

Indian River
Community
Foundation,
Inc.



Years Ended
June 30, 2016
and 2015

Financial
Statements

INDIAN RIVER COMMUNITY FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

November 18, 2016

Board of Directors
Indian River Community Foundation, Inc.
Vero Beach, Florida

We have audited the accompanying financial statements of **Indian River Community Foundation, Inc.** (the "Foundation"), which comprise the statements of financial position as of June 30, 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.

Independent 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 audit 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 auditor 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 Foundation'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 Foundation'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Indian River Community Foundation, Inc.** as of June 30, 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.

Rehmann Lohman LLC

INDIAN RIVER COMMUNITY FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

ASSETS		June 30	
		2016	2015
Assets			
Cash and cash equivalents	\$	6,950,098	\$ 9,617,465
Prepaid expenses		10,333	14,084
Pledges receivable, net		190,554	339,961
Life insurance policies		36,173	31,649
Investments at fair value		21,651,084	19,098,938
Fixed assets, net		77,994	5,935
Total assets		<u>\$ 28,916,236</u>	<u>\$ 29,108,032</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Grants payable	\$	608,839	\$ 930,810
Accounts payable and accrued expenses		15,584	16,348
Assets held for others		233,049	135,319
Total liabilities		<u>857,472</u>	<u>1,082,477</u>
Commitments and contingencies (Note 10)			
Net assets			
Unrestricted		27,955,711	27,700,594
Temporarily restricted		103,053	324,961
Total net assets		<u>28,058,764</u>	<u>28,025,555</u>
Total liabilities and net assets		<u>\$ 28,916,236</u>	<u>\$ 29,108,032</u>

The accompanying notes are an integral part of these financial statements.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES

	Year Ended June 30, 2016		
	Unrestricted	Temporarily Restricted	Total
Public support and revenue			
Contributions	\$ 8,193,645	\$ 15,592	\$ 8,209,237
Investment income	346,339	-	346,339
Unrealized investment depreciation	(64,373)	-	(64,373)
Miscellaneous	33,880	-	33,880
Administrative fees	232,181	-	232,181
Net assets released from restrictions	237,500	(237,500)	-
Total public support and revenue	8,979,172	(221,908)	8,757,264
Expenses			
Program services			
Grants	7,869,317	-	7,869,317
Other expenses	503,611	-	503,611
Total program services	8,372,928	-	8,372,928
Support services			
Fundraising	60,230	-	60,230
Management and general	290,897	-	290,897
Total support services	351,127	-	351,127
Total expenses	8,724,055	-	8,724,055
Changes in net assets	255,117	(221,908)	33,209
Net assets, beginning of year	27,700,594	324,961	28,025,555
Net assets, end of year	\$ 27,955,711	\$ 103,053	\$ 28,058,764

The accompanying notes are an integral part of these financial statements.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES

	Year Ended June 30, 2015		
	Unrestricted	Temporarily Restricted	Total
Public support and revenue			
Contributions	\$ 11,277,447	\$ 36,277	\$ 11,313,724
Investment income	287,295	-	287,295
Unrealized investment appreciation	288,768	-	288,768
Miscellaneous	15,117	-	15,117
Administrative fees	224,392	-	224,392
Net assets released from restrictions	180,000	(180,000)	-
Total public support and revenue	12,273,019	(143,723)	12,129,296
Expenses			
Program services			
Grants	7,708,008	-	7,708,008
Other expenses	484,941	-	484,941
Total program services	8,192,949	-	8,192,949
Support services			
Fundraising	24,043	-	24,043
Management and general	233,068	-	233,068
Total support services	257,111	-	257,111
Total expenses	8,450,060	-	8,450,060
Changes in net assets	3,822,959	(143,723)	3,679,236
Net assets, beginning of year	23,877,635	468,684	24,346,319
Net assets, end of year	\$ 27,700,594	\$ 324,961	\$ 28,025,555

