	3,919	-	3,919
IT expenses	4,420	36,981	1,474	42,875
Miscellaneous	-	5,093	-	5,093
Total Expenses Before Depreciation	628,495	156,937	120,899	906,331
Depreciation	7,254	10,880	-	18,134
Total Expenses	<u>\$ 635,749</u>	<u>\$ 167,817</u>	<u>\$ 120,899</u>	<u>\$ 924,465</u>

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

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and Administrative	Fund Development	Total
Grants and scholarships	\$ 508,692	\$ -	\$ -	\$ 508,692
Salaries and wages	77,561	58,012	26,695	162,268
Employee benefits	23,379	17,487	8,047	48,913
Professional fees	2,207	12,506	-	14,713
Travel and meetings	5,319	709	1,064	7,092
Telephone and utilities	349	6,281	349	6,979
Advertising and promotion	3,036	-	4,553	7,589
Contracted services	-	24,948	-	24,948
Repairs and maintenance	2,889	6,742	-	9,631
Insurance	949	2,213	-	3,162
Donor cultivation	-	-	20,273	20,273
Dues and subscriptions	-	2,428	-	2,428
Postage	451	1,578	226	2,255
Printing	2,972	8,914	2,972	14,858
Supplies	-	7,193	-	7,193
Miscellaneous	-	3,900	-	3,900
	<u>627,804</u>	<u>152,911</u>	<u>64,179</u>	<u>844,894</u>
Total Expenses Before Depreciation				
Depreciation	<u>6,968</u>	<u>10,451</u>	<u>-</u>	<u>17,419</u>
Total Expenses	<u>\$ 634,772</u>	<u>\$ 163,362</u>	<u>\$ 64,179</u>	<u>\$ 862,313</u>

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

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 2,155,674	\$ 2,295,378
Adjustments to reconcile change in net assets to net cash and cash equivalents provided (used) by operating activities:		
Depreciation	18,134	17,419
Net unrealized gain on investments	(1,688,045)	(2,065,463)
Net realized (gain) loss on investments	284,767	(44,027)
Paycheck Protection Program loan forgiveness	<u>(31,700)</u>	<u>-</u>
	738,830	203,307
Changes in operating assets and liabilities:		
Unconditional promise to give	(40,000)	(12,500)
Accrued expenses	(5,144)	5,453
Grants and scholarships payable	(60,116)	20,000
Refundable advance	5,000,000	-
Funds held for others	<u>141,040</u>	<u>(408,189)</u>
Net Cash and Cash Equivalents Provided (Used) by Operating Activities	<u>5,774,610</u>	<u>(191,929)</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(14,652)	(4,833)
Proceeds from sale of investments	5,202,349	1,363,826
Purchases of investments	<u>(5,919,172)</u>	<u>(1,728,819)</u>
Net Cash and Cash Equivalents Used by Investing Activities	<u>(731,475)</u>	<u>(369,826)</u>
FINANCING ACTIVITIES		
Borrowings on Paycheck Protection Program loan	<u>31,700</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,074,835	(561,755)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>290,357</u>	<u>852,112</u>
End of year	<u>\$ 5,365,192</u>	<u>\$ 290,357</u>

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

NOTES TO FINANCIAL STATEMENTS

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 net assets with donor restrictions until appropriated, at which time the appropriation is reclassified to net assets without donor restrictions. Contributions that are subject to other gift instruments may be recorded with or without donor restrictions, 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 with donor restrictions. In addition, contributions that are promised to be given in a future period are presented as with donor restrictions. If the corpus never becomes available for spending, it will be reported as net assets with donor restrictions which are perpetual in nature. Net assets with donor restrictions that are perpetual in nature 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.

Net assets without donor restrictions 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents - The Foundation considers liquid investments with an original maturity of three months or less to be cash equivalents, with the exception of those held within its investment portfolio.

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 two grants and two contributions that represented 69% of the total contributions and grants revenue for the year 2020. The Foundation received one grant and one contribution that represented 21% of the total contributions and grants revenue for the year 2019.

At December 31, 2020 and 2019, the Foundation had deposits held at a financial institution that were in excess of FDIC limits.

