

**HARRISON COUNTY COMMUNITY  
FOUNDATION, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AND**

**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2021 AND 2020**

*CPAs / ADVISORS*



# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

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## REPORT OF INDEPENDENT AUDITORS

Board of Directors of the  
Harrison County Community Foundation, Inc.,  
Harrison County Community Foundation Supporting Organization, Inc. and  
HCCF Real Estate Supporting Organization, Inc.  
Corydon, Indiana

### Opinion

We have audited the accompanying consolidated financial statements of Harrison County Community Foundation, Inc. (the "Foundation"), a nonprofit organization, and affiliates, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation and its affiliates as of December 31, 2021 and 2020, and the results of their operations and their 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation 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 Consolidated 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 the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Consolidated 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 generally accepted auditing standards 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 the Foundation'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 the Foundation'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.

## Supplementary Information

Our 2021 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2021 supplementary information of the consolidating statement of financial position and consolidating statement of activities is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and change in net assets of the individual entities 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 2021 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Blue & Co., LLC*

Seymour, Indiana

May 4, 2022

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND 2020

### ASSETS

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,222,749	\$ 721,357
Investments	281,183,796	237,403,389
Notes receivable	1,812,911	1,920,044
Property and equipment, net	1,008,055	1,048,442
Property held for lease, net	<u>6,887,738</u>	<u>7,163,680</u>
Total assets	<u>\$ 292,115,249</u>	<u>\$ 248,256,912</u>

### LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 26,245	\$ 25,195
Promise to give	2,028,204	2,086,153
Custodial funds	162,816,198	137,647,513
Charitable gift annuity payable	647,892	689,565
Notes payable	<u>5,495,859</u>	<u>5,768,795</u>
Total liabilities	171,014,398	146,217,221
Net assets		
Without donor restrictions:		
Harrison County Community Foundation operating fund	2,720,675	2,093,864
HCCF Supporting Organization funds	86,114,266	74,025,969
HCCF Real Estate Supporting Organization	<u>(1,934,066)</u>	<u>(1,840,082)</u>
Total without donor restrictions	86,900,875	74,279,751
With donor restrictions:		
Restricted due to time restrictions	1,461,692	1,146,404
Restricted for specified purpose	91,170	233,746
Restricted in perpetuity - endowment	22,612,510	20,448,421
Restricted subject to spending policy	<u>10,034,604</u>	<u>5,931,369</u>
Total with donor restrictions	<u>34,199,976</u>	<u>27,759,940</u>
Total net assets	<u>121,100,851</u>	<u>102,039,691</u>
Total liabilities and net assets	<u>\$ 292,115,249</u>	<u>\$ 248,256,912</u>

## HARRISON COUNTY COMMUNITY FOUNDATION, INC.

### CONSOLIDATED STATEMENTS OF ACTIVITIES YEAR ENDED DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support and revenues</b>				
Contributions and grants	\$ 1,330,508	\$ 1,724,884	\$ 3,055,392	\$ 3,499,947
Investment return, net	14,071,510	5,236,758	19,308,268	8,921,147
Interest and other income	20,057	-0-	20,057	22,377
Administrative fee income	161,343	-0-	161,343	96,522
Rent income	63,949	-0-	63,949	63,449
Change in value of split interest agreement	-0-	(23,350)	(23,350)	(37,483)
Net assets released from restrictions	<u>998,256</u>	<u>(998,256)</u>	<u>-0-</u>	<u>-0-</u>
Total support and revenues	16,645,623	5,940,036	22,585,659	12,565,959
<b>Expenses</b>				
Program expense	2,912,816	-0-	2,912,816	3,525,219
Management and general	399,721	-0-	399,721	381,645
Fundraising and development	<u>211,962</u>	<u>-0-</u>	<u>211,962</u>	<u>230,572</u>
Total expenses	<u>3,524,499</u>	<u>-0-</u>	<u>3,524,499</u>	<u>4,137,436</u>
Change in net assets	13,121,124	5,940,036	19,061,160	8,428,523
Transfers due to matching program	(500,000)	500,000	-0-	-0-
<b>Net assets, beginning of year</b>	<u>74,279,751</u>	<u>27,759,940</u>	<u>102,039,691</u>	<u>93,611,168</u>
<b>Net assets, end of year</b>	<u>\$ 86,900,875</u>	<u>\$ 34,199,976</u>	<u>\$ 121,100,851</u>	<u>\$ 102,039,691</u>