The accompanying notes are an integral part of these financial statements.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2016	2015
Cash flows from operating activities		
Changes in net assets	\$ 33,209	\$ 3,679,236
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	12,911	803
Net present value discount pledges receivable	(3,093)	(6,277)
Donated marketable securities	(3,195,314)	(6,481,508)
Donated fixed assets	(20,389)	-
Gain on investment activity	(1,892,085)	(1,244,115)
Loss on disposal of equipment	-	251
Changes in operating assets and liabilities that (used) provided cash:		
Prepaid expenses	3,751	(12,834)
Pledges receivable	152,500	75,000
Grants payable	(321,971)	450,292
Accounts payable and accrued expenses	(764)	10,803
Assets held for others	97,730	26,164
Net cash used in operating activities	(5,133,515)	(3,502,185)
Cash flows from investing activities		
Proceeds from sale of investments	3,605,752	3,719,995
Purchases of investments	(1,075,023)	(676,939)
Purchases of fixed assets	(64,581)	(5,730)
Net cash provided by investing activities	2,466,148	3,037,326
Net decrease in cash and cash equivalents	(2,667,367)	(464,859)
Cash and cash equivalents, beginning of year	9,617,465	10,082,324
Cash and cash equivalents, end of year	\$ 6,950,098	\$ 9,617,465

The accompanying notes are an integral part of these financial statements.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Indian River Community Foundation (the “Foundation”) is a nonprofit enterprise with a mission of building a better community through donor-driven philanthropy. The Foundation is governed by a volunteer Board of Directors comprised of residents of Indian River County, and operated by a staff committed to service excellence in all aspects of the organization’s business. The Foundation carries out its mission in the following ways:

- By helping generous people to simplify donations and give to the causes, they care about through charitable giving accounts.
- By helping generous people to create and leave a charitable legacy to support causes, they care about through permanent endowments.
- By using the philanthropic capital, it is entrusted with to find, fund and follow effective charitable organizations, programs and projects that make the Indian River County community better.

Since it began operations in 2008, the Foundation and its donors have awarded approximately \$38 million in grants mostly to nonprofit charitable organizations located in Indian River County, Florida. In October 2016, the Foundation received accreditation for meeting National Standards for U.S. Community Foundations®, the nation’s highest standard for philanthropic excellence.

The Foundation has an annual memorandum of understanding with Greater Horizons, a subsidiary of the Greater Kansas City Community Foundation, to provide back-office accounting, finance and investment management services to the Foundation. Greater Horizons is a separate legal entity owned by Greater Kansas City Community Foundation with total assets in excess of \$2.4 billion at December 31, 2015.

Basis of Presentation

For financial reporting purposes, the Foundation reports resources classified into net asset categories according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into two classes of net assets: unrestricted and temporarily restricted. Net assets and revenues, expenses, and gains or losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- ***Unrestricted net assets*** are net assets that are not subject to donor-imposed stipulations. Contributions are separated as donor-advised funds, designated funds, field-of-interest funds, or undesignated funds. Donor-advised funds are available for grant disbursement generally based on donor recommendation. Designated funds are generally used for a specific charitable organization as recommended by the donor. Field-of-interest funds are available for grant disbursement within a charitable field-of-interest as recommended by the fund’s advisory committee. Undesignated funds are carried in the name of the donor, if applicable, and are available for disbursement at the discretion of the Foundation’s Board of Directors. Resources that are reported in this net asset category include unrestricted contributions and the investment earnings thereon, and related expenses associated with the operations of the Foundation.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

- *Temporarily restricted net assets* are net assets subject to donor-imposed stipulations that will be satisfied by actions of the Foundation and/or the passage of time. Resources reported in this net asset category include contributions for which restrictions have not been met and the investment earnings thereon. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been met) are reported as reclassifications between the applicable classes of net assets. The founders of the Foundation pledged funds to support the operating expenses at inception of the Foundation. Additional pledges to support operating expenses over various time periods have been made by donors.

Revenue Recognition - Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. All contributions are available for unrestricted use unless specifically restricted by the donor. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire in the same reporting period the donations are received, the donations are reported as unrestricted support. Contributions of assets other than cash are recorded at their estimated fair value.

