

KOSCIUSKO COUNTY COMMUNITY FOUNDATION, INC.  
AND AFFILIATE,  
ORTHOPEDICS CAPITAL FOUNDATION, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

June 30, 2024 and 2023

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**Independent Auditors' Report**

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

**Report on the Audit of the Consolidated Financial Statements**

***Opinion***

We have audited the consolidated financial statements of Kosciusko County Community Foundation, Inc. and Affiliate which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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 Kosciusko County Community Foundation, Inc. and Affiliate as of June 30, 2024 and 2023, 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 Kosciusko County Community Foundation, 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 Kosciusko County Community Foundation, 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 Kosciusko County Community Foundation, 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 Kosciusko County Community Foundation, 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  
August 28, 2024

Kosciusko County Community Foundation, Inc. and Affiliate  
 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
 June 30,

|   | 2024          | 2023          |
|---|---------------|---------------|
| <b>ASSETS</b>   |               |               |
| Cash and cash equivalents   | \$ 4,666,564  | \$ 2,627,663  |
| Interest and dividends receivable                                 | 280,405       | 49,996        |
| Prepaid expenses  | 29,503        | 40,092        |
| Pledges receivable  | 88,000        | -             |
| Grant receivable  | -             | 93,250        |
| Trusts receivable, net of discount                                | 305,096       | 50,952        |
| Investments   | 88,488,209    | 75,882,514    |
| Charitable remainder trusts                                       | 2,912,305     | 2,879,803     |
| Property, building and equipment, net of accumulated depreciation | 215,569       | 230,367       |
|   | \$ 96,985,651 | \$ 81,854,637 |
| <b>LIABILITIES AND NET ASSETS</b>                                 |               |               |
| <b>LIABILITIES</b>  |               |               |
| Accounts payable  | \$ 79,072     | \$ 63,393     |
| Accrued payroll, taxes and benefits                               | 34,666        | 45,861        |
| Payroll taxes and benefits withheld                               | 18,034        | 10,263        |
| Grants payable  | 3,790,791     | 2,235,990     |
| Agency endowments   | 2,760,373     | 2,555,209     |
|   | 6,682,936     | 4,910,716     |
| <b>NET ASSETS</b>   |               |               |
| Without donor restrictions  | 3,481,522     | 2,995,874     |
| With donor restrictions   | 86,821,193    | 73,948,047    |
|   | 90,302,715    | 76,943,921    |
|   | \$ 96,985,651 | \$ 81,854,637 |

The accompanying notes are an integral part of these statements.

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended June 30,

|  | 2024                          |                            |                      |
|--|-------------------------------|----------------------------|----------------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| Support and revenue                          |                               |                            |                      |
| Contributions and bequests                   | \$ 139,152                    | \$ 8,490,750               | \$ 8,629,902         |
| Non-cash contributions                       |                               | 4,553,489                  | 4,553,489            |
| Administrative fee income                    | 1,081,670                     |                            | 1,081,670            |
| Investment return, net                       | 299,187                       | 8,693,007                  | 8,992,194            |
| Change in value of split-interest agreements |                               | 25,632                     | 25,632               |
| Discounts on receivables                     |                               | 1,770                      | 1,770                |
| Other income                                 | 5,337                         |                            | 5,337                |
|  | <u>1,525,346</u>              | <u>21,764,648</u>          | <u>23,289,994</u>    |
| Net assets released from restrictions        |                               |                            |                      |
| Pursuant to spending policy                  | 2,892,546                     | (2,892,546)                |                      |
| Satisfaction of purpose restrictions         | 5,998,956                     | (5,998,956)                |                      |
|  | <u>8,891,502</u>              | <u>(8,891,502)</u>         |                      |
| Expenses                                     |                               |                            |                      |
| Programming and Grants                       | 8,301,274                     |                            | 8,301,274            |
| Supporting Services                          |                               |                            |                      |
| Management and general                       | 1,183,754                     |                            | 1,183,754            |
| Fundraising                                  | 446,172                       |                            | 446,172              |
|  | <u>9,931,200</u>              |                            | <u>9,931,200</u>     |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>     | <b>485,648</b>                | <b>12,873,146</b>          | <b>13,358,794</b>    |
| Net assets at beginning of year              | <u>2,995,874</u>              | <u>73,948,047</u>          | <u>76,943,921</u>    |
| Net assets at end of year                    | <u>\$ 3,481,522</u>           | <u>\$ 86,821,193</u>       | <u>\$ 90,302,715</u> |

The accompanying notes are an integral part of these statements.

| 2023                          |                            |                      |
|-------------------------------|----------------------------|----------------------|
| Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| \$ 122,309                    | \$ 6,535,339               | \$ 6,657,648         |
|                               | 1,939,737                  | 1,939,737            |
| 977,606                       |                            | 977,606              |
| 167,913                       | 6,449,022                  | 6,616,935            |
|                               | (46,726)                   | (46,726)             |
|                               | 1,770                      | 1,770                |
| 5,755                         |                            | 5,755                |
| <u>1,273,583</u>              | <u>14,879,142</u>          | <u>16,152,725</u>    |
| 2,990,676                     | (2,990,676)                |                      |
| 3,354,869                     | (3,354,869)                |                      |
| <u>6,345,545</u>              | <u>(6,345,545)</u>         |                      |
| 6,022,337                     |                            | 6,022,337            |
| 885,344                       |                            | 885,344              |
| 485,379                       |                            | 485,379              |
| <u>7,393,060</u>              |                            | <u>7,393,060</u>     |
| 226,068                       | 8,533,597                  | 8,759,665            |
| <u>2,769,806</u>              | <u>65,414,450</u>          | <u>68,184,256</u>    |
| <u>\$ 2,995,874</u>           | <u>\$ 73,948,047</u>       | <u>\$ 76,943,921</u> |

