

**RUSH COUNTY COMMUNITY
FOUNDATION, INC.**

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of **Rush County Community Foundation, Inc.**, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Rush County Community Foundation, Inc.** as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Rush County Community Foundation, Inc.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Rush County Community Foundation, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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INDEPENDENT AUDITORS' REPORT - CONTINUED

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **Rush County Community Foundation, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Rush County Community Foundation, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Richmond, Indiana
May 28, 2024

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 4,506,328	\$ 3,264,454
Investments	23,781,448	19,846,819
Unconditional promises to give	1,343,077	-
Property and equipment, net	<u>262,586</u>	<u>281,165</u>
	<u>\$ 29,893,439</u>	<u>\$ 23,392,438</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,854,019	\$ 158,748
Grants and scholarships payable	-	12,500
Refundable advance	915,051	3,911,563
Funds held for others	<u>2,121,605</u>	<u>1,928,849</u>
	<u>4,890,675</u>	<u>6,011,660</u>
NET ASSETS		
Without donor restrictions		
Donor advised funds	80,627	177,855
Undesignated	5,303,765	4,788,887
Board designated	1,063,808	738,502
Plant fund	<u>262,586</u>	<u>281,165</u>
	<u>6,710,786</u>	<u>5,986,409</u>
With donor restrictions		
Purpose restrictions	17,298,768	10,401,159
Perpetual in nature	<u>993,210</u>	<u>993,210</u>
	<u>18,291,978</u>	<u>11,394,369</u>
	<u>25,002,764</u>	<u>17,380,778</u>
	<u>\$ 29,893,439</u>	<u>\$ 23,392,438</u>

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

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023 (WITH COMPARATIVE TOTALS FOR 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
PUBLIC SUPPORT AND REVENUE				
Contributions and grants	\$ 179,347	\$ 8,604,982	\$ 8,784,329	\$ 904,521
Net investment return	350,542	515,840	866,382	697,568
Net realized loss on investments	(35,170)	(64,410)	(99,580)	-
Net unrealized gain (loss) on investments	755,690	1,388,044	2,143,734	(3,719,409)
Administrative fee revenue	<u>29,208</u>	<u>-</u>	<u>29,208</u>	<u>32,157</u>
Total Public Support and Revenue	1,279,617	10,444,456	11,724,073	(2,085,163)
NET ASSETS RELEASED FROM RESTRICTIONS				
	<u>3,546,847</u>	<u>(3,546,847)</u>	<u>-</u>	<u>-</u>
	<u>4,826,464</u>	<u>6,897,609</u>	<u>11,724,073</u>	<u>(2,085,163)</u>
EXPENSES				
Program services	3,836,955	-	3,836,955	1,383,514
Management and administrative	174,759	-	174,759	177,464
Fund development	<u>90,373</u>	<u>-</u>	<u>90,373</u>	<u>103,344</u>
Total Expenses	<u>4,102,087</u>	<u>-</u>	<u>4,102,087</u>	<u>1,664,322</u>
CHANGE IN NET ASSETS	724,377	6,897,609	7,621,986	(3,749,485)
NET ASSETS				
Beginning of year	<u>5,986,409</u>	<u>11,394,369</u>	<u>17,380,778</u>	<u>21,130,263</u>
End of year	<u>\$ 6,710,786</u>	<u>\$ 18,291,978</u>	<u>\$ 25,002,764</u>	<u>\$ 17,380,778</u>

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

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	\$ 122,564	\$ 781,957	\$ 904,521
Net investment return	252,172	445,396	697,568
Net unrealized loss on investments	(1,313,086)	(2,406,323)	(3,719,409)
Administrative fee revenue	<u>32,157</u>	<u>-</u>	<u>32,157</u>
Total Public Support and Revenue	(906,193)	(1,178,970)	(2,085,163)
NET ASSETS RELEASED FROM RESTRICTIONS			
	<u>1,278,412</u>	<u>(1,278,412)</u>	<u>-</u>
	<u>372,219</u>	<u>(2,457,382)</u>	<u>(2,085,163)</u>
EXPENSES			
Program services	1,383,514	-	1,383,514
Management and administrative	177,464	-	177,464
Fund development	<u>103,344</u>	<u>-</u>	<u>103,344</u>
Total Expenses	<u>1,664,322</u>	<u>-</u>	<u>1,664,322</u>
CHANGE IN NET ASSETS	(1,292,103)	(2,457,382)	(3,749,485)
NET ASSETS			
Beginning of year	<u>7,278,512</u>	<u>13,851,751</u>	<u>21,130,263</u>
End of year	<u>\$ 5,986,409</u>	<u>\$ 11,394,369</u>	<u>\$ 17,380,778</u>

