



BLACKFORD COUNTY
Community Foundation

BLACKFORD COUNTY COMMUNITY FOUNDATION, INC.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

BLACKFORD COUNTY COMMUNITY FOUNDATION, INC.

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Board of Directors
Blackford County Community Foundation, Inc.
Hartford City, Indiana 47348

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Blackford County Community Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Blackford County Community Foundation, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Bollenbacher & Associates, LLC

Portland, Indiana
September 12, 2022

Blackford County Community Foundation, Inc.Statements of Financial PositionDecember 31, 2021 and December 31, 2020

	<u>Assets</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>
<u>Current Assets:</u>		
Cash and cash equivalents	\$ 109,949	\$ 214,949
Cash and cash equivalents - Assets held for others	<u>32,483</u>	<u>38,826</u>
	142,432	253,775
Investments; at fair value - Without donor restrictions	2,959,519	1,981,659
Investments; at fair value - With donor restrictions - Temporarily restricted	<u>6,864,382</u>	<u>6,416,920</u>
Total current assets	<u>9,966,333</u>	<u>8,652,354</u>
<u>Property and Equipment; at cost</u>		
Office equipment	22,272	40,303
<u>Less: Accumulated depreciation</u>	<u>(22,272)</u>	<u>(40,216)</u>
Total property and equipment	<u>-</u>	<u>87</u>
<u>Noncurrent Assets:</u>		
Cash surrender value of life insurance	82,264	71,973
Investments; at fair value - With donor restrictions - Permanently restricted	<u>2,422,502</u>	<u>2,352,446</u>
Total noncurrent assets	<u>2,504,766</u>	<u>2,424,419</u>
Total assets	<u>\$12,471,099</u>	<u>\$11,076,860</u>

- See Accompanying Notes -

Blackford County Community Foundation, Inc.Statements of Financial PositionDecember 31, 2021 and December 31, 2020

	<u>12/31/2021</u>	<u>12/31/2020</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities:</u>		
Accounts payable	\$ 4,751	\$ 2,423
Accrued expenses	<u>2,696</u>	<u>8,534</u>
Total current liabilities	<u>7,447</u>	<u>10,957</u>
 <u>Non-Current Liabilities:</u>		
Assets held for others	<u>32,483</u>	<u>38,826</u>
Total non-current liabilities	<u>32,483</u>	<u>38,826</u>
Total liabilities	<u>39,930</u>	<u>49,783</u>
 <u>Net Assets:</u>		
Without donor restrictions	3,144,285	2,257,711
With donor restrictions:		
Time-restricted for future periods	6,864,382	6,416,920
Perpetual in nature	<u>2,422,502</u>	<u>2,352,446</u>
Total net assets	<u>12,431,169</u>	<u>11,027,077</u>
Total liabilities and net assets	<u>\$12,471,099</u>	<u>\$11,076,860</u>

Blackford County Community Foundation, Inc.

Statement of Activities

For the Year Ended December 31, 2021

	Without	With Donor Restrictions			
	Donor	Temporarily	Permanently	Total With	
	Restrictions	Restricted	Restricted	Donor	Total
				Restrictions	
<u>Support, Revenues, and Reclassifications:</u>					
Contributions	\$ 109,920	\$ 341,387	\$ 70,056	\$ 411,443	\$ 521,363
Investment income (loss), net	382,242	1,120,512	-	1,120,512	1,502,754
Gain (loss) on sale of assets	-	-	-	-	-
Other income	38,254	-	-	-	38,254
Total support and revenues	530,416	1,461,899	70,056	1,531,955	2,062,371
Net assets released from restrictions	1,014,437	(1,014,437)	-	(1,014,437)	-
Total support, revenues, and reclassifications	1,544,853	447,462	70,056	517,518	2,062,371
<u>Grants, Scholarships, and Other Expenses:</u>					
Grants	335,098	-	-	-	335,098
Scholarships	106,805	-	-	-	106,805
Functional expenses - Per attached schedule	216,376	-	-	-	216,376
Total grants, scholarships, and other expenses	658,279	-	-	-	658,279
<u>Change in Net Assets</u>	886,574	447,462	70,056	517,518	1,404,092
<u>Net Assets - Beginning</u>	2,257,711	6,416,920	2,352,446	8,769,366	11,027,077
<u>Net Assets - Ending</u>	\$3,144,285	\$6,864,382	\$2,422,502	\$ 9,286,884	\$ 12,431,169

Blackford County Community Foundation, Inc.