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30,

|                                | 2024                      |                           |                   |                     |
|--------------------------------|---------------------------|---------------------------|-------------------|---------------------|
|                                | Programming<br>and Grants | Management<br>and General | Fundraising       | Total               |
| Grants and scholarships        | \$ 6,752,277              |                           |                   | \$ 6,752,277        |
| Salaries and wages             | 239,435                   | \$ 407,949                | \$ 129,063        | 776,447             |
| Payroll taxes                  | 24,022                    | 32,943                    | 10,293            | 67,258              |
| Employee benefits              | 15,125                    | 30,234                    | 11,789            | 57,148              |
| Program expenses               | 838,713                   |                           | 7,643             | 846,356             |
| Community meetings and studies | 10,565                    |                           |                   | 10,565              |
| Administrative fees            | 356,268                   | 492,814                   | 188,522           | 1,037,604           |
| Occupancy                      |                           | 22,726                    |                   | 22,726              |
| Insurance                      |                           | 15,127                    |                   | 15,127              |
| Professional and legal fees    |                           | 37,847                    |                   | 37,847              |
| Credit card processing fees    |                           | 2,572                     |                   | 2,572               |
| Telephone                      | 2,389                     | 3,305                     | 1,264             | 6,958               |
| Postage                        | 3,818                     | 5,281                     | 2,020             | 11,119              |
| Information technology         | 23,664                    | 46,204                    | 9,260             | 79,128              |
| Repairs and maintenance        |                           | 5,847                     |                   | 5,847               |
| Conferences and meetings       | 7,023                     | 9,714                     | 3,716             | 20,453              |
| Travel                         | 4,720                     | 6,529                     | 2,497             | 13,746              |
| Office supplies                | 2,537                     | 3,509                     | 1,342             | 7,388               |
| Dues and subscriptions         |                           | 24,728                    |                   | 24,728              |
| Annual report                  | 4,120                     | 4,120                     | 8,239             | 16,479              |
| Development                    |                           |                           | 25,588            | 25,588              |
| Marketing                      |                           |                           | 35,190            | 35,190              |
| Depreciation                   | 16,598                    | 22,959                    | 8,783             | 48,340              |
| Miscellaneous                  |                           | 9,346                     | 963               | 10,309              |
|                                | <u>\$ 8,301,274</u>       | <u>\$ 1,183,754</u>       | <u>\$ 446,172</u> | <u>\$ 9,931,200</u> |

The accompanying notes are an integral part of these statements.



| 2023                      |                           |                   |                     |
|---------------------------|---------------------------|-------------------|---------------------|
| Programming<br>and Grants | Management<br>and General | Fundraising       | Total               |
| \$ 4,684,392              |                           |                   | \$ 4,684,392        |
| 251,086                   | \$ 289,006                | \$ 151,498        | 691,590             |
| 19,710                    | 22,612                    | 11,687            | 54,009              |
| 19,852                    | 21,460                    | 12,931            | 54,243              |
| 596,593                   |                           | 6,094             | 602,687             |
| 1,589                     |                           |                   | 1,589               |
| 380,997                   | 368,553                   | 201,506           | 951,056             |
|                           | 24,545                    |                   | 24,545              |
|                           | 13,943                    |                   | 13,943              |
|                           | 29,704                    |                   | 29,704              |
|                           | 2,223                     |                   | 2,223               |
| 2,701                     | 2,757                     | 1,507             | 6,965               |
| 3,914                     | 3,996                     | 2,185             | 10,095              |
| 19,251                    | 34,925                    | 6,168             | 60,344              |
|                           | 8,605                     |                   | 8,605               |
| 5,949                     | 6,074                     | 3,321             | 15,344              |
| 4,860                     | 4,961                     | 2,713             | 12,534              |
| 3,020                     | 3,084                     | 1,686             | 7,790               |
|                           | 10,048                    |                   | 10,048              |
| 4,159                     | 4,159                     | 8,317             | 16,635              |
| 3,992                     |                           | 24,969            | 28,961              |
|                           |                           | 39,111            | 39,111              |
| 20,272                    | 20,696                    | 11,315            | 52,283              |
|                           | 13,993                    | 371               | 14,364              |
| <u>\$ 6,022,337</u>       | <u>\$ 885,344</u>         | <u>\$ 485,379</u> | <u>\$ 7,393,060</u> |

## Kosciusko County Community Foundation, Inc. and Affiliate

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30,

|   | <u>2024</u>         | <u>2023</u>         |
|---|---------------------|---------------------|
| Cash flows from operating activities:   |                     |                     |
| Change in net assets  | \$ 13,358,794       | \$ 8,759,665        |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |                     |                     |
| Depreciation  | 48,340              | 52,283              |
| Realized gains on investments   | (1,453,104)         | (1,304,171)         |
| Unrealized gains on investments   | (5,251,986)         | (3,608,224)         |
| Change in value of split interest agreements  | (25,632)            | 46,726              |
| Contributions to funds to be held in perpetuity   | (5,876,648)         | (2,670,782)         |
| Non-cash contributions  | (4,553,489)         | (1,939,737)         |
| (Increase) decrease in assets:  |                     |                     |
| Interest and dividends receivable   | (230,409)           | (38,955)            |
| Grant receivable  | 93,250              | 656,750             |
| Prepaid expenses  | 10,589              | (9,734)             |
| Trusts and pledges receivable   | (342,144)           | 634,004             |
| Increase (decrease) in liabilities:   |                     |                     |
| Accounts payable  | 15,679              | 11,870              |
| Grants payable  | 1,554,801           | 747,497             |
| Accrued and withheld taxes and expenses   | (3,424)             | (9,210)             |
| Agency endowments   | 205,164             | 153,295             |
| Net cash provided by (used in) operating activities   | <u>(2,450,219)</u>  | <u>1,481,277</u>    |
| Cash flows from investing activities:   |                     |                     |
| Cash paid for purchases of fixed assets   | (33,542)            | (12,543)            |
| Proceeds from sale of investments   | 14,246,179          | 15,758,127          |
| Purchases of investments  | <u>(15,600,165)</u> | <u>(20,030,934)</u> |
| Net cash used in investing activities   | <u>(1,387,528)</u>  | <u>(4,285,350)</u>  |
| Cash flows from financing activities:   |                     |                     |
| Contributions to funds to be held in perpetuity   | <u>5,876,648</u>    | <u>2,670,782</u>    |
| Net cash provided by financing activities   | <u>5,876,648</u>    | <u>2,670,782</u>    |
| Net increase (decrease) in cash and cash equivalents  | 2,038,901           | (133,291)           |
| Cash and cash equivalents at beginning of year  | <u>2,627,663</u>    | <u>2,760,954</u>    |
| Cash and cash equivalents at end of year  | <u>\$ 4,666,564</u> | <u>\$ 2,627,663</u> |
| <u>Supplemental Disclosure</u>  |                     |                     |
| Non-cash contributions  | \$ 4,553,489        | \$ 1,939,737        |

