

**COMMUNITY FOUNDATION OF SOUTHERN
INDIANA, INC. AND AFFILIATES**

COMBINED FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

JUNE 30, 2020 AND 2019

CPAs / ADVISORS



**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

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JUNE 30, 2020 AND 2019

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Community Foundation of Southern Indiana, Inc. and Affiliates
New Albany, Indiana

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of the Community Foundation of Southern Indiana, Inc. and Affiliates ("CFSI"), which comprise the combined statements of financial position as of June 30, 2020 and 2019, and the related combined statements of activities and cash flows for the years then ended, the related combined statement of functional expenses for the year ended June 30, 2020, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of CFSI as of June 30, 2020 and 2019, and the combined changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Combining Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The 2020 combining information on pages 27 through 29 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual organizations, and it is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Blue & Co., LLC

Seymour, Indiana

November 19, 2020

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
Cash and cash equivalents	\$ 1,870,760	\$ 2,412,643
Investments	122,047,804	117,122,777
Investments in charitable remainder trusts	1,225,516	1,254,887
Pledges receivable	232,110	109,889
Other assets	5,805	8,053
Property and equipment, net	3,600,564	3,808,054
Cash surrender value of life insurance	336,865	326,900
Total assets	\$ 129,319,424	\$ 125,043,203

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 38,912	\$ 85,221
Grants payable	287,581	249,762
Unearned revenue	15,989	1,655,948
Custodial funds	85,399,050	83,219,303
Charitable remainder trusts liability	942,356	841,864
Annuities payable	51,210	53,339
Total liabilities	86,735,098	86,105,437
Net assets		
Without donor restrictions:		
Operating	5,224,257	5,679,956
Board designated administrative endowment	590,600	-
Board designated funds	265,665	203,970
	6,080,522	5,883,926
With donor restrictions		
Restricted for specified purpose	1,722,602	1,790,574
Restricted due to time restrictions	620,025	738,417
Endowed funds	34,161,177	30,524,849
	36,503,804	33,053,840
Total net assets	42,584,326	38,937,766
Total liabilities and net assets	\$ 129,319,424	\$ 125,043,203

See accompanying notes to combined financial statements.

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

COMBINED STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Contributions and grants	\$ 480,705	\$ 5,404,948	\$ 5,885,653	\$ 2,519,004
Investment return, net	25,882	1,448,827	1,474,709	2,328,552
Administrative fee income	900,348	-	900,348	822,837
Rental income	193,768	-	193,768	180,689
Change in value of split-interest agreement	-	(167,411)	(167,411)	260,165
Change in value of life insurance	-	9,965	9,965	16,412
Income from events, net of expenses of \$97,405 and \$95,583, respectively	247,715	-	247,715	163,766
Net assets released from restrictions	<u>3,246,365</u>	<u>(3,246,365)</u>	<u>-</u>	<u>-</u>
Total support and revenues	5,094,783	3,449,964	8,544,747	6,291,425
Expenses				
Program services	4,196,017	-	4,196,017	2,800,457
Administrative	355,216	-	355,216	324,379
Fundraising	<u>346,954</u>	<u>-</u>	<u>346,954</u>	<u>304,464</u>
Total expenses	<u>4,898,187</u>	<u>-</u>	<u>4,898,187</u>	<u>3,429,300</u>
Change in net assets	196,596	3,449,964	3,646,560	2,862,125
Net assets, beginning of year	<u>5,883,926</u>	<u>33,053,840</u>	<u>38,937,766</u>	<u>36,075,641</u>
Net assets, end of year	<u>\$ 6,080,522</u>	<u>\$36,503,804</u>	<u>\$42,584,326</u>	<u>\$38,937,766</u>

See accompanying notes to combined financial statements.

