

COMMUNITY FOUNDATION OF HANCOCK COUNTY, INC.
AND AFFILIATE, LEGACY PROPERTIES OF THE
COMMUNITY FOUNDATION OF HANCOCK COUNTY, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

December 31, 2022 and 2021

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Independent Auditors' Report

Board of Directors
Community Foundation of Hancock County, Inc. and Affiliate

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Community Foundation of Hancock County, Inc. and Affiliate which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Foundation of Hancock County, Inc. and Affiliate as of December 31, 2022 and 2021, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of Hancock County, Inc. and Affiliate, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of Hancock County, Inc. and Affiliate's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Foundation of Hancock County, Inc. and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of Hancock County, Inc. and Affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Estep Burkey Simmons, LLC

Muncie, Indiana

June 15, 2023

Community Foundation of Hancock County, Inc. and Affiliate
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 3,165,970	\$ 1,688,089
Investments	49,352,039	59,756,290
Pledges receivable	28,328	58,320
Prepaid expenses	48,658	21,061
Right of use asset	3,880	
Trust receivable	114,338	80,331
Property, building and equipment, net	3,202,173	1,543,042
Total assets	\$ 55,915,386	\$ 63,147,133
LIABILITIES		
Accounts payable	\$ 1,037,718	\$ 16,013
Grants payable	179,472	170,947
Right of use liability	3,880	
Annuity reserves	131,457	187,098
Agency funds	565,943	666,508
Total liabilities	1,918,470	1,040,566
NET ASSETS		
Without donor restrictions	1,862,993	2,014,106
With donor restrictions	52,133,923	60,092,461
Total net assets	53,996,916	62,106,567
Total liabilities and net assets	\$ 55,915,386	\$ 63,147,133

The accompanying notes are an integral part of these statements.

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31,

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 14,841	\$ 3,763,724	\$ 3,778,565
In-kind gifts	1,450	49,464	50,914
Investment return (loss), net	(53,836)	(9,479,927)	(9,533,763)
Change in value of split-interest agreements		22,244	22,244
Change in cash surrender value of life insurance		239	239
Rental income	17,837		17,837
Farm income		3,794	3,794
Loss on disposal of assets	(2,166)		(2,166)
Other income	42,257		42,257
	20,383	(5,640,462)	(5,620,079)
Net assets released from restrictions			
Satisfaction of purpose restrictions	221,501	(221,501)	
Pursuant to spending policy	1,269,681	(1,269,681)	
Total support and revenue	1,511,565	(7,131,644)	(5,620,079)
Expenses			
Program services	1,915,998		1,915,998
Supporting services			
Management and general	297,667		297,667
Development expenses	301,766		301,766
Total expenses	2,515,431		2,515,431
Transfer of administrative fees	852,753	(826,894)	25,859
CHANGE IN NET ASSETS	(151,113)	(7,958,538)	(8,109,651)
Net assets at beginning of year	2,014,106	60,092,461	62,106,567
Net assets at end of year	\$ 1,862,993	\$ 52,133,923	\$ 53,996,916

The accompanying notes are an integral part of these statements.

2021		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 6,479	\$ 1,342,037	\$ 1,348,516
	149,626	149,626
48,645	9,333,574	9,382,219
	18,035	18,035
	263	263
20,168		20,168
	2,169	2,169
(33,674)		(33,674)
25,055		25,055
66,673	10,845,704	10,912,377
472,392	(472,392)	
1,133,310	(1,133,310)	
1,672,375	9,240,002	10,912,377
1,827,012		1,827,012
250,573		250,573
258,672		258,672
2,336,257		2,336,257
972,288	(966,407)	5,881
308,406	8,273,595	8,582,001
1,705,700	51,818,866	53,524,566
\$ 2,014,106	\$ 60,092,461	\$ 62,106,567