## HARRISON COUNTY COMMUNITY FOUNDATION, INC.

### CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2020

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	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues</b>			
Contributions and grants	\$ 879,494	\$ 2,620,453	\$ 3,499,947
Investment return, net	6,692,445	2,228,702	8,921,147
Interest and other income	22,377	-0-	22,377
Administrative fee income	96,522	-0-	96,522
Rent income	63,449	-0-	63,449
Change in value of split interest agreement	-0-	(37,483)	(37,483)
Net assets released from restrictions	<u>476,296</u>	<u>(476,296)</u>	<u>-0-</u>
Total support and revenues	8,230,583	4,335,376	12,565,959
<b>Expenses</b>			
Program expense	3,525,219	-0-	3,525,219
Management and general	381,645	-0-	381,645
Fundraising and development	<u>230,572</u>	<u>-0-</u>	<u>230,572</u>
Total expenses	<u>4,137,436</u>	<u>-0-</u>	<u>4,137,436</u>
Change in net assets	4,093,147	4,335,376	8,428,523
Transfers due to matching program	(500,000)	500,000	-0-
<b>Net assets, beginning of year</b>	<u>70,686,604</u>	<u>22,924,564</u>	<u>93,611,168</u>
<b>Net assets, end of year</b>	<u>\$ 74,279,751</u>	<u>\$ 27,759,940</u>	<u>\$ 102,039,691</u>

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**HARRISON COUNTY COMMUNITY FOUNDATION, INC.**

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	Program Expenses	Management & General	Fundraising & Development	Total	Program Expenses	Management & General	Fundraising & Development	Total
Grants	\$ 2,090,363	\$ -0-	\$ -0-	\$ 2,090,363	\$ 2,615,905	\$ -0-	\$ -0-	\$ 2,615,905
Salaries and benefits	236,958	335,690	85,568	658,216	205,880	321,688	115,807	643,375
Contracted services	-0-	-0-	-0-	-0-	1,425	950	-0-	2,375
Professional fees	25,600	9,272	18,546	53,418	23,185	9,745	19,491	52,421
Interest expense	183,885	-0-	-0-	183,885	189,649	-0-	-0-	189,649
Travel and entertainment	1,097	890	105	2,092	410	332	39	781
Office supplies	4,166	3,380	398	7,944	5,832	4,732	556	11,120
Marketing and promotions	-0-	-0-	60,967	60,967	-0-	-0-	61,310	61,310
Dues and subscriptions	4,033	3,272	385	7,690	1,164	945	111	2,220
Depreciation	311,137	4,673	519	316,329	309,580	3,272	364	313,216
Utilities	4,243	3,442	404	8,089	3,780	3,066	360	7,206
Repairs and maintenance	10,944	8,880	1,042	20,866	18,080	6,267	735	25,082
Insurance	26,069	12,513	1,470	40,052	25,438	11,845	1,392	38,675
Board development and staff training	-0-	-0-	42,179	42,179	-0-	-0-	29,918	29,918
Janitorial services	2,007	1,628	191	3,826	2,506	2,033	239	4,778
Telephone	1,866	2,799	-0-	4,665	1,774	2,660	-0-	4,434
Rent	1,763	2,645	-0-	4,408	1,730	2,596	-0-	4,326
Printing and postage	1,972	1,599	188	3,759	2,624	2,128	250	5,002
Loss on disposition of asset	-0-	-0-	-0-	-0-	110,000	-0-	-0-	110,000
Other	6,713	9,038	-0-	15,751	6,257	9,386	-0-	15,643
<b>Total expense</b>	<b>\$ 2,912,816</b>	<b>\$ 399,721</b>	<b>\$ 211,962</b>	<b>\$ 3,524,499</b>	<b>\$ 3,525,219</b>	<b>\$ 381,645</b>	<b>\$ 230,572</b>	<b>\$ 4,137,436</b>

## HARRISON COUNTY COMMUNITY FOUNDATION, INC.

### CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<b>Operating activities</b>		
Change in net assets	\$ 19,061,160	\$ 8,428,523
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	316,329	313,216
Contributions restricted to endowment funds	(1,664,139)	(2,458,134)
Reinvested interest and dividend income received on investments	(9,420,902)	(4,924,246)
Realized and unrealized gains on investments	(36,005,816)	(16,259,596)
Change in value of split interest agreement	23,350	37,483
Change in operating assets and liabilities:		
Accounts payable and accrued expenses	1,050	-0-
Promise to give	(57,949)	(57,949)
Other assets	-0-	300,000
Custodial funds	25,168,685	14,216,838
Net cash flows from operating activities	(2,578,232)	(403,865)
<b>Investing activities</b>		
Purchases of property and equipment	-0-	(33,524)
Purchases of investments	(17,262,134)	(14,645,640)
Proceeds from sale of investments	18,908,445	12,893,543
Issuance of note receivable	-0-	(30,000)
Payments received on notes receivable	107,133	104,924
Net cash flows from investing activities	1,753,444	(1,710,697)
<b>Financing activities</b>		
Contributions restricted to endowment funds	1,664,139	2,458,134
Payments on notes payable	(272,936)	(195,812)
Payments on charitable gift annuity	(65,023)	(65,023)
Net cash flows from financing activities	1,326,180	2,197,299
Net change in cash	501,392	82,737
<b>Cash, beginning of year</b>	721,357	638,620
<b>Cash, end of year</b>	\$ 1,222,749	\$ 721,357
<b>Supplemental disclosure of cash flow information</b>		
Cash payments made during the year for interest	\$ 183,885	\$ 189,649