Functional Allocation of 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 main expenses that are allocated include salaries and wages and related employee benefits and payroll taxes which are allocated on the basis of estimates of time and effort.

Investments - Investments are carried at fair value and include liquid investments with an original maturity of three months or less that are held within its portfolio.

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 has adopted a formal spending policy to calculate the amount of money annually distributed from the Foundation's various endowed funds. The current spending policy is to distribute an amount determined annually by the Board of Directors and that rate is multiplied by the previous five-year rolling average of the fund's fair market value. For December 31, 2020 and 2019, the Board approved a spending rate of 4.2%. The Foundation's objective is to avoid invasion into the historical value or principal of a fund to meet the spending policy, unless the terms of a gift allows the Foundation to do so in a prudent manner. 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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Unconditional Promise 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. The unconditional promises to give at December 31, 2020 and 2019 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. The Foundation's policy is to capitalize property and equipment expenditures in excess of \$1,000. Depreciation expense for 2020 and 2019 was \$18,134 and \$17,419.

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, 2020 and 2019.

Refundable Advance - During 2020, the Foundation received the funding for a \$5,000,000 grant. The grant is from Lilly Endowment Inc. and is for support for a new community center in Rush County offering comprehensive recreation, education and social service programs. As the grant contains both barriers and a right of return, the Foundation has recorded the full unspent amount of \$5,000,000 as a refundable advance as of December 31, 2020.

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.

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, 2020.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Subsequent Events - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 25, 2021, the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The following reflects the Foundation's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of the statements of financial position date because of donor-imposed restrictions or internal designations. Financial assets are considered unavailable when not convertible to cash within one year such as endowments which include board designated endowments. These board designations could be drawn upon if the Board of Directors approves that action.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 5,365,192	\$ 290,357
Investments	20,422,661	18,302,560
Unconditional promise to give	<u>52,500</u>	<u>12,500</u>
Total financial assets	<u>25,840,353</u>	<u>18,605,417</u>
Less those unavailable for general expenditure within one year due to:		
Non-endowed purpose restrictions	(365,019)	(231,794)
Endowment funds subject to the Foundation's spending policy:		
Designated funds	(11,924,554)	(10,560,545)
Undesignated funds less the next year's approved draw	(5,134,409)	(4,837,230)
Board designated non-endowment funds	(832,055)	(610,409)
Lilly grant - time restricted for future periods	(25,000)	(25,000)
Refundable advance	(5,000,000)	-
Funds held for others	<u>(2,144,865)</u>	<u>(2,003,825)</u>
	<u>(25,425,902)</u>	<u>(18,268,803)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 414,451</u>	<u>\$ 336,614</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS

	<u>2020</u>	
	<u>Cost</u>	<u>Fair Value</u>
Money market and cash equivalents	\$ 546,518	\$ 546,518
Alternative investments	1,742,807	1,838,799
Fixed income funds	4,054,551	4,278,815
Equities - domestic and international	<u>10,330,634</u>	<u>13,758,529</u>
	<u>\$ 16,674,510</u>	<u>\$ 20,422,661</u>
	 <u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>
Money market and cash equivalents	\$ 355,428	\$ 355,428
Alternative investments	1,714,186	1,778,608
Fixed income funds	3,957,209	3,957,406
Equities - domestic and international	<u>10,414,242</u>	<u>12,211,118</u>
	<u>\$ 16,441,065</u>	<u>\$ 18,302,560</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair values of the Foundation's financial assets measured on a recurring basis at December 31, 2020 and 2019 are as follows:

	<u>2020</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>
Assets				
Investments				
Money market and cash equivalents	\$ 546,518	\$ 546,518	\$ -	\$ -
Alternative investments	1,838,799	1,838,799	-	-
Fixed income funds	4,278,815	4,278,815	-	-
Equities - domestic and international	<u>13,758,529</u>	<u>13,758,529</u>	-	-
	<u>\$ 20,422,661</u>	<u>\$ 20,422,661</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - FAIR VALUE MEASUREMENTS - continued

	2019			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Money market and cash equivalents	\$ 355,428	\$ 355,428	\$ -	\$ -
Alternative investments	1,778,608	1,778,608	-	-
Fixed income funds	3,957,406	3,957,406	-	-
Equities - domestic and international	<u>12,211,118</u>	<u>12,211,118</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,302,560</u>	<u>\$ 18,302,560</u>	<u>\$ -</u>	<u>\$ -</u>

Level 1 - Fair values for investments are determined by reference to quoted market prices.