The accompanying notes are an integral part of these statements.

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

1. Nature of Activities

The Kosciusko County Community Foundation, Inc. was organized in 1968 in trust form under the laws of the State of Indiana to operate for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. On February 4, 2002, a corporation was formed, and on July 1, 2002, all assets and liabilities were transferred to the newly formed corporation. Kosciusko County Community Foundation awards charitable grants and provides technical assistance to not-for-profit organizations, awards scholarships to students pursuing post-secondary education, provides financial assistance for individuals in need, and serves as a catalyst and convener to address needs primarily in Kosciusko County, Indiana.

Orthopedics Capital Foundation, Inc. was formed as a not-for-profit affiliate of the Kosciusko County Community Foundation, Inc. on September 22, 2009. Orthopedics Capital Foundation, Inc. targets an integrated set of educational, workforce, cultural, communication, logistical and entrepreneurial initiatives to advance the orthopedics sector and the Warsaw, Indiana community.

2. Basis of Accounting

The consolidated financial statements of Kosciusko County Community Foundation, Inc. and Orthopedics Capital Foundation, Inc. (together "Foundation") have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America.

3. 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 are comprised of the Foundation's operating fund and other board-designated funds.

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

The investment performance objective is to maximize total return of the Portfolio net of inflation, spending and expenses, over a full market cycle (generally defined as a five-year period) without undue exposure to risk. The primary investment objective of the Portfolio is to provide a relatively stable, inflation adjusted, annual payout to support the Foundation's defined spending rate.

The Foundation has a policy (the spending policy) of appropriating for expenditure each year 4% of its endowment fund's average fair value over each of the prior twenty quarters using the Foundation's fiscal year ending June 30 asset value.

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

4. Cash and Cash Equivalents

The Foundation maintains its cash in accounts at local financial institutions, which are insured by agencies of the U.S. Government up to \$250,000. For purposes of the Consolidated Statements of Cash Flows, the Foundation considers all cash and demand accounts to be cash equivalents.

5. 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.

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.

7. Investment Risks and Uncertainties

The investment policy provides for various investment options. The underlying investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

8. Investment Pools

The Foundation maintains master investment accounts for its endowment funds. Interest, dividends, and realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly based on the relationship of the fair value of each endowment fund to the total fair value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

9. Property and Equipment

Property and equipment are stated at cost or, if donated to the Foundation, at fair value on the date of the acquisition. Expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of various classes of assets on the straight-line method. Depreciation expense for the years ended June 30, 2024 and 2023 was \$48,340 and \$52,283, respectively. The estimated useful lives are as follows:

|                           |               |
|---------------------------|---------------|
| Building                  | 30 years      |
| Equipment and furnishings | 3 to 10 years |

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

10. Income Taxes

The Foundation is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the Foundation has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code.

11. Compensated Absences

The employees of the Foundation earn vacation days based upon length of service. Vacation days must be used by the employee's anniversary date each year. Any earned vacation days are 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 and to accrue any earned, but unused, vacation time.

12. Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed the federally insured limit of \$250,000. At June 30, 2024 and 2023, the Foundation exceeded the insured limit by \$660,646 and \$0-, respectively.

13. Non-Cash Contributions

Contribution of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended June 30, 2024 and 2023, the value of contributed services meeting the requirements for recognition in the consolidated financial statements was \$0- and \$0-, respectively. During the years ended June 30, 2024 and 2023, the Foundation received gifts of grain of \$11,397 and \$26,161, respectively, which were valued at fair value. It is the Foundation's policy to immediately liquidate gifts of grain and invest the proceeds in compliance with the Foundation's investment policy. During the years ended June 30, 2024 and 2023, the Foundation received gifts of public securities of \$4,542,092 and \$1,913,576, 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.

14. Expense Classification

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, travel, telephone, conferences and meetings, office supplies, annual report, postage, salaries and wages, payroll taxes, employee benefits, and information technology. These expenses are allocated on the basis of estimates of time and effort.

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 2020, 2021, and 2022 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. Returns are generally subject to examination for three years after they are filed.