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31,

	2022			
	Programming	Management & General	Development	Total
Grants and scholarships	\$ 1,461,845			\$ 1,461,845
Salaries and wages	200,382	\$ 184,968	\$ 128,450	513,800
Payroll taxes and benefits	31,449	29,030	20,160	80,639
Program expenses	60,305			60,305
Insurance	16,832	2,805	8,416	28,053
Property repairs and maintenance		20,025		20,025
Legal and professional fees	28,495	14,063	750	43,308
Utilities		18,270		18,270
Telephone and internet		3,498		3,498
Merchant and bank fees	4,751	792	2,375	7,918
Dues and subscriptions	3,931	655	1,966	6,552
Travel and meetings	4,471	745	2,235	7,451
Staff and committee development	6,554	1,092	3,277	10,923
Office and building supplies	10,547	1,758	5,273	17,578
Postage	6,152	1,025	3,076	10,253
Technology	45,901	7,650	22,950	76,501
Human resources	6,351	1,059	3,176	10,586
Branding	9,600	1,600	4,800	16,000
Annual event			19,341	19,341
Development			66,055	66,055
Miscellaneous		557	250	807
Interest		5,003		5,003
Depreciation	18,432	3,072	9,216	30,720
	<u>\$ 1,915,998</u>	<u>\$ 297,667</u>	<u>\$ 301,766</u>	<u>\$ 2,515,431</u>

The accompanying notes are an integral part of these statements.

2021			
<u>Programming</u>	<u>Management & General</u>	<u>Development</u>	<u>Total</u>
\$ 1,416,981			\$ 1,416,981
185,084	\$ 152,694	\$ 124,931	462,709
32,840	27,093	22,167	82,100
62,627			62,627
10,903	1,817	5,451	18,171
	10,713		10,713
19,071	27,252		46,323
	7,618		7,618
	3,146		3,146
2,795	466	1,397	4,658
3,927	655	1,964	6,546
2,352	392	1,176	3,920
5,794	966	2,897	9,657
9,741	1,624	4,871	16,236
7,678	1,280	3,839	12,797
43,751	7,292	21,875	72,918
3,870	645	1,935	6,450
		48,359	48,359
	804	8,011	8,815
	2,850		2,850
19,598	3,266	9,799	32,663
<u>\$ 1,827,012</u>	<u>\$ 250,573</u>	<u>\$ 258,672</u>	<u>\$ 2,336,257</u>

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (8,109,651)	\$ 8,582,001
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	30,720	32,663
Realized (gains) losses on investments	485,763	(3,080,667)
Unrealized (gains) losses on investments	10,795,337	(3,512,891)
Loss on disposal of assets	2,166	33,674
Change in gift annuity reserve	(22,244)	(18,035)
Change in cash surrender value of life insurance	(239)	(263)
Non-cash contributions	(50,914)	(149,626)
Contributions to restricted funds	(3,969,548)	(1,403,603)
(Increase) decrease in assets:		
Pledges receivable	29,992	46,680
Prepaid expenses	(27,597)	1,895
Trust receivable	(34,007)	(9,079)
Increase (decrease) in liabilities:		
Accounts payable	1,021,705	8,228
Grants payable	8,525	18,817
Annuity reserves	(55,641)	(26,679)
Agency funds	(100,565)	149,490
Net cash provided by operating activities	<u>3,802</u>	<u>672,605</u>
Cash flows from investing activities:		
Proceeds from sale of investments	4,373,898	7,838,416
Purchases of investments	(5,172,600)	(10,184,292)
Capital expenditures	(1,696,767)	(811,793)
Net cash used in investing activities	<u>(2,495,469)</u>	<u>(3,157,669)</u>
Cash flows from financing activities:		
Cash received from contributors for restricted funds	3,969,548	1,403,603
Net cash provided by financing activities	<u>3,969,548</u>	<u>1,403,603</u>
Net change in cash and cash equivalents	1,477,881	(1,081,461)
Cash and cash equivalents at beginning of year	<u>1,688,089</u>	<u>2,769,550</u>
Cash and cash equivalents at end of year	<u>\$ 3,165,970</u>	<u>\$ 1,688,089</u>
<u>Supplemental Disclosures</u>		
Non-cash contributions	\$ 50,914	\$ 149,626

The accompanying notes are an integral part of these statements.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

1. Nature of Activities

The Community Foundation of Hancock County, Inc. and its affiliate, Legacy Properties of the Community Foundation of Hancock County, Inc. (Foundation) are not-for-profit corporations organized under the laws of the State of Indiana. The Community Foundation of Hancock County, Inc. was organized to perpetuate the rich heritage of philanthropy in Hancock County, Indiana and to provide new opportunities for donors. The Foundation is committed to strengthening and enhancing all aspects of the quality of life in Hancock County by providing individuals and organizations wishing to contribute their resources with an effective and attractive way to channel their gifts to worthy community endeavors. Its contributions are received from private and public organizations or individuals.

Legacy Properties of the Community Foundation of Hancock County, Inc. was incorporated in Indiana on June 7, 2013 to support the Community Foundation of Hancock County, Inc. by accepting, purchasing, holding, disposing, and managing real and personal property for the benefit of the Foundation.

2. Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and reflect all significant receivables, payables and other liabilities.

3. Financial Statement Presentation

The consolidated financial statements include the accounts of the Community Foundation of Hancock County, Inc. and its affiliated organization, Legacy Properties of the Community Foundation of Hancock County, Inc. Inter-organization balances have been eliminated in the consolidated financial statements.

4. Contributions

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

5. Cash and Cash Equivalents

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

6. Investments

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

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES - Continued

7. Equipment and Depreciation

Purchased equipment is stated at cost. Donated equipment is recorded as support at the estimated fair value at the date of gift. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Foundation has a capitalization policy which states that only items with a value of more than \$1,000 are capitalized. Depreciation is computed according to the estimated useful lives of the respective assets using the straight-line method.

8. Net Assets and Spending Policy

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and comprised of the Foundation's board designated funds and unrestricted investment income.

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

The Foundation's endowment consists of 313 and 305 individual funds established for a variety of purposes as of December 31, 2022 and 2021, respectively. The endowment includes both funds established by donors and funds designated by the Board to function as endowments (board-designated endowment funds). The Foundation maintains variance power over all of the endowment funds (including those established by donors) as provided within the fund agreements. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. While the Foundation ultimately has variance power over all of the assets maintained in endowment funds, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

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

The investment objective of this Portfolio is long-term growth of the assets of the Foundation, above and beyond the Payout Policy, average administrative fee, and inflation. Controlling portfolio volatility to help provide stable distributions from year to year is an additional objective.

The Foundation has a policy (the Payout Policy) of appropriating for expenditure each year 3.75% of its endowment fund's average fair value over the prior twelve quarters beginning with June 30 of the current year and looking back. In establishing this policy, the Foundation considered the long-term expected return on its endowment.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES - Continued

9. Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022 and 2021, the Foundation exceeded the insured limit by approximately \$2,234,397 and \$399,918, respectively.

10. Income Taxes

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

11. In-Kind Contributions

During the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was \$1,200 relating to a market analysis on the Foundation's farm property. During the year ended December 31, 2021, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. During the year ended December 31, 2022, the Foundation received donated sign rent for an event valued at \$250. During the years ended December 31, 2022 and 2021, the Foundation received gifts of public securities of \$49,464 and \$149,626, respectively, which were valued at fair value. It is the Foundation's policy to immediately liquidate gifts of public securities and invest the proceeds in compliance with the Foundation's investment policy.

12. Grants and scholarships

Grants and scholarships, including multi-year awards, are recorded as an expense and a payable when grants are approved and communicated to the grantees. Grants and scholarships expense for the years ended December 31, 2022 and 2021 was \$1,461,845 and \$1,416,981, respectively.

13. Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses include depreciation, insurance, printing and publications, rent, telephone, repairs and maintenance, office supplies, postage, salaries and wages, payroll taxes, benefits, conferences and meetings, and miscellaneous expenses. These expenses are allocated on the basis of estimates of time and effort.

14. Compensated Absences

The employees of the Foundation qualify for earned time off based upon length of service. Earned time off is intended to be used by the end of the calendar year, but can be carried over to the subsequent year and used within six months. Any unused earned time off is paid to an employee upon termination based upon the employee's hourly rate. The Foundation's policy is to recognize the cost of compensated absences when actually paid to employees.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES - Continued

15. Uncertain Tax Positions

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

The Foundation's federal and state exempt organization tax returns for 2019, 2020, and 2021 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. Returns are generally subject to examination for three years after they are filed.

16. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$41,379 and \$6,375 for the years ended December 31, 2022 and 2021, respectively.

17. Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - PROPERTY, BUILDING AND EQUIPMENT

The amounts of fixed assets, net of depreciation, consist of the following at December 31,

	<u>2022</u>	<u>2021</u>
Land	\$ 504,300	\$ 504,300
Land improvements	4,397	4,397
Building and improvements	1,462,867	1,462,867
Construction in progress	1,672,540	
Furniture and equipment	<u>122,190</u>	<u>116,943</u>
	3,766,294	2,088,507
Less accumulated depreciation	<u>564,121</u>	<u>545,465</u>
	<u>\$ 3,202,173</u>	<u>\$ 1,543,042</u>

NOTE C - RISKS AND UNCERTAINTIES

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

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE D - INVESTMENTS

The following is an analysis of the cost and fair value at December 31, 2022 and 2021 by type of investment.