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions and grants	\$ 315,274	\$ 2,203,730	\$ 2,519,004
Investment return, net	35,066	2,293,486	2,328,552
Administrative fee income	822,837	-	822,837
Rental income	180,689	-	180,689
Change in value of split-interest agreements	-	260,165	260,165
Change in value of life insurance	-	16,412	16,412
Income from events, net of expenses of \$95,583	163,766	-	163,766
Net assets released from restrictions	<u>1,977,918</u>	<u>(1,977,918)</u>	<u>-</u>
Total support and revenues	3,495,550	2,795,875	6,291,425
Expenses			
Program services	2,800,457	-	2,800,457
Administrative	324,379	-	324,379
Fundraising	<u>304,464</u>	<u>-</u>	<u>304,464</u>
Total expenses	<u>3,429,300</u>	<u>-</u>	<u>3,429,300</u>
Change in net assets	66,250	2,795,875	2,862,125
Net assets, beginning of year	<u>5,817,676</u>	<u>30,257,965</u>	<u>36,075,641</u>
Net assets, end of year	<u>\$ 5,883,926</u>	<u>\$33,053,840</u>	<u>\$38,937,766</u>

See accompanying notes to combined financial statements.

COMMUNITY FOUNDATION OF SOUTHERN INDIANA, INC. AND AFFILIATES

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2020
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020											
	Program services											
	Youth							Total			Total	2019
	Philanthropy Council	Women's Foundation	Community Initiatives	Imagination Library	Community Leadership	Building Management	Grantmaking	Programs	Administrative	Fundraising		
Expenses												
Grants and scholarships	\$ -	\$ 1,400	\$ -	\$ -	\$ -	\$ -	\$ 2,849,804	\$ 2,851,204	\$ -	\$ -	\$ 2,851,204	\$ 1,503,844
Salaries	8,904	3,080	30,073	-	30,857	26,086	103,322	202,322	251,054	132,720	586,096	547,001
Leased employee expense	-	-	-	-	-	-	15,215	15,215	15,215	71,004	101,434	96,321
Administrative fee expense	-	3,500	-	-	-	-	639,123	642,623	-	-	642,623	583,351
Advertising	-	2,207	-	-	-	-	-	2,207	-	106,953	109,160	78,005
Insurance	-	-	-	-	-	15,639	41,740	57,379	2,316	2,316	62,011	66,084
Occupancy and supplies	-	2,028	-	86,870	-	2,886	14,254	106,038	28,190	14,095	148,323	152,770
Rental expenses	-	-	-	-	-	81,938	-	81,938	-	-	81,938	87,602
Professional fees	-	-	-	-	-	2,000	2,000	4,000	30,830	-	34,830	35,315
Interest	-	-	-	-	-	-	-	-	78	-	78	-
Depreciation	-	-	-	-	-	200,508	7,069	207,577	7,069	-	214,646	207,690
Other	-	1,649	-	4,000	-	-	19,865	25,514	20,464	19,866	65,844	71,317
Total expenses	<u>\$ 8,904</u>	<u>\$ 13,864</u>	<u>\$ 30,073</u>	<u>\$ 90,870</u>	<u>\$ 30,857</u>	<u>\$ 329,057</u>	<u>\$ 3,692,392</u>	<u>\$ 4,196,017</u>	<u>\$ 355,216</u>	<u>\$ 346,954</u>	<u>\$ 4,898,187</u>	<u>\$ 3,429,300</u>

See accompanying notes to combined financial statements.

COMMUNITY FOUNDATION OF SOUTHERN INDIANA, INC. AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program services										
	Youth							Total Programs	Administrative	Fundraising	Total
	Philanthropy Council	Women's Foundation	Community Initiatives	Imagination Library	Community Leadership	Building Management	Grantmaking				
Expenses											
Grants and scholarships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,503,844	\$ 1,503,844	\$ -	\$ -	\$ 1,503,844
Salaries	8,593	2,969	36,769	-	29,582	26,195	94,943	199,051	223,165	124,785	547,001
Leased employee expense	-	-	-	-	-	-	14,448	14,448	14,448	67,425	96,321
Administrative fee expense	-	3,000	-	-	-	-	580,351	583,351	-	-	583,351
Advertising	-	-	-	-	-	-	-	-	-	78,005	78,005
Insurance	-	-	-	-	-	15,906	45,166	61,072	2,506	2,506	66,084
Occupancy and supplies	-	1,222	-	89,735	-	16,402	11,353	118,712	22,705	11,353	152,770
Rental expenses	-	-	-	-	-	78,222	2,345	80,567	4,690	2,345	87,602
Professional fees	-	-	-	-	-	2,000	2,000	4,000	31,315	-	35,315
Depreciation	-	-	-	-	-	193,770	6,960	200,730	6,960	-	207,690
Other	-	12,219	-	4,340	-	56	18,067	34,682	18,590	18,045	71,317
Total expenses	<u>\$ 8,593</u>	<u>\$ 19,410</u>	<u>\$ 36,769</u>	<u>\$ 94,075</u>	<u>\$ 29,582</u>	<u>\$ 332,551</u>	<u>\$ 2,279,477</u>	<u>\$ 2,800,457</u>	<u>\$ 324,379</u>	<u>\$ 304,464</u>	<u>\$ 3,429,300</u>

See accompanying notes to combined financial statements.