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

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

16. Estimates

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

## NOTE B - INVESTMENTS

Investments are stated at fair value as of June 30, 2024 and 2023 and are summarized as follows.

|  | <u>2024</u>          | <u>2023</u>          |
|--|----------------------|----------------------|
|  | <u>Fair Value</u>    | <u>Fair Value</u>    |
| Cash surrender value of life insurance | \$ 68,144            | \$ 68,893            |
| Certificates of deposit                | 957,131              | 999,054              |
| Life estate                            | 151,151              | 158,021              |
| Mutual funds - equities:               |                      |                      |
| Foreign large growth                   | 4,126,729            | 3,734,194            |
| Foreign large value                    | 5,343,499            | 4,694,557            |
| Foreign small/mid value                | 1,135,846            | 1,128,108            |
| Foreign small/mid growth               | 2,094,052            | 1,974,628            |
| Foreign small/mid blend                | 2,499,247            | 2,054,928            |
| Large value                            | 9,636,296            | 8,050,538            |
| Small value                            | 11,083,290           | 8,172,940            |
| Small blend                            |                      | 1,793,699            |
| Large blend                            | 5,022,810            | 4,132,989            |
| Large growth                           | 10,142,376           | 8,522,977            |
| Small growth                           | 1,063,828            | 906,312              |
| Equity energy                          | 2,799,588            | 2,423,506            |
| Natural resources                      | 3,455,424            | 3,292,074            |
| Real estate                            | 4,037,325            | 3,195,457            |
| Global real estate                     | 1,381,911            | 1,347,769            |
| Total mutual funds - equities          | <u>63,822,221</u>    | <u>55,424,676</u>    |
| Mutual funds - fixed income:           |                      |                      |
| US Treasury bonds and notes            | 7                    | 9                    |
| Short-term bonds                       | 7,464,785            | 5,271,598            |
| Intermediate-term bonds                | 7,881,718            | 7,169,255            |
| Inflation-protected bonds              | 3,589,868            | 2,813,474            |
| World bond                             | 4,553,184            | 3,977,534            |
| Total mutual funds - fixed income      | <u>23,489,562</u>    | <u>19,231,870</u>    |
| Total investments, at fair value       | <u>\$ 88,488,209</u> | <u>\$ 75,882,514</u> |
| Total investments, at historical cost  | <u>\$ 77,986,067</u> | <u>\$ 70,513,277</u> |

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

**NOTE C - CHARITABLE REMAINDER TRUSTS**

The Foundation's split-interest agreements with donors consist of charitable remainder trusts and annuities. The assets received are recorded at their fair (present) value and are revalued annually. The fair value of assets held for split-interest agreements totaled \$2,912,305 and \$2,879,803 at June 30, 2023 and 2022, respectively. Changes in fair value of charitable remainder trusts are reflected as changes in net assets with donor restrictions in the Consolidated Statements of Activities.

**NOTE D - TRUSTS RECEIVABLE**

Donors have established two trusts naming the Foundation as a beneficiary. One of the trusts is an annuity trust. Under an annuity trust, the Foundation is to receive distributions in the amount of \$25,476 quarterly for five years. Based on a 4.2% discount rate for 2023, the present value of future payments expected to be received by the Foundation was estimated to be \$50,952 at June 30, 2023. The final payment for this annuity trust was received during the year ended June 30, 2024.

During 2024, the Foundation was notified that it was named a beneficiary of another trust. The Foundation's estimate of its portion of the trust was recorded as a trust receivable totaling \$305,096 as of June 30, 2024. Management established this estimate based upon the expected value from the trustee. Payment of the trust was received during the year ending June 30, 2025.

Estimated future payments based on the fair value of the trusts as communicated to the Foundation during the year ending June 30, 2024 are as follows:

|                     |    |                   |
|---------------------|----|-------------------|
| 2025                | \$ | 305,096           |
| 2026                |    | -0-               |
| 2027                |    | -0-               |
| 2028                |    | -0-               |
| 2029 and thereafter |    | -0-               |
|                     |    | <u>          </u> |
|                     | \$ | <u>305,096</u>    |

**NOTE E - ESTATE RECEIVABLE**

During 2022, the Foundation was notified that it was named as a beneficiary of two estates. Under one of the estates, the Foundation was to receive distributions in the amount of the funds not bequeathed to other beneficiaries. Under the other estate, the Foundation was to receive a distribution in the amount of \$20,000. The balance of the estates receivable was \$144,729 as of June 30, 2022. The estates were received during the year ended June 30, 2023.

**NOTE F - GRANT RECEIVABLE**

Grant receivable consists of a grant that has been awarded to the Foundation but not received. The grant was \$-0- and \$93,250 as of June 30, 2024 and 2023, respectively. The grant receivable was received during the year ended June 30, 2024.

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

## NOTE G - PROPERTY, BUILDING AND EQUIPMENT

The amounts of fixed assets, net of depreciation, consist of the following at June 30,

|                               | 2024              | 2023              |
|-------------------------------|-------------------|-------------------|
| Land                          | \$ 15,000         | \$ 15,000         |
| Building and improvements     | 854,454           | 854,454           |
| Furnishing and equipment      | 301,134           | 288,488           |
|                               | <u>1,170,588</u>  | <u>1,157,942</u>  |
| Less accumulated depreciation | <u>955,019</u>    | <u>927,575</u>    |
|                               | <u>\$ 215,569</u> | <u>\$ 230,367</u> |

## NOTE H - 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 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, 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 June 30, 2024 and 2023, respectively:



## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

## NOTE H - FAIR VALUE MEASUREMENTS - Continued

|  | 2024          |               |              |            |
|--|---------------|---------------|--------------|------------|
|  | Fair Value    | Level 1       | Level 2      | Level 3    |
| Assets:                                |               |               |              |            |
| Trust receivable                       | \$ 305,096    |               | \$ 305,096   |            |
| Charitable remainder trusts            | \$ 2,912,305  |               | \$ 2,912,305 |            |
| Investments:                           |               |               |              |            |
| Cash surrender value of life insurance | \$ 68,144     |               | \$ 68,144    |            |
| Life estate                            | \$ 151,151    |               |              | \$ 151,151 |
| Mutual funds - equities                | \$ 63,822,221 | \$ 63,822,221 |              |            |
| Mutual funds - fixed income            | \$ 23,489,562 | \$ 23,489,562 |              |            |
| 2023                                   |               |               |              |            |
|  | Fair Value    | Level 1       | Level 2      | Level 3    |
| Assets:                                |               |               |              |            |
| Trust receivable, net of discount      | \$ 50,952     |               | \$ 50,952    |            |
| Charitable remainder trusts            | \$ 2,879,803  |               | \$ 2,879,803 |            |
| Investments:                           |               |               |              |            |
| Cash surrender value of life insurance | \$ 68,893     |               | \$ 68,893    |            |
| Life estate                            | \$ 158,021    |               |              | \$ 158,021 |
| Mutual funds - equities                | \$ 55,424,676 | \$ 55,424,676 |              |            |
| Mutual funds - fixed income            | \$ 19,231,870 | \$ 19,231,870 |              |            |

