

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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YEARS ENDED DECEMBER 31, 2021 AND 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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

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 31, 2022

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 4,514,187	\$ 5,365,192
Investments	23,217,070	20,422,661
Unconditional promises to give	112,500	52,500
Property and equipment, net	<u>300,362</u>	<u>318,402</u>
	<u>\$ 28,144,119</u>	<u>\$ 26,158,755</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 205,720	\$ 3,534
Grants and scholarships payable	-	9,884
Refundable advance	4,417,405	5,000,000
Funds held for others	<u>2,390,731</u>	<u>2,144,865</u>
	<u>7,013,856</u>	<u>7,158,283</u>
NET ASSETS		
Without donor restrictions		
Donor advised endowment funds	206,527	175,934
Undesignated	5,843,449	5,359,508
Board designated	928,174	832,055
Plant fund	<u>300,362</u>	<u>318,402</u>
	<u>7,278,512</u>	<u>6,685,899</u>
With donor restrictions		
Purpose restrictions	12,821,041	11,283,863
Time-restricted for future periods	37,500	37,500
Perpetual in nature	<u>993,210</u>	<u>993,210</u>
	<u>13,851,751</u>	<u>12,314,573</u>
	<u>21,130,263</u>	<u>19,000,472</u>
	<u>\$ 28,144,119</u>	<u>\$ 26,158,755</u>

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

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	\$ 146,859	\$ 984,080	\$ 1,130,939
Net investment return	222,136	413,615	635,751
Net realized gain on investments	338,390	638,714	977,104
Net unrealized gain on investments	300,501	590,251	890,752
Administrative fee revenue	<u>35,773</u>	<u>-</u>	<u>35,773</u>
Total Public Support and Revenue	1,043,659	2,626,660	3,670,319
NET ASSETS RELEASED FROM RESTRICTIONS	<u>1,089,482</u>	<u>(1,089,482)</u>	<u>-</u>
	<u>2,133,141</u>	<u>1,537,178</u>	<u>3,670,319</u>
EXPENSES			
Program services	1,258,635	-	1,258,635
Management and administrative	188,535	-	188,535
Fund development	<u>93,358</u>	<u>-</u>	<u>93,358</u>
Total Expenses	<u>1,540,528</u>	<u>-</u>	<u>1,540,528</u>
CHANGE IN NET ASSETS	592,613	1,537,178	2,129,791
NET ASSETS			
Beginning of year	<u>6,685,899</u>	<u>12,314,573</u>	<u>19,000,472</u>
End of year	<u>\$ 7,278,512</u>	<u>\$ 13,851,751</u>	<u>\$ 21,130,263</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
Total Public Support and Revenue	961,989	2,118,150	3,080,139
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
Total Expenses	<u>924,465</u>	<u>-</u>	<u>924,465</u>
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 FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and Administrative	Fund Development	Total
Grants and scholarships	\$ 506,555	\$ -	\$ -	\$ 506,555
Salaries and wages	104,420	73,175	42,964	220,559
Employee benefits	19,976	13,999	8,219	42,194
Professional fees	2,157	12,224	-	14,381
Travel and meetings	1,484	197	297	1,978
Telephone and utilities	485	8,719	485	9,689
Advertising and promotion	975	-	1,462	2,437
Contracted services - Community Center Grant	582,595	-	-	582,595
Contracted services - First5	24,458	2,877	1,439	28,774
Repairs and maintenance	292	681	-	973
Insurance	1,288	3,004	-	4,292
Donor cultivation	-	-	35,060	35,060
Dues and subscriptions	-	3,368	-	3,368
Postage	696	2,432	348	3,476
Printing	1,822	5,466	1,822	9,110
Supplies	-	5,578	-	5,578
IT expenses	3,789	31,959	1,262	37,010
Miscellaneous	-	13,391	-	13,391
Total Expenses Before Depreciation	1,250,992	177,070	93,358	1,521,420
Depreciation	7,643	11,465	-	19,108
Total Expenses	<u>\$ 1,258,635</u>	<u>\$ 188,535</u>	<u>\$ 93,358</u>	<u>\$ 1,540,528</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)**