Level 2 - Fair values for investments are calculated using quoted market prices for similar assets in markets that are not active.

Level 3 - Fair values for investments are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair measurement.

NOTE 5 - PROPERTY AND EQUIPMENT

	<u>2020</u>	<u>2019</u>
Land	\$ 100,293	\$ 100,293
Building	349,263	349,263
Furniture and equipment	<u>57,366</u>	<u>76,099</u>
Total cost	506,922	525,655
Less accumulated depreciation	<u>188,520</u>	<u>203,771</u>
	<u>\$ 318,402</u>	<u>\$ 321,884</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - GRANTS AND SCHOLARSHIPS PAYABLE

Grants and scholarships that are authorized but unpaid are reported as a liability. The following is a summary of a grants and scholarships authorized and payable at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Payable in less than one year	\$ 9,884	\$ 55,000
Payable in one to three years	<u>-</u>	<u>15,000</u>
	<u>\$ 9,884</u>	<u>\$ 70,000</u>

NOTE 7 - PAYCHECK PROTECTION PROGRAM LOAN

The Foundation was granted a \$31,700 loan under the Paycheck Protection Program ("PPP") administered by a Small Business Administration approved partner in May 2020. The loan was uncollateralized and was fully guaranteed by the federal government. The Foundation initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions. Once the measurable performance or other barrier and right of return of the PPP loan no longer existed, the contribution no longer was conditional. The Foundation recognized the entire \$31,700 as contribution revenue for the year ended December 31, 2020. In addition, the Foundation applied for and received notification of full forgiveness during 2020.

NOTE 8 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the years 2020 and 2019:

	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 5,095,166	\$ 10,560,545	\$ 15,655,711
Net investment return	147,811	278,669	426,480
Net investment gain (realized and unrealized)	457,860	881,798	1,339,658
Contributions	297,910	510,928	808,838
Amounts appropriated for expenditure	<u>(484,643)</u>	<u>(307,386)</u>	<u>(792,029)</u>
Endowment net assets, end of year	<u>\$ 5,514,104</u>	<u>\$ 11,924,554</u>	<u>\$ 17,438,658</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 8 - ENDOWMENT FUNDS AND NET ASSETS - continued

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 3,894,484	\$ 9,558,106	\$ 13,452,590
Net investment return	157,736	338,991	496,727
Net investment gain (realized and unrealized)	640,993	1,447,388	2,088,381
Contributions	234,987	201,003	435,990
Transfers	166,966	(409,224)	(242,258)
Amounts appropriated for expenditure	<u>-</u>	<u>(575,719)</u>	<u>(575,719)</u>
	<u>\$ 5,095,166</u>	<u>\$ 10,560,545</u>	<u>\$ 15,655,711</u>

The following is a summary of endowment net asset composition by type of fund as of December 31, 2020 and 2019:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated endowment funds	\$ -	\$ 11,924,554	\$ 11,924,554
Donor advised endowment funds	154,596	-	154,596
Undesignated endowment funds	<u>5,359,508</u>	<u>-</u>	<u>5,359,508</u>
	<u>\$ 5,514,104</u>	<u>\$ 11,924,554</u>	<u>\$ 17,438,658</u>

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated endowment funds	\$ -	\$ 10,560,545	\$ 10,560,545
Donor advised endowment funds	45,865	-	45,865
Undesignated endowment funds	<u>5,049,301</u>	<u>-</u>	<u>5,049,301</u>
	<u>\$ 5,095,166</u>	<u>\$ 10,560,545</u>	<u>\$ 15,655,711</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 8 - ENDOWMENT FUNDS AND NET ASSETS - continued