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

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Management and Administrative</u>	<u>Fund Development</u>	<u>Total</u>
Grants and scholarships	\$ 658,324	\$ -	\$ -	\$ 658,324
Salaries and wages	101,615	67,092	41,415	210,122
Employee benefits	23,560	15,555	9,602	48,717
Professional fees	2,552	14,461	-	17,013
Travel and meetings	2,229	297	446	2,972
Telephone and utilities	457	8,225	458	9,140
Advertising and promotion	909	-	1,363	2,272
Contracted services - Community Center Grant	2,995,132	-	-	2,995,132
Contracted services - First5	22,150	2,606	1,303	26,059
Contracted services - Other	14,734	-	-	14,734
Repairs and maintenance	128	299	-	427
Insurance	1,856	4,334	-	6,190
Donor cultivation	-	-	32,805	32,805
Dues and subscriptions	-	2,271	-	2,271
Postage	677	2,369	338	3,384
Printing	1,365	4,093	1,364	6,822
Supplies	-	6,223	-	6,223
IT expenses	3,835	32,084	1,279	37,198
Miscellaneous	-	3,703	-	3,703
Total Expenses Before Depreciation	3,829,523	163,612	90,373	4,083,508
Depreciation	7,432	11,147	-	18,579
Total Expenses	<u>\$ 3,836,955</u>	<u>\$ 174,759</u>	<u>\$ 90,373</u>	<u>\$ 4,102,087</u>

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

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Management and Administrative</u>	<u>Fund Development</u>	<u>Total</u>
Grants and scholarships	\$ 576,740	\$ -	\$ -	\$ 576,740
Salaries and wages	103,359	64,909	41,545	209,813
Employee benefits	20,796	13,060	8,359	42,215
Professional fees	2,542	14,403	-	16,945
Travel and meetings	4,593	612	918	6,123
Telephone and utilities	494	8,885	494	9,873
Advertising and promotion	732	-	1,098	1,830
Contracted services - Community Center Grant	505,842	-	-	505,842
Contracted services - First5	26,569	3,126	1,563	31,258
Contracted services - Other	126,914	-	-	126,914
Repairs and maintenance	660	1,540	-	2,200
Insurance	1,384	3,231	-	4,615
Donor cultivation	-	-	46,865	46,865
Dues and subscriptions	-	2,348	-	2,348
Postage	503	1,759	251	2,513
Printing	1,019	3,055	1,018	5,092
Supplies	-	5,062	-	5,062
IT expenses	3,688	30,901	1,233	35,822
Miscellaneous	-	13,055	-	13,055
Total Expenses Before Depreciation	1,375,835	165,946	103,344	1,645,125
Depreciation	7,679	11,518	-	19,197
Total Expenses	<u>\$ 1,383,514</u>	<u>\$ 177,464</u>	<u>\$ 103,344</u>	<u>\$ 1,664,322</u>

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

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 7,621,986	\$ (3,749,485)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided (used) by operating activities:		
Depreciation	18,579	19,197
Net unrealized (gain) loss on investments	(2,143,734)	3,719,409
Net realized loss on investments	99,580	-
Donated investments	<u>(34,063)</u>	<u>(25,636)</u>
	5,562,348	(36,515)
Changes in operating assets and liabilities:		
Unconditional promises to give	(1,343,077)	112,500
Accounts payable and accrued expenses	1,695,271	(46,972)
Grants and scholarships payable	(12,500)	12,500
Refundable advance	(2,996,512)	(505,842)
Funds held for others	<u>192,756</u>	<u>(461,882)</u>
	3,098,286	(926,211)
Net Cash and Cash Equivalents Provided (Used) by Operating Activities		
INVESTING ACTIVITIES		
Proceeds from sale of investments	1,022,261	25,636
Purchases of investments	<u>(2,878,673)</u>	<u>(349,158)</u>
	(1,856,412)	(323,522)
Net Cash and Cash Equivalents Used by Investing Activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,241,874	(1,249,733)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>3,264,454</u>	<u>4,514,187</u>
End of year	\$ 4,506,328	\$ 3,264,454