Statement of Activities

For the Year Ended December 31, 2020

		<u>With Donor Restrictions</u>			
	<u>Without</u>			<u>Total With</u>	
	<u>Donor</u>	<u>Temporarily</u>	<u>Permanently</u>	<u>Donor</u>	
	<u>Restrictions</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Restrictions</u>	<u>Total</u>
<u>Support, Revenues, and Reclassifications:</u>					
Contributions	\$ 63,050	\$ 562,672	\$ 46,844	\$ 609,516	\$ 672,566
Investment income (loss), net	175,808	965,252	-	965,252	1,141,060
Gain (loss) on sale of assets	(75)	-	-	-	(75)
Other income	22,960	-	-	-	22,960
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total support and revenues	261,743	1,527,924	46,844	1,574,768	1,836,511
Net assets released from restrictions	2,201,760	(2,201,760)	-	(2,201,760)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total support, revenues, and reclassifications	2,463,503	(673,836)	46,844	(626,992)	1,836,511
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Grants, Scholarships, and Other Expenses:</u>					
Grants	2,017,822	-	-	-	2,017,822
Scholarships	83,970	-	-	-	83,970
Functional expenses - Per attached schedule	166,355	-	-	-	166,355
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total grants, scholarships, and other expenses	2,268,147	-	-	-	2,268,147
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Change in Net Assets</u>	195,356	(673,836)	46,844	(626,992)	(431,636)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Assets - Beginning</u>	2,062,355	7,090,756	2,305,602	9,396,358	11,458,713
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Assets - Ending</u>	\$2,257,711	\$6,416,920	\$2,352,446	\$8,769,366	\$11,027,077
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- See Accompanying Notes -

Blackford County Community Foundation, Inc.Statement of Functional ExpensesFor the Year Ended December 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<u>Salaries and Related Expenses:</u>				
Director's salary	\$ 28,979	\$ 28,979	\$ -	\$ 57,958
Other salaries and wages	36,684	13,152	-	49,836
Payroll taxes	5,666	3,635	-	9,301
Employee benefits	1,217	1,217	-	2,434
Travel	-	192	-	192
Total salaries and related expenses	<u>72,546</u>	<u>47,175</u>	<u>-</u>	<u>119,721</u>
<u>Other Expenses:</u>				
Advertising	-	2,140	2,139	4,279
Conferences and seminars	-	941	-	941
Dues and subscriptions	-	1,844	-	1,844
Insurance	-	3,253	-	3,253
Legal and accounting	-	16,270	-	16,270
Miscellaneous	-	2,595	-	2,595
Office supplies	-	8,469	-	8,469
Postage	-	1,554	-	1,554
Program expenses	42,119	-	-	42,119
Printing and promotion	-	-	3,785	3,785
Rent	-	6,000	-	6,000
Telephone	-	3,381	-	3,381
Website	-	198	197	395
Women of Worth	1,683	-	-	1,683
Total other expenses	<u>43,802</u>	<u>46,645</u>	<u>6,121</u>	<u>96,568</u>
<u>Depreciation of property and equipment</u>	<u>-</u>	<u>87</u>	<u>-</u>	<u>87</u>
<u>Total expenses</u>	<u>\$ 116,348</u>	<u>\$ 93,907</u>	<u>\$ 6,121</u>	<u>\$ 216,376</u>

- See Accompanying Notes -

Blackford County Community Foundation, Inc.Statement of Functional ExpensesFor the Year Ended December 31, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<u>Salaries and Related Expenses:</u>				
Director's salary	\$ 27,045	\$ 27,045	\$ -	\$ 54,090
Other salaries and wages	31,293	12,015	-	43,308
Payroll taxes	4,211	2,819	-	7,030
Employee benefits	-	-	-	-
Travel	-	734	-	734
	<u>-</u>	<u>734</u>	<u>-</u>	<u>734</u>
Total salaries and related expenses	<u>62,549</u>	<u>42,613</u>	<u>-</u>	<u>105,162</u>
<u>Other Expenses:</u>				
Advertising	-	5,464	5,464	10,928
Conferences and seminars	-	1,708	-	1,708
Dues and subscriptions	-	889	-	889
Insurance	-	3,191	-	3,191
Legal and accounting	-	13,130	-	13,130
Miscellaneous	-	2,806	-	2,806
Office supplies	-	9,845	-	9,845
Postage	-	1,550	-	1,550
Program expenses	-	-	-	-
Printing and promotion	-	-	5,977	5,977
Rent	-	6,000	-	6,000
Telephone	-	2,102	-	2,102
Website	-	198	197	395
Women of Worth	1,808	-	-	1,808
	<u>1,808</u>	<u>-</u>	<u>-</u>	<u>1,808</u>
Total other expenses	<u>1,808</u>	<u>46,883</u>	<u>11,638</u>	<u>60,329</u>
<u>Depreciation of property and equipment</u>	<u>-</u>	<u>864</u>	<u>-</u>	<u>864</u>
<u>Total expenses</u>	<u>\$ 64,357</u>	<u>\$ 90,360</u>	<u>\$ 11,638</u>	<u>\$ 166,355</u>

