

COMMUNITY FOUNDATION OF RANDOLPH COUNTY, INC.

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

December 31, 2023

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## Independent Auditors' Report

Board of Directors  
Community Foundation of Randolph County, Inc.

### Report on the Financial Statements

#### *Opinion*

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Randolph County, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of Randolph County, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Community Foundation of Randolph County, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

#### *Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 Community Foundation of Randolph County, 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 Community Foundation of Randolph County, 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.

*Estep Burkey Simmons, LLC*

Muncie, Indiana

July 25, 2024

## Community Foundation of Randolph County, Inc.

## STATEMENT OF FINANCIAL POSITION

December 31, 2023

## ASSETS

Cash and cash equivalents	\$ 1,916,000
Interest and dividends receivable	33,135
Grant receivable	5,426
Other receivables	1,100
Pledges receivable, net	358,721
Right of use assets	28,293
Prepaid expenses	1,500
Investments	13,136,747
Property and equipment, net	<u>15,364</u>
Total assets	<u>\$ 15,496,286</u>

## LIABILITIES AND NET ASSETS

## LIABILITIES

Accounts payable	\$ 102,468
Grants and scholarships payable	402,034
Right of use liabilities	28,293
Funds held for others	<u>558,201</u>
Total liabilities	1,090,996

## NET ASSETS

Without donor restrictions	754,363
With donor restrictions	<u>13,650,927</u>
Total net assets	<u>14,405,290</u>
Total liabilities and net assets	<u>\$ 15,496,286</u>

The accompanying notes are an integral part of this statement.

## Community Foundation of Randolph County, Inc.

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue and support			
Contributions	\$ 40,592	\$ 706,726	\$ 747,318
Administrative fees	6,347		6,347
Investment return, net	50,996	1,332,383	1,383,379
Shared services revenue	13,200		13,200
Other income	7,946		7,946
	<hr/>	<hr/>	<hr/>
Total operating revenue and support	119,081	2,039,109	2,158,190
Net assets released from restrictions:			
Satisfaction of purpose restrictions	70,270	(70,270)	
Pursuant to spending policy	775,258	(775,258)	
Operating expenses			
Program services	748,160		748,160
Supporting services:			
Management and general	100,651		100,651
Fundraising expenses	38,114		38,114
	<hr/>	<hr/>	<hr/>
	886,925		886,925
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	77,684	1,193,581	1,271,265
Net assets at beginning of year	<hr/>	<hr/>	<hr/>
	676,679	12,457,346	13,134,025
Net assets at end of year	<u>\$ 754,363</u>	<u>\$ 13,650,927</u>	<u>\$ 14,405,290</u>

The accompanying notes are an integral part of this statement.

## Community Foundation of Randolph County, Inc.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	<u>Grant- making</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 66,882	\$ 58,986	\$ 31,384	\$ 157,252
Payroll taxes and employee benefits	8,734	7,703	4,098	20,535
Grants and scholarships	553,417			553,417
Marketing and promotion	10,681			10,681
Office rent	9,120	2,280		11,400
Utilities and telephone	2,794	699		3,493
Equipment maintenance	4,011	1,003		5,014
Insurance	3,495	874		4,369
Professional fees	6,702	20,107		26,809
Office expenses	10,118	2,530		12,648
Meetings and conferences	3,609		902	4,511
Travel	1,253		313	1,566
Website	7,084	5,667	1,417	14,168
Membership and dues	2,470			2,470
Consulting - IAC RAP	12,630			12,630
Promise Indiana 529 College Savings Program	15,217			15,217
Miscellaneous	26,733			26,733
Depreciation	3,210	802		4,012
	<u>\$ 748,160</u>	<u>\$ 100,651</u>	<u>\$ 38,114</u>	<u>\$ 886,925</u>

The accompanying notes are an integral part of this statement.