	<u>2022</u>	<u>2021</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Common stocks	\$ 966,239	\$ 943,046
Cash surrender value of life insurance	9,439	9,200
Land and land improvements	149,738	144,988
Investments in partnerships	2,897,112	3,529,822
Mutual funds - equities:		
Foreign large blend	2,910,100	3,729,531
Large value	3,530,612	3,622,446
Small growth	1,437,847	1,853,251
Mid-cap blend	1,644,469	2,022,876
Small blend	1,622,698	1,809,178
Large growth	7,959,868	10,172,224
Large blend	12,791,713	15,693,846
Foreign large growth	2,819,818	3,665,682
Diversified emerging markets	2,343,595	2,501,905
Conservative allocation	1,408,952	1,752,867
Total mutual funds - equities	<u>38,469,672</u>	<u>46,823,806</u>
Mutual funds - fixed income:		
Corporate bonds	2,533,754	1,945,935
Intermediate-term bonds	2,999,359	3,073,103
Short-term bonds	1,326,726	3,286,390
Total mutual funds - fixed income	<u>6,859,839</u>	<u>8,305,428</u>
Total investments, at fair value	<u>\$ 49,352,039</u>	<u>\$ 59,756,290</u>
Total investments, at historical cost	<u>\$ 45,360,695</u>	<u>\$ 44,575,841</u>

NOTE E - TRUSTS RECEIVABLE

During 2018, the Foundation was notified that it was a residual beneficiary of a trust with a local bank naming the Foundation as a 10% residual beneficiary of a charitable remainder unitrust. During 2022, the Foundation was notified that it was a residual beneficiary of a trust with a local bank naming the Foundation as a 25% residual beneficiary of a charitable remainder unitrust. Under these types of charitable remainder trusts, the current income beneficiary is to receive distributions of a specified percentage of the fair value of the trust annually until death. Upon the death of the current income beneficiary, the remaining assets in the trust pass to the beneficiaries. Based on the current income beneficiary's life expectancy and a 5.2% and 1.6% discount rate as of December 31, 2022 and 2021, respectively, the present value of future benefits expected to be received by the Foundation was estimated to be \$114,338 and \$80,331 at December 31, 2022 and 2021, respectively.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE F - PLEDGES RECEIVABLE

Donors have made pledges to various funds held by the Foundation. Outstanding pledges at December 31, 2022 and 2021 totaled \$28,328 and \$58,320, respectively. Pledges receivable are due from individuals and organizations and are deemed to be fully collectible; therefore, no provision has been made for uncollectible pledges. Pledges deemed uncollectible are written off using the direct write-off method when that determination is made. The pledges are due by December 31, 2023.

NOTE G - RETIREMENT PLAN

During 2022, the Foundation adopted the Group Management Services, Inc. 401(k) Profit Sharing Plan & Trust. Under the plan, the employees may contribute a specified portion of their compensation, and the Foundation will match the employee contributions up to 5%. The Foundation can also make additional contributions to the plan at its discretion. The Foundation contributed \$22,289 and \$18,362 for the years ended December 31, 2022 and 2021, respectively.

NOTE H - GRANTS PAYABLE

Grants approved and committed for future payments are payable in the following years.

December 31, 2023	\$	151,995
2024	\$	17,522
2025	\$	9,955
2026	\$	-0-
2027 and thereafter	\$	-0-

NOTE I - SPLIT-INTEREST AGREEMENTS

The Foundation's split-interest agreements with donors consist of eight charitable gift annuities. The assets received are recorded at their fair value. The fair value of assets held for the charitable gift annuities totaled \$372,043 and \$470,408 at December 31, 2022 and 2021, respectively. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of future payment obligations at December 31, 2022 and 2021 was \$131,457 and \$187,098, respectively. The liabilities were determined using discount rates ranging from 5.2% to 1.6%. Changes in fair value of the charitable gift annuities are reflected as changes in net assets without donor restrictions in the Consolidated Statements of Activities.

Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the value of the split-interest agreements in the Consolidated Statements of Activities in their respective net asset classification.