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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### 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

Harrison County Community Foundation, Inc. ("HCCF") was established as a not-for-profit organization in 1996. HCCF is an independent not-for-profit organization with a volunteer board of directors, whose purpose is to promote the interests of Harrison County, Indiana. This purpose is accomplished through grant making and the administration of grants to local governments, not-for-profit agencies and scholarships to individuals pursuing post-secondary education. Additionally, HCCF administers and manages the grants and scholarships awarded by Harrison County Community Foundation Supporting Organization, Inc. ("HCCFSO") and actively manages the property held by the HCCF Real Estate Supporting Organization, Inc. ("RESO").

HCCFSO is a not-for-profit organization incorporated in 2000, under the laws of the State of Indiana. HCCFSO was established to accept, invest, and transfer contributions received from EBCI Holdings LLC to HCCF and to distribute grants to the local community and government of Harrison County. HCCFSO is a separate and distinct Indiana not-for-profit corporation related to HCCF through a common board of directors and advisory council.

RESO is a not-for-profit organization incorporated in 2012, under the laws of the State of Indiana. RESO was established to hold and manage the property that HCCF and HCCFSO occupy and rent from RESO, as well as other donated or purchased real estate. In 2017, RESO entered into a construction and lease agreement with Mainstream Fiber Networks ("MFN") to provide \$5 million for the installation and servicing of a fiber network within the limits of Harrison County that facilitates the ability to provide such service to a customer base for fiber optics communications in Harrison County. RESO retains ownership of the \$5 million fiber backbone. MFN leases this fiber backbone from RESO for \$1 annually plus an "infrastructure recovery fee" of \$5 per month per customer. The infrastructure recovery fee is billed and collected by MFN and remitted to RESO monthly. The term of the lease is 25 years starting in January 2018 when the first customer began receiving services and also contains three 5-year extensions.

HCCF is funded principally through contributions from HCCFSO as well as donations from the public, investment returns, and management fees charged to HCCFSO. HCCFSO is funded principally by investment income and contributions from EBCI Holdings LLC ("EBCI"). In a prior year, HCCF received an initial allocation of \$5,000,000 pursuant to a revenue sharing agreement between EBCI (formerly known as Caesars Southern Indiana) and Harrison County, Indiana, in conjunction with the establishment of EBCI gaming operations in Harrison County. That agreement also called for EBCI to contribute a defined percentage of its annual adjusted gross receipts for the benefit of Harrison County and HCCF. The total aggregate amount to be contributed to HCCF and HCCFSO over the life of the agreement was \$55,000,000. \$50,000,000 of this amount was deposited with HCCFSO. Funding is now governed by an amended agreement which provides that all future payments will be made by choice of the county commissioners either directly to Harrison County or directly to HCCFSO, with 75% to be used for the benefit of Harrison County and the remaining 25% used for discretionary purposes by the

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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Foundation. The county commissioners have currently selected the payments to be made directly to HCCFSO. That agreement does not guarantee any future payments to HCCF and HCCFSO.

### Consolidation Policy

The accounts of HCCF are consolidated with the accounts of the HCCFSO and RESO as a result of common control and economic interests. All inter-entity transactions have been eliminated in the consolidation. The consolidated operations of the organizations are hereinafter collectively referred to as the "Foundation."

### Management's Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported support, revenues and expenses. Actual results could vary from the estimates that were used.

### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Foundation are classified and reported as follows:

*Net assets without donor restrictions:* Net assets that are currently available for operating purposes under the direction of the board of directors (Board) or designated by the Board for specific use. The Foundation maintains net assets without donor restrictions as follows:

Harrison County Community Foundation Operating Fund – used to fund current operations of HCCF.

HCCF Supporting Organization Funds – Unrestricted net assets designated as belonging to HCCFSO represent contributions provided by EBCI along with associated investment earnings of those funds. These assets are available to further the mission of HCCFSO.

HCCF Real Estate Supporting Organization – Unrestricted net assets relate to the property held and maintained by the HCCF Real Estate Supporting Organization and the operations to maintain the property.