Use of 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 of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the year. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts maintained in bank demand deposit money market accounts, and certificates of deposit, except as designated for investing, which at times may exceed the federally insured limits. Management does not believe the Foundation is exposed to any significant interest rate or other financial risk as a result of these deposits.

Investments

Purchased investments are initially recorded at cost; investments received by gift are recorded at fair value at date of donation. Thereafter, the carrying value of such investments are adjusted to fair value, which is determined using published exchange market quotations where applicable or estimated fair values provided by external investment managers or other sources. The net unrealized appreciation or depreciation in fair market value of investments is reflected in the statement of activities. Investment income consists of interest, dividends and realized gains and losses on marketable securities.

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

A description of each category in the fair value hierarchy is as follows:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of Fair Value Measurements, refer to Note 3 of the financial statements.

Pledges Receivable

The Foundation recognizes pledges receivable (promises to give) at their estimated fair value. Fair value is determined by calculating the present value of future cash flows while considering the credit risk of the donor. A pledge receivable is considered to be past due on a donor-specific basis. Management reviews the likelihood of collection of each pledge receivable based on management's predictions of donor behavior relative to economic conditions. As of June 30, 2016 and 2015, management does not consider any pledges to be uncollectible. Pledges may be made from external or donor-advised funds of the donor.

Fixed Assets

Fixed assets are comprised of property, equipment and intangible assets costing over \$1,000 such assets are capitalized and depreciated or amortized using the straight line method over their estimated useful lives, which range from three to ten years. Fixed assets are stated at cost. Donated assets are recorded at fair value when received.

Grant Expenses

Grant expenses are recorded when grants are approved. In some instances, grants are approved subject to receipt of future gifts and investment income or activities performed by the grantee.

Income Taxes

The Foundation is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Foundation was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income." Such income, pursuant to the Internal Revenue Code and related regulations, includes certain investment income such as interest. The Foundation has been classified as not a private foundation.

The Foundation analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions, to identify potential uncertain tax positions. The Foundation treats interest and penalties attributable to income taxes, and reflects any charges for such, to the extent they arise, as a component of its management and general expenses.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

The Foundation has evaluated its income tax filing positions for fiscal years 2013 through 2016, the years, which remain subject to examination as of June 30, 2016. The Foundation concluded that there are no significant uncertain tax positions requiring recognition in the Foundation's financial statements. The Foundation does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Foundation does not have any amounts accrued for interest and penalties related to UTBs at June 30, 2016 or 2015, and is not aware of any claims for such amounts by federal or state income tax authorities.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to June 30, 2016, the most recent statement of financial position presented herein, through November 18, 2016, the date these financial statements were available to be issued. No significant such events or transactions were identified.

2. INVESTMENTS

Under the memorandum of understanding with Greater Horizons, the Foundation has funds in the following investment vehicles:

- Investment in Fixed Income Pool - an investment account in the name of Greater Horizons that purchases and sells bond mutual funds. During the year ended June 30, 2016, these funds were further segregated between short and intermediate term investments.
- Investment in Equity Pool - an investment account in the name of Greater Horizons that purchases and sells a variety of domestic and international mutual funds as well as a portfolio of equity securities.

In addition to these accounts, the Foundation also invests funds in various cash and brokerage investment accounts in the name of Greater Horizons under the same memorandum of understanding. Since these investments are in the name of Greater Horizons, they may be in excess of Federal Deposit Insurance Corporation or Securities Investor Protection Corporation limits. Investments are managed by multiple investment managers, who have responsibility for investing the funds in various investment alternatives. Management does not believe it is exposed to any significant credit risk on uninsured amounts. Many of these managers may carry additional insurance, a portion of which may inure to the benefit of the Foundation.

Investment income and appreciation or depreciation is allocated to members of the pool in proportion to their investment in the pool.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS

The Foundation utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Investments are recorded at fair value on a recurring basis.

Following is a description of the valuation methodologies and key inputs used to measure financial assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified.

Cash and Cash Equivalents/Certificates of Deposit

The carrying amounts of cash and certificates of deposit approximate fair value (Level 1).

