

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

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

TABLE OF CONTENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 18



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, 2019 and 2018, 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, 2019 and 2018, 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 26, 2020

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 290,357	\$ 852,112
Investments	18,302,560	15,828,077
Unconditional promise to give	12,500	-
Property and equipment, net	<u>321,884</u>	<u>334,470</u>
	<u>\$ 18,927,301</u>	<u>\$ 17,014,659</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses	\$ 8,678	\$ 3,225
Grants payable	70,000	50,000
Funds held for others	<u>2,003,825</u>	<u>2,412,014</u>
	<u>2,082,503</u>	<u>2,465,239</u>
NET ASSETS		
Without donor restrictions		
Donor advised endowment funds	45,865	40,887
Undesignated	5,049,301	3,853,597
Board designated	610,409	580,289
Plant fund	<u>321,884</u>	<u>334,470</u>
	<u>6,027,459</u>	<u>4,809,243</u>
With donor restrictions		
Purpose restrictions	9,786,629	8,300,217
Time-restricted for future periods	37,500	446,750
Perpetual in nature	<u>993,210</u>	<u>993,210</u>
	<u>10,817,339</u>	<u>9,740,177</u>
	<u>16,844,798</u>	<u>14,549,420</u>
	<u>\$ 18,927,301</u>	<u>\$ 17,014,659</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
Total Public Support and Revenue	1,066,535	2,091,156	3,157,691
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
Total Expenses	<u>862,313</u>	<u>-</u>	<u>862,313</u>
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 ACTIVITIES

YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	\$ 180,036	\$ 621,030	\$ 801,066
Net investment return	202,712	473,190	675,902
Net realized gain on investments	30,095	17,906	48,001
Net unrealized loss on investments	(521,246)	(1,179,788)	(1,701,034)
Administrative fee revenue	39,537	-	39,537
Other income	1,394	-	1,394
	<u> </u>	<u> </u>	<u> </u>
Total Public Support and Revenue	(67,472)	(67,662)	(135,134)
NET ASSETS RELEASED FROM RESTRICTIONS	<u>557,779</u>	<u>(557,779)</u>	<u>-</u>
	<u>490,307</u>	<u>(625,441)</u>	<u>(135,134)</u>
EXPENSES			
Program services	540,972	-	540,972
Management and administrative	132,141	-	132,141
Fund development	42,245	-	42,245
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	715,358	-	715,358
CHANGE IN NET ASSETS	(225,051)	(625,441)	(850,492)
NET ASSETS			
Beginning of year	<u>5,034,294</u>	<u>10,365,618</u>	<u>15,399,912</u>
End of year	<u>\$ 4,809,243</u>	<u>\$ 9,740,177</u>	<u>\$ 14,549,420</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
Consultants	-	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
Total Expenses Before Depreciation	627,804	152,911	64,179	844,894
Depreciation	6,968	10,451	-	17,419
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)**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

	Program Services	Management and Administrative	Fund Development	Total
Grants and scholarships	\$ 456,176	\$ -	\$ -	\$ 456,176
Salaries and wages	55,924	48,569	23,683	128,176
Employee benefits	14,562	12,647	6,167	33,376
Professional fees	1,875	10,625	-	12,500
Travel and meetings	946	126	189	1,261
Telephone and utilities	404	7,265	404	8,073
Advertising and promotion	1,841	-	2,762	4,603
Consultants	-	15,727	-	15,727
Repairs and maintenance	372	867	-	1,239
Insurance	1,944	4,536	-	6,480
Donor cultivation	-	-	8,139	8,139
Dues and subscriptions	-	1,743	-	1,743
Postage	502	1,755	251	2,508
Printing	650	1,948	650	3,248
Supplies	-	8,588	-	8,588
Miscellaneous	-	9,080	-	9,080
Total Expenses Before Depreciation	535,196	123,476	42,245	700,917
Depreciation	5,776	8,665	-	14,441
Total Expenses	<u>\$ 540,972</u>	<u>\$ 132,141</u>	<u>\$ 42,245</u>	<u>\$ 715,358</u>

