

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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

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YEARS ENDED DECEMBER 31, 2016 AND 2015

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Foundation of Randolph County, Inc.
Winchester, Indiana

We have audited the accompanying financial statements of the **Community Foundation of Randolph County, Inc.** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 **Community Foundation of Randolph County, Inc.** as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 16 and 17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records, used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Richmond, Indiana
May 25, 2017

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

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 182,592	\$ 679,953
Interest receivable	15,814	11,972
Grants receivable	22,130	16,634
Investments	8,703,296	7,909,533
Unconditional promises to give	-	116,004
Property and equipment, net	<u>4,181</u>	<u>5,902</u>
	<u>\$ 8,928,013</u>	<u>\$ 8,739,998</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 2,141	\$ 1,904
Scholarships and grants payable	247,031	204,171
Deferred revenue	-	264,639
Funds held for others	<u>390,435</u>	<u>386,123</u>
	<u>639,607</u>	<u>856,837</u>
NET ASSETS		
Unrestricted	2,345,030	2,033,410
Temporarily restricted	<u>5,943,376</u>	<u>5,849,751</u>
	<u>8,288,406</u>	<u>7,883,161</u>
	<u>\$ 8,928,013</u>	<u>\$ 8,739,998</u>

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

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	\$ 328,701	\$ 143,724	\$ 472,425
Pass-thru grant - IAC RAP	-	166,335	166,335
Investment income	42,024	110,247	152,271
Net realized gain on investments	18,285	46,668	64,953
Net unrealized gain on investments	79,958	218,961	298,919
Administrative fee revenue	<u>14,935</u>	<u>-</u>	<u>14,935</u>
Total Public Support and Revenue	483,903	685,935	1,169,838
NET ASSETS RELEASED FROM RESTRICTIONS			
	<u>592,310</u>	<u>(592,310)</u>	<u>-</u>
	<u>1,076,213</u>	<u>93,625</u>	<u>1,169,838</u>
EXPENSES			
Program services	683,092	-	683,092
Management and administrative	64,022	-	64,022
Fund development	<u>17,479</u>	<u>-</u>	<u>17,479</u>
Total Expenses	<u>764,593</u>	<u>-</u>	<u>764,593</u>
CHANGE IN NET ASSETS	311,620	93,625	405,245
NET ASSETS			
Beginning of year	<u>2,033,410</u>	<u>5,849,751</u>	<u>7,883,161</u>
End of year	<u>\$ 2,345,030</u>	<u>\$ 5,943,376</u>	<u>\$ 8,288,406</u>

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

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	\$ 131,887	\$ 506,636	\$ 638,523
Pass-thru grant - IAC RAP	-	165,599	165,599
Investment income	36,587	107,758	144,345
Net realized gain on investments	86,813	249,644	336,457
Net unrealized loss on investments	(154,827)	(450,415)	(605,242)
Administrative fee revenue	<u>14,240</u>	<u>-</u>	<u>14,240</u>
Total Public Support and Revenue	114,700	579,222	693,922
NET ASSETS RELEASED FROM RESTRICTIONS	<u>817,395</u>	<u>(817,395)</u>	<u>-</u>
	<u>932,095</u>	<u>(238,173)</u>	<u>693,922</u>
EXPENSES			
Program services	898,898	-	898,898
Management and administrative	50,090	-	50,090
Fund development	<u>13,078</u>	<u>-</u>	<u>13,078</u>
Total Expenses	<u>962,066</u>	<u>-</u>	<u>962,066</u>
CHANGE IN NET ASSETS	(29,971)	(238,173)	(268,144)
NET ASSETS			
Beginning of year	<u>2,063,381</u>	<u>6,087,924</u>	<u>8,151,305</u>
End of year	<u>\$ 2,033,410</u>	<u>\$ 5,849,751</u>	<u>\$ 7,883,161</u>