Marketable Securities

Marketable securities are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss and liquidity assumptions. Level 1 securities include mutual funds and equity securities traded on an active exchange, such as the New York Stock Exchange, that are traded by dealers or brokers in active over-the-counter markets and money market funds. Level 2 securities include corporate bonds.

Pooled Accounts

Pooled accounts are recorded at fair value on a recurring basis, and are determined to be Level 3 investments as the Foundation holds units within the pooled accounts. However, the underlying assets within the pooled accounts are Level 1 or 2 investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

The following tables set forth by level, within the fair value hierarchy, the recorded amount of assets measured at fair value on a recurring basis as of June 30:

2016	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents/CDs				
Cash and cash equivalents	\$ 1,341,118	\$ -	\$ -	\$ 1,341,118
Certificates of deposit	1,020,560	-	-	1,020,560
Marketable securities				
Domestic equities	5,110,994	-	-	5,110,994
Domestic equity funds	2,260,207	-	-	2,260,207
Other investments	1,430,046	-	-	1,430,046
Fixed mutual funds	558,675	-	-	558,675
Exchange traded funds	458,295	-	-	458,295
Corporate bonds	-	15,329	-	15,329
Pooled accounts				
Domestic equities	-	-	4,135,722	4,135,722
Fixed income funds	-	-	3,941,564	3,941,564
International equities	-	-	1,378,574	1,378,574
Total assets at fair value	<u>\$ 12,179,895</u>	<u>\$ 15,329</u>	<u>\$ 9,455,860</u>	<u>\$ 21,651,084</u>

2015	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents/CDs				
Cash and cash equivalents	\$ 1,248,531	\$ -	\$ -	\$ 1,248,531
Certificates of deposit	727,054	-	-	727,054
Marketable securities				
Domestic equities	5,167,461	-	-	5,167,461
Domestic equity funds	2,351,335	-	-	2,351,335
Other investments	924,717	-	-	924,717
Fixed mutual funds	873,719	-	-	873,719
Exchange traded funds	375,015	-	-	375,015
Corporate bonds	-	61,563	-	61,563
Pooled accounts				
Domestic equities	-	-	3,278,253	3,278,253
Fixed income funds	-	-	2,998,539	2,998,539
International equities	-	-	1,092,751	1,092,751
Total assets at fair value	<u>\$ 11,667,832</u>	<u>\$ 61,563</u>	<u>\$ 7,369,543</u>	<u>\$ 19,098,938</u>

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

The following table sets forth a summary of changes in the fair value of the Foundation's Level 3 assets measured at fair value on a recurring basis for the years ended June 30:

	Pooled Accounts	
	2016	2015
Balance, beginning of year	\$ 7,369,543	\$ 6,152,121
Net realized and unrealized (depreciation) appreciation	(35,549)	90,277
Additions, gross	4,614,590	2,650,469
Withdrawals, gross	<u>(2,492,724)</u>	<u>(1,523,324)</u>
Balance, end of year	<u><u>\$ 9,455,860</u></u>	<u><u>\$ 7,369,543</u></u>

4. PLEDGES RECEIVABLE

Pledges receivable are unconditional promises to give. In 2016 and 2015, the Foundation collected promises to give of \$155,000 and \$100,000, respectively.

The composition of pledges receivable, net, is as follows at June 30:

	2016	2015
Pledges outstanding		
Founders' pledges	\$ 190,000	\$ 345,000
Other unconditional promises to give	2,500	-
Unamortized discount (to net present value)	<u>(1,946)</u>	<u>(5,039)</u>
Pledges receivable, net	<u><u>\$ 190,554</u></u>	<u><u>\$ 339,961</u></u>

The discount rate used in determining the net present value of promises to give made in 2015 is 1.70%. There were no new Founders pledges made during fiscal year 2016.