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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*Net assets with donor restrictions:* Net assets subject to donor stipulations for specific purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term to support operations or specific purposes. The Foundation maintains net assets with donor restrictions as follows:

Restricted due to time restrictions – all contributions to the Foundation with donor restrictions that will be met by the passage of time.

Restricted for specified purpose – all contributions to the Foundation with intention of the donor to be held for a specific program or in a donor-restricted non-endowed fund.

Restricted in perpetuity - endowment – all contributions to the Foundation with the intention of the donor that the assets be held in perpetuity and managed in accordance with the Foundation's spending policy.

Restricted subject to spending policy – investment earnings on assets restricted in perpetuity – endowment and managed in accordance with the Foundation's spending policy.

### Cash

Cash consists primarily of money market and checking accounts and excludes amounts held by the Foundation's fund managers and included in investments.

### Investments and Investment Return

The Foundation carries its investments at fair value for financial reporting purposes. Changes in unrealized appreciation or depreciation of investments are reflected in the Consolidated Statements of Activities in the period in which such changes occur.

Interest and dividend income and net unrealized and realized gains and losses on investments are recognized as net assets with or without donor restrictions based upon the existence or absence of donor-imposed restrictions.

### Notes Receivable

Notes receivable are stated at unpaid principal balances, less an allowance for losses. The allowance is based on management's assessment of the current status of the individual receivable. There was no allowance for losses at December 31, 2021 and 2020. Notes receivable are considered delinquent based on specific circumstances of the borrower and are written off when the balance is considered uncollectible. All notes receivable are non-interest bearing.

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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### Property and Equipment and Property Held for Lease

Property and equipment and property held for lease, including expenditures that substantially increase the useful lives of existing assets, are recorded at cost except for donations, which are recorded at fair value at the date of the donation. Costs of ordinary maintenance and repairs are expensed as incurred. The property and equipment, as well as property held for lease, of the Foundation are being depreciated over their estimated useful lives using the straight-line method ranging from 5 to 39 years.

### Support, Revenues and Expense Recognition

Contributions, which include unconditional promises to give (pledges receivable) are recognized as revenues in the period the contribution is received or the promise is made.

Support and revenues are reported as increases in either net assets with or without donor restrictions in accordance with the classification of the fund as it relates to the Foundation's spending policy. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in either net assets with or without donor restrictions in accordance with the classification of the fund as it relates to Foundation's spending policy.

All other revenue is recorded when earned.

### Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities and Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report expenses that are attributed to more than one program or supporting function. Those expense include salaries and benefits, certain professional fees, insurance, depreciation, office supplies, and occupancy expenses. These expenses are allocated on the basis of estimates of time, effort, and usage. While the methods of allocation are considered appropriate, other methods could produce different results.

### Income Taxes

HCCF, HCCFSO, and RESO are all not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code ("Code") and are exempt from federal taxes on related income pursuant to Section 501(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination

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# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As such, HCCF, HCCFSO, and RESO are generally exempt from income taxes. However, the organizations are required to file Federal Form 990 – Return of Organization Exempt from Income Tax, which is an informational return only.

### Subsequent Events

The Foundation has evaluated events or transactions occurring subsequent to the Consolidated Statement of Financial Position date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements are available to be issued, which is May 4, 2022.

### Transfers Due to Matching Program

HCCFSO supports a matching program ran by HCCF. Contributions given by outside donors to donor-restricted endowments are matched by these funds, thereby, creating a donor-restriction upon the matching portion for the same purpose. The matched amount from the Foundation is reflected on the “Consolidated Statements of Activities as “Transfers due to matching program.”

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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### 2. INVESTMENTS

Investments at December 31, 2021 and 2020 consist of the following:

	2021	2020
Cash	\$ 2,281,484	\$ 4,277,768
Mutual funds		
Equity funds		
Large	124,672,245	104,332,920
Small/mid	57,695,260	62,023,752
Real estate	9,098,908	-0-
Fixed income		
Low/limited duration	9,995,898	8,402,725
Multisector	6,793	6,578
Core	19,980,866	18,726,041
Inflation protected	10,039,453	8,511,478
World/emerging markets	13,053,013	12,003,205
High yield	17,436	-0-
Equity exchange traded funds		
Large	15,869,308	11,954,269
Small	18,473,132	7,164,653
	<u>\$ 281,183,796</u>	<u>\$ 237,403,389</u>

### 3. RISKS AND UNCERTAINTIES

The Foundation holds different types of investments (Note 2). Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying consolidated financial statements.

### 4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:



## HARRISON COUNTY COMMUNITY FOUNDATION, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Foundation has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets' and liabilities' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020:

- *Common stocks*: Valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds and exchange traded funds*: Valued at the daily closing price as reported by the fund. Mutual funds and exchange traded funds ("funds") are held by the Foundation and are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Foundation are deemed to be actively traded
- *Charitable gift annuity payable*: Fair value is determined by calculating the present value of future payments to beneficiaries using published life expectancy tables with a discount rate of 1.4%.