## Community Foundation of Randolph County, Inc.

## STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

Cash flows from operating activities:	
Increase in net assets	\$ 1,271,265
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	4,012
Realized and unrealized gains	(1,137,649)
Contributions to funds held in perpetuity	(577,284)
(Increase) decrease in assets:	
Interest and dividends receivable	(8,544)
Grant receivable	(3,336)
Other receivables	1,103
Pledges receivable	1,614,295
Increase in liabilities:	
Accounts payable	95,096
Grants and scholarships payable	125,774
Funds held for others	81,503
	<u>1,466,235</u>
Net cash provided by operating activities	1,466,235
Cash flows from investing activities:	
Purchases of property and equipment	(6,072)
Proceeds from the sales of investments	9,044,401
Purchase of investments	<u>(10,629,591)</u>
Net cash used in investing activities	(1,591,262)
Cash flows from financing activities:	
Cash received from contributors for funds held in perpetuity	<u>577,284</u>
Net cash provided by financing activities	<u>577,284</u>
Net increase in cash and cash equivalents	452,257
Cash and cash equivalents at beginning of year	<u>1,463,743</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,916,000</u></u>

The accompanying notes are an integral part of this statement.

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

The Community Foundation of Randolph County, Inc. (the "Foundation") was incorporated in 1992 as a not-for-profit organization under the laws of the State of Indiana. The Foundation's 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.

2. Basis of Presentation

Net assets, support, investment return, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. While most gift instruments give the Foundation's Board of Directors the right to vary the terms of the gift, this only allows for a limited right of modification and does not relieve the restrictions imposed by the donor. Accordingly, the net assets of the Foundation are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and comprised of the Foundation's operating fund and unrestricted income from endowment funds.

Net assets with donor restrictions - Net assets not yet appropriated for expenditure by the Foundation's Board of Directors in accordance with their spending policy or that have donor-imposed restrictions relating to a stipulated purpose or a specified time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished or amounts have been allocated for expenditure by the Board of Directors, net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

3. Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the financial year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

4. Cash and Cash Equivalents

The Foundation maintains its cash in accounts at local financial institutions, which are insured by agencies of the U.S. Government. For purposes of the Statement of Cash Flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

5. Investments

The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expenses.

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Property and Equipment

Property and equipment is stated at cost. Donated equipment is recorded as support at the estimated fair value at the date of gift. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed according to the estimated useful lives of the respective assets using the straight-line method with useful lives ranging from three to forty years.

Depreciation expense was \$4,012 for the year ending December 31, 2023.

7. Income Taxes

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision has been made for income taxes.

8. Administrative Fees

The administrative fee on all endowments is an annual fee, charged quarterly, based upon the current market value of the fund. The fees are between 1.25% - 2%. The administrative fee on non-permanent funds will be charged quarterly based upon 2% of the value of amounts received and an annual fee of \$100 after twelve months.

9. Investment and Spending Policy

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. It is the Foundation's general policy that the spending rate shall not exceed 5% of a 12 quarter moving average. The rate for the 2023 spendable amount was 4%. 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.

10. Uncertain Tax Positions

The Foundation recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Foundation has examined this issue and has determined there are no material contingent tax liabilities.

The Foundation's federal and state exempt organization tax returns for 2020, 2021, and 2022 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. Returns are generally subject to examination for three years after they are filed.

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

11. 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. Salaries and wages and related employee benefits and payroll taxes are allocated on the basis of estimates of time and effort. All other expenses are allocated based on estimates.

12. Compensated Absences

The employees of the Foundation earn paid time off based upon length of service. Employees can roll-over up to forty hours of paid time off into the following year. Unused paid time off is paid out upon termination. The Foundation's policy is to recognize the cost of compensated absences when actually paid to employees.

13. Grants and scholarships

Grants and scholarships, including multi-year awards, are recorded as an expense and a payable when grants are approved and communicated to the grantees. Grants and scholarships expense for the year ended December 31, 2023 were \$553,417.

14. In-Kind Contributions

During the years ended December 31, 2023, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

15. Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at high credit quality financial institutions. At December 31, 2023, the Foundation exceeded the insured limit by \$250,590.

16. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTE B - PLEDGES RECEIVABLE

Pledges receivable at December 31, 2023 were \$358,721. The pledges are scheduled to be collected as follows:

Year ending December 31, 2024	\$ 126,000
2025	20,000
2026	20,000
2027	20,000
2028 and thereafter	<u>200,000</u>
	386,000
Present value discount	<u>27,279</u>
	<u><u>\$ 358,721</u></u>

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE C - INVESTMENTS

The following is an analysis of the fair value at December 31, 2023 by type of investment.