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 2,129,791	\$ 2,155,674
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	19,108	18,134
Net unrealized gain on investments	(890,752)	(1,688,045)
Net realized (gain) loss on investments	(977,104)	284,767
Paycheck Protection Program loan forgiveness	<u>-</u>	<u>(31,700)</u>
	281,043	738,830
Changes in operating assets and liabilities:		
Unconditional promises to give	(60,000)	(40,000)
Accounts payable and accrued expenses	202,186	(5,144)
Grants and scholarships payable	(9,884)	(60,116)
Refundable advance	(582,595)	5,000,000
Funds held for others	<u>245,866</u>	<u>141,040</u>
Net Cash Provided by Operating Activities	<u>76,616</u>	<u>5,774,610</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(1,069)	(14,652)
Proceeds from sale of investments	5,411,935	5,202,349
Purchases of investments	<u>(6,338,487)</u>	<u>(5,919,172)</u>
Net Cash and Cash Equivalents Used by Investing Activities	<u>(927,621)</u>	<u>(731,475)</u>
FINANCING ACTIVITIES		
Borrowings on Paycheck Protection Program loan	<u>-</u>	<u>31,700</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(851,005)	5,074,835
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>5,365,192</u>	<u>290,357</u>
End of year	<u>\$ 4,514,187</u>	<u>\$ 5,365,192</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 that represented 60% of the total contributions and grants revenue for the year 2021. The Foundation received two grants and two contributions that represented 69% of the total contributions and grants revenue for the year 2020.

The Foundation had one grant that represented 89% of unconditional promises to give receivable at December 31, 2021. The Foundation had no such concentrations at December 31, 2020.

At December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020 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 2021 and 2020 was \$19,108 and \$18,134.

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, 2021 and 2020.

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, 2020 were expected to be paid within one year. There were no grants and scholarships payable at December 31, 2021.

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, 2021.

Subsequent Events - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 31, 2022, 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,514,187	\$ 5,365,192
Investments	23,217,070	20,422,661
Unconditional promise to give	<u>112,500</u>	<u>52,500</u>
Total financial assets	<u>27,843,757</u>	<u>25,840,353</u>
Less those unavailable for general expenditure within one year due to:		
Non-endowed purpose restrictions	(585,344)	(365,019)
Endowment funds subject to the Foundation's spending policy:		
Designated funds	(13,241,407)	(11,924,554)
Undesignated funds less the next year's approved draw	(5,598,025)	(5,134,409)
Board designated non-endowment funds	(928,174)	(832,055)
Lilly grant - time restricted for future periods	(25,000)	(25,000)
Refundable advance	(4,417,405)	(5,000,000)
Funds held for others	<u>(2,390,731)</u>	<u>(2,144,865)</u>
	<u>(27,186,086)</u>	<u>(25,425,902)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 657,671</u>	<u>\$ 414,451</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS

	2021	
	Cost	Fair Value
Money market and cash equivalents	\$ 385,513	\$ 385,513
Alternative investments	2,077,589	2,236,913
Fixed income funds	5,160,844	5,167,033
Equities - domestic and international	<u>10,850,483</u>	<u>15,427,611</u>
	<u>\$ 18,474,429</u>	<u>\$ 23,217,070</u>

	2020	
	Cost	Fair Value
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>

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair values of the Foundation's financial assets measured on a recurring basis at December 31, 2021 and 2020 are as follows:

	2021			
	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	\$ 385,513	\$ 385,513	\$ -	\$ -
Alternative investments	2,236,913	2,236,913	-	-
Fixed income funds	5,167,033	5,167,033	-	-
Equities - domestic and international	<u>15,427,611</u>	<u>15,427,611</u>	<u>-</u>	<u>-</u>
	<u>\$ 23,217,070</u>	<u>\$ 23,217,070</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - FAIR VALUE MEASUREMENTS - CONTINUED

	2020			
	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	\$ 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>-</u>	<u>-</u>
	<u>\$ 20,422,661</u>	<u>\$ 20,422,661</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

	2021	2020
Land	\$ 100,293	\$ 100,293
Building	349,263	349,263
Furniture and equipment	<u>58,435</u>	<u>57,366</u>
Total cost	507,991	506,922
Less accumulated depreciation	<u>207,629</u>	<u>188,520</u>
	<u>\$ 300,362</u>	<u>\$ 318,402</u>

NOTE 6 - 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.