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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The following table sets forth financial assets and liabilities 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 on a recurring basis at December 31, 2021 and 2020 as follows:

	2021		
	Level 1	Level 2	Fair Value
Assets:			
Mutual funds	\$ 235,443,528	\$ -0-	\$ 235,443,528
Exchange traded funds	<u>34,342,440</u>	<u>-0-</u>	<u>34,342,440</u>
Total assets at fair value	<u>\$ 269,785,968</u>	<u>\$ -0-</u>	<u>\$ 269,785,968</u>
Liabilities:			
Charitable gift annuity	<u>\$ -0-</u>	<u>\$ 647,892</u>	<u>\$ 647,892</u>

  

	2020		
	Level 1	Level 2	Fair Value
Assets:			
Mutual funds	\$ 214,006,699	\$ -0-	\$ 214,006,699
Exchange traded funds	<u>19,118,922</u>	<u>-0-</u>	<u>19,118,922</u>
Total assets at fair value	<u>\$ 233,125,621</u>	<u>\$ -0-</u>	<u>\$ 233,125,621</u>
Liabilities:			
Charitable gift annuity	<u>\$ -0-</u>	<u>\$ 689,565</u>	<u>\$ 689,565</u>

### 5. NOTES RECEIVABLE

In 2011, a Program Related Investment (PRI) note receivable was set up with the YMCA of Harrison County ("YMCA"), an unrelated organization. The note receivable is a non-interest bearing loan to be paid over a period of 20 years in monthly installments of \$4,500. The monthly payments consist of a principal amount of \$4,000 and service fee income of \$500 related to this receivable. The receivable balance was \$503,000 and \$551,000 as of December 31, 2021 and 2020, respectively.

## HARRISON COUNTY COMMUNITY FOUNDATION, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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In 2015, a PRI note receivable was set up with Harrison County Community Services, Inc., an unrelated organization. The note receivable is a non-interest bearing loan to be paid over a period of 20 years in monthly installments of \$2,584. The monthly payments consist of a principal amount of \$2,084 and service fee income of \$500 related to this receivable. The receivable balance was \$351,536 and \$374,960 as of December 31, 2021 and 2020, respectively.

In 2016, a PRI note receivable was set up with Mainstreet Corydon, Ind., Inc., an unrelated organization, for \$750,000 and in 2019 an additional \$300,000 was issued. The note receivable is a non-interest bearing loan to be paid over a period of 28 years in monthly installments of \$3,625 commencing in July 2017. The monthly payments consist of a principal amount of \$3,125 and service fee income of \$500 related to this receivable. The receivable balance was \$934,375 and \$962,500 as of December 31, 2021 and 2020, respectively.

In 2020, the Foundation participated in the Harrison County Covid-19 Small Business Economic Relief Program. Under this program, the Foundation provided low interest loans to qualified borrowers in Harrison County, Indiana. The notes receivable under this program was \$24,000 and \$30,000 as of December 31, 2021 and 2020, respectively.

#### 6. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 180,300	\$ 180,300
Building and building improvements	1,170,203	1,170,203
Equipment	<u>194,285</u>	<u>194,285</u>
	1,544,788	1,544,788
Less accumulated depreciation	<u>536,733</u>	<u>496,346</u>
	<u>\$ 1,008,055</u>	<u>\$ 1,048,442</u>

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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### 7. PROPERTY HELD FOR LEASE

Following is a summary of property held for lease at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Building held for lease	\$ 2,961,760	\$ 2,961,760
Fiber network backbone	<u>5,000,000</u>	<u>5,000,000</u>
	7,961,760	7,961,760
Less accumulated depreciation	<u>1,074,022</u>	<u>798,080</u>
	<u>\$ 6,887,738</u>	<u>\$ 7,163,680</u>

### 8. CHARITABLE GIFT ANNUITY

The Foundation has an active charitable gift annuity, under which the Foundation has received \$1,444,960. The Foundation is required to make quarterly payments to the third party beneficiary in the amount of \$16,256 for the remainder of the beneficiary's lifetime. Upon the death of the specified person, the remaining amount of the gift is to be used by the Foundation for specified purposes outlined in the charitable gift annuity agreement. The Foundation has recognized a liability for the present value of the amount expected to be paid to the third-party beneficiary at December 31, 2021 and 2020, under this agreement. The liability was calculated based on the life expectancy of the beneficiary and a discount rate of 1.4%. The present value of amounts expected to be paid to the third party beneficiary was \$647,892 and \$689,565 at December 31, 2021 and 2020, respectively.