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

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 2,295,378	\$ (850,492)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	17,419	14,441
Loss on disposal of equipment	-	2,985
Net unrealized (gain) loss on investments	(2,065,463)	1,701,034
Net realized gain on investments	<u>(44,027)</u>	<u>(48,001)</u>
	203,307	819,967
Changes in operating assets and liabilities:		
Unconditional promise to give	(12,500)	553,185
Accrued expenses	5,453	765
Grants payable	20,000	(25,000)
Funds held for others	<u>(408,189)</u>	<u>(46,137)</u>
Net Cash Provided (Used) by Operating Activities	<u>(191,929)</u>	<u>1,302,780</u>
INVESTING ACTIVITIES		
Proceeds from sale of equipment	-	300
Purchases of property and equipment	(4,833)	(68,820)
Proceeds from sale of investments	1,363,826	1,796,096
Purchases of investments	<u>(1,728,819)</u>	<u>(2,586,363)</u>
Net Cash Used by Investing Activities	<u>(369,826)</u>	<u>(858,787)</u>
NET INCREASE (DECREASE) IN CASH	(561,755)	443,993
CASH		
Beginning of year	<u>852,112</u>	<u>408,119</u>
End of year	<u>\$ 290,357</u>	<u>\$ 852,112</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

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 one grant and one contribution that represented 21% of the total contributions and grants revenue for the year 2019. The Foundation received one grant and one contribution that represented 74% of the total contribution and grants revenue for the year 2018.

At December 31, 2019 and 2018, 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.

In June 2017, the Foundation 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, 2019 and 2018, 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 promise to give at December 31, 2019 is expected to be received within one year. There were no unconditional promises to give as of December 31, 2018.

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 2019 and 2018 was \$17,419 and \$14,441.

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, 2019 and 2018.

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. Advertising and promotion expenses were \$7,589 and \$4,603 for the years 2019 and 2018.

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, 2019.

Reclassifications - Certain prior year amounts have been reclassified to conform with current year presentation.

Subsequent Events - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 26, 2020, the date the financial statements were available to be issued.

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

NOTES TO FINANCIAL STATEMENTS

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>2019</u>	<u>2018</u>
Cash	\$ 290,357	\$ 852,112
Investments	18,302,560	15,828,077
Unconditional promise to give	<u>12,500</u>	<u>-</u>
Total financial assets	<u>18,605,417</u>	<u>16,680,189</u>
Less those unavailable for general expenditure within one year due to:		
Non-endowed purpose restrictions	(231,794)	(182,071)
Endowment funds subject to the Foundation's spending policy:		
Designated funds	(10,560,545)	(9,111,356)
Undesignated funds less the next year's approved draw	(4,837,230)	(3,691,746)
Board designated non-endowment funds	(610,409)	(580,289)
Lilly Grant VII - time restricted for future periods	(25,000)	(446,750)
Funds held for others	<u>(2,003,825)</u>	<u>(2,412,014)</u>
	<u>(18,268,803)</u>	<u>(16,424,226)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 336,614</u>	<u>\$ 255,963</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS

	2019	
	Cost	Fair Value
Money market	\$ 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>

	2018	
	Cost	Fair Value
Money market	\$ 606,361	\$ 606,361
Alternative investments	1,544,220	1,506,411
Fixed income funds	3,776,041	3,702,246
Equities - domestic and international	<u>10,399,474</u>	<u>10,013,059</u>
	<u>\$ 16,326,096</u>	<u>\$ 15,828,077</u>

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair values of the Foundation's financial assets measured on a recurring basis at December 31, 2019 and 2018 are as follows:

	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	\$ 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>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - FAIR VALUE MEASUREMENTS - continued

		2018		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Assets				
Investments				
Money market	\$ 606,361	\$ 606,361	\$ -	\$ -
Alternative investments	1,506,411	1,506,411	-	-
Fixed income funds	3,702,246	3,702,246	-	-
Equities - domestic and international	<u>10,013,059</u>	<u>10,013,059</u>	<u>-</u>	<u>-</u>
	<u>\$ 15,828,077</u>	<u>\$ 15,828,077</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTE 5 - PROPERTY AND EQUIPMENT

	2019	2018
Land	\$ 100,293	\$ 100,293
Building	349,263	349,263
Furniture and equipment	<u>76,099</u>	<u>100,962</u>
Total cost	525,655	550,518
Less accumulated depreciation	<u>203,771</u>	<u>216,048</u>
	<u>\$ 321,884</u>	<u>\$ 334,470</u>

NOTE 6 - GRANTS PAYABLE

Grants that are authorized but unpaid are reported as a liability. The following is a summary of a grants authorized and payable at December 31, 2019 and 2018:

	2019	2018
Payable in less than one year	\$ 55,000	\$ 25,000
Payable in one to three years	<u>15,000</u>	<u>25,000</u>
	<u>\$ 70,000</u>	<u>\$ 50,000</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the years 2019 and 2018:

	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	-	(575,719)	(575,719)
Endowment net assets, end of year	<u>\$ 5,095,166</u>	<u>\$ 10,560,545</u>	<u>\$ 15,655,711</u>