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Operating activities		
Change in net assets	\$ 3,646,560	\$ 2,862,125
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	214,646	207,690
Reinvested interest and dividends received on investments	(2,720,078)	(2,508,523)
Realized and unrealized gains on investments	(2,960,474)	(5,240,399)
Change in value of split interest agreements	167,411	(260,165)
Change in cash surrender value of life insurance	(9,965)	(16,412)
Change in operating assets and liabilities:		
Pledges receivable, net	(122,221)	65,011
Other assets	2,248	(3,282)
Accounts payable and accrued expenses	(46,309)	19,262
Grants payable	37,819	(17,569)
Unearned revenue	(1,639,959)	1,609,227
Custodial funds	2,179,747	9,701,589
Net cash flows from operating activities	(1,250,575)	6,418,554
Investing activities		
Purchases of property and equipment	(7,156)	(123,035)
Purchases of investments	23,298,628	(21,317,441)
Proceeds on sales of investments	(22,513,732)	15,382,744
Net cash flows from investing activities	777,740	(6,057,732)
Financing activities		
Payments on charitable remainder trusts	(60,496)	(60,246)
Payments on gift annuities	(8,552)	(8,552)
Net cash flows from financing activities	(69,048)	(68,798)
Net change in cash and cash equivalents	(541,883)	292,024
Cash and cash equivalents, beginning of year	2,412,643	2,120,619
Cash and cash equivalents, end of year	\$ 1,870,760	\$ 2,412,643

See accompanying notes to combined financial statements.

COMMUNITY FOUNDATION OF SOUTHERN INDIANA, INC. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Community Foundation of Southern Indiana, Inc. (the "Foundation") was established as a not-for-profit organization in 1991. The Foundation is an independent nonprofit organization with a volunteer board of directors, which primarily serves Clark and Floyd counties in Southern Indiana. The Foundation's purpose is to build enduring charitable resources used to positively impact our community by serving as a partner and resource for donors, their advisors, and not-for-profit organizations. The Foundation's purpose is to also make it simple for donors to fulfill their individual goals in giving back, providing stewardship of donor gifts and charitable intent for generations to come, and to fulfill a leadership role on important community issues.

In November 2016, the Foundation entered into an agreement with Floyd County to irrevocably accept the \$70 million proceeds received by Floyd County from the sale of the county hospital and manage the related fund. Distributions from this fund shall only be made directly to Floyd County government or as directed by Floyd County government. Given the reciprocal nature, this fund is recognized as a custodial fund.

Affiliates/Supporting Organizations:

OSI Foundation, Inc. (formerly Southern Indiana 2020, Inc.) was established as a not-for-profit organization in 2003 to support the charitable economic development initiatives of One Southern Indiana. One Southern Indiana seeks to implement change in order to establish stronger economic growth, a better educated and better paid workforce and a structure of advocacy within the state of Indiana.

4100 Charlestown, Inc. was established as a not-for-profit organization in 2004 in order to own and maintain the property in which the Foundation operates. This supporting organization rents office space to the Foundation and other organizations.

Jeffersonville Carnegie Library Foundation, Inc. was established as a not-for-profit organization in 2003 to manage and renovate the Jeffersonville Carnegie Library.

New Albany-Floyd County Education Foundation, Inc. was established as a not-for-profit organization in 2005 to solicit and receive gifts, grants, and bequests to enrich the programs and activities of the New Albany-Floyd County Combined School Corporation.

The Foundation appoints the majority of the board of directors for the above affiliates/supporting organizations. Additionally, the Foundation provides administrative services for the affiliates but does not influence or manage the ongoing operations of the affiliates. Based on these factors, these organizations (collectively referred to as "CFSI") present combined financial statements with any inter-entity transactions and balances eliminated as part of the

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

combined financial statements.

