

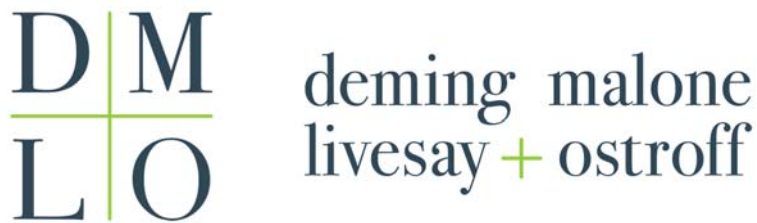
**THE COMMUNITY FOUNDATION  
OF JACKSON COUNTY  
AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**December 31, 2020 and 2019**

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## **Independent Auditors' Report**

To the Board of Directors  
The Community Foundation of Jackson County  
and its Subsidiaries and Affiliates

We have audited the accompanying combined financial statements of The Community Foundation of Jackson County (a nonprofit organization) and its Subsidiaries and Affiliates, which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 2020 combined financial statements referred to above present fairly, in all material respects, the financial position of The Community Foundation of Jackson County and its Subsidiaries and Affiliates as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

### **Prior Period Financial Statements**

The combined financial statements of The Community of Jackson County and its Subsidiary and Affiliates as of December 31, 2019 were audited by Rodefer Moss & Co, PLLC, whose New Albany office merged with Deming, Malone, Livesay & Ostroff, PSC as of October 1, 2020, and whose report dated April 9, 2020, expressed an unmodified opinion on those combined financial statements.

### **Report on Summarized Comparative Information**

The summarized comparative information as audited by other auditors, presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.



Deming, Malone, Livesay & Ostroff  
New Albany, Indiana  
July 30, 2021

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY  
AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINED STATEMENTS OF FINANCIAL POSITION**

December 31, 2020 and 2019

<b>Assets</b>	2020	2019
Cash and cash equivalents	\$ 4,268,607	\$ 2,178,467
Investments	14,388,641	12,727,491
Beneficial interest in charitable remainder trust	-	4,482
Receivables	18,256	3,681
Property and equipment, net	362,367	365,901
Deferred tax asset	60,950	55,838
Other assets	11,970	11,317
<b>Total assets</b>	<b>\$ 19,110,791</b>	<b>\$ 15,347,177</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Deferred revenue	\$ 93,592	\$ 274,070
Charitable gift annuity payable	6,976	7,409
Custodial funds	1,019,576	724,553
Other liabilities	9,458	8,644
<b>Total liabilities</b>	<b>1,129,602</b>	<b>1,014,676</b>
<b>Net Assets</b>		
Net assets without donor restrictions - board designated:		
Operating fund	779,972	584,478
Administrative endowments	901,157	827,775
Unrestricted endowments	3,386,965	3,157,198
Designated endowments	5,094,154	4,580,350
Scholarship endowments	3,843,853	3,154,624
Field of interest endowments	348,523	324,630
Donor advised endowments	822,475	789,771
Special project endowments	265,099	88,283
Nonendowed funds	2,365,881	646,819
<b>Total net asset without donor restrictions - board designated</b>	17,808,079	14,153,928
<b>Net assets without donor restrictions - non-controlling interest in subsidiary</b>	173,110	174,091
<b>Net assets with donor restrictions</b>	-	4,482
<b>Total net assets</b>	<b>17,981,189</b>	<b>14,332,501</b>
<b>Total liabilities and net assets</b>	<b>\$ 19,110,791</b>	<b>\$ 15,347,177</b>

See Notes to Combined Financial Statements.

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY  
AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINED STATEMENT OF ACTIVITIES**

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>			
Grants and contributions	\$ 3,482,081	\$ -	\$ 3,482,081
Investment income, net	1,318,722	-	1,318,722
Administrative fees	270,575	-	270,575
Rent	87,662	-	87,662
Other	12,436	-	12,436
Events	6,700	-	6,700
Change in value of beneficial interest in charitable remainder trust	-	(4,482)	(4,482)
<b>Total revenue, gains, and other support, net</b>	<u>5,178,176</u>	<u>(4,482)</u>	<u>5,173,694</u>
<b>Expenses</b>			
Scholarships and grants	779,087	-	779,087
Salaries and benefits	293,693	-	293,693
Administrative expenses	256,520	-	256,520
Occupancy	57,228	-	57,228
Payroll taxes	21,882	-	21,882
Insurance	20,350	-	20,350
Depreciation and amortization	17,106	-	17,106
Memberships, printing, publication	15,756	-	15,756
Contract services	14,589	-	14,589
Professional fees	12,851	-	12,851
Equipment rental and maintenance	8,481	-	8,481
Publicity	7,606	-	7,606
Programs	6,880	-	6,880
Supplies and postage	5,403	-	5,403
Other	4,153	-	4,153
Events	3,659	-	3,659
Travel	3,047	-	3,047
Property taxes	1,290	-	1,290
Conferences and meetings	537	-	537
Deferred income tax benefit	(5,112)	-	(5,112)
<b>Total expenses</b>	<u>1,525,006</u>	<u>-</u>	<u>1,525,006</u>
<b>Change in net assets</b>	3,653,170	(4,482)	3,648,688
Change in net assets attributable to non-controlling interest	981	-	981
<b>Change in net assets attributable to Community Foundation of Jackson County, Inc.</b>	<u>\$ 3,654,151</u>	<u>\$ (4,482)</u>	<u>\$ 3,649,669</u>

See Notes to Combined Financial Statements.