**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. During 2023, the REC Building Holding Corporation, a 501(c)(2) Organization, was formed which is 100% owned by the Foundation, however, there were no transactions that would require consolidation for 2023.

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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 grants from one grantor, one bequest, and two contributions that represented 78% of the total contributions and grants revenue for the year 2023. The Foundation received one grant that represented 56% of the total contributions and grants revenue for the year 2022.

The Foundation had one contribution and one bequest that represented 98% of unconditional promises to give receivable at December 31, 2023. The Foundation had no such concentrations at December 31, 2022.

At December 31, 2023 and 2022, the Foundation had deposits held at a financial institution that were in excess of FDIC limits.

Functional Allocation of Expenses - Directly identifiable expenses are charged to programs and supporting services. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Salaries and wages and related employee benefits and payroll taxes are allocated on the basis of estimates of time and effort. All other allocated expenses are based on estimates.

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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2023 and 2022, 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.

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.

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 2023 and 2022 was \$18,579 and \$19,197.

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, 2023 and 2022.

Grants and Scholarships Payable - Grants and scholarships that are authorized but unpaid are reported as a liability. The grants and scholarships payable at December 31, 2022 were expected to be paid within one year. There were no grants and scholarships payable at December 31, 2023.

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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2023.

Subsequent Events - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 28, 2024, 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,506,328	\$ 3,264,454
Investments	23,781,448	19,846,819
Unconditional promises to give	<u>1,343,077</u>	<u>-</u>
Total financial assets	<u>29,630,853</u>	<u>23,111,273</u>
Less those unavailable for general expenditure within one year due to:		
Non-endowed purpose restrictions	(3,948,737)	(521,533)
Endowment funds subject to the Foundation's spending policy:		
Designated funds	(14,343,241)	(10,872,836)
Undesignated funds less the next year's approved draw	(5,094,649)	(4,585,286)
Board designated non-endowment funds	(1,063,808)	(738,502)
Refundable advance	(915,051)	(3,911,563)
Funds held for others	<u>(2,121,605)</u>	<u>(1,928,849)</u>
	<u>(27,487,091)</u>	<u>(22,558,569)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,143,762</u>	<u>\$ 552,704</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS

	<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>
Money market and cash equivalents	\$ 470,249	\$ 470,249
Alternative investments	2,289,127	2,275,761
Fixed income funds	7,918,254	5,535,818
Equities - domestic and international	<u>10,128,778</u>	<u>15,499,620</u>
	<u>\$ 20,806,408</u>	<u>\$ 23,781,448</u>
	 <u>2022</u> 	
	<u>Cost</u>	<u>Fair Value</u>
Money market and cash equivalents	\$ 344,128	\$ 344,128
Alternative investments	2,201,602	2,029,684
Fixed income funds	5,273,821	4,700,621
Equities - domestic and international	<u>11,429,467</u>	<u>12,772,386</u>
	<u>\$ 19,249,018</u>	<u>\$ 19,846,819</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair values of the Foundation's financial assets measured on a recurring basis at December 31, 2023 and 2022 are as follows:

	<u>2023</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	\$ 470,249	\$ 470,249	\$ -	\$ -
Alternative investments	2,275,761	2,275,761	-	-
Fixed income funds	5,535,818	5,535,818	-	-
Equities - domestic and international	<u>15,499,620</u>	<u>15,499,620</u>	<u>-</u>	<u>-</u>
	<u>\$ 23,781,448</u>	<u>\$ 23,781,448</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTE 4 - FAIR VALUE MEASUREMENTS - CONTINUED

	2022			
	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	\$ 344,128	\$ 344,128	\$ -	\$ -
Alternative investments	2,029,684	2,029,684	-	-
Fixed income funds	4,700,621	4,700,621	-	-
Equities - domestic and international	<u>12,772,386</u>	<u>12,772,386</u>	<u>-</u>	<u>-</u>
	<u>\$ 19,846,819</u>	<u>\$ 19,846,819</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. At December 31, 2023 and 2022, the Foundation had no Level 2 investments.