Management's Estimates

Management uses estimates and assumptions in preparing combined 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 CFSI 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. CFSI maintains net assets without donor restrictions as follows:

Operating – used to fund current operations of CFSI

Board designated funds – used to fund specific programs of CFSI as designated by the Board

Board designated administrative endowment – established with the expectation that the principal be maintained in perpetuity to generate grants, subject to the spending policy, used to support the general operations of CFSI as designated by the Board

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. CFSI maintains net assets with donor restrictions as follows:

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

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

Endowment funds – all contributions to CFSI with the intention of the donor that the assets be held in perpetuity and related investment earnings managed in accordance with CFSI's spending policy

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of money market investments and exclude amounts held by CFSI's fund managers and included in investments.

Investments and Investment Return

CFSI carries its investments at fair value for financial reporting purposes. Changes in unrealized appreciation or depreciation of investments are reflected in the Combined 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 or the related fund classification in accordance with CFSI's spending policy.

Pledges Receivable

All pledges receivable are due within one year; therefore no discount is necessary. Management estimates an allowance for doubtful pledges receivable based on an evaluation of historical losses, current economic conditions, and other factors unique to CFSI's donors. No allowance for doubtful pledges receivable was determined necessary at June 30, 2020 and 2019.

Property and Equipment

Property and equipment, 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 of CFSI are being depreciated over their estimated useful lives using the straight-line method. The estimated useful lives for the principal depreciable asset classifications are as follows:

<u>Description</u>	<u>Ranges of Useful Lives</u>
Land improvements	10 years
Buildings and building improvements	7 - 40 years
Furniture and equipment	3 - 10 years

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

Unearned Revenue

During 2018, the Foundation received a \$2,000,000 grant from Lilly Endowment through its GIFT Phase VII initiative. The grant is required to be matched with new contributions to help build the Foundation's unrestricted endowments and provide support for specified charitable projects and needs. Therefore, in prior year deferred revenue related to the portion of the grant that has not yet been matched and earned. The matching period is from October 1, 2018 through December 31, 2020. As qualifying contributions were received, the related match amount was recognized as revenue.

Effective July 1, 2019, CFSI adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU require that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. In accordance with ASU 2018-08, CFSI has adopted the requirements using the modified prospective approach, which applies to the portion of agreements at the effective date that had not previously been recognized and any new agreements after the effective date. Since the Lilly Endowment GIFT VII matching grant does not contain a right of return, the remaining unrecognized portion of this grant, which was \$301,076 as of June 30, 2020, is recognized in 2020 as contributions and grants with donor restrictions regardless of any amount still unmatched.

Remaining unearned revenue represents funds received in advance of the period in which the related event will occur or services will be provided.

Support, Revenues and Expense Recognition

Contributions, which include unconditional promises to give (contributions receivable), are recognized as revenues in the period the contribution is received or the promise is made. Contributions received with donor-imposed restrictions are reported as restricted support and increases net assets with donor restrictions.

Support and revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. 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.

All other revenue is recorded when earned.

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

Administrative Fees

Administrative fees are expensed from the funds to support the operations of the Foundation. Administrative fees from all funds are reflected as revenue on the Combined Statements of Activities. The administrative fees from custodial funds (agency endowments) are not included as expenses on the Combined Statements of Activities because they are included in the change in custodial funds.

Functional Allocation of Expenses

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

The combined financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Those expenses include salaries, occupancy, and supplies 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

The Community Foundation of Southern Indiana, Inc., OSI Foundation, Inc., 4100 Charlestown, Inc., Jeffersonville Carnegie Library Foundation and New Albany-Floyd County Education Foundation, Inc. are all not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue 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 CFSI and recognize a tax liability if CFSI has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by CFSI, and has concluded that as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying combined financial statements. CFSI is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

As such, CFSI is generally exempt from income taxes. However, CFSI is required to file Federal Form 990 – Return of Organization Exempt from Income Tax, which is an informational return only.

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about CFSI's ability to continue as a going concern for a period of one year from the date the financial statements are available to be issued. At June 30, 2020, those conditions or events do not exist.

Subsequent Events

CFSI has evaluated events or transactions occurring subsequent to the Combined Statement of Financial Position date for recognition and disclosure in the accompanying combined financial statements through the date the combined financial statements are available to be issued, which is November 19, 2020.