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, 2020 and 2019:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Donor advised funds	<u>\$ 154,596</u>	<u>\$ -</u>	<u>\$ 154,596</u>
Purpose restrictions			
Designated purpose	-	4,651,290	4,651,290
Field of interest	-	1,277,246	1,277,246
Scholarship funds	-	4,969,600	4,969,600
Agency	-	20,708	20,708
	<u>-</u>	<u>10,918,844</u>	<u>10,918,844</u>
Time-restricted for future periods	-	12,500	12,500
Perpetual in nature	-	993,210	993,210
Undesignated funds	<u>5,359,508</u>	<u>-</u>	<u>5,359,508</u>
	<u>5,514,104</u>	<u>11,924,554</u>	<u>17,438,658</u>
Non-endowment funds:			
Board designated	<u>832,055</u>	<u>-</u>	<u>832,055</u>
Purpose restrictions			
Special projects	-	114,149	114,149
Agency	-	145,239	145,239
Lilly grants	-	105,631	105,631
	<u>-</u>	<u>365,019</u>	<u>365,019</u>
Time-restricted for future periods	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Donor advised funds	<u>21,338</u>	<u>-</u>	<u>21,338</u>
Plant fund	<u>318,402</u>	<u>-</u>	<u>318,402</u>
	<u>\$ 6,685,899</u>	<u>\$ 12,314,573</u>	<u>\$ 19,000,472</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 8 - ENDOWMENT FUNDS AND NET ASSETS - continued

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Donor advised funds	\$ 45,865	\$ -	\$ 45,865
Purpose restrictions			
Designated purpose	-	4,314,357	4,314,357
Field of interest	-	1,191,855	1,191,855
Scholarship funds	-	4,028,986	4,028,986
Agency	-	19,637	19,637
	<u>-</u>	<u>9,554,835</u>	<u>9,554,835</u>
Time-restricted for future periods	-	12,500	12,500
Perpetual in nature	-	993,210	993,210
Undesignated funds	<u>5,049,301</u>	<u>-</u>	<u>5,049,301</u>
	<u>5,095,166</u>	<u>10,560,545</u>	<u>15,655,711</u>
Non-endowment funds:			
Board designated	<u>610,409</u>	<u>-</u>	<u>610,409</u>
Purpose restrictions			
Special projects	-	32,601	32,601
Agency	-	176,885	176,885
Lilly grant	-	22,308	22,308
	<u>-</u>	<u>231,794</u>	<u>231,794</u>
Time-restricted for future periods	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Plant fund	<u>321,884</u>	<u>-</u>	<u>321,884</u>
	<u>\$ 6,027,459</u>	<u>\$ 10,817,339</u>	<u>\$ 16,844,798</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 9 - 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 nonprofit 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 whose terms ended in December 2019. Management has represented that these board members abstained from conversation and voting on matters pertaining to the Executive Director.

NOTE 10 - FUNDS HELD FOR OTHERS

During the years 2020 and 2019, the following activities occurred in the Foundation's funds held for others. These amounts are not reflected in the statements of activities.

	<u>2020</u>	<u>2019</u>
Contributions	\$ 18,753	\$ 21,912
Net investment return	52,689	64,409
Net realized gain (loss) on investments	(32,060)	4,723
Net unrealized gain on investments	<u>198,611</u>	<u>294,051</u>
	<u>237,993</u>	<u>385,095</u>
Grants	67,759	761,496
Foundation administrative fees	<u>29,194</u>	<u>31,788</u>
	<u>96,953</u>	<u>793,284</u>
Increase (decrease) in funds held for others	141,040	(408,189)
Balance at beginning of year	<u>2,003,825</u>	<u>2,412,014</u>
Balance at end of year	<u>\$ 2,144,865</u>	<u>\$ 2,003,825</u>

NOTE 11 - UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in early 2020, is having a substantial impact on the economy and the normal operations of many organizations. During this time, the United States and global stock markets have experienced significant volatility. The extent of the future impact of COVID-19 on the Foundation's operations, financial performance and financial condition will depend on certain developments, including the availability and distribution of the vaccine and the duration and spread of the outbreak, which at present cannot be determined.