NOTE J - LINE OF CREDIT

The Foundation has a line of credit with a commercial bank which provides borrowings up to \$4,000,000. The line of credit has a variable interest rate of 0.25% below prime. The interest rate was 7.25% and 3.00% on December 31, 2022 and 2021, respectively, and is secured by an investment account. Outstanding borrowings under this arrangement at December 31, 2022 and 2021 were \$-0-. The line of credit expires on June 2, 2024.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE K - FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

The following tables set forth financial assets measured at fair value in the Consolidated Statements of Financial Position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of December 31, 2022 and 2021, respectively:

	2022			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Investments				
Common stocks	\$ 966,239	\$ 966,239		
Cash surrender value of life insurance	\$ 9,439		\$ 9,439	
Land and land improvements	\$ 149,738			\$ 149,738
Investments in partnerships*	\$ 2,897,112			
Mutual funds - equities	\$ 38,469,672	\$ 38,469,672		
Mutual funds - fixed income	\$ 6,859,839	\$ 6,859,839		
Total investments	\$ 49,352,039			
Trust receivable	\$ 114,338		\$ 114,338	
Liabilities:				
Annuity reserves	\$ 131,457		\$ 131,457	

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE K - FAIR VALUE MEASUREMENTS - Continued

	2021			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Investments				
Common stocks	\$ 943,046	\$ 943,046		
Cash surrender value of life insurance	\$ 9,200		\$ 9,200	
Land and land improvements	\$ 144,988			\$ 144,988
Investment in partnership*	\$ 3,529,822			
Mutual funds - equities	\$ 46,823,806	\$ 46,823,806		
Mutual funds - fixed income	\$ 8,305,428	\$ 8,305,428		
Total investments	\$ 59,756,290			
Trust receivable	\$ 80,331		\$ 80,331	
Liabilities:				
Annuity reserves	\$ 187,098		\$ 187,098	

* In accordance with Accounting Standards, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the Consolidated Statements of Financial Position.

The following schedule provides further detail of the land being held as a Level 3 fair value measurement using significant unobservable inputs at December 31, 2022 and 2021:

	Level 3	
	2022	2021
Beginning balance	\$ 144,988	\$ 791,838
Investment in farm land	4,750	-
Sale of farm land	-	(646,850)
Ending balance	\$ 149,738	\$ 144,988

Investment in partnership, including balances, restrictions on redemptions, and investment objectives consist of the following as of December 31, 2022 and 2021.

	2022		
	Net Asset Value	Redemption Notice	Redemption Frequency
Baxter Street Fund II, L.P.	2,721,446	30 days notice	Monthly
RCP Fund XVI, L.P.	175,666	N/A	N/A

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE K - FAIR VALUE MEASUREMENTS - Continued

	2021		
	Net Asset Value	Redemption Notice	Redemption Frequency
Baxter Street Fund II, L.P.	3,529,822	30 days notice	Monthly

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for the trust receivable is determined by calculating the present value of future payments to beneficiaries using published life expectancy tables with a discount rate of 3.6 percent. Fair value for the gift annuity payable is determined by calculating the present value of future payments to beneficiaries using published life expectancy tables using the applicable discount rate. Fair value for the land in Level 3 investments is determined by appraisals and the value of land improvements.

NOTE L - ENDOWMENT FUNDS

Endowment net assets composition by type of fund as of December 31, 2022 and 2021 was as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 232,524		\$ 232,524
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 42,207,895	42,207,895
Accumulated investment gains		8,776,038	8,776,038
	<u>\$ 232,524</u>	<u>\$ 50,983,933</u>	<u>\$ 51,216,457</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 303,238		\$ 303,238
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		\$ 38,238,347	38,238,347
Accumulated investment gains		20,621,203	20,621,203
	<u>\$ 303,238</u>	<u>\$ 58,859,550</u>	<u>\$ 59,162,788</u>

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE L - ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the years ended December 31, 2022 and 2021, were as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions		\$ 3,969,548	\$ 3,969,548
Investment loss, net	\$ (51,106)	(9,486,204)	(9,537,310)
Total revenue and support	(51,106)	(5,516,656)	(5,567,762)
Appropriation of endowment assets for expenditure	19,608	2,358,961	2,378,569
Change in endowment net assets	(70,714)	(7,875,617)	(7,946,331)
Endowment net assets, beginning of year	303,238	58,859,550	59,162,788
Endowment net assets, end of year	\$ 232,524	\$ 50,983,933	\$ 51,216,457
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions		\$ 1,164,101	\$ 1,164,101
Investment return, net	\$ 50,208	8,767,310	8,817,518
Total revenue	50,208	9,931,411	9,981,619
Appropriation of endowment assets for expenditure	12,063	1,938,510	1,950,573
Change in endowment net assets	38,145	7,992,901	8,031,046
Endowment net assets, beginning of year	265,093	50,866,649	51,131,742
Endowment net assets, end of year	\$ 303,238	\$ 58,859,550	\$ 59,162,788

Occasionally, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor of UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of December 31, 2022, 29 of the 313 endowment funds had deficiencies totaling \$628,867. As of December 31, 2021, none of the endowment funds had deficiencies.