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY  
AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINED STATEMENT OF ACTIVITIES**

Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue, Gains, and Other Support</b>			
Grants and contributions	\$ 1,153,581	\$ -	\$ 1,153,581
Investment income, net	2,064,085	-	2,064,085
Administrative fees	243,083	-	243,083
Rent	109,123	-	109,123
Other	7,082	-	7,082
Events	7,040	-	7,040
Change in value of beneficial interest in charitable remainder trust	-	(3,279)	(3,279)
	<u>3,583,994</u>	<u>(3,279)</u>	<u>3,580,715</u>
<b>Total revenue, gains, and other support, net</b>			
<b>Expenses</b>			
Scholarships and grants	688,264	-	688,264
Salaries and benefits	281,277	-	281,277
Administrative expenses	231,578	-	231,578
Occupancy	54,669	-	54,669
Payroll taxes	21,066	-	21,066
Insurance	19,814	-	19,814
Depreciation and amortization	13,717	-	13,717
Memberships, printing, publication	14,858	-	14,858
Contract services	20,843	-	20,843
Professional fees	13,923	-	13,923
Equipment rental and maintenance	8,444	-	8,444
Publicity	7,999	-	7,999
Programs	11,687	-	11,687
Supplies and postage	3,918	-	3,918
Other	5,133	-	5,133
Events	3,174	-	3,174
Travel	2,366	-	2,366
Property taxes	1,325	-	1,325
Conferences and meetings	763	-	763
Deferred income tax benefit	(5,875)	-	(5,875)
	<u>1,398,943</u>	<u>-</u>	<u>1,398,943</u>
<b>Total expenses</b>			
<b>Change in net assets</b>	2,185,051	(3,279)	2,181,772
Change in net assets attributable to non-controlling interest	<u>1,369</u>	<u>-</u>	<u>1,369</u>
<b>Change in net assets attributable to Community Foundation of Jackson County, Inc.</b>	<u>\$ 2,186,420</u>	<u>\$ (3,279)</u>	<u>\$ 2,183,141</u>

See Notes to Combined Financial Statements.

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY  
AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINED STATEMENTS OF CHANGES IN NET ASSETS**  
Years Ended December 31, 2020 and 2019

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions	Total
	Board Designated	Noncontrolling Interest in Subsidiary		
<b>Net assets as of December 31, 2018</b>	\$ 11,967,508	\$ 175,460	\$ 7,761	\$ 12,150,729
Change in net assets	<u>2,186,420</u>	<u>(1,369)</u>	<u>(3,279)</u>	<u>2,181,772</u>
<b>Net assets as of December 31, 2019</b>	14,153,928	174,091	4,482	14,332,501
Change in net assets	<u>3,654,151</u>	<u>(981)</u>	<u>(4,482)</u>	<u>3,648,688</u>
<b>Net assets as of December 31, 2020</b>	<u>\$ 17,808,079</u>	<u>\$ 173,110</u>	<u>\$ -</u>	<u>\$ 17,981,189</u>

See Notes to Combined Financial Statements.



**THE COMMUNITY FOUNDATION OF JACKSON COUNTY  
AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2020  
(With Comparative Totals for 2019)

	2020			2019	
	Program Services	Management & General	Fundraising	Total	All Funds (Memorandum Only)
Scholarships and grants	\$ 779,087	\$ -	\$ -	\$ 779,087	\$ 688,264
Salaries and benefits	146,846	117,478	29,369	293,693	281,277
Administrative expenses	256,520	-	-	256,520	231,578
Occupancy	-	57,228	-	57,228	54,669
Payroll taxes	10,941	8,753	2,188	21,882	21,066
Insurance	-	20,350	-	20,350	19,814
Depreciation and amortization	2,457	14,649	-	17,106	13,717
Memberships, printing, publication	9,454	6,302	-	15,756	14,858
Contract services	14,589	-	-	14,589	20,843
Professional fees	3,213	9,638	-	12,851	13,923
Equipment rental and maintenance	1,696	5,089	1,696	8,481	8,444
Publicity	4,564	1,521	1,521	7,606	7,999
Programs	6,880	-	-	6,880	11,687
Supplies and postage	2,161	2,161	1,081	5,403	3,918
Other	1,246	1,662	1,245	4,153	5,133
Events	3,659	-	-	3,659	3,174
Travel	-	-	3,047	3,047	2,366
Property taxes	1,290	-	-	1,290	1,325
Conferences and meetings	-	456	81	537	763
Deferred income tax benefit	(5,112)	-	-	(5,112)	(5,875)
	<u>\$ 1,239,491</u>	<u>\$ 245,287</u>	<u>\$ 40,228</u>	<u>\$ 1,525,006</u>	<u>\$ 1,398,943</u>

Combined Statement of Functional Expenses for the Year Ended December 31, 2019

Program Services	\$ 1,124,628
Management & General	235,987
Fundraising	<u>38,328</u>
 Total	 <u>\$ 1,398,943</u>

See Notes to Combined Financial Statements.

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY  
AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINED STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 3,648,688	\$ 2,181,772
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	17,106	13,717
Interest and dividend income, net	(289,978)	(294,652)
Realized gains on investments	(45,742)	(225,426)
Unrealized gains on investments	(982,292)	(1,542,777)
Change in value of beneficial interest in charitable remainder trust	4,482	3,279
Deferred income tax benefit	(5,112)	(5,875)
(Increase) decrease in assets:		
Receivables	(14,575)	609
Other assets	(653)	306
Increase (decrease) in liabilities:		
Deferred revenue	(180,478)	(109,997)
Charitable gift annuity payable	(433)	(211)
Custodial funds	295,023	94,028
Other liabilities	814	(97,990)
<b>Net cash flows provided by operating activities</b>	<u>2,446,850</u>	<u>16,783</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of equipment	(13,572)	(6,676)
Purchase of investments	(4,659,009)	(3,646,816)
Proceeds on sales and maturities of investments	<u>4,315,871</u>	<u>3,528,427</u>
<b>Net cash flows used in investing activities</b>	<u>(356,710)</u>	<u>(125,065)</u>
<b>Net change in cash and cash equivalents</b>	2,090,140	(108,282)
Cash and cash equivalents at the beginning of the year	<u>2,178,467</u>	<u>2,286,749</u>
Cash and cash equivalents at the end of the year	<u>\$ 4,268,607</u>	<u>\$ 2,178,467</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Donated stock	<u>\$ -</u>	<u>\$ 25,150</u>
Donated grain	<u>\$ 6,267</u>	<u>\$ 2,133</u>

See Notes to Combined Financial Statements.

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY  
AND ITS SUBSIDIARIES AND AFFILIATES**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 1. Nature of Activities and Summary of Significant Accounting Policies**

**Organization activities:**

This summary of significant accounting policies of The Community Foundation of Jackson County, Inc. (“CFJC” or the “Foundation”) and its Subsidiaries and Affiliates: Seymour Industrial Corporation, Inc., Community Foundation of Jackson County Properties, LLC, Community Foundation of Jackson County Holding, Inc., and Jackson County Education Coalition, Inc., is presented to assist in understanding the Foundation’s combined financial statements.