### 9. CUSTODIAL FUNDS

Custodial funds represent funds placed on deposit with the Foundation by other organizations based on their individual board resolutions, including the county fund that holds the 75% of revenue-sharing contributions from EBCI as described in Note 1. The Foundation accounts for these transfers as a liability in accordance with standards set forth by the Financial Accounting Standards Board. Income is added to these funds periodically in accordance with the Foundation's investment allocation policies. Contributions by, investment return credits for, and distributions to those organizations are reflected as adjustments to the liability account and are not reflected in the Consolidated Statements of Activities.

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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Following is a progression of custodial funds during 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Custodial funds, beginning balance	\$ 137,647,513	\$ 123,430,675
Contributions	3,984,908	2,748,921
Investment return, net	25,733,455	11,919,353
Grant payments	<u>(4,549,678)</u>	<u>(451,436)</u>
Custodial funds, ending balance	<u>\$ 162,816,198</u>	<u>\$ 137,647,513</u>

### 10. NOTES PAYABLE

The Foundation has a note payable to a financial institution that had an availability of \$3,000,000 to be drawn upon through July 2018 for the construction of a building to be used by the Boys & Girls Club of Harrison-Crawford Counties, Inc. The balance of the note as of December 31, 2021 and 2020 was \$2,703,528 and \$2,845,245, respectively. The note has a fixed interest rate of 2.75% through January 2022 with monthly interest payments through January 2020. Principal and interest payments of \$18,266 began February 2020 and continue through January 2037. Beginning January 2022, the interest rate becomes variable and will adjust annually to the weekly average yield on one-year U.S. Treasury securities plus 2.25%, which will impact the monthly payment amount.

The Foundation has a note payable to a financial institution that had an availability of \$3,000,000 to be drawn upon through November 2018 for the fiber network project. The balance of the note as of December 31, 2021 and 2020 was \$2,792,331 and \$2,923,550, respectively. The note has a fixed interest rate of 3.625% through May 2022 with monthly interest payments through May 2020. Principal and interest payments of \$19,802 began June 2020 and continue through May 2037. Beginning May 2022, the interest rate becomes variable and will adjust annually to the weekly average yield on one-year U.S. Treasury securities plus 2.25%, which will impact the monthly payment amount.

Both notes are secured by certain investment accounts of HCCFSO containing marketable securities, which had an aggregate balance of \$14,334,234 at December 31, 2021. Both notes are also subject to certain affirmative and negative covenants.

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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Following are estimated principal payments on the notes payable subsequent to December 31, 2021:

2022	\$	283,946
2023		293,095
2024		302,543
2025		312,303
2026		322,384
Thereafter		<u>3,981,588</u>
	\$	<u>5,495,859</u>

### 11. NET ASSETS RELEASED

Net assets were released from donor restrictions in the amount of \$998,256 and \$476,296 based on funds appropriated for expenditure for the years ended December 31, 2021 and 2020, respectively.

### 12. GRANT COMMITMENTS

The Foundation had conditional grants of \$2,718,135 and \$2,822,896 at December 31, 2021 and 2020, respectively. These amounts will not be paid until the related conditions have been met; therefore, a liability related to these grants has not been recognized.

### 13. ENDOWMENT

Some of the Foundation's funds consist of donor-restricted endowed funds established for a variety of purposes. 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 has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted endowment funds are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or

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# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for granting purposes while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must use for a donor-specified purpose. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7 percent annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment decisions shall be made with the intent of maximizing the long-term total return of the portfolio through market value changes (realized and unrealized) and through earned income (dividends and interest).

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment funds' average fair value over the prior 12 quarters, or a lesser percentage as voted upon annually by the Board of Directors. In establishing this policy, the Foundation considered the long-term expected return on its endowment.

Donor-restricted endowment funds are all classified as net assets with donor restrictions. Changes in donor-restricted endowment funds for the years ending December 31, 2021 and 2020 were as follows:

	2021	2020
	<u>                    </u>	<u>                    </u>
Endowment net assets,		
beginning of year	\$ 26,379,790	\$ 21,854,596
Contributions	1,664,139	2,458,134
Investment return, net	4,898,120	2,066,227
Transfers due to matching program	500,000	500,000
Appropriation of endowment assets for expenditure	<u>(794,935)</u>	<u>(499,167)</u>
Endowment net assets, end of year	<u>\$ 32,647,114</u>	<u>\$ 26,379,790</u>

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# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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### 14. OPERATING LEASE

The Foundation is the lessor of a 19,065 square feet building under an operating lease expiring in December 2037. Starting in January 2019, monthly payments of \$500 are due for 5 years. During 2024 through 2028, the rent basis will be adjusted to an amount not less than \$0.90 per square foot and not greater than \$1.80 per square foot. Rent during 2029 and beyond will be negotiated at a future date. The building held for lease has a cost of \$2,961,760 and accumulated depreciation of \$301,382 as of December 31, 2021.