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

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 405,245	\$ (268,144)
Adjustments to reconcile change in net assets to net cash and cash equivalents used by operating activities:		
Depreciation	1,721	1,963
Net unrealized (gain) loss on investments	(298,919)	605,242
Net realized gain on investments	(64,953)	(336,457)
Donated investments	<u>(13,680)</u>	<u>-</u>
	29,414	2,604
Changes in operating assets and liabilities:		
Interest receivable	(3,842)	1,825
Grants receivable	(5,496)	(194)
Unconditional promises to give	116,004	(106,529)
Accounts payable and accrued expenses	237	(4,489)
Scholarships and grants payable	42,860	4,157
Deferred revenue	(264,639)	(164,572)
Funds held for others	<u>4,312</u>	<u>82,002</u>
Net Cash and Cash Equivalents Used by Operating Activities	<u>(81,150)</u>	<u>(185,196)</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	-	(1,460)
Proceeds from sale of investments	5,579,637	3,591,904
Purchases of investments	<u>(5,995,848)</u>	<u>(3,525,370)</u>
Net Cash and Cash Equivalents Provided (Used) by Investing Activities	<u>(416,211)</u>	<u>65,074</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(497,361)	(120,122)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>679,953</u>	<u>800,075</u>
End of year	<u>\$ 182,592</u>	<u>\$ 679,953</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Community Foundation of Randolph County, Inc. (the "Foundation") is a nonprofit organization whose mission is to seek to bring people and resources together to strengthen the quality of life, both now and in the future, for the residents of Randolph County, Indiana. 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 any endowment fund, 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, the Board of Directors has determined that all contributions received subject to the governing document, and subject to UPMIFA, are classified as temporarily restricted until appropriated, at which time the appropriation is reclassified to unrestricted net assets. Contributions that are subject to other gift instruments may be recorded as permanently restricted, temporarily restricted, or unrestricted, depending on the specific terms of the agreement.

Generally, if the corpus of a contribution will, at some future time, become available for spending, it is recorded as temporarily restricted. In addition, contributions that are promised to be given in a future period are presented as temporarily restricted. If the corpus never becomes available for spending, it will be reported as permanently restricted. Permanently restricted net assets represent the fair value of the original gift as of the gift date, and the original value of subsequent gifts to donor-restricted endowment funds. At December 31, 2016 and 2015, the Foundation had no permanently restricted net assets.

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

**COMMUNITY FOUNDATION OF RANDOLPH COUNTY, 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 grants from two organizations that represented 68% of the total contributions and grants revenue for the year 2016. The Foundation received grants from two organizations and a bequest that represented 55% of the total contribution and grants revenue for the year 2015.

At December 31, 2015, the Foundation had deposits held at a financial institution that were in excess of FDIC limits. At December 31, 2016, the FDIC limits were not exceeded.

Investments - Investments are carried at fair value.

Endowment Investment and Spending Policies - The Foundation has adopted investment and spending policies 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 Foundation's spending and investment policies work together to achieve this objective. 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 spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds. The current spending policy is to distribute an amount up to 5% of a 12 quarter moving average. In the event that this would cause the fund to fall below historic dollar value, the Foundation will distribute up to 1.5% of a 12 quarter moving average. Accordingly, over the long term, the Foundation expects the current spending policy to 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. The Foundation amended its spending policy during 2016; these changes will impact future years.

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. The balance in unconditional promises to give on the statements of financial position as of December 31, 2015 was receivable in less than one year. There were no unconditional promises to give as of December 31, 2016.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property and Equipment - Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Donated assets are reflected at their estimated value at the date of receipt. Routine repairs and maintenance are expensed as incurred. Depreciation expense for 2016 and 2015 was \$1,721 and \$1,963.

The Foundation reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at December 31, 2016 and 2015.

Deferred Revenue - During 2014, the Foundation received the funding for a \$500,000 conditional grant. As revenue could only be recorded if matching contributions were received in accordance with the grant requirements, the Foundation had recorded deferred revenue of \$264,639 as of December 31, 2015, which represented unmatched grant funds. The remainder of the grant funds were matched or released from restrictions by the grantor in 2016. Therefore, the Foundation had no deferred revenue as of December 31, 2016.

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

Advertising Expense - Advertising costs are expensed as incurred. Marketing and promotion expenses were \$7,326 and \$6,464 for the years 2016 and 2015.

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

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

Subsequent Events - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 25, 2017, the date the financial statements were available to be issued.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - INVESTMENTS

	<u>2016</u>	
	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 466,285	\$ 466,285
Certificates of deposit	51,820	51,820
Municipal bonds	76,099	80,430
Government and agency securities	809,736	809,553
Unit trusts	95,586	93,549
Common stock and mutual funds	4,323,116	5,321,177
Mutual funds - international	448,609	425,484
Corporate bonds	<u>1,456,175</u>	<u>1,454,998</u>
	<u>\$ 7,727,426</u>	<u>\$ 8,703,296</u>

	<u>2015</u>	
	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 641,521	\$ 641,521
Certificates of deposit	51,562	51,562
Municipal bonds	73,735	78,776
Government and agency securities	546,525	557,188
Unit trusts	92,269	95,194
Common stock and mutual funds	4,133,431	4,719,933
Mutual funds - international	548,862	504,051
Corporate bonds	<u>1,253,817</u>	<u>1,261,308</u>
	<u>\$ 7,341,722</u>	<u>\$ 7,909,533</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS

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

	2016			
	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				
Cash and cash equivalents	\$ 466,285	\$ 466,285	\$ -	\$ -
Certificates of deposit	51,820	51,820	-	-
Municipal bonds	80,430	80,430	-	-
Government and agency securities	809,553	809,553	-	-
Unit trusts	93,549	93,549	-	-
Common stock and mutual funds	5,321,177	5,321,177	-	-
Mutual funds - international	425,484	425,484	-	-
Corporate bonds	<u>1,454,998</u>	<u>1,454,998</u>	-	-
	<u>\$ 8,703,296</u>	<u>\$ 8,703,296</u>	<u>\$ -</u>	<u>\$ -</u>

	2015			
	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				
Cash and cash equivalents	\$ 641,521	\$ 641,521	\$ -	\$ -
Certificates of deposit	51,562	51,562	-	-
Municipal bonds	78,776	78,776	-	-
Government and agency securities	557,188	557,188	-	-
Unit trusts	95,194	95,194	-	-
Common stock and mutual funds	4,719,933	4,719,933	-	-
Mutual funds - international	504,051	504,051	-	-
Corporate bonds	<u>1,261,308</u>	<u>1,261,308</u>	-	-
	<u>\$ 7,909,533</u>	<u>\$ 7,909,533</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - PROPERTY AND EQUIPMENT

	<u>2016</u>	<u>2015</u>
Furniture and equipment	\$ 55,872	\$ 55,872
Leasehold improvements	<u>11,215</u>	<u>11,215</u>
Total cost	67,087	67,087
Less accumulated depreciation	<u>62,906</u>	<u>61,185</u>
	<u>\$ 4,181</u>	<u>\$ 5,902</u>

NOTE 5 - SCHOLARSHIPS AND GRANTS PAYABLE

Scholarships and grants that are authorized but unpaid are reported as liabilities. The following is a summary of scholarships and grants authorized and payable at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Payable in less than one year	\$ 182,031	\$ 151,171
Payable in one to three years	<u>65,000</u>	<u>53,000</u>
	<u>\$ 247,031</u>	<u>\$ 204,171</u>

NOTE 6 - ENDOWMENT FUNDS AND NET ASSETS

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

	<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,949,861	\$ 5,626,213	\$ 7,576,074
Investment income	41,774	110,124	151,898
Net investment gain (realized and unrealized)	98,894	265,629	364,523
Contributions	318,045	89,187	407,232
Amounts appropriated for expenditure	<u>(159,862)</u>	<u>(311,008)</u>	<u>(470,870)</u>
Endowment net assets, end of year	<u>\$ 2,248,712</u>	<u>\$ 5,780,145</u>	<u>\$ 8,028,857</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - ENDOWMENT FUNDS AND NET ASSETS - continued

	2015		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,993,042	\$ 5,762,856	\$ 7,755,898
Investment income	36,325	107,414	143,739
Net investment loss (realized and unrealized)	(69,098)	(200,771)	(269,869)
Contributions	116,750	226,220	342,970
Transfers	-	27,577	27,577
Amounts appropriated for expenditure	<u>(127,158)</u>	<u>(297,083)</u>	<u>(424,241)</u>
Endowment net assets, end of year	<u>\$ 1,949,861</u>	<u>\$ 5,626,213</u>	<u>\$ 7,576,074</u>

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

	2016		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Donor designated endowment funds	\$ -	\$ 5,780,145	\$ 5,780,145
Donor advised endowment funds	55,090	-	55,090
Board designated endowment funds	<u>2,193,622</u>	-	<u>2,193,622</u>
	<u>\$ 2,248,712</u>	<u>\$ 5,780,145</u>	<u>\$ 8,028,857</u>

	2015		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Donor designated endowment funds	\$ -	\$ 5,626,213	\$ 5,626,213
Donor advised endowment funds	55,226	-	55,226
Board designated endowment funds	<u>1,894,635</u>	-	<u>1,894,635</u>
	<u>\$ 1,949,861</u>	<u>\$ 5,626,213</u>	<u>\$ 7,576,074</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - 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, 2016 and 2015:

	2016		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment funds	\$ 2,248,712	\$ 5,780,145	\$ 8,028,857
Non-endowment funds:			
Designated funds	-	71,599	71,599
Field of interest funds	-	34,490	34,490
Scholarship funds	-	48,145	48,145
Ball Brothers Foundation	-	6,530	6,530
Indiana Arts Commission grant	-	2,467	2,467
Operating	<u>96,318</u>	<u>-</u>	<u>96,318</u>
	<u>\$ 2,345,030</u>	<u>\$ 5,943,376</u>	<u>\$ 8,288,406</u>