The following schedule provides further detail of the life estate being held as Level 3 fair value measurements using significant unobservable inputs at June 30,

|                                  | 2024              | 2023              |
|----------------------------------|-------------------|-------------------|
| Beginning balance                | \$ 158,021        | \$ 160,279        |
| Unrealized losses on life estate | (6,870)           | (2,258)           |
| Ending balance                   | <u>\$ 151,151</u> | <u>\$ 158,021</u> |

Fair values for level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of the level 2 input investments, which is the cash surrender value of life insurance, is determined by reference to the annual statement provided by the insurance provider. Fair values for charitable remainder trusts are determined by present value calculations based on the fair value of the assets in the trust. Fair values for annuity reserves are determined by reference to present value calculations. Fair value of the level 3 investment in a life estate is based on the present value of the appraisals of the real estate that is being held as a life estate based on the beneficiaries' life expectancy.

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

## NOTE I - ENDOWMENT FUNDS

At June 30, 2024 and 2023, the Foundation's endowment consists of 384 and 377 funds, respectively, established for a variety of purposes. The endowment includes both funds established by donors 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 are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Indiana Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2024 and 2023, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment net assets composition by type of fund as of June 30, 2024 and 2023 was as follows:

|   | 2024                                  |                                    |                      |
|---|---------------------------------------|------------------------------------|----------------------|
|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         |
| Board-designated endowment funds  | \$ 317,802                            |                                    | \$ 317,802           |
| Donor-restricted endowment funds:   |                                       |                                    |                      |
| Original donor-restricted gift amount and amounts<br>required to be maintained in perpetuity by donor |                                       | \$ 62,250,306                      | 62,250,306           |
| Accumulated investment gains  |                                       | 10,959,023                         | 10,959,023           |
|   | <u>\$ 317,802</u>                     | <u>\$ 73,209,329</u>               | <u>\$ 73,527,131</u> |

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

## NOTE I - ENDOWMENT FUNDS - Continued

|   | 2023                          |                            |                      |
|---|-------------------------------|----------------------------|----------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| Board-designated endowment funds  | \$ 145,975                    |                            | \$ 145,975           |
| Donor-restricted endowment funds:   |                               |                            |                      |
| Original donor-restricted gift amount and amounts<br>required to be maintained in perpetuity by donor |                               | \$ 56,373,658              | 56,373,658           |
| Accumulated investment gains  |                               | 5,648,747                  | 5,648,747            |
|   | <u>\$ 145,975</u>             | <u>\$ 62,022,405</u>       | <u>\$ 62,168,380</u> |

Changes in endowment net assets for the years ended June 30, 2024 and 2023, were as follows:

|  | 2024                          |                            |                      |
|--|-------------------------------|----------------------------|----------------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| Revenue and support                                  |                               |                            |                      |
| Contributions and grant income                       | \$ 153,642                    | \$ 6,075,168               | \$ 6,228,810         |
| Investment return, net                               | 24,298                        | 8,018,619                  | 8,042,917            |
| Total revenue and support                            | <u>177,940</u>                | <u>14,093,787</u>          | <u>14,271,727</u>    |
| Appropriation of endowment<br>assets for expenditure | <u>6,113</u>                  | <u>2,906,863</u>           | <u>2,912,976</u>     |
| Change in endowment net assets                       | 171,827                       | 11,186,924                 | 11,358,751           |
| Endowment net assets, beginning of year              | <u>145,975</u>                | <u>62,022,405</u>          | <u>62,168,380</u>    |
| Endowment net assets, end of year                    | <u>\$ 317,802</u>             | <u>\$ 73,209,329</u>       | <u>\$ 73,527,131</u> |
|  | 2023                          |                            |                      |
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| Revenue and support                                  |                               |                            |                      |
| Contributions and grant income                       | \$ 27,465                     | \$ 2,874,154               | \$ 2,901,619         |
| Investment return, net                               | 13,325                        | 6,033,092                  | 6,046,417            |
| Total revenue and support                            | <u>40,790</u>                 | <u>8,907,246</u>           | <u>8,948,036</u>     |
| Appropriation of endowment<br>assets for expenditure | <u>4,294</u>                  | <u>3,024,578</u>           | <u>3,028,872</u>     |
| Change in endowment net assets                       | 36,496                        | 5,882,668                  | 5,919,164            |
| Endowment net assets, beginning of year              | <u>109,479</u>                | <u>56,139,737</u>          | <u>56,249,216</u>    |
| Endowment net assets, end of year                    | <u>\$ 145,975</u>             | <u>\$ 62,022,405</u>       | <u>\$ 62,168,380</u> |

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

## NOTE I - ENDOWMENT FUNDS - Continued

From time to time, the fair value of assets associated with donor-restricted endowments may fall below the level the donor or UPMIFA requires the Foundation to retain. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in net assets with donor restrictions were \$274,520 and \$791,439 as of June 30, 2024 and 2023, respectively. These deficiencies resulted from spending policy distributions and unfavorable market fluctuations.

## NOTE J - ADMINISTRATIVE CHARGES

The Foundation assesses an administrative charge of 0.1% to 2.0% on endowment and non-permanent funds. For endowment funds, one fourth of the fee is assessed each quarter to the funds based upon the ending quarter balances, beginning with September 30 information and ending with June 30 information. For non-permanent funds, one fourth of the fee is assessed each quarter to the funds based upon the beginning balance plus all new gifts to the fund. At fiscal year-end, all non-permanent funds, with the exception of non-permanent donor advised funds, will be assessed the full 2% fee regardless of the timing of gifts received. Non-permanent donor advised funds will be assessed a tiered fee of 0.25% to 2.0% based upon the value of the fund. The administrative charge is used primarily to support the operations of the Foundation.