The Community Foundation of Jackson County, Inc. was established as a not-for-profit organization in 1992. The Foundation’s purpose is to serve philanthropic and charitable needs in Jackson County, Indiana. To fulfill this purpose, the Foundation offers endowment services, grant making, scholarships, donor estate and planned gift services to individuals and qualified organizations in Jackson County.

Community Foundation of Jackson County Properties, LLC (“Community Foundation Properties”) is a single member Limited Liability Company that was established in 2007 by The Community Foundation of Jackson County (the single member). Community Foundation Properties owns the building in which the Foundation maintains its offices, and leases the building to the Foundation.

Community Foundation of Jackson County Holding, Inc. (“Community Foundation Holding”) was established as a not-for-profit charitable organization in 2007 in order to support and expand the works and activities of the Foundation within the community as a whole by contributing support to the Foundation and by receiving and maintaining a fund or funds of real or personal property, or both, and to use and apply the whole or any part of the income therefrom and the principal thereof exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the Foundation.

Jackson County Education Coalition, Inc. (“Education Coalition”) was established as a not-for-profit charitable organization in 2011 to support and facilitate education and lifelong learning across Jackson County.

The Seymour Industrial Corporation, Inc. (“SIC”) is a for-profit subsidiary owned approximately 94% by the Foundation at December 31, 2020 and 2019. SIC owns and develops land for industrial use.

These Organizations present combined financial statements with any inter-entity transactions and balances eliminated as part of the combined financial statements.

## NOTES TO COMBINED FINANCIAL STATEMENTS

### **Basis of accounting:**

The accompanying combined financial statements have been prepared on the accrual basis of accounting.

### **Financial statement presentation:**

The Foundation and its Subsidiaries and Affiliates are required to report information regarding their combined financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The following classes of net assets are maintained:

*Net assets with donor restrictions:* Net assets with donor restrictions includes assets and trust obligations of the Foundation related to gifts with explicit donor-imposed restrictions over which the Foundation does not maintain variance power. Charitable remainder trusts for which the Foundation is not the trustee are classified as net assets with donor restrictions due to time restrictions.

*Net assets without donor restrictions:* Net assets without donor restrictions includes general and board-designated assets and liabilities of the Foundation. The net assets without donor restrictions of the Foundation may be used at the discretion of management to support the Foundation's purposes and operations.

The Foundation currently maintains variance power over all funds received, excluding the charitable remainder trust. Therefore, funds designated by the donor for endowment or pass-through purposes are deemed net assets without donor restrictions of the Foundation.

The Board has designated these net assets without donor restrictions to conform to donor requests. The following classifications are used for internal reporting purposes:

- *Operating fund:* The operating fund holds monies which provide the daily support for the operation of the Foundation. These assets include the building and improvements owned by Community Foundation Properties.
- *Administrative endowments:* This endowment provides grants restricted to use for usual and customary administrative costs and expenses incurred by the Foundation.
- *Unrestricted endowments:* Discretionary, or unrestricted, endowments provide grants to a variety of countywide programs and services. Grant applications are reviewed by the Grants Committee and recommendations are made to the Board of Directors for approval. Unrestricted endowments allow the greatest flexibility in responding to emerging community needs.
- *Designated endowments:* Designated endowment funds allow the donor to determine in advance which organizations will be supported by annual grants from the fund.

## NOTES TO COMBINED FINANCIAL STATEMENTS

- *Scholarship endowments:* Scholarship funds enable students to pursue traditional higher education or vocational training. These funds can be established to honor or memorialize an individual and/or to serve a specific purpose that is important to that donor.
- *Field of interest endowments:* Field of interest funds allow the donor to choose, but not restrict, grants to one or more areas of interest such as education, the arts or health.
- *Donor endowments:* Donor advised funds allow the donor to make recommendations for distribution to specific charities. Donors are invited annually to make recommendations for each year's grant.
- *Special project endowments:* Special project funds are created to assist with a particular need of the Jackson County community.
- *Nonendowment funds:* Nonendowed funds provide a vehicle for receiving tax-deductible donations to benefit an organization, usually for a specific purpose or project.

### **Cash equivalents:**

For purposes of the combined statements of cash flows, the Foundation and its Subsidiaries and Affiliates consider all highly liquid investments with a maturity of three months or less to be cash equivalents except for those cash equivalents included in short-term investments.

### **Receivables:**

Receivables are stated at the amount management expects to collect from balances outstanding at year-end. No allowance is deemed necessary.

### **Grants and scholarships:**

Grants paid are recorded as expenses when they are approved by the Board of Directors for payment, unless there are restrictions and requirements that must be met by the grantee prior to payment. As of December 31, 2020 and 2019 certain grants and scholarships were approved but were subject to contingent requirements that had not been met, so the amounts are not accrued in the combined statements of financial position.

### **Investments:**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statements of financial position. Interest and dividends, realized and unrealized gains and losses are reflected in the combined statements of activities as net investment income. Investment in land is recorded at its appraised value at the time of donation.

## NOTES TO COMBINED FINANCIAL STATEMENTS

### **Use of estimates:**

Management uses estimates and assumptions in preparing the combined financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

### **Property and equipment:**

Items capitalized as part of land, buildings and equipment are valued at cost. Maintenance and repairs are expensed as incurred. The Foundation's policy is to expense minor equipment and software costing less than \$1,000. The Foundation and its Subsidiaries and Affiliates use the straight-line method of computing depreciation at rates adequate to amortize the cost of the applicable assets over their useful lives which range from five to thirty-nine years. Software is amortized over three years. The asset cost and related accumulated depreciation of assets sold, or otherwise disposed of, is removed from the related accounts and the gain or loss is included in operations.

### **Income taxes:**

The Foundation and its Affiliates, with the exception of SIC, are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a). The Foundation and its Subsidiaries and Affiliates evaluates uncertain tax positions in accordance with applicable standards. It has evaluated its tax positions, and believes that it has none that are uncertain. As of December 31, 2020 and 2019, the Foundation and its Affiliates did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

SIC is a for-profit corporation. SIC has loss carryforwards totaling \$206,429 and \$185,091 as of December 31, 2020 and 2019 that may be used to offset against future years' taxable income. Federal and state income tax benefit of SIC in 2020 amounted to \$5,112 and federal and state income tax benefit of SIC in 2019 amounted to \$5,875. The deferred tax asset related to these future income tax benefits at December 31, 2020 and 2019 was \$60,950 and \$55,838, respectively. SIC has evaluated its uncertain tax positions as required. There is no tax position at December 31, 2020 or 2019 for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility.