The future minimum lease payments for the five years subsequent to December 31, 2021 are as follows:

2022	\$	6,000
2023		6,000
2024		17,159
2025		17,159
2026		<u>17,159</u>
	\$	<u>63,477</u>

Because of the below-market lease payments required to be paid, a promise to give and grant expense of \$2,260,000 was recognized in 2017 for the difference between the present value of the actual payments to be received and the fair value of the building being utilized. Starting in 2018, this promise to give is being amortized over 39 years at an annual rate of \$57,950, which is recognized as rental income on the Consolidated Statements of Activities. The promise to give was \$2,028,204 and \$2,086,153 at December 31, 2021 and 2020, respectively.

### 15. LIQUIDITY AND AVAILABILITY

The Foundation manages its liquid resources to meet the cash needs for operations, endowment appropriations, and grants and scholarships from non-permanent programs. The Foundation defines liquid assets as cash, notes receivable, and investments without purpose restrictions and unrelated to endowments and non-endowed investments.



# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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Financial assets available for general expenditures within one year of the Consolidated Statements of Financial Position date are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 75,846	\$ 149,005
Operating investments	84,530,970	71,526,906
Notes receivable	<u>110,508</u>	<u>110,508</u>
	<u>\$ 84,717,324</u>	<u>\$ 71,786,419</u>

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. The Foundation has an open grant approval process. This process includes evaluating a number of factors relative to the spending rate to be applied to the Foundation's fund balances in accordance with its spending policy. Once the Foundation's Board approves the spending rate, the related dollar amount of the funds becomes available for general expenditures.

While not subject to the Foundation's spending policy, expenditures from donor-restricted non-endowed funds must be approved by the Board and, therefore, are not available for general expenditure until that time. Non-endowed funds are held in cash or liquid investments and are made available upon appropriation.

The Foundation has notes receivable with other organizations in which the Foundation will receive payments over multiple years. The Foundation identifies the current portion of these notes as funds available for general expenditures within one year of the Consolidated Statements of Financial Position

### 16. CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash.

Investments are maintained by one investment firm. Such balances exceed the current insured limits of the Securities Investor Protection Corporation. Alternative investments held by the Foundation are not federally insured and are susceptible to the risk of loss.

# HARRISON COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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### 17. CONCENTRATION OF REVENUE

The Foundation received contributions that comprised 43% and 25% of its total contributions and grants revenue in 2021 and 2020, respectively, from EBCI (see Note 1).

### 18. COMMITMENTS

In June 2017, RESO entered into a five-year agreement with Harrison County Rural Electric Membership Corporation ("REMC") in which RESO will pay annually \$19 per pole being used with the fiber network project described in Note 1. However, as part of the agreement with MFN, MFN will assume this annual expense for the use of the poles provided by REMC.

### 19. RECENTLY ISSUED ACCOUNTING STANDARDS

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This new standard, which the Foundation is not required to adopt until its year ending December 31, 2022, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

On September 17, 2020, the FASB issued an ASU No. 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This new standard is intended to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit (NFP) organizations, including information on how those assets are used and how they are valued. This new standard requires that an NFP present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, there are expanded disclosure requirements. The Foundation will be required to adopt this new standard in the year ending December 31, 2022.

The Foundation is presently evaluating the effects that these ASUs will have on its future consolidated financial statements, including related disclosures.