For the fiscal years ended June 30, 2024 and 2023, \$1,081,670 and \$977,606, respectively, is included as support and revenue and \$1,037,604 and \$951,056, respectively, as an expense, less fees from agency endowments. Due to the fact that administrative charges to various funds are considered a significant measure of the operations of community foundations, these fees have not been eliminated in the consolidated financial statements.

## NOTE K - 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 June 30, 2024 and 2023, the following activity occurred in the agency funds held by the Foundation. These amounts are not reflected on the Consolidated Statements of Activities.

|                              | 2024                      | 2023                      |
|------------------------------|---------------------------|---------------------------|
| Support and revenue          |                           |                           |
| Contributions and pledges    | \$ 14,438                 | \$ 13,750                 |
| Investment return, net       | <u>301,277</u>            | <u>244,535</u>            |
|                              | \$ 315,715                | \$ 258,285                |
| Expenses                     |                           |                           |
| Grants expense               | 81,485                    | 78,441                    |
| Administrative fees          | <u>29,066</u>             | <u>26,549</u>             |
|                              | <u>110,551</u>            | <u>104,990</u>            |
| Change in agency funds       | 205,164                   | 153,295                   |
| Balance at beginning of year | <u>2,555,209</u>          | <u>2,401,914</u>          |
| Balance at end of year       | <u><u>\$2,760,373</u></u> | <u><u>\$2,555,209</u></u> |

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

## NOTE L - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2024 and 2023:

|  | <u>2024</u>   | <u>2023</u>   |
|--|---------------|---------------|
| Subject to expenditure for a specific purpose:   |               |               |
| Donor advised  | \$ 6,430,684  | \$ 5,726,589  |
| Designated   | 2,213,113     | 2,400,969     |
| Scholarships   | 645,777       | 589,209       |
| Field of interest  | 1,211,654     | 198,006       |
| Community grants   | 110,331       | 37,816        |
| Pledges and grant receivable, the proceeds from which<br>have been restricted by donors for: |               |               |
| Designated   | <u>88,000</u> | <u>93,250</u> |
|  | 10,699,559    | 9,045,839     |
| Subject to appropriation and expenditure when<br>a specific event occurs:                    |               |               |
| Proceeds from charitable remainder trusts<br>upon death of the donor                         | 2,912,305     | 2,879,803     |
| Endowments:  |               |               |
| Subject to appropriation and expenditure when<br>a specific event occurs:                    |               |               |
| Restricted by donors for:  |               |               |
| Donor advised  | 214,657       | 158,328       |
| Designated   | 180,011       | 158,733       |
| Scholarships   | 164,672       | 89,614        |
| Field of interest  | 605,347       | 568,752       |
| Community grants   | <u>18,447</u> | <u>30,674</u> |
|  | 1,183,134     | 1,006,101     |
| Trusts receivable, net, the proceeds from which<br>are held in perpetuity for:               |               |               |
| Community grants   | 305,096       |               |
| Designated   |               | 33,967        |
| Scholarships   |               | <u>16,984</u> |
|  | 305,096       | 50,951        |

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

## NOTE L - NET ASSETS WITH DONOR RESTRICTIONS - Continued

|   | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|
| Subject to Foundation spending and appropriation: |                      |                      |
| Donor advised                                     | 8,396,278            | 5,810,809            |
| Designated  | 15,390,604           | 14,149,509           |
| Scholarships                                      | 22,378,514           | 17,969,471           |
| Field of interest                                 | 8,742,803            | 8,031,203            |
| Operating   | 2,546,938            | 2,293,396            |
| Community grants                                  | 14,540,482           | 13,502,404           |
| Underwater endowments                             | <u>(274,520)</u>     | <u>(791,439)</u>     |
|   | <u>71,721,099</u>    | <u>60,965,353</u>    |
|   | <u>\$ 86,821,193</u> | <u>\$ 73,948,047</u> |

## NOTE M - NET ASSETS RELEASED FROM DONOR RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended June 30, 2024 and 2023:

|   | <u>2024</u>         | <u>2023</u>         |
|---|---------------------|---------------------|
| Satisfaction of purpose restrictions:                                 |                     |                     |
| Donor advised   | \$ 1,836,381        | \$ 1,342,913        |
| Designated  | 1,875,835           | 640,508             |
| Scholarships  | 167,917             | 185,414             |
| Field of interest   | 2,118,067           | 1,170,015           |
| Community grants  | <u>756</u>          | <u>16,019</u>       |
|   | 5,998,956           | 3,354,869           |
| Restricted-purpose spending-rate distributions<br>and appropriations: |                     |                     |
| Donor advised   | 232,288             | 240,291             |
| Designated  | 615,904             | 626,859             |
| Scholarships  | 971,103             | 916,111             |
| Field of interest   | 420,839             | 368,146             |
| Operating   | 24,405              | 112,214             |
| Community grants  | <u>628,007</u>      | <u>727,055</u>      |
|   | <u>2,892,546</u>    | <u>2,990,676</u>    |
|   | <u>\$ 8,891,502</u> | <u>\$ 6,345,545</u> |

## Kosciusko County Community Foundation, Inc. and Affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 and 2023

**NOTE N - RELATED-PARTY TRANSACTIONS**

During the fiscal year ended June 30, 2024 and 2023, officers and board members made donations to the Foundation totaling \$18,800 and \$155,069, respectively. Two board members of the Foundation are also employees of a financial institution which maintain investments and cash accounts for the Foundation. Also, a board member is a partner at a legal firm which provides legal services for the Foundation. One committee member is a partner of a financial institution which maintains investment accounts for the Foundation.