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
INC. AND AFFILIATES**

NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

2. INVESTMENTS

Investments (including investments held in the charitable remainder trusts) at June 30, 2020 and 2019, consist of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,991,014	\$ 3,729,275
Money market funds	2,228,958	1,485,795
Common stock		
Financial	3,817,833	4,071,002
Utilities	804,262	276,569
Real estate	1,616,208	1,444,341
Technology	7,299,277	7,795,862
Services	33,702	113,530
Energy	565,388	786,224
Healthcare	4,877,296	3,573,787
Materials	1,713,937	1,795,282
Consumer goods	1,107,896	1,507,498
Consumer retail	2,321,062	3,180,155
Industrial	5,692,570	5,334,427
Other	-	73,882
Mutual funds		
Intermediate-term bond	23,757,022	20,548,444
Large cap equities	20,385,351	18,110,599
Mid-cap	1,209,708	-
International	16,418,454	16,812,605
Other	1,024,908	888,557
Exchange traded funds		
Large cap equities	1,604,653	1,331,847
Other	197,282	602,522
Corporate bonds	5,538,502	4,950,660
Municipal bonds	1,120,283	1,706,049
U.S. government securities	4,373,491	5,088,219
Alternative investments		
Hedge fund	8,513,570	8,169,661
Private equity	5,060,693	5,000,872
	<u>\$ 123,273,320</u>	<u>\$118,377,664</u>

COMMUNITY FOUNDATION OF SOUTHERN INDIANA, INC. AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2020 AND 2019

3. RISKS AND UNCERTAINTIES

CFSI holds investments in debt and equity securities (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 combined financial statements.

4. FAIR VALUE MEASUREMENTS

Effective July 1, 2019, CFSI adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in this ASU removed certain disclosure requirements in Topic 820. As such, the fair value measurement disclosures for 2019 have been restated for these changes.

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 or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CFSI has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or 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 or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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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 June 30, 2020 and 2019.

- *Money market funds:* Generally transact subscription and redemption activity at a \$1 stable net asset value (NAV), however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund.
- *Common stock:* 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") held by CFSI are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held by CFSI are deemed to be actively traded.
- *Corporate bonds and municipal bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings.
- *U.S. government securities:* Valued using pricing models maximizing the use of observable inputs for similar securities.
- *Alternative investments:* Valued at the net asset value (NAV) of the units of the funds, as provided by the investment managers. The NAV is based on the fair value of the underlying investments held by the funds less their liabilities.
- *Charitable remainder trusts liability:* Fair value is determined by calculating the present value of the annuity using published life expectancy tables, a 5% payout, rates of return ranging between 6% and 8% and discount rates ranging between 2.8% and 8.6%.
- *Annuities payable:* Fair value is determined by calculating the present value of future payments to beneficiaries using published life expectancy tables with discount rates ranging between 8.6% and 2.2%.

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NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

The following tables set forth financial assets and liabilities measured at fair value in the Combined 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 June 30, 2020 and 2019 are as follows:

	2020		
	Fair Value	Level 1	Level 2
Assets:			
Money market funds	\$ 2,228,958	\$ -	\$ 2,228,958
Common stock	29,849,431	29,849,431	-
Mutual funds	62,795,443	62,795,443	-
Exchange traded funds	1,801,935	1,801,935	-
Corporate bonds	5,538,502	-	5,538,502
Municipal bonds	1,120,283	-	1,120,283
U.S. government securities	4,373,491	-	4,373,491
Total assets in fair value hierarchy	107,708,043	<u>\$94,446,809</u>	<u>\$13,261,234</u>
Alternative investments*	13,574,263		
Total assets at fair value	<u>\$ 121,282,306</u>		
Liabilities:			
Charitable remainder trusts liability	\$ 942,356	\$ -	\$ 942,356
Annuities payable	51,210	-	51,210
	2019		
	Fair Value	Level 1	Level 2
Assets:			
Money market funds	\$ 1,485,795	\$ -	\$ 1,485,795
Common stock	29,952,559	29,952,559	-
Mutual funds	56,360,205	56,360,205	-
Exchange traded funds	1,934,369	1,934,369	-
Corporate bonds	4,950,660	-	4,950,660
Municipal bonds	1,706,049	-	1,706,049
U.S. government securities	5,088,219	-	5,088,219
Total assets in fair value hierarchy	101,477,856	<u>\$88,247,133</u>	<u>\$13,230,723</u>
Alternative investments*	13,170,533		
Total assets at fair value	<u>\$ 114,648,389</u>		
Liabilities:			
Charitable remainder trusts liability	\$ 841,864	\$ -	\$ 841,864
Annuities payable	53,339	-	53,339

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* In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the consolidated statement of financial position.