- See Accompanying Notes -

Blackford County Community Foundation, Inc.Statements of Cash FlowsFor the Years Ended December 31, 2021 and December 31, 2020

	<u>12/31/2021</u>	<u>12/31/2020</u>
<u>Cash Flows from Operating Activities:</u>		
Change in net assets	<u>\$ 1,404,092</u>	<u>\$ (431,636)</u>
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	87	864
Realized (gains) and losses from investments, net	(460,794)	(326,496)
Unrealized (gains) and losses from investments, net	(558,995)	(577,191)
(Gain) loss on disposal of fixed assets	-	75
(Increase) decrease in assets:		
Cash surrender value of life insurance	(10,291)	(1,652)
Increase (decrease) in liabilities:		
Accounts payable	2,328	(5,548)
Accrued expenses	(5,838)	2,804
Assets held for others	(6,343)	(72,068)
Contributions - With donor restrictions	(411,443)	(609,516)
Interest and dividends - With donor restrictions	<u>(570,992)</u>	<u>(323,975)</u>
Total adjustments	<u>(2,022,281)</u>	<u>(1,912,703)</u>
Net cash used by operating activities	<u>(618,189)</u>	<u>(2,344,339)</u>
<u>Cash Flows from Investing Activities:</u>		
Proceeds - Sale of investments	1,355,358	1,829,750
Payments - Purchase of investments	<u>(1,830,947)</u>	<u>(325,239)</u>
Net cash provided (used) by investing activities	<u>(475,589)</u>	<u>1,504,511</u>
<u>Cash Flows from Financing Activities:</u>		
Proceeds - Contributions - With donor restrictions	411,443	609,516
Proceeds - Interest and dividends - With donor restrictions	<u>570,992</u>	<u>323,975</u>
Net cash provided by financing activities	<u>982,435</u>	<u>933,491</u>

Blackford County Community Foundation, Inc.Statements of Cash FlowsFor the Years Ended December 31, 2021 and December 31, 2020(Continued)

	<u>12/31/2021</u>	<u>12/31/2020</u>
Net change in cash and cash equivalents	(111,343)	93,663
Cash and cash equivalents - Beginning	<u>253,775</u>	<u>160,112</u>
Cash and cash equivalents - Ending	<u>\$ 142,432</u>	<u>\$ 253,775</u>

- See Accompanying Notes -

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES - The Blackford County Community Foundation, Inc. (Foundation) was organized exclusively to seek and accept donations from private and public sources for the purpose of distributing the income for scholarships and other charitable purposes, and to enhance and promote philanthropy in Blackford County, Indiana.

BASIS OF ACCOUNTING - The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

BASIS OF PRESENTATION - The Foundation presents its financial statements in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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

CONTRIBUTED SERVICES - A variety of people have contributed significant amounts of non-compensatory time to the activities of the Foundation. The financial statements do not reflect the value of these contributed services because, although substantial, no reliable basis exists for determining an appropriate amount.

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION - Revenue from sales is recognized under Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), when performance obligations under the terms of a contract with the customer have been satisfied and control has transferred to the customer. Revenue is measured based on the consideration specified in each contract and excludes any sales incentives.

Contributions, including grants, that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same period are reported as unrestricted support and increase net assets without donor restrictions.

INCOME TAX STATUS - The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as a Foundation that is not a private foundation under Section 509(a)(3).

Management evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2021, the Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that materially impact the financial statements or related disclosures.

The Foundation's information returns are subject to examination, generally for three years after the filing date.

CASH AND CASH EQUIVALENTS - For the purpose of the statement of cash flows, the Foundation considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. The money market funds within the brokerage accounts are not considered to be cash equivalents.