**NOTE O - RETIREMENT PLAN**

Full-time and part-time Foundation employees earning a minimum of \$5,000 are eligible to participate in its Simple IRA plan. Under the plan, the employees may contribute a specified portion of their compensation, and the Foundation will match the employee contribution, up to 3% of eligible employees' gross wages.

**NOTE P - LIQUIDITY**

The Foundation has financial assets available within one year of the Consolidated Statements of Financial Position date consisting the following:

|                                   | <u>2024</u>         | <u>2023</u>         |
|-----------------------------------|---------------------|---------------------|
| Cash and cash equivalents         | \$ 370,615          | \$ 303,834          |
| Interest and dividends receivable | 3,803               | 20,880              |
| Investments                       | <u>2,929,845</u>    | <u>2,467,637</u>    |
|                                   | <u>\$ 3,304,263</u> | <u>\$ 2,792,351</u> |

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of 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 Q - SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through August 28, 2024, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2024, have been incorporated into these financial statements herein.

In February 2021, the Foundation issued a grant for \$2,000,000. The Foundation became aware that the grantee could not uphold the terms of the grant agreement and in July of 2024 requested that the grantee return the funds. On July 18, 2024, the grantee returned \$1,443,536.43 and proposed repayment of the remainder to be fully paid by January 31, 2035.

SUPPLEMENTAL INFORMATION



Independent Auditors' Report  
on Supplemental Information

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

We have audited the consolidated financial statements of Kosciusko County Community Foundation, Inc. and Affiliate as of and for the years ended June 30, 2024 and 2023, and have issued our report thereon dated August 28, 2024, which contained an unqualified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated 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  
August 28, 2024

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

June 30,

2024

|                                       | Kosciusko County<br>Community<br>Foundation, Inc. | Orthopedics<br>Capital<br>Foundation, Inc. | Eliminations | Total                |
|---------------------------------------|---|--|--------------|----------------------|
| <b>ASSETS</b>                         |   |  |              |                      |
| <b>CURRENT ASSETS</b>                 |   |  |              |                      |
| Cash and cash equivalents             | \$ 4,493,647                                      | \$ 172,917                                 | \$ -         | \$ 4,666,564         |
| Interest and dividends receivable     | 279,772   | 633  | -            | 280,405              |
| Prepaid expenses                      | 29,503  | -  | -            | 29,503               |
| Pledges receivable                    | -   | 88,000                                     | -            | 88,000               |
| Grants receivable, net                | -   | -  | -            | -                    |
| Trusts receivable, net of discount    | 305,096   | -  | -            | 305,096              |
| Investments                           | 87,531,078  | 957,131                                    | -            | 88,488,209           |
| Charitable remainder trusts           | 2,912,305   | -  | -            | 2,912,305            |
| Property, building and equipment, net | 215,569   | -  | -            | 215,569              |
|                                       | <u>\$ 95,766,970</u>                              | <u>\$ 1,218,681</u>                        | <u>\$ -</u>  | <u>\$ 96,985,651</u> |
| <b>LIABILITIES AND NET ASSETS</b>     |   |  |              |                      |
| <b>LIABILITIES</b>                    |   |  |              |                      |
| Accounts payable                      | \$ 15,122   | \$ 63,950                                  | \$ -         | \$ 79,072            |
| Accrued payroll, taxes and benefits   | 34,666  | -  | -            | 34,666               |
| Payroll taxes and benefits withheld   | 18,034  | -  | -            | 18,034               |
| Grants payable                        | 3,790,791   | -  | -            | 3,790,791            |
| Agency endowments                     | 2,760,373   | -  | -            | 2,760,373            |
|                                       | <u>6,618,986</u>                                  | <u>63,950</u>                              | <u>-</u>     | <u>6,682,936</u>     |
| <b>NET ASSETS</b>                     |   |  |              |                      |
| Without donor restrictions            | 3,421,881   | 59,641                                     | -            | 3,481,522            |
| With donor restrictions               | 85,726,103  | 1,095,090                                  | -            | 86,821,193           |
|                                       | <u>89,147,984</u>                                 | <u>1,154,731</u>                           | <u>-</u>     | <u>90,302,715</u>    |
|                                       | <u>\$ 95,766,970</u>                              | <u>\$ 1,218,681</u>                        | <u>\$ -</u>  | <u>\$ 96,985,651</u> |

2023

| Kosciusko County<br>Community<br>Foundation, Inc. | Orthopedics<br>Capital<br>Foundation, Inc. | Eliminations | Total                |
|---|--|--------------|----------------------|
| \$ 2,353,526                                      | \$ 274,137                                 | \$ -         | \$ 2,627,663         |
| 30,840  | 19,156                                     | -            | 49,996               |
| 40,092  | -  | -            | 40,092               |
| -   | -  | -            | -                    |
| -   | 93,250                                     | -            | 93,250               |
| 50,952  | -  | -            | 50,952               |
| 74,883,460  | 999,054                                    | -            | 75,882,514           |
| 2,879,803   | -  | -            | 2,879,803            |
| 230,367   | -  | -            | 230,367              |
| <u>\$ 80,469,040</u>                              | <u>\$ 1,385,597</u>                        | <u>\$ -</u>  | <u>\$ 81,854,637</u> |
| <br>  |  |              |                      |
| \$ 14,934   | \$ 48,459                                  | \$ -         | \$ 63,393            |
| 45,861  | -  | -            | 45,861               |
| 10,263  | -  | -            | 10,263               |
| 2,235,990   | -  | -            | 2,235,990            |
| 2,555,209   | -  | -            | 2,555,209            |
| <br>  |  |              |                      |
| 4,862,257   | 48,459                                     | -            | 4,910,716            |
| <br>  |  |              |                      |
| 2,972,615   | 23,259                                     | -            | 2,995,874            |
| 72,634,168  | 1,313,879                                  | -            | 73,948,047           |
| <u>75,606,783</u>                                 | <u>1,337,138</u>                           | <u>-</u>     | <u>76,943,921</u>    |
| <br>  |  |              |                      |
| <u>\$ 80,469,040</u>                              | <u>\$ 1,385,597</u>                        | <u>\$ -</u>  | <u>\$ 81,854,637</u> |