## NOTES TO COMBINED FINANCIAL STATEMENTS

### **Revenue and revenue recognition:**

The Foundation's major revenue sources consists of contributions and grants, administration fees, and investment income.

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. All contributions are considered to be available for use unless specifically restricted by the donor. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Foundation recognizes revenue from leases evenly over the term of the contract. The Foundation recognizes grant revenue based on the terms of the grant. The Foundation also provides accounting services to other community organizations and nonprofits. The revenue for these services is recognized either when the service is complete or evenly over the term of the contract if the service is provided regularly. Investment income includes investment interest and dividends, as well as realized and unrealized gains and losses on investments, net of investment. Finally, fund administrative fee revenue is recognized quarterly per the agreements with the individual endowment funds.

The Foundation recognizes revenue from contracts with customers under the provisions of Accounting Standards Update Topic 606 using a five-step revenue model. The five steps used in this process are: 1) identify the contract, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the price to the performance obligations, and 5) recognize the revenue. Under this standard, recognition of revenue occurs when a customer obtains control of promised services or goods in an amount that reflects the consideration which the Foundation expects to receive in exchange for those goods or services.

Refer to Note 13 for additional disclosures.

### **Deferred revenue:**

Income from grants and rent is deferred and recognized over the periods in which the related services will be provided and expenses incurred or other grant conditions met.

### **Functional allocation of expenses:**

The combined statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited and are allocated on the basis of estimates of time and effort. The December 31, 2020 combined statement of functional expenses presents summarized comparative information from the prior year. Such information does not contain sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's combined financial statements for the year ended December 31, 2019, from which the summarized information was derived.

## NOTES TO COMBINED FINANCIAL STATEMENTS

### Recent accounting pronouncements:

The Financial Accounting Standards Board issued the following accounting standards, which will be effective in subsequent years: 1) ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective for fiscal years beginning after June 15, 2021; 2) ASU No. 2016-02, *Leases*, effective for fiscal years beginning after December 15, 2021; and 3) ASU No. 2016-13, *Financial Instruments-Credit Losses*, effective for fiscal years beginning after December 15, 2022.

The Foundation is evaluating the impact of these standards on future combined financial statements.

### Date of management's review:

Management has evaluated events and transactions occurring subsequent to the combined statement of financial position date for items that should potentially be recognized or disclosed in these combined financial statements. The evaluation was conducted through the date of the report, which is the date these combined financial statements were available to be issued.

### Note 2. Liquidity and Availability

The Community Foundation of Jackson County defines general expenditures as all expenditures, with the exception of restricted expenditures (for example, pass-through grants or other restricted grants). General expenditures include regular grant payments, other program service expenses, management and general expenses and fundraising expenses. The Foundation defines the following as liquid assets available for funding general expenditures:

	<u>2020</u>	<u>2019</u>
Cash, except for cash related to endowment funds, non-permanent funds, and SIC	\$752,564	\$560,645
Accounts receivable, except for items related to endowment funds, non-permanent funds, and SIC	<u>15,017</u>	<u>440</u>
Liquid assets available for funding general expenditures	<u>\$767,581</u>	<u>\$561,085</u>

From a cash management perspective, the Foundation holds cash related to endowment funds and non-permanent funds in cash accounts. These funds are held in cash accounts when received, and not invested in the Foundation's investment portfolio, to allow the Foundation to better manage its cash flow. This practice allows the Foundation to meet its liquidity needs without an ongoing impact on its investment portfolio. The Foundation uses current contributions to fund grants and other program expenses rather than making ongoing additions to and withdrawals from the investment portfolio.



## NOTES TO COMBINED FINANCIAL STATEMENTS

The Foundation has an annual grant approval process. This process includes evaluating a number of factors relative to the spending rate to be applied to the Foundation's fund balances in accordance with its spending policy. Once the Foundation's Board of Directors approves the spending rate, the related dollar amount of the funds becomes available for general expenditures.

In addition to liquid assets and assets appropriated for expenditure, the Foundation also relies on the administrative fees it charges its funds to fund general expenditures. The administrative fee percent charged to each fund currently varies by fund category according to the Foundation's current fee schedule, which may be amended by the Foundation from time to time.

The Foundation's investment portfolio, with the exception of the portion allocated for expenditure, is not available to support general expenditures. The Foundation has a spending policy that governs the amounts to be expended from the investment portfolio. As such, the Foundation has not designated its investments as either short-term (which might suggest liquidity) or long-term. The Foundation holds a large number of funds contributed by donors that constitute its investment portfolio. The Foundation has determined that these amounts are received with donor restrictions and intends to only utilize this investment portfolio within the confines of its spending policy. As disclosed in Note 6, while these amounts are received with donor restrictions, the Board of Directors classifies the funds without donor restrictions due to variance power.

The Foundation structures its financial assets to be available as its awarded grants, program expenses, management and general expenses, fundraising expenses, liabilities and other obligations become due. The Foundation invests cash in excess of daily requirements in money market accounts and other short-term investments.

### **Note 3. Property and Equipment**

Property and equipment consists of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 270,887	\$ 257,315
Land	60,000	60,000
Buildings and improvements	444,236	444,236
Closing costs and loan fees	9,189	9,189
Computer software	<u>32,425</u>	<u>32,425</u>
	816,737	803,165
Accumulated depreciation and amortization	<u>(454,370)</u>	<u>(437,264)</u>
Property and equipment, net	<u>\$ 362,367</u>	<u>\$ 365,901</u>

## NOTES TO COMBINED FINANCIAL STATEMENTS

### Note 4. Investments

Investments in marketable securities are stated at fair value using quoted market prices. Investment return is summarized as follows:

	<u>2020</u>	<u>2019</u>
Unrealized gains on investments	\$ 982,292	\$1,542,777
Interest and dividend income	358,603	360,662
Realized gains on investments	45,742	225,426
Investment fees	<u>(67,915)</u>	<u>(64,780)</u>
Investment income, net	<u>\$1,318,722</u>	<u>\$2,064,085</u>

Investments at December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Common stock	\$10,534,226	\$ 9,449,593
Fixed income	1,501,855	343,553
Mutual funds	69,300	62,513
Exchange traded funds	1,785,562	2,374,134
Other investments:		
Beneficial interest in charitable remainder trust		4,482
Real estate	<u>497,698</u>	<u>497,698</u>
	<u>\$ 14,388,641</u>	<u>\$12,731,973</u>

### Note 5. Fair Value of Financial Instruments

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access at the measurement date.