INVESTMENTS - The Foundation carries the majority of its investments at fair value. Accordingly, unrealized gains and losses are recorded for the increase or decrease in the market value of assets from the beginning of the period to the end of the period.

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RECEIVABLES AND UNCOLLECTIBLES - Accounts and pledge receivables are recorded at cost at the time of their occurrence and adjusted to fair value through the allowance for doubtful accounts at year end by the Foundation determining the amount that may be uncollectible. The Foundation does not charge interest or finance charges for past due accounts. When an account is totally uncollectible, the Foundation writes off the receivable and reduces the allowance for doubtful accounts. The Foundation usually determines when an account or pledge is totally uncollectible by estimating whether any payments will ever be received on that account or pledge. As of December 31, 2021 and 2020, there were no pledge receivables, and accordingly, no allowance for doubtful accounts.

PROPERTY AND DEPRECIATION - Property and equipment owned by the Foundation are carried at cost or, in the case of donated property, at fair-market value determined at the date of gift less accumulated depreciation. Depreciation is recorded on the straight-line method over estimated useful lives of the assets.

Expenditures for maintenance and repairs and certain small elements of renewals are charged to expense as incurred, while additions and betterments are capitalized. The cost and accumulated depreciation of property sold or otherwise disposed of are removed from the accounts, and any gain or loss thereon is credited or charged to income. Depreciation expense totaled \$87 and \$864 for the years ended December 31, 2021 and 2020, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES - The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Program usage studies are conducted annually.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Advertising	Program usage
Printing and promotion	Program usage

GRANTS AND SCHOLARSHIPS - Grants and scholarships are made from available income and principal in accordance with the designations by the donors and approved by the Board of Directors and are recorded at the date the grant or scholarship is approved.

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ASSETS HELD FOR OTHERS - The Foundation has reported liabilities for assets held for others in conformity with FASB *Accounting Standards Codification 958, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. Under this standard, the Foundation is required to report as liabilities any amounts received from a donor that specifies itself or its affiliates as the beneficiary of the transferred assets, and any activity attributed to these amounts is recorded as an increase or decrease in the liabilities. Accordingly, the Foundation has reported \$32,483 and \$38,826 at December 31, 2021 and 2020, respectively, as liabilities for assets held for others on the statements of financial position.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Equipment:		
Office equipment	\$ 22,272	\$ (22,272)
Total equipment	<u>22,272</u>	<u>(22,272)</u>
Total property and equipment	<u>\$ 22,272</u>	<u>\$ (22,272)</u>

Property and equipment consisted of the following at December 31, 2020:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Equipment:		
Office equipment	\$ 40,303	\$ (40,216)
Total equipment	<u>40,303</u>	<u>(40,216)</u>
Total property and equipment	<u>\$ 40,303</u>	<u>\$ (40,216)</u>

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 3 - INVESTMENTS

At December 31, 2021, the Foundation maintained the following investment portfolio:

	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Carrying Value (Market)</u>
Money market funds	\$ 1,796,857	\$ -	\$ 1,796,857
Mutual funds	7,514,116	2,339,104	9,853,220
Alternative investments	603,205	(6,879)	596,326
Total	<u>\$ 9,914,178</u>	<u>\$ 2,332,225</u>	<u>\$ 12,246,403</u>

The above funds are included on the statements of financial position at fair value.

Investment income earned on these investments during the year ended December 31, 2021, consisted of the following:

Interest and dividends	\$ 570,992
Realized gains (losses) on sale of investments, net	460,794
Unrealized gains (losses) on sale of investments, net	<u>558,995</u>
Total	<u>\$ 1,590,781</u>

The above income is included on the statement of activities.

At December 31, 2020, the Foundation maintained the following investment portfolio:

	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Carrying Value (Market)</u>
Money market funds	\$ 1,298,774	\$ -	\$ 1,298,774
Mutual funds	6,782,536	1,751,743	8,534,279
Alternative investments	987,992	(70,020)	917,972
Total	<u>\$ 9,069,302</u>	<u>\$ 1,681,723</u>	<u>\$ 10,751,025</u>

The above funds are included on the statements of financial position at fair value.

Investment income earned on these investments during the year ended December 31, 2020, consisted of the following:

Interest and dividends	\$ 323,975
Realized gains (losses) on sale of investments, net	326,496
Unrealized gains (losses) on sale of investments, net	<u>577,191</u>
Total	<u>\$ 1,227,662</u>

The above income is included on the statement of activities.