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF ACTIVITIES

Years Ended June 30,

|  | 2024   |                            |   |                            |              |                      |
|--|--|----------------------------|---|----------------------------|--------------|----------------------|
|  | Kosciusko County<br>Community Foundation, Inc. |                            | Orthopedics Capital<br>Foundation, Inc. |                            | Eliminations | Total                |
|  | Without Donor<br>Restrictions                  | With Donor<br>Restrictions | Without Donor<br>Restrictions           | With Donor<br>Restrictions |              |                      |
| Support and revenue                              |  |                            |   |                            |              |                      |
| Contributions and bequests                       | \$ 139,152                                     | \$ 7,920,350               |   | \$ 570,400                 |              | \$ 8,629,902         |
| Non-cash contributions                           |  | 4,553,489                  |   |                            |              | 4,553,489            |
| Administrative fee income                        | 1,081,670                                      |                            |   |                            |              | 1,081,670            |
| Investment return, net                           | 263,782  | 8,693,007                  | \$ 35,405                               |                            |              | 8,992,194            |
| Change in value of split-<br>interest agreements |  | 25,632                     |   |                            |              | 25,632               |
| Discounts on receivables                         |  | 1,770                      |   |                            |              | 1,770                |
| Other income                                     | 4,360  |                            | 977                                     |                            |              | 5,337                |
|  | <u>1,488,964</u>                               | <u>21,194,248</u>          | <u>36,382</u>                           | <u>570,400</u>             |              | <u>23,289,994</u>    |
| Net assets released from restrictions            |  |                            |   |                            |              |                      |
| Pursuant to spending policy                      | 2,892,546                                      | (2,892,546)                |   |                            |              |                      |
| Satisfaction of purpose<br>restrictions          | 5,209,767                                      | (5,209,767)                | 789,189                                 | (789,189)                  |              |                      |
|  | <u>8,102,313</u>                               | <u>(8,102,313)</u>         | <u>789,189</u>                          | <u>(789,189)</u>           |              |                      |
| Expenses   |  |                            |   |                            |              |                      |
| Programming & Grants                             | 7,519,728                                      |                            | 781,546                                 |                            |              | 8,301,274            |
| Supporting Services                              |  |                            |   |                            |              |                      |
| Management and general                           | 1,183,754                                      |                            |   |                            |              | 1,183,754            |
| Fundraising and promotion                        | 438,529  |                            | 7,643                                   |                            |              | 446,172              |
|  | <u>9,142,011</u>                               |                            | <u>789,189</u>                          |                            |              | <u>9,931,200</u>     |
| <b>INCREASE (DECREASE) IN<br/>NET ASSETS</b>     | 449,266  | 13,091,935                 | 36,382                                  | (218,789)                  |              | 13,358,794           |
| Nets assets at beginning of year                 | <u>2,972,615</u>                               | <u>72,634,168</u>          | <u>23,259</u>                           | <u>1,313,879</u>           |              | <u>76,943,921</u>    |
| Net assets at end of year                        | <u>\$ 3,421,881</u>                            | <u>\$ 85,726,103</u>       | <u>\$ 59,641</u>                        | <u>\$ 1,095,090</u>        |              | <u>\$ 90,302,715</u> |

| 2023   |                            |   |                            |              |                      |
|--|----------------------------|---|----------------------------|--------------|----------------------|
| Kosciusko County<br>Community Foundation, Inc. |                            | Orthopedics Capital<br>Foundation, Inc. |                            | Eliminations | Total                |
| Without Donor<br>Restrictions                  | With Donor<br>Restrictions | Without Donor<br>Restrictions           | With Donor<br>Restrictions |              |                      |
| \$ 122,309                                     | \$ 6,406,839               |   | \$ 128,500                 |              | \$ 6,657,648         |
|  | 1,939,737                  |   |                            |              | 1,939,737            |
| 977,606  |                            |   |                            |              | 977,606              |
| 145,259  | 6,449,022                  | \$ 22,654                               |                            |              | 6,616,935            |
|  | (46,726)                   |   |                            |              | (46,726)             |
|  | 1,770                      |   |                            |              | 1,770                |
| 5,755  |                            |   |                            |              | 5,755                |
| <u>1,250,929</u>                               | <u>14,750,642</u>          | <u>22,654</u>                           | <u>128,500</u>             |              | <u>16,152,725</u>    |
| 2,990,676                                      | (2,990,676)                |   |                            |              |                      |
| <u>2,810,010</u>                               | <u>(2,810,010)</u>         | <u>544,859</u>                          | <u>(544,859)</u>           |              |                      |
| 5,800,686                                      | (5,800,686)                | 544,859                                 | (544,859)                  |              |                      |
| 5,483,572                                      |                            | 538,765                                 |                            |              | 6,022,337            |
| 885,344  |                            |   |                            |              | 885,344              |
| 479,285  |                            | 6,094                                   |                            |              | 485,379              |
| <u>6,848,201</u>                               |                            | <u>544,859</u>                          |                            |              | <u>7,393,060</u>     |
| 203,414  | 8,949,956                  | 22,654                                  | (416,359)                  |              | 8,759,665            |
| <u>2,769,201</u>                               | <u>63,684,212</u>          | <u>605</u>                              | <u>1,730,238</u>           |              | <u>68,184,256</u>    |
| <u>\$ 2,972,615</u>                            | <u>\$ 72,634,168</u>       | <u>\$ 23,259</u>                        | <u>\$ 1,313,879</u>        |              | <u>\$ 76,943,921</u> |