	<u>Fair Value</u>
Common stocks	\$ 1,971,443
Unit trusts	48,616
Mutual funds - equities:	
Foreign large blend	1,317,831
Foreign large value	360,975
Foreign large growth	357,807
Small value	87,033
Mid growth	108,454
Small blend	401,214
Mid-cap blend	1,280,699
Large blend	1,249,250
Diversified emerging markets	475,158
Consumer discretionary	171,009
Consumer staples	57,830
Consumer defensive	31,405
Technology	635,491
Energy	64,450
Financials	215,638
Health care	155,681
Industrials	76,249
Materials	52,234
Communications	269,088
Utilities	45,098
Real estate	25,219
Total mutual funds - equities	<u>7,437,813</u>
Mutual funds - fixed income:	
Corporate bonds	1,668,184
Ultrashort bond	306,000
Intermediate government	397,052
High yield bond fund	60,788
Short-term bond	93,275
Intermediate-term bond	63,230
US Government notes and bonds	1,090,346
Total mutual funds - fixed income	<u>3,678,875</u>
Total investments, at fair value	<u>\$ 13,136,747</u>
Total investments, at historical cost	<u>\$ 11,222,200</u>

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE D - RISKS AND UNCERTAINTIES

The Foundation holds a variety of investments (Note C). Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

## NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2023.

Building improvements	\$ 6,073
Furniture and equipment	<u>81,345</u>
	87,418
Accumulated depreciation	<u>(72,054)</u>
	<u>\$ 15,364</u>

## NOTE F - GRANTS AND SCHOLARSHIPS PAYABLE

Grants and scholarships that are authorized but unpaid are reported as liabilities. The following is a summary of scholarships and grants authorized and payable at December 31, 2023.

Payable in less than one year	\$ 261,884
Payable in one to two years	<u>140,150</u>
	<u>\$ 402,034</u>

## NOTE G - FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A hierarchy of inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE G - FAIR VALUE MEASUREMENTS - Continued

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Investments				
Common stocks	\$ 1,971,443	\$ 1,971,443		
Unit trusts	\$ 48,616	\$ 48,616		
Mutual funds - equities	\$ 7,437,813	\$ 7,437,813		
Mutual funds - fixed income	\$ 3,678,875	\$ 3,678,875		

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

## NOTE H - ENDOWMENT FUNDS

At December 31, 2023, the Foundation's endowment consists of donor-restricted endowment funds established to support designated charitable purposes and organizations. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Indiana Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2023, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

The Foundation has adopted investment and spending policies for endowment assets to attempt to provide a predictable stream of funding for granting purposes while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must use for a donor-specified purpose. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk. The Foundation expects its endowment funds, over time, to grow at a rate equal or greater than the Consumer Price Index plus any distributions and administrative expenses. Actual returns in any given year may vary.

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE H - ENDOWMENT FUNDS - Continued

Endowment net asset composition by type of fund as of December 31, 2023 was as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Board-designated endowment funds	\$ 301,906		\$ 301,906
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 10,727,928	10,727,928
Accumulated investment gains		2,253,412	2,253,412
	<u>\$ 301,906</u>	<u>\$ 12,981,340</u>	<u>\$ 13,283,246</u>

Changes in endowment net assets for the years ended December 31, 2023 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Contributions	\$ 5,250	\$ 577,284	\$ 582,534
Investment return, net	31,435	1,361,583	1,393,018
Total revenue and support	<u>36,685</u>	<u>1,938,867</u>	<u>1,975,552</u>
Appropriation of endowment assets for expenditure	<u>14,347</u>	<u>775,258</u>	<u>789,605</u>
Change in endowment net assets	22,338	1,163,609	1,185,947
Endowment net assets, beginning of year	<u>279,568</u>	<u>11,817,731</u>	<u>12,097,299</u>
Endowment net assets, end of year	<u>\$ 301,906</u>	<u>\$ 12,981,340</u>	<u>\$ 13,283,246</u>

Occasionally, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of December 31, 2023, no endowment funds were underwater.