Private equities do not allow withdrawals from the partnership until the partnership is dissolved, unless special approval is granted by the general partner. The investment will not liquidate until specified by the agreement. Distributions are received through the liquidation of the underlying assets of the fund.

Private equity investments, unfunded commitments and their investment objectives consist of the following as of June 30, 2020 and 2019:

	2020	2019	Unfunded Commitment as of June 30, 2020
Frontier Small Cap Value Fund, L.P.	\$ 5,060,693	\$ 5,000,872	\$ -

The investment objective of the Frontier Small Cap Value Fund, L.P. (the “partnership”) is to seek to generate returns for its partners, through investing in a diversified portfolio of equity securities of small capitalization companies.

A summary of hedge funds as of June 30, 2020 and 2019, including balances, restrictions on redemptions and investments objectives, is as follows:

	2020	2019	Redemption Notice	Redemption Frequency
Wellington CTF Research Equity Portfolio Fund	\$ 8,513,570	\$ 8,169,661	10 days notice	Monthly

The investment objective of the Wellington CTF Research Equity Portfolio Fund (the “fund”) is long-term return in excess of the S & P 500 Index and is managed on a total return basis. The fund invests primarily in locally-listed common stock, depositary receipts and real estate securities, as well as other permissible investments, such as convertible bonds, preferred stock, rights, warrants, exchange traded funds and similar liquid equity equivalents.

Due to the nature of the investments held by the private equity and hedge funds, changes in market conditions and the economic environment may significantly impact the net asset value of the private equity and hedge funds and, consequently, the fair value of the Organization’s interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
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NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

therefore reasonably possible that if the Organization were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

5. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 170,000	\$ 170,000
Land improvements	26,429	26,429
Buildings and building improvements	6,221,009	6,221,009
Furniture and equipment	<u>171,303</u>	<u>164,147</u>
	6,588,741	6,581,585
Less accumulated depreciation	<u>2,988,177</u>	<u>2,773,531</u>
	<u>\$ 3,600,564</u>	<u>\$ 3,808,054</u>

6. UNEARNED REVENUE

Unearned revenue consists of unspent balances of grants for specific programs and fees and sponsorships received for the golf scramble in advance of the event. The annual golf scramble is held subsequent to year-end for fundraising of general support for the New Albany-Floyd County Education Foundation, Inc.

A summary of unearned revenues at June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Golf Scramble	\$ 15,989	\$ 40,300
Lilly GIFT VII	-	1,584,142
Other	<u>-</u>	<u>31,506</u>
	<u>\$ 15,989</u>	<u>\$ 1,655,948</u>

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
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NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

7. CUSTODIAL FUNDS

Custodial funds represent funds placed on deposit with CFSI by other organizations based on their individual board resolutions, including the Floyd County Fund that holds the proceeds from the sale of the county hospital as discussed in Note 1. CFSI accounts for these transfers as a liability in accordance with applicable accounting standards. Income is added to these funds periodically in accordance with CFSI's investment allocation policies. Contributions by, investment interest credits for, and distributions to those organizations are reflected as adjustments to the liability account and are not reflected in the Combined Statements of Activities.

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

	2020	2019
Custodial funds, beginning balance	\$ 83,219,303	\$73,517,714
Contributions	2,641,524	9,257,265
Interest and dividend income	1,940,758	1,877,886
Realized and unrealized gains on investments	2,126,223	3,413,238
Administrative fees	(231,125)	(216,430)
Grant and scholarship payments	(3,972,051)	(4,303,436)
Investment management fees	(325,582)	(326,934)
Custodial funds, ending balance	\$ 85,399,050	\$83,219,303

8. CHARITABLE TRUSTS

CFSI is the beneficiary of two charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). Upon termination of the trusts, CFSI will receive either a specified percentage or the entire amount remaining in the trusts.