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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 2021 and 2020:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 5,514,104	\$ 11,924,554	\$ 17,438,658
Net investment return	186,962	408,724	595,686
Net investment gain (realized and unrealized)	557,213	1,215,018	1,772,231
Contributions	41,588	273,220	314,808
Amounts appropriated for expenditure	(273,846)	(580,109)	(853,955)
Endowment net assets, end of year	<u>\$ 6,026,021</u>	<u>\$ 13,241,407</u>	<u>\$ 19,267,428</u>

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
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	(484,643)	(307,386)	(792,029)
Endowment net assets, end of year	<u>\$ 5,514,104</u>	<u>\$ 11,924,554</u>	<u>\$ 17,438,658</u>

The following is a summary of endowment net asset composition by type of fund as of December 31, 2021 and 2020:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor designated endowment funds	\$ -	\$ 13,241,407	\$ 13,241,407
Donor advised endowment funds	182,572	-	182,572
Undesignated endowment funds	5,843,449	-	5,843,449
	<u>\$ 6,026,021</u>	<u>\$ 13,241,407</u>	<u>\$ 19,267,428</u>

	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	5,359,508	-	5,359,508
	<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 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, 2021 and 2020:

	2021	
	Without Donor Restrictions	With Donor Restrictions
	Total	
Endowment funds:		
Donor advised funds	<u>\$ 182,572</u>	<u>\$ -</u>
		<u>\$ 182,572</u>
Purpose restrictions		
Designated purpose	-	5,133,652
Field of interest	-	1,466,923
Scholarship funds	-	5,612,489
Agency	-	22,633
	<u>-</u>	<u>12,235,697</u>
		<u>12,235,697</u>
Time-restricted for future periods	-	12,500
		12,500
Perpetual in nature	-	993,210
		993,210
Undesignated funds	<u>5,843,449</u>	<u>-</u>
	<u>6,026,021</u>	<u>13,241,407</u>
		<u>19,267,428</u>
Non-endowment funds:		
Board designated	<u>928,174</u>	<u>-</u>
		<u>928,174</u>
Purpose restrictions		
Special projects	-	354,874
Agency	-	150,490
Lilly grants	-	79,980
	<u>-</u>	<u>585,344</u>
		<u>585,344</u>
Time-restricted for future periods	<u>-</u>	<u>25,000</u>
		<u>25,000</u>
Donor advised funds	<u>23,955</u>	<u>-</u>
		<u>23,955</u>
Plant fund	<u>300,362</u>	<u>-</u>
	<u>300,362</u>	<u>300,362</u>
	<u>\$ 7,278,512</u>	<u>\$ 13,851,751</u>
		<u>\$ 21,130,263</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 7 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Donor advised funds	\$ 154,596	\$ -	\$ 154,596
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
	-	10,918,844	10,918,844
Time-restricted for future periods	-	12,500	12,500
Perpetual in nature	-	993,210	993,210
Undesignated funds	5,359,508	-	5,359,508
	5,514,104	11,924,554	17,438,658
Non-endowment funds:			
Board designated	832,055	-	832,055
Purpose restrictions			
Special projects	-	114,149	114,149
Agency	-	145,239	145,239
Lilly grants	-	105,631	105,631
	-	365,019	365,019
Time-restricted for future periods	-	25,000	25,000
Donor advised funds	21,338	-	21,338
Plant fund	318,402	-	318,402
	\$ 6,685,899	\$ 12,314,573	\$ 19,000,472

NOTE 8 - 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 has recorded the full unspent amount of \$5,000,000 as a refundable advance as of December 31, 2020. During 2021, the Foundation had spent \$582,595 from the refundable advance resulting in a balance of \$4,417,405 as of December 31, 2021. This \$582,595 has been reflected as contributions and grants in the 2021 statement of activities. In addition, the corresponding expenses are reflected as contracted services in the 2021 statement of functional expenses.

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.

NOTE 10 - FUNDS HELD FOR OTHERS

During the years 2021 and 2020, the following activities occurred in the Foundation's funds held for others. These amounts are not reflected in the statements of activities.

	<u>2021</u>	<u>2020</u>
Contributions	\$ 66,779	\$ 18,753
Net investment return	74,058	52,689
Net realized gain (loss) on investments	114,196	(32,060)
Net unrealized gain on investments	<u>104,036</u>	<u>198,611</u>
	<u>359,069</u>	<u>237,993</u>
Grants	77,430	67,759
Foundation administrative fees	<u>35,773</u>	<u>29,194</u>
	<u>113,203</u>	<u>96,953</u>
Increase in funds held for others	245,866	141,040
Balance at beginning of year	<u>2,144,865</u>	<u>2,003,825</u>
Balance at end of year	<u>\$ 2,390,731</u>	<u>\$ 2,144,865</u>

NOTE 11 - SUBSEQUENT EVENT

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, 2021. Management has not determined the decrease as of May 31, 2022, the date the financial statements were available to be issued.