	2015		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment funds	\$ 1,949,861	\$ 5,626,213	\$ 7,576,074
Non-endowment funds:			
Designated funds	-	69,242	69,242
Field of interest funds	-	44,818	44,818
Scholarship funds	-	50,682	50,682
Community project	-	37,092	37,092
Scholarship promotion	-	4,761	4,761
Ball Brothers Foundation	-	10,523	10,523
Indiana Arts Commission grant	-	6,420	6,420
Operating	<u>83,549</u>	<u>-</u>	<u>83,549</u>
	<u>\$ 2,033,410</u>	<u>\$ 5,849,751</u>	<u>\$ 7,883,161</u>

NOTE 7 - OPERATING LEASE

The Foundation leases its office space facility under a three year operating lease, which expired December 2016, with an option to renew for an additional three year period. The Foundation is in the process of negotiating a new lease agreement. Total lease expense for this operating lease was \$4,620 and \$4,628 for the years 2016 and 2015.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - RELATED PARTY TRANSACTIONS

Due to the small community size of Randolph County, Indiana, several 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.

NOTE 9 - FUNDS HELD FOR OTHERS

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

	<u>2016</u>	<u>2015</u>
Contributions	\$ 8,160	\$ 99,955
Investment income	6,432	4,583
Net realized gain on investments	2,145	11,094
Net unrealized gain (loss) on investments	<u>12,142</u>	<u>(19,910)</u>
	<u>28,879</u>	<u>95,722</u>
Grants	19,108	9,439
Investment management fees	1,954	1,348
Foundation administrative fees	<u>3,505</u>	<u>2,933</u>
	<u>24,567</u>	<u>13,720</u>
Increase in funds held for others	4,312	82,002
Balance at beginning of year	<u>386,123</u>	<u>304,121</u>
Balance at end of year	<u>\$ 390,435</u>	<u>\$ 386,123</u>

NOTE 10 - PASS-THRU GRANT INCOME AND EXPENSE

Beginning in 2012, the Foundation serves as a fiscal agent for the Indiana Arts Commission Regional Arts Partnership ("IAC RAP"). For the years 2016 and 2015, the Foundation recorded IAC grant income totaling \$166,335 and \$165,599. The Foundation recorded IAC grant expense of \$160,335 for the years 2016 and 2015. Further, the Foundation received \$11,451 and \$11,307 in administrative fee revenue as part of administering the grant program during the years 2016 and 2015.

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

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016

	Program Services	Management and Administrative	Fund Development	Total
Grants and scholarships	\$ 381,097	\$ -	\$ -	\$ 381,097
Pass-thru grants - IAC RAP	160,335	-	-	160,335
Personnel costs	50,270	34,937	15,332	100,539
Payroll taxes and employee benefits	4,672	3,247	1,424	9,343
Marketing and promotion	7,326	-	-	7,326
Office rent and maintenance	3,696	924	-	4,620
Utilities and telephone	2,806	701	-	3,507
Equipment rental and maintenance	1,801	450	-	2,251
Insurance	1,472	368	-	1,840
Professional fees	4,883	14,649	-	19,532
Office expenses	11,398	2,850	-	14,248
Meetings and conferences	1,258	-	315	1,573
Travel	1,179	-	295	1,474
Investment management fees	46,920	-	-	46,920
Website	563	449	113	1,125
Membership and dues	2,039	-	-	2,039
Miscellaneous	-	5,103	-	5,103
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses Before Depreciation	681,715	63,678	17,479	762,872
Depreciation	<u>1,377</u>	<u>344</u>	<u>-</u>	<u>1,721</u>
Total Expenses	<u>\$ 683,092</u>	<u>\$ 64,022</u>	<u>\$ 17,479</u>	<u>\$ 764,593</u>

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

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

	Program Services	Management and Administrative	Fund Development	Total
Grants and scholarships	\$ 598,943	\$ -	\$ -	\$ 598,943
Pass-thru grants - IAC RAP	160,335	-	-	160,335
Personnel costs	52,334	25,809	11,470	89,613
Payroll taxes and employee benefits	5,275	2,601	1,156	9,032
Marketing and promotion	6,464	-	-	6,464
Office rent and maintenance	3,702	926	-	4,628
Utilities and telephone	2,562	641	-	3,203
Equipment rental and maintenance	1,851	463	-	2,314
Insurance	1,276	319	-	1,595
Professional fees	5,386	16,159	-	21,545
Office expenses	11,116	2,779	-	13,895
Meetings and conferences	1,002	-	250	1,252
Travel	809	-	202	1,011
Investment management fees	44,421	-	-	44,421
Membership and dues	<u>1,852</u>	<u>-</u>	<u>-</u>	<u>1,852</u>
Total Expenses Before Depreciation	897,328	49,697	13,078	960,103
Depreciation	<u>1,570</u>	<u>393</u>	<u>-</u>	<u>1,963</u>
Total Expenses	<u>\$ 898,898</u>	<u>\$ 50,090</u>	<u>\$ 13,078</u>	<u>\$ 962,066</u>