Gross pledges outstanding as of June 30, 2016 are expected to be collected in the following years ending June 30:

2017	\$ 177,500
2018	<u>15,000</u>
Total	<u><u>\$ 192,500</u></u>

There were no conditional pledges at June 30, 2016 and 2015.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

5. FIXED ASSETS

Net fixed assets consists of the following at June 30:

	2016	2015
Fixed assets, net		
Computer equipment and software	\$ 10,189	\$ 6,780
Furniture and equipment	39,637	-
Website development	27,437	-
Leasehold improvements	14,487	-
	<u>91,750</u>	<u>6,780</u>
Total	91,750	6,780
Accumulated depreciation/amortization	<u>(13,756)</u>	<u>(845)</u>
Net fixed assets	<u>\$ 77,994</u>	<u>\$ 5,935</u>

Depreciation and amortization expense was \$12,911 and \$803 for the years ended June 30, 2016 and 2015, respectively.

6. GRANTS PAYABLE

The Foundation has awarded grants to other organizations that are expected to be paid during the year ended June 30, 2017 and beyond.

7. ASSETS HELD FOR OTHERS

The Foundation has arrangements with certain not-for-profit organizations (NPOs) whereby an NPO transfers assets to the Foundation and specifies itself as beneficiary. In such cases, the Foundation does not report the receipt of these assets as contributions. Even though the NPO has granted the Foundation variance power and the Foundation has legal title to the assets, under U.S. generally accepted accounting principles, such transfers are reported by the Foundation as increases in liabilities. Likewise, grant expenses and investment income and expense relating to these funds are reported as changes to the liability.

Assets held for others consists of the following at June 30:

	2016	2015
Big Brothers Big Sisters	\$ 92,757	\$ 97,297
Vero Beach Opera	51,747	58
Childcare Resources of Indian River	38,508	13,086
Homeless Family Center	25,077	24,878
The Learning Alliance	24,960	-
	<u>233,049</u>	<u>135,319</u>
Total assets held for others	<u>\$ 233,049</u>	<u>\$ 135,319</u>

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

The table below shows the effects of agency endowments on the Foundation's contribution revenue:

	2016	2015
Total amounts raised	\$ 8,309,237	\$ 11,342,824
Amounts received as agency endowments	<u>(100,000)</u>	<u>(29,100)</u>
Contributions revenue	<u><u>\$ 8,209,237</u></u>	<u><u>\$ 11,313,724</u></u>

Agency endowments had no effect on Foundation grant expenses in 2016 and 2015.

8. NET ASSETS

Unrestricted Net Assets

As discussed, in Note 1, the Foundation separates contributions into four distinct types. Unrestricted net assets consist of these contributions net of expenditures from the related fund.

Unrestricted net assets are comprised of the following funds at June 30:

	2016	2015
Donor-advised funds	\$ 24,844,240	\$ 23,518,934
Undesignated funds	1,233,662	1,067,392
Field-of-interest funds	1,231,278	1,300,476
Designated funds	<u>646,531</u>	<u>1,813,792</u>
Total unrestricted net assets	<u><u>\$ 27,955,711</u></u>	<u><u>\$ 27,700,594</u></u>

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of Founder's pledges intended to support the operating expenses of the Foundation.

INDIAN RIVER COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

9. IN-KIND CONTRIBUTIONS

The Foundation received contributions of certain items for which the donor received no value. These contributions have been recorded as revenue at their fair value. Below are the contributions received during the year ended June 30:

	2016	2015
In-kind contributions		
Furniture	\$ 20,389	\$ -
Promotional expenses	2,408	2,033
Travel	1,205	-
Professional fees	600	830
Grant administration	568	600
Special events	433	2,770
Other	169	93
Rent	48	573
Board meeting expenses	-	96
Total in-kind contributions	<u>\$ 25,820</u>	<u>\$ 6,995</u>

All of the items have been expensed in the statements of activities or capitalized on the statements of financial position.

10. LEASES

During the year ended June 30, 2016, the Foundation relocated its office space and entered into a lease agreement with a term from August 1, 2015 through July 31, 2020. The future minimum rent payments under lease for the remainder of the term is as follows:

Years ending June 30	Future Minimum Lease Payments
2017	\$ 31,020
2018	31,020
2019	32,577
2020	32,577
2021	<u>2,715</u>
Total minimum payments due	<u>\$ 129,909</u>

Lease expense for the year ended June 30, 2016 was \$29,673.

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