NOTE M - ADMINISTRATION MANAGEMENT

The Foundation assesses an administrative charge of 1% to 2.5% on endowment and pass-through funds. Fees are assessed quarterly based on the quarterly balance one prior quarter. This amount is used primarily to support the operations of the Foundation.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE N - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2022 and 2021:

	2022	2021
Purpose restrictions accomplished:		
Designated	\$ 51,759	\$ 265,777
Donor advised	80,000	25,075
Field of interest	89,742	181,540
	<u>221,501</u>	<u>472,392</u>
Restricted-purpose spending-rate distributions and appropriations:		
Designated	574,952	507,067
Imagination Library	62,819	64,095
Donor advised	9,970	4,953
Scholarship	356,562	331,872
Field of interest	265,378	225,323
	<u>1,269,681</u>	<u>1,133,310</u>
	<u>\$ 1,491,182</u>	<u>\$ 1,605,702</u>

NOTE O - OPERATING LEASE

The Foundation leases office equipment under a three-year lease agreement. Monthly lease payments are \$135 per month. Total lease expense for the years ended December 31, 2022 and 2021 was \$3,153 and \$3,376, respectively.

The following table discloses the undiscounted cash flows due related to operating leases, as of December 31, 2022, along with a reconciliation to the discounted amount recorded on the Statements of Financial Position.

2023	\$ 1,621
2024	1,621
2025	810
2026	-
2027	-
	<u>4,052</u>
Present value discount	172
Right of use asset/liability	<u>\$ 3,880</u>

NOTE P - INTERFUND LOAN

During 2022, the Foundation borrowed \$500,000 from its fixed income portfolio to fund the acquisition and renovation of new office space, which includes a large meeting space (the Thrive Center). The interfund loan is being repaid to the portfolio at an interest rate that meets or exceeds what the funds would earn if invested in the Community Foundation's investment fixed income portfolio. The balance of the interfund loan was \$2,868,000 at May 30, 2023.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE Q - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for a specific purpose:		
Designated	\$ 361,983	\$ 293,971
Donor advised	356,512	558,891
Field of interest	74,898	130,618
Operating	189,775	191,111
	<u>983,168</u>	<u>1,174,591</u>
Subject to the passage of time:		
Pledges receivable, the proceeds from which have been restricted by donors for:		
Designated	28,328	58,320
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
Designated	755	3,074
Imagination Library	14,416	
Donor advised	26,806	21,816
Scholarship	109,278	158,229
Field of interest	198,579	111,833
	<u>349,834</u>	<u>294,952</u>
Trust receivable, the proceeds from which have been restricted by donors for field of interest	114,338	80,331
Subject to appropriation and expenditure when a specific event occurs:		
Proceeds from gift annuity upon death of the annuitant	362,255	283,310
Subject to Foundation spending and appropriation:		
Designated	21,055,481	23,954,141
Imagination Library	2,278,206	2,834,068
Donor advised	867,086	1,054,734
Scholarship	13,423,712	13,542,844
Field of interest	10,599,934	13,405,523
Operating	2,700,448	3,409,647
Underwater funds	(628,867)	
	<u>50,296,000</u>	<u>58,200,957</u>
	<u>\$ 52,133,923</u>	<u>\$ 60,092,461</u>

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE R - LIQUIDITY

The Foundation has financial assets without donor restrictions available within one year of the Consolidated Statements of Financial Position date consisting of the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 201,702	\$ 272,682

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

NOTE S - AGENCY FUNDS

The Foundation reports contributions as a liability when third party organizations transfer these assets to the Foundation and specify themselves, or their affiliates, as the beneficiary. These liabilities are offset by the Foundation's investments.

During the years ended December 31, 2022 and 2021, the following activity occurred in the agency funds held by the Foundation. These amounts are not reflected on the Consolidated Statements of Activities.

	<u>2022</u>	<u>2021</u>
Support and revenue		
Contributions	\$ 11,714	\$ 76,435
Investment return (loss), net	<u>(93,216)</u>	<u>92,984</u>
	\$ (81,502)	\$ 169,419
Expenses		
Grants	13,642	14,048
Administrative fees	<u>5,421</u>	<u>5,881</u>
	<u>19,063</u>	<u>19,929</u>
Change in agency funds	(100,565)	149,490
Balance at beginning of year	<u>666,508</u>	<u>517,018</u>
Balance at end of year	<u><u>\$ 565,943</u></u>	<u><u>\$ 666,508</u></u>

NOTE T - RENTAL INCOME

The Foundation leases office space and farm land to various organizations. The leases terms ended for the office space on December 31, 2022 and the lease for the farm land runs through February 28, 2023. Future minimum lease payments are \$632 for the year ending December 31, 2023.