For these trusts for which CFSI is trustee, CFSI records the fair value of the trusts' assets as investments in the Combined Statements of Financial Position. These assets totaled \$1,225,516 and \$1,254,887 at June 30, 2020 and 2019, respectively. In addition, CFSI records a charitable remainder trusts liability, which represents the present value of the estimated future payments to the income beneficiaries. This liability is determined using the life expectancies of the income beneficiaries at the time of the gift, as well as a discount rate of 2.8% or 8.6%, a 5% payout and either a 6% or 8% estimated annual return on investment. These rates are used to estimate payment amounts and to discount the payments to present value. The liability totaled \$942,356 and \$841,864 at June 30, 2020 and 2019, respectively.

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
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NOTES TO COMBINED FINANCIAL STATEMENTS
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9. ANNUITIES PAYABLE

CFSI has three charitable gift annuities, from which CFSI received \$129,800. CFSI is required to make annual payments to the donors in amounts ranging from \$1,080 to \$6,372 for the remainder of the donors' or designated survivors' lifetimes. Upon the death of the specified persons, the remaining amounts of the gifts are to be used by CFSI for unrestricted purposes or into a designated fund as specified by the agreements. CFSI has recognized a liability for the present value of the amount expected to be paid to the third-party beneficiaries at June 30, 2020 and 2019, under these agreements. The liability was calculated based on the applicable mortality tables and discount rates ranging from 2.2% to 8.6%. The present value of amounts expected to be paid to the beneficiaries was \$51,210 and \$53,339 at June 30, 2020 and 2019, respectively.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at June 30, 2020 and 2019:

	2020	2019
Restricted for specified purpose		
Blessings in a Backpack	\$ 103,377	\$ 218,939
Great Classroom Projects	13,618	20,000
Entrepreneurial Education	-	30,000
Other	11,274	5,101
Non-endowed funds	1,594,333	1,516,534
	1,722,602	1,790,574
Restricted due to time restrictions		
Charitable trusts	283,160	411,517
Cash surrender value of life insurance	336,865	326,900
	620,025	738,417
Endowment funds		
Restricted in perpetuity	29,683,438	25,658,886
Subject to the CFSI's spending policy	4,477,739	4,865,963
	34,161,177	30,524,849
	\$36,503,804	\$33,053,840

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
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NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

11. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions or based on CFSI's spending policy during the years ended June 30, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
Restricted for specified purpose		
Imagination Library Program	\$ 96,066	\$ 94,075
Blessings in a Backpack	224,481	44,600
Great Classroom Projects	87,796	25,500
Other	4,000	54,305
Endowment and non-endowed funds appropriated for expenditure	<u>2,834,022</u>	<u>1,759,438</u>
	<u>\$ 3,246,365</u>	<u>\$ 1,977,918</u>

12. ENDOWMENT

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

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as 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, we retain 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 amounts not retained in perpetuity are subject to appropriation for expenditure by CFSI in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, CFSI considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
 - (2) The purposes of CFSI 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
-

**COMMUNITY FOUNDATION OF SOUTHERN INDIANA,
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NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

- (6) Other resources of CFSI
- (7) The investment policies of CFSI

CFSI 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 CFSI must use for a donor-specified purpose as well as board-designated funds. 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. CFSI expects its endowment funds, over time, to provide an average rate of return that exceeds inflation (as measured by the Consumer Price Index) by the average rate of program spending and administrative costs. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, CFSI 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).

CFSI has a policy of appropriating for distribution each year 4 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, CFSI considered the long-term expected return on its endowment.