## NOTES TO COMBINED FINANCIAL STATEMENTS

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liabilities; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

- Common stock, equity mutual funds, and exchange traded funds are valued at the closing price reported on the active market on which the individual securities are traded.
- Fixed income mutual funds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Investment in real estate owned by SIC is carried at its appraised value at the time of donation.
- Fair value of the beneficial interest in charitable remainder trusts is valued by calculating the present value of the amount to be received upon termination.
- Fair value of annuities payable is determined by calculating the present value of the annuities using published life expectancy tables and discounted rate of 7.3%.

The following tables set forth by level, within the fair value hierarchy, the assets of the Foundation and its Subsidiaries and Affiliates measured at fair value on a recurring basis as of December 31, 2020 and 2019. Common stock, fixed income, mutual funds, and exchange traded funds are included in Level 1. Fair value of real estate, beneficial interest in charitable remainder trust, and annuities payable are included in Level 2.

	<u>December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Assets</b>				
Common stock	\$10,534,226			\$10,534,226
Fixed income	1,501,855			1,501,855
Mutual funds	69,300			69,300
Exchange traded funds	1,785,562			1,785,562
Real estate owned by SIC			\$497,698	497,698
Beneficial interest in charitable remainder trust		_____	_____	_____
Total assets at fair value		<u>\$13,890,943</u>	<u>\$497,698</u>	<u>\$14,388,641</u>
<b>Liabilities</b>				
Annuities payable			<u>\$ 6,976</u>	<u>\$ 6,976</u>

## NOTES TO COMBINED FINANCIAL STATEMENTS

	<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Assets				
Common stock		\$ 9,449,593		\$ 9,449,593
Fixed income		343,553		343,553
Mutual funds		62,513		62,513
Exchange traded funds		2,374,134		2,374,134
Real estate owned by SIC			\$497,698	497,698
Beneficial interest in charitable remainder trust		<u>                    </u>	<u>4,482</u>	<u>4,482</u>
Total assets at fair value		<u>\$12,229,793</u>	<u>\$502,180</u>	<u>\$12,731,973</u>
Liabilities				
Annuities payable			<u>\$ 7,409</u>	<u>\$ 7,409</u>

### Note 6. Endowment

The Foundation and Affiliate’s endowment consists of 183 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as allowing endowment funds to be classified as net assets without donor restrictions as each fund agreement includes variance power providing the Foundation’s Board with discretion regarding the expenditure of the funds. Those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. 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 fund
- 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

## NOTES TO COMBINED FINANCIAL STATEMENTS

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide long-term growth of capital and immediate income to support needs of the community. 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 desires its funds, over time, to provide an average rate of return of approximately 5% annually, net of inflation and fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment decisions shall be made with the intent of maximizing the long-term total return of the portfolio through market value changes (realized and unrealized) and through earned income (dividends and interest). The Foundation has a policy of appropriating for distribution each year 5% of its endowment funds' average fair value over the prior 12 quarters, or a lesser percentage as voted upon annually by the Board of Directors. In establishing this policy, the Foundation considered its long-term expected return on its endowment.

Changes in endowed funds for the years ending December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Endowment net assets, beginning of the year	\$12,922,630	\$10,773,462
Contributions and other revenue	1,315,895	774,144
Investment income, net	1,246,901	1,954,365
Appropriation of endowment assets for expenditure	<u>(823,200)</u>	<u>(579,341)</u>
Endowment net assets, end of the year	<u>\$14,662,226</u>	<u>\$12,922,630</u>

From time to time, the fair value of assets associated with board designated endowment funds may fall below the level that the Foundation is required to retain as a fund of perpetual duration. The majority of these deficiencies resulted from unfavorable market fluctuations. The fair value of underwater endowment funds, original non-spendable portions, and deficiencies for the years ending December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Fair value of underwater endowment funds	\$12,309	\$11,930
Non-spendable portion of original endowment	<u>12,832</u>	<u>12,832</u>
Deficiencies	<u>\$ (523)</u>	<u>\$ (902)</u>

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 7. Charitable Remainder Trust**

The Foundation was the beneficiary of a charitable remainder trust administered by an outside party from which the Foundation did not receive income until the death of the named beneficiary. The named beneficiary passed away in 2020 and the trust assets were dissolved. The estimated value of the expected residual benefit (which represented the fair market value of the trust assets less the present value of the estimated future payments to the income beneficiaries based on applicable mortality tables) of this trust was \$4,482 at December 31, 2019. The charitable remainder trust was reported as net assets with donor restrictions, and was released from restrictions during the year ended December 31, 2020.

**Note 8. Custodial Funds**

Custodial funds represent funds placed on deposit with the Foundation by other organizations, based on their individual board resolutions. The Foundation accounts for these transfers as a liability. Income is added to these funds periodically, in accordance with the Foundation’s investment allocation policies. Contributions by, investment interest credits for, and distributions to those organizations are reflected as adjustments to the liability account and are not reflected on the Foundation’s combined statements of activities.

Following is a progression of custodial funds during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 724,553	\$630,525
Contributions	236,927	8,140
Interest and dividends	23,576	21,395
Realized gains	3,972	13,488
Unrealized gains	81,210	92,555
Investment expenses	(4,461)	(3,877)
Administrative fees	(14,055)	(11,505)
Grant payments	<u>(32,146)</u>	<u>(26,168)</u>
Ending balance	<u>\$1,019,576</u>	<u>\$724,553</u>

**Note 9. Net Assets Without Donor Restrictions**

Net assets without donor restrictions consist of contributions and grants without any donor restrictions, donor advised funds, and donor designated funds. Donor advised funds are contributions which are given by a donor with the needs of a particular community or area in mind. Donor designated funds are given by the donor with a specific organization designated as the beneficiary. These funds are classified as net assets without donor restrictions due to the variance power maintained by the Foundation and its Subsidiaries and Affiliates.

## NOTES TO COMBINED FINANCIAL STATEMENTS

Although grant recommendations are accepted from donors and other providers of grants and are typically followed, the Foundation and its Subsidiaries and Affiliates has the right to redirect the distribution of the assets donated or the income obtained from them (“variance power”). This variance power provides that the ultimate discretion of the use of donated funds lies with the Foundation and its Subsidiaries and Affiliates’ Board of Directors. The variance power is explicitly stated in donor and grant agreements and effectively causes donor-specified restricted funds to be classified as net assets without donor restrictions.