During the years ended December 31, 2022 and 2021, the Foundation received rental income for the office space of \$17,837 and \$20,168, respectively, and \$3,794 and \$2,169, respectively, for the farm land.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE U - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 15, 2023, which is the date these consolidated financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2022, have been incorporated into these consolidated financial statements herein.

Subsequent to year end, the Foundation relocated its operations to its new offices, which includes the Thrive Center, to facilitate community engagement opportunities. As a part of the transition, the Foundation donated its former offices to a local nonprofit at a value of \$600,000.

NOTE V - ADOPTION OF NEW ACCOUNTING PRINCIPLE

Effective for its 2022 annual financial statements, the Foundation adopted new accounting standards issued by FASB that require significant changes in accounting for operating leases under which the Foundation is lessee, and in the method and timing of recognition of certain nonlease contract revenues and certain incremental expenses such as sales commissions. Upon adoption, among other effects, the Foundation is required to record assets and liabilities for all operating lease obligations with terms of 12 months or greater. These changes entail certain retrospective adjustments.

SUPPLEMENTAL INFORMATION



Independent Auditors' Report on
Supplemental Information

**Board of Directors
Community Foundation of Hancock County, Inc. and Affiliate**

We have audited the consolidated financial statements of Community Foundation of Hancock County, Inc. and Affiliate as of and for the years ended December 31, 2022 and 2021, and have issued our report thereon dated June 15, 2023, which contained an unqualified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Estep Burkey Simmons, LLC

Muncie, Indiana
June 15, 2023

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

December 31,

	2022			
	Community Foundation of Hancock County, Inc.	Legacy Properties of the Community Foundation of Hancock County, Inc.	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 3,076,161	\$ 89,809	\$ -	\$ 3,165,970
Investments	49,202,301	149,738	-	49,352,039
Pledges receivable	28,328	-	-	28,328
Prepaid expenses	40,711	7,947	-	48,658
Right of use asset	3,880	-	-	3,880
Trust receivable	114,338	-	-	114,338
Property, building and equipment, net	55,556	3,146,617	-	3,202,173
Total assets	<u>\$ 52,521,275</u>	<u>\$ 3,394,111</u>	<u>\$ -</u>	<u>\$ 55,915,386</u>
LIABILITIES				
Accounts payable	\$ 15,578	\$ 1,022,140	\$ -	\$ 1,037,718
Grants payable	179,472	-	-	179,472
Right of use liability	3,880	-	-	3,880
Annuity reserves	131,457	-	-	131,457
Agency funds	565,943	-	-	565,943
Total liabilities	896,330	1,022,140	-	1,918,470
NET ASSETS				
Without donor restrictions	(89,203)	1,952,196	-	1,862,993
With donor restrictions	51,714,148	419,775	-	52,133,923
	<u>51,624,945</u>	<u>2,371,971</u>	<u>-</u>	<u>53,996,916</u>
Total liabilities and net assets	<u>\$ 52,521,275</u>	<u>\$ 3,394,111</u>	<u>\$ -</u>	<u>\$ 55,915,386</u>

2021				
Community Foundation of Hancock County, Inc.	Legacy Properties of the Community Foundation of Hancock County, Inc.	Eliminations	Total	
\$ 1,560,415	\$ 127,674	\$ -	\$ 1,688,089	
59,611,302	144,988	-	59,756,290	
58,320	-	-	58,320	
16,299	4,762	-	21,061	
-	-	-	-	
80,331	-	-	80,331	
15,601	1,527,441	-	1,543,042	
<u>\$ 61,342,268</u>	<u>\$ 1,804,865</u>	<u>\$ -</u>	<u>\$ 63,147,133</u>	
\$ 14,355	\$ 1,658	\$ -	\$ 16,013	
170,947	-	-	170,947	
-	-	-	-	
187,098	-	-	187,098	
666,508	-	-	666,508	
1,038,908	1,658	-	1,040,566	
632,010	1,382,096	-	2,014,106	
59,671,350	421,111	-	60,092,461	
<u>60,303,360</u>	<u>1,803,207</u>	<u>-</u>	<u>62,106,567</u>	
<u>\$ 61,342,268</u>	<u>\$ 1,804,865</u>	<u>\$ -</u>	<u>\$ 63,147,133</u>	