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 4,180,849	\$ 10,183,983	\$ 14,364,832
Net investment return	202,573	465,871	668,444
Net investment loss (realized and unrealized)	(491,151)	(1,145,226)	(1,636,377)
Contributions	174,286	591,511	765,797
Transfers	39,898	(13,925)	25,973
Amounts appropriated for expenditure	(211,971)	(524,108)	(736,079)
Endowment net assets, end of year	<u>\$ 3,894,484</u>	<u>\$ 9,558,106</u>	<u>\$ 13,452,590</u>

The following is a summary of endowment net asset composition by type of fund as of December 31, 2019 and 2018:

	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.
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - ENDOWMENT FUNDS AND NET ASSETS - continued

	2018	
	Without Donor Restrictions	With Donor Restrictions
		Total
Donor designated endowment funds	\$ -	\$ 9,558,106
Donor advised endowment funds	40,887	-
Undesignated endowment funds	<u>3,853,597</u>	<u>-</u>
	<u>\$ 3,894,484</u>	<u>\$ 9,558,106</u>
		<u>\$ 13,452,590</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, 2019 and 2018:

	2019	
	Without Donor Restrictions	With Donor Restrictions
		Total
Endowment funds:		
Donor advised funds	<u>\$ 45,865</u>	<u>\$ -</u>
		<u>\$ 45,865</u>
Purpose restrictions		
Designated purpose	-	4,314,357
Field of interest	-	1,191,855
Scholarship funds	-	4,028,986
Agency	<u>-</u>	<u>19,637</u>
	<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>5,049,301</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>	<u>610,409</u>
Purpose restrictions		
Special projects	-	32,601
Agency	-	176,885
Lilly VII planning grant	<u>-</u>	<u>22,308</u>
	<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>321,884</u>
	<u>\$ 6,027,459</u>	<u>\$ 10,817,339</u>
		<u>\$ 16,844,798</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - ENDOWMENT FUNDS AND NET ASSETS - continued

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Donor advised funds	\$ 40,887	\$ -	\$ 40,887
Purpose restrictions			
Designated purpose	-	3,713,986	3,713,986
Field of interest	-	1,036,645	1,036,645
Scholarship funds	-	3,350,297	3,350,297
Agency	-	17,218	17,218
	-	8,118,146	8,118,146
Time-restricted for future periods	-	446,750	446,750
Perpetual in nature	-	993,210	993,210
Undesignated funds	3,853,597	-	3,853,597
	3,894,484	9,558,106	13,452,590
Non-endowment funds:			
Board designated	580,289	-	580,289
Purpose restrictions			
Special projects	-	28,677	28,677
Scholarship funds	-	9,834	9,834
Agency	-	143,560	143,560
	-	182,071	182,071
Plant fund	334,470	-	334,470
	\$ 4,809,243	\$ 9,740,177	\$ 14,549,420

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - 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 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 9 - FUNDS HELD FOR OTHERS

During the years 2019 and 2018, the following activities occurred in the Foundation's funds held for others. These amounts are not reflected in the statements of activities.

	<u>2019</u>	<u>2018</u>
Contributions	\$ 21,912	\$ 330,052
Net investment return	64,409	125,875
Net realized gain on investments	4,723	19,070
Net unrealized gain (loss) on investments	<u>294,051</u>	<u>(330,365)</u>
	<u>385,095</u>	<u>144,632</u>
Grants	761,496	151,232
Foundation administrative fees	<u>31,788</u>	<u>39,537</u>
	<u>793,284</u>	<u>190,769</u>
Decrease in funds held for others	(408,189)	(46,137)
Balance at beginning of year	<u>2,412,014</u>	<u>2,458,151</u>
Balance at end of year	<u>\$ 2,003,825</u>	<u>\$ 2,412,014</u>

NOTE 10 - SUBSEQUENT EVENTS

The COVID-19 pandemic is having a substantial impact on the stock market, the economy, and the normal operations of most businesses. The severity of the financial impact of this pandemic on the financial position and long-term operations of the Foundation is not known at this time. As a result of the volatility in the United States' financial markets, the market value of the Foundation's investments has declined since December 31, 2019. Management has not determined the decrease as of May 26, 2020, the date the financial statements were available to be issued.

In addition, subsequent to December 31, 2019, the Foundation applied for financial assistance through the Small Business Administration's Paycheck Protection Program and received \$31,700 in funds. These funds may be partially or fully forgivable through the program given the Foundation utilizes them for allowable expenses.