In addition to receiving cash contributions, the Foundation and its Subsidiaries and Affiliates receives in-kind contributions from various donors. It is the policy of the Foundation and its Subsidiaries and Affiliates to record the estimated fair market value of in-kind donations as an expense in its combined financial statements, and similarly increase donations by the same amount.

### **Note 10. Net Assets with Donor Restrictions**

Net assets with donor restrictions at December 31, 2019 are listed below. There were no net assets with donor restrictions at December 31, 2020.

	<u>2019</u>
Charitable remainder trust (described in Note 7)	<u>\$ 4,482</u>
Total net assets with donor restrictions	<u>\$ 4,482</u>

### **Note 11. Defined Contribution Retirement Plan**

The Foundation maintains a Simple IRA retirement plan covering eligible employees. The Foundation makes a contribution to the plan each year of 3% of participating employees’ compensation. Total expense for the years ended December 31, 2020 and 2019 was \$8,152 and \$7,584, respectively, and is included with employee benefits.

### **Note 12. Leases**

The most significant lease relationships entered into by the Foundation include the following:

The Foundation entered into a lease agreement with Ivy Tech Community College as an occupant of the learning center on July 1, 2010. The agreement has been renewed several times and the last agreement began on August 1, 2018 and expired on July 31, 2020 at a rate of \$60,000 per year. The agreement has been renewed and the current agreement began August 1, 2020 and expires on July 31, 2022 at a rate of \$27,904 per year.

## NOTES TO COMBINED FINANCIAL STATEMENTS

The Foundation entered into a lease agreement with Southeast Indiana Workforce Investment Board as an occupant of the learning center at a rate of \$937 per month. The lease began in 2015 and has been extended multiple times. The latest lease agreement expired June 30, 2021, and was verbally renewed for another year.

The Foundation entered into a lease agreement with Indiana University as an occupant of the learning center. The agreement has been renewed several times and the last agreement began on August 1, 2019 and expired July 31, 2020 at a base rate of \$2,500 per year. The lease carried forward after expiration under the same terms.

The Foundation entered into a lease agreement with SIEOC Child Care Resource and Referral as an occupant of the learning center. The agreement has been renewed several times and the last agreement began on October 1, 2017 at a base rate of \$3,500 per year. SIEOC terminated this lease effective October 1, 2019.

Total rent payments received prior to December 31, 2020 and 2019 but intended for periods in the subsequent years totaled \$1,458 and \$39,046, respectively, and are included in deferred revenue in the combined financial statements.

Future minimum lease payments under the operating leases are as follows:

Year ending December 31,	
2021	\$33,529
2022	<u>16,277</u>
	<u>\$49,806</u>

### Note 13. Revenue from Contracts with Customers

The Foundation's revenue from contracts with customers consists of administrative fees, grants, and other items.

Administrative fees are paid to the Foundation for managing endowment funds. Performance obligations are satisfied over time as the services are provided. Transaction prices are set based on a fee schedule. The time between invoicing and when the performance obligations are satisfied is not significant, and there is not a significant financing component or significant payment terms.

Certain pass-through grants are paid to the Foundation with specific requirements regarding the timing and payment to the final specified recipient. Performance obligations are satisfied at a point in time. Transaction prices are set based on a contract. The time between invoicing and when the performance obligations are satisfied is not significant, and there is not a significant financing component or significant payment terms.



## NOTES TO COMBINED FINANCIAL STATEMENTS

Other revenue consists of accounting services provided to other entities. Performance obligations are satisfied over time as the services are provided, and transaction prices are set based on a contract.

Revenue from contracts with customers as of December 31, 2020 and 2019 include the following:

	<u>2020</u>	<u>2019</u>
Administrative fees	\$270,575	\$243,083
Grants	225,000	215,000
Other	<u>12,238</u>	<u>7,077</u>
	<u>\$507,813</u>	<u>\$465,160</u>

### Note 14. Small Business Administration Funding

In April 2020 the Foundation qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender for an aggregate principal amount of \$40,200 (PPP Loan). The Jackson County Education Coalition also qualified for and received a loan pursuant to the Paycheck Protection Program in the amount of \$14,000 (PPP Loan). The PPP Loans incurred interest at a fixed rate of 1.0% per annum. Interest was deferred during the deferral period, which ended on the date that the loan forgiveness amount was remitted by the U.S. Small Business Administration to the lender. The loans were unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loans was subject to forgiveness under the Paycheck Protection Program upon the Foundation's request to the extent that the loan proceeds were used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Foundation. The Foundation applied for forgiveness for both PPP Loans with respect to these covered expenses, and both loans were forgiven in November 2020. The loan proceeds were recorded as contributions on the date of forgiveness.

### Note 15. Risks And Uncertainties

The Foundation and its Subsidiaries and Affiliates maintain cash in bank deposit accounts, which at times may exceed federally insured limits. The Foundation and its Subsidiaries and Affiliates have not experienced any losses on such accounts. The Foundation and its Subsidiaries and Affiliates believe they are not exposed to any significant credit risk on cash. At December 31, 2020 and 2019, the Foundation had approximately \$3,300,000 and \$1,300,000 in excess of federally insured limits.

## NOTES TO COMBINED FINANCIAL STATEMENTS

Marketable securities and money market funds are managed by investment firms. Such balances exceed the Securities Protection Corporation insured limits of up to \$500,000.

The Foundation holds investments which 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 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 combined financial statements.

### **Note 16. Related Parties**

The Foundation maintains cash accounts at several banks, including State Bank of Medora, Jackson County Bank, and First Financial Bank. An employee of each bank was represented on the Foundation's Board of Directors during 2020 and 2019.

During 2020 and 2019, the Education Coalition rented space to Ivy Tech Community College in Columbus. Steven Combs, President of Ivy Tech Community College in Columbus, is on the Education Coalition's Board of Directors.

In 2016 the Education Coalition entered into a memo of understanding with the City of Seymour Redevelopment Commission and the Jackson County Industrial Development Corporation (JCIDC). Under the agreement, funds are appropriated to the Education Coalition by the Redevelopment Commission and then part of the funds are passed out to JCIDC. During 2020 the Education Coalition received \$225,000 and forwarded \$171,000. During 2019 the Education Coalition received \$215,000 and forwarded \$161,250. Members of the Redevelopment Commission and JCIDC are represented on the Education Coalition's Board of Directors.