SUPPLEMENTARY INFORMATION

## HARRISON COUNTY COMMUNITY FOUNDATION, INC.

### CONSOLIDATING STATEMENT OF FINANCIAL POSITION YEAR ENDED DECEMBER 31, 2021

	Harrison County Community Foundation, Inc.	Harrison County Community Foundation Supporting Organization, Inc.	HCCF Real Estate Supporting Organization, Inc.	Eliminations	Consolidated
Cash	\$ 679,535	\$ 489,509	\$ 53,705	\$ -0-	\$ 1,222,749
Investments	40,042,671	241,141,125	-0-	-0-	281,183,796
Accounts receivable - related party	-0-	7,782,607	-0-	(7,782,607)	-0-
Notes receivable	-0-	1,812,911	-0-	-0-	1,812,911
Property and equipment, net	72,753	-0-	935,302	-0-	1,008,055
Property held for lease, net	-0-	-0-	6,887,738	-0-	6,887,738
<b>Total assets</b>	<b><u>\$ 40,794,959</u></b>	<b><u>\$ 251,226,152</u></b>	<b><u>\$ 7,876,745</u></b>	<b><u>\$ (7,782,607)</u></b>	<b><u>\$ 292,115,249</u></b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 24,995	\$ 1,250	\$ -0-	\$ -0-	\$ 26,245
Accounts payable - related party	-0-	-0-	7,782,607	(7,782,607)	-0-
Promise to give	-0-	-0-	2,028,204	-0-	2,028,204
Custodial funds	3,201,421	159,614,777	-0-	-0-	162,816,198
Charitable gift annuity payable	647,892	-0-	-0-	-0-	647,892
Note payable	-0-	5,495,859	-0-	-0-	5,495,859
<b>Total liabilities</b>	<b>3,874,308</b>	<b>165,111,886</b>	<b>9,810,811</b>	<b>(7,782,607)</b>	<b>171,014,398</b>
<b>Net assets</b>					
Without donor restrictions:					
Harrison County Community Foundation operating fund	2,720,675	-0-	-0-	-0-	2,720,675
HCCF Supporting Organization funds	-0-	86,114,266	-0-	-0-	86,114,266
HCCF Real Estate Supporting Organization	-0-	-0-	(1,934,066)	-0-	(1,934,066)
<b>Total without donor restrictions</b>	<b>2,720,675</b>	<b>86,114,266</b>	<b>(1,934,066)</b>	<b>-0-</b>	<b>86,900,875</b>
With donor restrictions:					
Restricted due to time restrictions	1,461,692	-0-	-0-	-0-	1,461,692
Restricted for specified purpose	91,170	-0-	-0-	-0-	91,170
Restricted in perpetuity - endowment	22,612,510	-0-	-0-	-0-	22,612,510
Restricted subject to spending policy	10,034,604	-0-	-0-	-0-	10,034,604
<b>Total with donor restrictions</b>	<b>34,199,976</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>34,199,976</b>
<b>Total net assets</b>	<b><u>36,920,651</u></b>	<b><u>86,114,266</u></b>	<b><u>(1,934,066)</u></b>	<b><u>-0-</u></b>	<b><u>121,100,851</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 40,794,959</u></b>	<b><u>\$ 251,226,152</u></b>	<b><u>\$ 7,876,745</u></b>	<b><u>\$ (7,782,607)</u></b>	<b><u>\$ 292,115,249</u></b>

## HARRISON COUNTY COMMUNITY FOUNDATION, INC.

### CONSOLIDATING STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions				With Donor Restrictions		
	Harrison County Community Foundation, Inc.	Harrison County Community Foundation Supporting Organization, Inc.	HCCF Real Estate Supporting Organization, Inc.	Eliminations	Total Without Donor Restrictions	Harrison County Community Foundation, Inc.	Consolidated
<b>Support and revenues</b>							
Contributions and grants	\$ 14,525	\$ 1,315,983	\$ -0-	\$ -0-	\$ 1,330,508	\$ 1,724,884	\$ 3,055,392
Related party contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Investment return, net	402,545	13,668,965	-0-	-0-	14,071,510	5,236,758	19,308,268
Interest and other income	1,510	18,500	47	-0-	20,057	-0-	20,057
Administrative fee income	1,006,411	-0-	166,352	(1,011,420)	161,343	-0-	161,343
Rent income	-0-	-0-	63,949	-0-	63,949	-0-	63,949
Change in value of split interest agreement	-0-	-0-	-0-	-0-	-0-	(23,350)	(23,350)
Net assets released from restrictions	998,256	-0-	-0-	-0-	998,256	(998,256)	-0-
Total support and revenues	2,423,247	15,003,448	230,348	(1,011,420)	16,645,623	5,940,036	22,585,659
<b>Expenses</b>							
Program services	1,184,753	2,415,151	324,332	(1,011,420)	2,912,816	-0-	2,912,816
Management and general	399,721	-0-	-0-	-0-	399,721	-0-	399,721
Fundraising development	211,962	-0-	-0-	-0-	211,962	-0-	211,962
Total expenses	1,796,436	2,415,151	324,332	(1,011,420)	3,524,499	-0-	3,524,499
Change in net assets	626,811	12,588,297	(93,984)	-0-	13,121,124	5,940,036	19,061,160
Transfers due to matching program	-0-	(500,000)	-0-	-0-	(500,000)	500,000	-0-
<b>Net assets, beginning of year</b>	2,093,864	74,025,969	(1,840,082)	-0-	74,279,751	27,759,940	102,039,691
<b>Net assets, end of year</b>	<u>\$ 2,720,675</u>	<u>\$ 86,114,266</u>	<u>\$ (1,934,066)</u>	<u>\$ -0-</u>	<u>\$ 86,900,875</u>	<u>\$ 34,199,976</u>	<u>\$ 121,100,851</u>