## NOTE I - RETIREMENT PLAN

During 2019, the Foundation adopted a Section 403(b) annuity plan (the "Plan"). Employees who have attained 21 years of age, been employed for at least 6 months and work at least 20 hours per week are eligible to participate in the Plan. Under the Plan, the Foundation contributes a discretionary percentage of the respective employee's compensation to provide retirement benefits. The Foundation can also make a discretionary non-elective contribution. In addition, the employees may contribute a specified portion of their compensation to the plan. The Foundation made \$7,939 in contributions to the plan during the year ended December 31, 2023.

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE J - LIQUIDITY

The Foundation has financial assets available within one year of the Statement of Financial Position date consists of the following as of December 31, 2023.

Cash and cash equivalents	\$ 288,432
Accounts receivable	1,100
Pledges receivable	100,000
Investments	490,432
	<u>879,964</u>
	<u>\$ 879,964</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of Statement of Financial Position date. As part of its liquidity management, the Foundation invests cash in excess of daily requirements in various cash equivalents including money market funds and other interest earning opportunities.

## NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2023:

Subject to expenditure for a specific purpose:	
Designated	\$ 48,338
Donor advised	32,208
Field of interest	295,117
Scholarships	26,580
Community grantmaking	267,344
	<u>669,587</u>
Endowments:	
Subject to appropriation and expenditure when a specific event occurs:	
Restricted by donors for:	
Donor advised	184
Designated	21,025
Field of interest	312,452
Scholarships	303,488
Community grantmaking	44,483
	<u>681,632</u>
Subject to Foundation spending and appropriation:	
Donor advised	735,237
Designated	1,344,646
Field of interest	733,020
Scholarships	6,069,043
Community grantmaking	3,417,762
	<u>12,299,708</u>
	<u>\$ 13,650,927</u>

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE L - NET ASSETS RELEASED FROM DONOR RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2023:

Purpose restrictions accomplished:		
Donor advised	\$	1,500
Designated		3,047
Field of interest		58,722
Scholarships		<u>7,001</u>
		70,270
Restricted-purpose spending-rate distributions and appropriations:		
Donor advised		47,247
Designated		65,179
Field of interest		59,771
Scholarships		426,288
Community grantmaking		<u>176,773</u>
		<u>775,258</u>
	\$	<u>845,528</u>

## NOTE M - FUNDS HELD FOR OTHERS

The Foundation reports contributions as a liability when third party organizations transfer these assets to the Foundation and specify themselves, or their affiliates, as the beneficiary. These liabilities are offset by the Foundation's investments. During the year ended December 31, 2023, the following activity occurred in funds held for others by the Foundation. These amounts are not reflected on the Statement of Activities.

Support and revenue		
Contributions	\$	49,055
Investment return, net		<u>54,065</u>
		\$ 103,120
Expenses		
Grants expense		15,270
Administrative fees		<u>6,347</u>
		<u>21,617</u>
Increase in funds held for others		81,503
Balance at beginning of year, as restated		<u>476,698</u>
Balance at end of year		<u>\$ 558,201</u>

## Community Foundation of Randolph County, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

## NOTE N - OPERATING LEASES

The Foundation entered into a lease for office space which expires in August 2026. Lease expense was \$11,400 for the year ended December 31, 2023, respectively.

The following table discloses the undiscounted cash flows due related to operating leases, as of December 31, 2023, along with a reconciliation to the discounted amount recorded on the Statement of Financial Position.

	2024	\$	11,400
	2025		11,400
	2026		11,400
	2027		-0-
	2028		-0-
			<u>34,200</u>
	Present value discount		<u>5,907</u>
	Right of use assets/liabilities	\$	<u><u>28,293</u></u>

## NOTE O - 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 P - RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported change in net assets. An adjustment has been made to the Statement of Financial Position and the Statement of Activities for fiscal year ended December 31, 2022, to appropriately classify net assets with donor restrictions.

## NOTE Q - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through July 25, 2024, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2023 have been incorporated into these financial statements herein.