### **Note 17. Contingencies**

The COVID-19 outbreak in the United States has caused disruptions to businesses and organizations through mandated and voluntary closures. While these disruptions are expected to be temporary, there is considerable uncertainty about the duration of the outbreak, the federal and state government responses, and the impact on the economy and the Foundation's vendors and individuals served. The extent of the impact on the Foundation's future operations and cash flows is uncertain.

**SUPPLEMENTARY INFORMATION**

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINING STATEMENT OF FINANCIAL POSITION**

December 31, 2020

<b>Assets</b>	<u>Community Foundation</u>	<u>Jackson County Education Coalition</u>	<u>Seymour Industrial Corporation</u>	<u>Community Foundation Properties</u>	<u>Community Foundation Holding</u>	<u>Combining/ Eliminating Adjustments</u>	<u>Total</u>
Cash and cash equivalents	\$ 3,553,523	\$ 336,174	\$ 378,757	\$ -	\$ 153	\$ -	\$ 4,268,607
Investments	13,890,943	-	497,698	-	-	-	14,388,641
Investment in subsidiary	767,534	-	-	-	-	(767,534)	-
Beneficial interest in charitable remainder trust	-	-	-	-	-	-	-
Property and equipment, net	13,860	7,967	-	340,540	-	-	362,367
Deferred tax asset	-	-	60,950	-	-	-	60,950
Receivables	62,371	15,017	3,239	-	-	(62,371)	18,256
Other assets	7,198	4,772	-	-	-	-	11,970
<b>Total assets</b>	<u>\$ 18,295,429</u>	<u>\$ 363,930</u>	<u>\$ 940,644</u>	<u>\$ 340,540</u>	<u>\$ 153</u>	<u>\$ (829,905)</u>	<u>\$ 19,110,791</u>
<b>Liabilities and Net Assets</b>							
<b>Liabilities</b>							
Deferred revenue	\$ 22,752	\$ 70,840	\$ -	\$ -	\$ -	\$ -	\$ 93,592
Charitable gift annuity payable	6,976	-	-	-	-	-	6,976
Custodial funds	1,019,576	-	-	-	-	-	1,019,576
Other liabilities	70,173	1,656	-	-	-	(62,371)	9,458
<b>Total liabilities</b>	<u>1,119,477</u>	<u>72,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,371)</u>	<u>1,129,602</u>
<b>Net Assets</b>							
Net assets without donor restrictions:							
Board designated	17,175,952	291,434	940,644	340,540	153	(940,644)	17,808,079
Non-controlling interest in subsidiary	-	-	-	-	-	173,110	173,110
Net assets with donor restrictions	-	-	-	-	-	-	-
<b>Total net assets</b>	<u>17,175,952</u>	<u>291,434</u>	<u>940,644</u>	<u>340,540</u>	<u>153</u>	<u>(767,534)</u>	<u>17,981,189</u>
<b>Total liabilities and net assets</b>	<u>\$ 18,295,429</u>	<u>\$ 363,930</u>	<u>\$ 940,644</u>	<u>\$ 340,540</u>	<u>\$ 153</u>	<u>\$ (829,905)</u>	<u>\$ 19,110,791</u>

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINING STATEMENT OF FINANCIAL POSITION**

December 31, 2019

<b>Assets</b>	Community Foundation	Jackson County Education Coalition	Seymour Industrial Corporation	Community Foundation Properties	Community Foundation Holding	Combining/ Eliminating Adjustments	Total
Cash and cash equivalents	\$ 1,392,259	\$ 387,047	\$ 399,008	\$ -	\$ 153	\$ -	\$ 2,178,467
Investments	12,229,793	-	497,698	-	-	-	12,727,491
Investment in subsidiary	781,691	-	-	-	-	(781,691)	-
Beneficial interest in charitable remainder trust	4,482	-	-	-	-	-	4,482
Property and equipment, net	7,403	6,774	-	351,724	-	-	365,901
Deferred tax asset	-	-	55,838	-	-	-	55,838
Receivables	55,690	440	3,241	-	-	(55,690)	3,681
Other assets	6,579	4,741	-	-	-	(3)	11,317
<b>Total assets</b>	<b>\$ 14,477,897</b>	<b>\$ 399,002</b>	<b>\$ 955,785</b>	<b>\$ 351,724</b>	<b>\$ 153</b>	<b>\$ (837,384)</b>	<b>\$ 15,347,177</b>
<b>Liabilities and Net Assets</b>							
<b>Liabilities</b>							
Deferred revenue	\$ 121,642	\$ 152,428	\$ -	\$ -	\$ -	\$ -	\$ 274,070
Charitable gift annuity payable	7,409	-	-	-	-	-	7,409
Custodial funds	724,553	-	-	-	-	-	724,553
Other liabilities	62,265	2,069	-	-	-	(55,690)	8,644
<b>Total liabilities</b>	<b>915,869</b>	<b>154,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(55,690)</b>	<b>1,014,676</b>
<b>Net Assets</b>							
Net assets without donor restrictions:							
Board designated	13,557,546	244,505	955,785	351,724	153	(955,785)	14,153,928
Non-controlling interest in subsidiary	-	-	-	-	-	174,091	174,091
Net assets with donor restrictions	4,482	-	-	-	-	-	4,482
<b>Total net assets</b>	<b>13,562,028</b>	<b>244,505</b>	<b>955,785</b>	<b>351,724</b>	<b>153</b>	<b>(781,694)</b>	<b>14,332,501</b>
<b>Total liabilities and net assets</b>	<b>\$ 14,477,897</b>	<b>\$ 399,002</b>	<b>\$ 955,785</b>	<b>\$ 351,724</b>	<b>\$ 153</b>	<b>\$ (837,384)</b>	<b>\$ 15,347,177</b>

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINING STATEMENT OF ACTIVITIES**