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF ACTIVITIES

Year Ended December 31, 2022

	Community Foundation of Hancock County, Inc.		Legacy Properties of the Community Foundation of Hancock County, Inc.		Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Support and revenue						
Contributions and grants	\$ 14,841	\$ 3,751,468	\$ 619,331	\$ 12,256	\$ (619,331)	\$ 3,778,565
In-kind gifts	250	49,464	1,200			50,914
Investment loss, net	(53,836)	(9,479,981)		54		(9,533,763)
Change in value of split-interest agreements		22,244				22,244
Change in cash surrender value of life insurance		239				239
Loss on disposal of assets	(2,166)					(2,166)
Farm and rental income			17,837	3,794		21,631
Other income	42,257					42,257
	<u>1,346</u>	<u>(5,656,566)</u>	<u>638,368</u>	<u>16,104</u>	<u>(619,331)</u>	<u>(5,620,079)</u>
Net assets released from restrictions						
Restrictions satisfied by payments	204,251	(204,251)	17,250	(17,250)		
Pursuant to spending policy	1,269,681	(1,269,681)				
Total support and revenue	<u>1,475,278</u>	<u>(7,130,498)</u>	<u>655,618</u>	<u>(1,146)</u>	<u>(619,331)</u>	<u>(5,620,079)</u>
Expenses						
Program services	2,535,329				(619,331)	1,915,998
Supporting services						
Management and general	211,959		85,708			297,667
Development expenses	301,766					301,766
Total expenses	<u>3,049,054</u>		<u>85,708</u>		<u>(619,331)</u>	<u>2,515,431</u>
Transfer of administrative fees	852,563	(826,704)	190	(190)		25,859
CHANGE IN NET ASSETS	<u>(721,213)</u>	<u>(7,957,202)</u>	<u>570,100</u>	<u>(1,336)</u>		<u>(8,109,651)</u>
Net assets at beginning of year	<u>632,010</u>	<u>59,671,350</u>	<u>1,382,096</u>	<u>421,111</u>		<u>62,106,567</u>
Net assets at end of year	<u>\$ (89,203)</u>	<u>\$ 51,714,148</u>	<u>\$ 1,952,196</u>	<u>\$ 419,775</u>		<u>\$ 53,996,916</u>

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF ACTIVITIES

Year Ended December 31, 2021

	Community Foundation of Hancock County, Inc.		Legacy Properties of the Community Foundation of Hancock County, Inc.		Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Support and revenue						
Contributions	\$ 6,479	\$ 2,937,226	\$ 760,971		\$ (2,356,160)	\$ 1,348,516
In-kind gifts		149,626				149,626
Investment return, net	48,645	8,412,037		\$ 921,537		9,382,219
Change in value of split-interest agreements		18,035				18,035
Change in cash surrender value of life insurance		263				263
Loss on disposal of assets			(33,674)			(33,674)
Farm and rental income			20,168	2,169		22,337
Other income	25,055					25,055
	<u>80,179</u>	<u>11,517,187</u>	<u>747,465</u>	<u>923,706</u>	<u>(2,356,160)</u>	<u>10,912,377</u>
Net assets released from restrictions						
Satisfaction of purpose restrictions	670,160	(670,160)	1,397,421	(1,397,421)		
Pursuant to spending policy	1,133,310	(1,133,310)				
Total support and revenue						
Operating expenses						
Program services	2,763,779		1,419,393		(2,356,160)	1,827,012
Supporting services						
Management and general	183,165		67,408			250,573
Development expenses	258,672					258,672
Total expenses	<u>3,205,616</u>		<u>1,486,801</u>		<u>(2,356,160)</u>	<u>2,336,257</u>
Transfer of administrative fees	815,239	(809,358)	157,049	(157,049)		5,881
CHANGE IN NET ASSETS	<u>(506,728)</u>	<u>8,904,359</u>	<u>815,134</u>	<u>(630,764)</u>		<u>8,582,001</u>
Net assets at beginning of year	<u>1,138,738</u>	<u>50,766,991</u>	<u>566,962</u>	<u>1,051,875</u>		<u>53,524,566</u>
Net assets at end of year	<u>\$ 632,010</u>	<u>\$ 59,671,350</u>	<u>\$ 1,382,096</u>	<u>\$ 421,111</u>		<u>\$ 62,106,567</u>