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. At December 31, 2023 and 2022, the Foundation had no Level 3 investments.

NOTE 5 - UNCONDITIONAL PROMISES TO GIVE

	<u>2023</u>
Receivable in less than one year	\$ 705,000
Receivable in one to five years	<u>720,000</u>
	1,425,000
Less discounts to net present value	<u>(81,923)</u>
	<u>\$ 1,343,077</u>

At December 31, 2023, the present value of the unconditional promises to give has been determined using a discount rate of 3.93%. At December 31, 2022, there were no unconditional promises to give.

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

NOTE 6 - PROPERTY AND EQUIPMENT

	<u>2023</u>	<u>2022</u>
Land	\$ 100,293	\$ 100,293
Building	349,263	349,263
Furniture and equipment	<u>58,137</u>	<u>58,137</u>
Total cost	507,693	507,693
Less accumulated depreciation	<u>245,107</u>	<u>226,528</u>
	<u>\$ 262,586</u>	<u>\$ 281,165</u>

NOTE 7 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the years 2023 and 2022:

	<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 4,946,322	\$ 10,872,836	\$ 15,819,158
Net investment return	205,010	510,393	715,403
Net investment gain (realized and unrealized)	557,359	1,309,192	1,866,551
Contributions	86,433	2,144,523	2,230,956
Transfers	(108,581)	108,581	-
Amounts appropriated for expenditure	<u>(325,381)</u>	<u>(602,284)</u>	<u>(927,665)</u>
Endowment net assets, end of year	<u>\$ 5,361,162</u>	<u>\$ 14,343,241</u>	<u>\$ 19,704,403</u>
	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 6,026,021	\$ 13,241,407	\$ 19,267,428
Net investment return	201,744	440,023	641,767
Net investment loss (realized and unrealized)	(1,084,352)	(2,376,442)	(3,460,794)
Contributions	24,653	217,746	242,399
Amounts appropriated for expenditure	<u>(221,744)</u>	<u>(649,898)</u>	<u>(871,642)</u>
Endowment net assets, end of year	<u>\$ 4,946,322</u>	<u>\$ 10,872,836</u>	<u>\$ 15,819,158</u>

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

NOTE 7 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED

The following is a summary of endowment net asset composition by type of fund as of December 31, 2023 and 2022:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated endowment funds	\$ -	\$ 14,343,241	\$ 14,343,241
Donor advised endowment funds	57,397	-	57,397
Undesignated endowment funds	<u>5,303,765</u>	<u>-</u>	<u>5,303,765</u>
	<u>\$ 5,361,162</u>	<u>\$ 14,343,241</u>	<u>\$ 19,704,403</u>
	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated endowment funds	\$ -	\$ 10,872,836	\$ 10,872,836
Donor advised endowment funds	157,435	-	157,435
Undesignated endowment funds	<u>4,788,887</u>	<u>-</u>	<u>4,788,887</u>
	<u>\$ 4,946,322</u>	<u>\$ 10,872,836</u>	<u>\$ 15,819,158</u>

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

NOTE 7 - 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, 2023 and 2022:

	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment funds:			
Donor advised funds	<u>\$ 57,397</u>	<u>\$ -</u>	<u>\$ 57,397</u>
Purpose restrictions			
Designated purpose	-	5,995,848	5,995,848
Field of interest	-	1,341,744	1,341,744
Scholarship funds	-	5,987,140	5,987,140
Agency	-	25,299	25,299
	<u>-</u>	<u>13,350,031</u>	<u>13,350,031</u>
Perpetual in nature	-	993,210	993,210
Undesignated funds	<u>5,303,765</u>	<u>-</u>	<u>5,303,765</u>
	<u>5,361,162</u>	<u>14,343,241</u>	<u>19,704,403</u>
Non-endowment funds:			
Board designated	<u>1,063,808</u>	<u>-</u>	<u>1,063,808</u>
Purpose restrictions			
Special projects	-	3,695,852	3,695,852
Agency	-	141,228	141,228
Lilly grants	-	111,657	111,657
	<u>-</u>	<u>3,948,737</u>	<u>3,948,737</u>
Donor advised funds	<u>23,230</u>	<u>-</u>	<u>23,230</u>
Plant fund	<u>262,586</u>	<u>-</u>	<u>262,586</u>
	<u>\$ 6,710,786</u>	<u>\$ 18,291,978</u>	<u>\$ 25,002,764</u>

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

NOTE 7 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment funds:			
Donor advised funds	\$ 157,435	\$ -	\$ 157,435
Purpose restrictions			
Designated purpose	-	4,196,158	4,196,158
Field of interest	-	1,205,509	1,205,509
Scholarship funds	-	4,459,450	4,459,450
Agency	-	18,509	18,509
	<u>-</u>	<u>9,879,626</u>	<u>9,879,626</u>
Perpetual in nature	-	993,210	993,210
Undesignated funds	<u>4,788,887</u>	<u>-</u>	<u>4,788,887</u>
	<u>4,946,322</u>	<u>10,872,836</u>	<u>15,819,158</u>
Non-endowment funds:			
Board designated	<u>738,502</u>	<u>-</u>	<u>738,502</u>
Purpose restrictions			
Special projects	-	321,727	321,727
Agency	-	130,420	130,420
Lilly grants	-	69,386	69,386
	<u>-</u>	<u>521,533</u>	<u>521,533</u>
Donor advised funds	<u>20,420</u>	<u>-</u>	<u>20,420</u>
Plant fund	<u>281,165</u>	<u>-</u>	<u>281,165</u>
	<u>\$ 5,986,409</u>	<u>\$ 11,394,369</u>	<u>\$ 17,380,778</u>

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

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS

The following schedule reflects net assets released from restrictions for the years 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Purpose restrictions met	\$ 3,546,847	\$ 1,240,912
Time restrictions met	<u>-</u>	<u>37,500</u>
	<u>\$ 3,546,847</u>	<u>\$ 1,278,412</u>

NOTE 9 - COMMUNITY CENTER GRANT

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 recorded the full unspent amount of \$5,000,000 as a refundable advance as of December 31, 2020. During 2023 and 2022, the Foundation spent \$2,996,512 and \$505,842 from the refundable advance resulting in a balance of \$915,051 and \$3,911,563 as of December 31, 2023 and 2022. These amounts have been reflected as contributions and grants in the statements of activities. In addition, the corresponding expenses are reflected as contracted services and donor cultivation in the statements of functional expenses.

NOTE 10 - 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.

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

NOTE 11 - FUNDS HELD FOR OTHERS

During the years 2023 and 2022, the following activities occurred in the Foundation's funds held for others. These amounts are not reflected in the statements of activities.

	<u>2023</u>	<u>2022</u>
Contributions	\$ 20,684	\$ 24,780
Net investment return	81,364	78,467
Net realized loss on investments	(10,644)	-
Net unrealized gain (loss) on investments	<u>233,664</u>	<u>(425,429)</u>
	<u>325,068</u>	<u>(322,182)</u>
Grants	103,105	107,543
Foundation administrative fees	<u>29,207</u>	<u>32,157</u>
	<u>132,312</u>	<u>139,700</u>
Increase (decrease) in funds held for others	192,756	(461,882)
Balance at beginning of year	<u>1,928,849</u>	<u>2,390,731</u>
Balance at end of year	<u>\$ 2,121,605</u>	<u>\$ 1,928,849</u>

NOTE 12 - SUBSEQUENT EVENT

In April 2024, the REC Building Holding Corporation, the 100% owned subsidiary of the Foundation, purchased real estate for \$1 which will be part of the New Market Tax Credit transaction that is expected to close at the end of May 2024 or in June 2024.