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 4 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash, and investments. The Foundation generally places its investments with financial institutions and attempts to limit its credit exposure to any one financial institution. The Foundation maintains deposits in a financial institution that at times exceeds the insured amount of \$250,000 provided by the U.S. FDIC. Deposits in excess of the FDIC limit totaled \$0 and \$3,497 as of December 31, 2021 and 2020, respectively. On December 31, 2021 and 2020, the Foundation had \$12,246,403 and \$10,751,025, respectively, invested in different brokerage accounts. The Foundation maintains a continually managed investment strategy to diversify the risk of these investments; however, they are subject to normal market risk. Investments held in brokerage accounts are not FDIC insured. The Foundation does not require any collateral to support its financial instruments.

NOTE 5 - MAJOR FUNDING SOURCES

Significant amounts of income were recorded from the following sources during the year ended December 31, 2021:

<u>Contributor</u>	<u>Amount</u>	<u>% of Total Contributions</u>
Christopher & Kristie Jennerjahn	\$ 248,369	48%
Hollander Estate	\$ 68,519	13%

Significant amounts of income were recorded from the following sources during the year ended December 31, 2020:

<u>Contributor</u>	<u>Amount</u>	<u>% of Total Contributions</u>
Christopher & Kristie Jennerjahn	\$ 117,574	17%
Flatter Estate	\$ 129,878	19%
Lilly Endowment, Inc.	\$ 200,000	30%

NOTE 6 - PRINTING AND PROMOTIONAL AND ADVERTISING EXPENSES

For the years ended December 31, 2021 and 2020, respectively, printing and promotional expenses in the amount of \$3,785 and \$5,977 and advertising expenses in the amount of \$4,279 and \$10,928 were incurred by the Foundation to promote its programs among the Blackford County community.

NOTE 7 - RETIREMENT PLAN

The Foundation provides a SIMPLE IRA plan to all eligible employees. The Foundation will match up to an amount equivalent to 3% of the employee's wage. The expense for the years ended December 31, 2021 and 2020 was \$2,434 and \$0, respectively.

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 8 - COMMITMENTS

During 2016, the Foundation entered into a five-year lease of office facilities for \$500 per month effective January 2017 through December 2021. Rent expense for the years ended December 31, 2021 and 2020, was \$6,000 and \$6,000, respectively.

Future minimum lease payments are as follows:

2022	<u>\$ 6,000</u>
Total	<u>\$ 6,000</u>

NOTE 9 - NET ASSETS

Net assets with donor restrictions were as follows for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Time Restricted		
Restricted for future periods	\$ 6,864,382	\$ 6,416,920
Perpetual	2,422,502	2,352,446
Total	<u>\$ 9,286,884</u>	<u>\$ 8,769,366</u>

Net assets without donor restrictions for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Undesignated	<u>\$ 3,144,285</u>	<u>\$ 2,257,711</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2021</u>	<u>2020</u>
Satisfaction of Purpose Restrictions		
Restricted for future periods	\$ 1,014,437	\$ 2,201,760
Total	<u>\$ 1,014,437</u>	<u>\$ 2,201,760</u>

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 10 - FAIR VALUES OF FINANCIAL INSTRUMENTS

FASB *Accounting Standards Codification 820, Fair Value Measurements* defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This standard also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quotes prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices as quoted prices for similar assets or liabilities; quotes prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The estimated fair values of the Foundation's financial instruments at December 31, 2021, none of which are held for trading purposes, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets:</u>				
Money market funds	\$ 1,796,857	\$ -	\$ -	\$ 1,796,857
Mutual funds	9,853,220	-	-	9,853,220
Alternative investments	596,326	-	-	596,326
Total assets at fair value	<u>\$ 12,246,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,246,403</u>

The estimated fair values of the Foundation's financial instruments at December 31, 2020, none of which are held for trading purposes, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets:</u>				
Money market funds	\$ 1,298,774	\$ -	\$ -	\$ 1,298,774
Mutual funds	8,534,279	-	-	8,534,279
Alternative investments	917,972	-	-	917,972
Total assets at fair value	<u>\$ 10,751,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,751,025</u>

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 11 - ENDOWMENT FUND

Change in endowment net assets for the year ended December 31, 2021:

		<u>With Donor Restrictions</u>		
	<u>Without Donor</u>	<u>Temporarily</u>	<u>Permanently</u>	
	<u>Restrictions</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,981,659	\$ 6,416,920	\$ 2,352,446	\$ 10,751,025
Investment income, net of fees	382,221	1,120,512	-	1,502,733
Contributions	790,960	341,387	70,056	1,202,403
Appropriation of endowment assets for expenditure	(195,321)	(1,014,437)	-	(1,209,758)
Endowment net assets, end of year	<u>\$ 2,959,519</u>	<u>\$ 6,864,382</u>	<u>\$ 2,422,502</u>	<u>\$ 12,246,403</u>

Change in endowment net assets for the year ended December 31, 2020:

		<u>With Donor Restrictions</u>		
	<u>Without Donor</u>	<u>Temporarily</u>	<u>Permanently</u>	
	<u>Restrictions</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,955,491	\$ 7,090,756	\$ 2,305,602	\$ 11,351,849
Investment income, net of fees	186,052	965,252	-	1,151,304
Contributions	63,050	562,672	46,844	672,566
Appropriation of endowment assets for expenditure	(222,934)	(2,201,760)	-	(2,424,694)
Endowment net assets, end of year	<u>\$ 1,981,659</u>	<u>\$ 6,416,920</u>	<u>\$ 2,352,446</u>	<u>\$ 10,751,025</u>

In 1996, the Foundation adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions, because those assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary.

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 11 - ENDOWMENT FUND (continued)

The Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the funds are that required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

NOTE 12 - UNDERWATER ENDOWMENT FUNDS

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. At December 31, 2021, the Foundation had funds had no underwater funds. At December 31, 2020, the Foundation had funds with original gift values of \$2,954,428, fair values of \$2,803,651, and deficiencies of \$150,777 reported in net assets. The deficiencies resulted from unfavorable market fluctuations that occurred during the year and continued appropriation for certain purposes was deemed prudent by the Board of Directors.

NOTE 13 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 142,432	\$ 253,775
Investments; at market	2,959,519	1,981,659
Total	<u>\$ 3,101,951</u>	<u>\$ 2,235,434</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation has various sources of liquidity at its disposal, including cash and investments. The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize its available funds.

Blackford County Community Foundation, Inc.Notes to the Financial StatementsDecember 31, 2021 and December 31, 2020NOTE 14 - INVESTMENT AND SPENDING POLICIES

The Foundation has adopted investment and spending policies for endowment assets with an objective to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board, the endowment assets are invested in a manner intended to produce positive results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investments are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a policy of appropriating for distribution each year a discretionary amount, of 3%, based on its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 15 - RISKS AND UNCERTAINTIES

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit, and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and such changes could materially affect amounts reported.

NOTE 16 - RELATED PARTIES

Several board members of the Foundation also serve as board members, or have related parties that serve as board members, of other organizations that receive grants from the Foundation.

NOTE 17 - SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions that occurred between January 1, 2022 and September 12, 2022, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. No subsequent events were noted by the Foundation.



Bollenbacher & Associates, LLC

Certified Public Accountants

September 12, 2022

To the Board of Directors
Blackford County Community Foundation, Inc.

We have audited the financial statements of Blackford County Community Foundation, Inc. (the Organization) for the years ended December 31, 2021 and 2020, and have issued our report thereon dated September 12, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 1, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Blackford County Community Foundation, Inc. solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies and other matters noted during our audit in a separate letter to you dated September 12, 2022.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Management override of controls is a presumed risk under audit standards

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Practices

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Blackford County Community Foundation, Inc. is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Corrected and Uncorrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial

Board of Directors
Blackford County Community Foundation, Inc.
September 12, 2022
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statements as a whole. Management has corrected all such misstatements. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Blackford County Community Foundation, Inc.'s financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated September 12, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with Blackford County Community Foundation, Inc., we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Blackford County Community Foundation, Inc.'s auditors.

This report is intended solely for the information and use of the Board of Directors and management of Blackford County Community Foundation, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Bollenbacher & Associates, LLC

Bollenbacher & Associates, LLC
Certified Public Accountants

September 12, 2022

To the Board of Directors
Blackford County Community Foundation, Inc.

In planning and performing our audit of the financial statements of Blackford County Community Foundation, Inc. as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Blackford County Community Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Foundation, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Bollenbacher & Associates, LLC
Portland, Indiana