Year Ended December 31, 2020

	Community Foundation	Jackson County Education Coalition	Seymour Industrial Corporation	Community Foundation Properties	Community Foundation Holding	Combining/ Eliminating Adjustments	Total
<b>Revenues, Gains, and Support</b>							
Grants and contributions	\$ 3,174,081	\$ 345,000	\$ -	\$ -	\$ -	\$ (37,000)	\$ 3,482,081
Investment income, net	1,318,012	288	422	-	-	-	1,318,722
Administrative fees	270,575	-	-	-	-	-	270,575
Rent	23,000	80,792	6,870	-	-	(23,000)	87,662
Other	12,386	50	-	-	-	-	12,436
Events	6,700	-	-	-	-	-	6,700
Interfund transfers	151,961	-	-	-	-	(151,961)	-
Loss from subsidiary	(14,160)	-	-	-	-	14,160	-
Change in value of beneficial interest in CRT	(4,482)	-	-	-	-	-	(4,482)
<b>Total revenue, gains, and support, net</b>	<u>4,938,073</u>	<u>426,130</u>	<u>7,292</u>	<u>-</u>	<u>-</u>	<u>(197,801)</u>	<u>5,173,694</u>
<b>Expenses</b>							
Scholarships and grants	606,087	210,000	-	-	-	(37,000)	779,087
Salaries and benefits	223,496	70,197	-	-	-	-	293,693
Administrative expenses	256,520	-	-	-	-	-	256,520
Occupancy	16,522	63,706	-	-	-	(23,000)	57,228
Payroll taxes	16,509	5,373	-	-	-	-	21,882
Insurance	6,338	10,139	3,873	-	-	-	20,350
Depreciation and amortization	3,465	2,457	-	11,184	-	-	17,106
Memberships, printing, publication	9,962	484	5,310	-	-	-	15,756
Contract services	-	-	14,589	-	-	-	14,589
Professional fees	7,500	2,901	2,450	-	-	-	12,851
Equipment rental and maintenance	2,112	6,369	-	-	-	-	8,481
Publicity	6,963	643	-	-	-	-	7,606
Programs	1,880	5,000	-	-	-	-	6,880
Supplies and postage	3,475	1,895	33	-	-	-	5,403
Other	4,116	37	-	-	-	-	4,153
Events	3,659	-	-	-	-	-	3,659
Travel	3,047	-	-	-	-	-	3,047
Property taxes	-	-	1,290	-	-	-	1,290
Conferences and meetings	537	-	-	-	-	-	537
Interfund transfers	151,961	-	-	-	-	(151,961)	-
Deferred income tax benefit	-	-	(5,112)	-	-	-	(5,112)
<b>Total expenses</b>	<u>1,324,149</u>	<u>379,201</u>	<u>22,433</u>	<u>11,184</u>	<u>-</u>	<u>(211,961)</u>	<u>1,525,006</u>
<b>Change in net assets</b>	3,613,924	46,929	(15,141)	(11,184)	-	14,160	3,648,688
Change in net assets attributable to non-controlling interest	981	-	-	-	-	-	981
<b>Change in net assets attributable to Community Foundation of Jackson County, Inc.</b>	<u>\$ 3,614,905</u>	<u>\$ 46,929</u>	<u>\$ (15,141)</u>	<u>\$ (11,184)</u>	<u>\$ -</u>	<u>\$ 14,160</u>	<u>\$ 3,649,669</u>

**THE COMMUNITY FOUNDATION OF JACKSON COUNTY AND ITS SUBSIDIARIES AND AFFILIATES**

**COMBINING STATEMENT OF ACTIVITIES**

Year Ended December 31, 2019

	Community Foundation	Jackson County Education Coalition	Seymour Industrial Corporation	Community Foundation Properties	Community Foundation Holding	Combining/ Eliminating Adjustments	Total
<b>Revenues, Gains, and Support</b>							
Grants and contributions	\$ 866,568	\$ 324,013	\$ -	\$ -	\$ -	\$ (37,000)	\$ 1,153,581
Investment income, net	2,062,855	357	873	-	-	-	2,064,085
Administrative fees	243,083	-	-	-	-	-	243,083
Rent	23,000	101,503	7,620	-	-	(23,000)	109,123
Other	7,077	5	-	-	-	-	7,082
Events	7,040	-	-	-	-	-	7,040
Interfund transfers	95,019	-	-	-	-	(95,019)	-
Loss from subsidiary	(19,755)	-	-	-	-	19,755	-
Change in value of beneficial interest in CRT	(3,279)	-	-	-	-	-	(3,279)
<b>Total revenue, gains, and support, net</b>	<u>3,281,608</u>	<u>425,878</u>	<u>8,493</u>	<u>-</u>	<u>-</u>	<u>(135,264)</u>	<u>3,580,715</u>
<b>Expenses</b>							
Scholarships and grants	517,014	208,250	-	-	-	(37,000)	688,264
Salaries and benefits	213,390	67,887	-	-	-	-	281,277
Administrative expenses	231,578	-	-	-	-	-	231,578
Occupancy	17,986	59,683	-	-	-	(23,000)	54,669
Payroll taxes	15,771	5,295	-	-	-	-	21,066
Insurance	6,092	9,849	3,873	-	-	-	19,814
Depreciation and amortization	2,062	470	-	11,185	-	-	13,717
Memberships, printing, publication	8,523	1,003	5,332	-	-	-	14,858
Contract services	-	-	20,843	-	-	-	20,843
Professional fees	7,100	2,900	3,923	-	-	-	13,923
Equipment rental and maintenance	1,768	6,676	-	-	-	-	8,444
Publicity	7,601	398	-	-	-	-	7,999
Programs	6,674	5,013	-	-	-	-	11,687
Supplies and postage	3,263	651	4	-	-	-	3,918
Other	5,117	-	16	-	-	-	5,133
Events	3,174	-	-	-	-	-	3,174
Travel	2,305	61	-	-	-	-	2,366
Property taxes	-	-	1,325	-	-	-	1,325
Conferences and meetings	589	-	174	-	-	-	763
Interfund transfers	95,019	-	-	-	-	(95,019)	-
Deferred income tax benefit	-	-	(5,875)	-	-	-	(5,875)
<b>Total expenses</b>	<u>1,145,026</u>	<u>368,136</u>	<u>29,615</u>	<u>11,185</u>	<u>-</u>	<u>(155,019)</u>	<u>1,398,943</u>
<b>Change in net assets</b>	2,136,582	57,742	(21,122)	(11,185)	-	19,755	2,181,772
Change in net assets attributable to non-controlling interest	1,369	-	-	-	-	-	1,369
<b>Change in net assets attributable to Community Foundation of Jackson County, Inc.</b>	<u>\$ 2,137,951</u>	<u>\$ 57,742</u>	<u>\$ (21,122)</u>	<u>\$ (11,185)</u>	<u>\$ -</u>	<u>\$ 19,755</u>	<u>\$ 2,183,141</u>