Endowed funds by net asset type at June 30, 2020 and 2019 were as follows:

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Board Designated Funds	\$ 856,265	\$ -	\$ 203,970	\$ -
Donor Restricted Funds	-	<u>34,161,177</u>	-	<u>30,524,849</u>
	<u>\$ 856,265</u>	<u>\$ 34,161,177</u>	<u>\$ 203,970</u>	<u>\$ 30,524,849</u>

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YEARS ENDED JUNE 30, 2020 AND 2019

Changes in endowed funds for the years ended June 30, 2020 and 2019 were as follows:

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Endowment net assets,				
beginning of year	\$ 203,970	\$ 30,524,849	\$ 195,248	\$ 28,157,062
Contributions and other revenue	46,047	4,022,452	35,538	1,617,957
Investment income	160	1,394,431	5,440	2,209,073
Interfund activity	653,235	(145,572)	-	(15,921)
Appropriation of endowment assets for expenditure	<u>(47,147)</u>	<u>(1,634,983)</u>	<u>(32,256)</u>	<u>(1,443,322)</u>
Endowment net assets, end of year	<u>\$ 856,265</u>	<u>\$ 34,161,177</u>	<u>\$ 203,970</u>	<u>\$ 30,524,849</u>

13. LIQUIDITY AND AVAILABILITY

As part of CFSI's liquidity management, it structures its financial assets to be available as its awarded grants, general expenditures and other obligations become due. CFSI invests cash in excess of daily requirements in money market accounts and other short-term investments. Financial assets available for general expenditures within one year of the Combined Statement of Financial Position date comprise of the following as of June 30, 2020 and 2019:

	2020	2019
Operating cash and cash equivalents	\$ 1,734,875	\$ 2,149,527
Operating investments	245,456	189,737
Pledges receivable	<u>9,000</u>	<u>-0-</u>
	<u>\$ 1,989,331</u>	<u>\$ 2,339,264</u>

Pledges receivable included are expected to be collected within one year and will be available to use for general expenditures.

CFSI'S endowment funds consist of donor-restricted endowments and funds designated by the Board as 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. CFSI has an annual grant approval process. This process includes evaluating a number of factors relative to the spending rate to be applied to CFSI's fund balances in accordance with its spending policy. Once CFSI's Board approves the spending rate, the related dollar amount of the funds becomes available for general expenditures.

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YEARS ENDED JUNE 30, 2020 AND 2019

While not subject to CFSI'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.

The administrative endowment is subject to an annual spending rate of 4 percent as described in Note 12. Although CFSI does not intend to spend from this administrative endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available, if necessary.

CFSI also relies on the administrative fees it charges its funds annually up to 2% of fund balance to fund operational expenditures.

14. STATE, COUNTY AND LOCAL FUNDING

In compliance with the Indiana State Board of Account's Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources, expenditures from state, local, and county funding must be disclosed for the current year. During 2020, CFSI granted \$3,558,667 from the Floyd County hospital proceeds fund as described in Note 1.

15. CONCENTRATIONS OF CREDIT RISK

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

Investments are managed by two investment firms. Such balances exceed the Securities Investor Protection Corporation insured limits of up to \$500,000.

16. CONTINGENCY

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts CFSI's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, increased demand for grants, delays, loss of, or reduction to contributions and funding, and investment portfolio declines. Management believes CFSI is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at the date the combined financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

COMMUNITY FOUNDATION OF SOUTHERN INDIANA, INC. AND AFFILIATES

COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

	Community Foundation of Southern Indiana, Inc.	OSI Foundation, Inc.	4100 Charlestown, Inc.	Jeffersonville Carnegie Library Foundation, Inc.	New Albany- Floyd County Education Foundation, Inc.	Eliminations	Combined
Cash and cash equivalents	\$ 1,220,867	\$ 110,064	\$ 54,648	\$ 51,969	\$ 433,212	\$ -	\$ 1,870,760
Investments	121,888,772	-	-	-	159,032	-	122,047,804
Investments in charitable remainder trusts	1,225,516	-	-	-	-	-	1,225,516
Pledges receivable	223,110	-	-	-	9,000	-	232,110
Notes receivable	342,393	-	-	-	-	(342,393)	-
Other assets	2,925	-	-	-	2,880	-	5,805
Property and equipment, net	90,919	-	1,240,121	2,269,524	-	-	3,600,564
Cash surrender value of life insurance	336,865	-	-	-	-	-	336,865
Total assets	\$ 125,331,367	\$ 110,064	\$ 1,294,769	\$ 2,321,493	\$ 604,124	\$ (342,393)	\$ 129,319,424
Liabilities							
Line of credit	\$ -	\$ -	\$ -	\$ 36,875	\$ -	\$ (36,875)	\$ -
Accounts payable and accrued expenses	30,599	-	3,606	1,062	3,645	-	38,912
Grants payable	287,581	-	-	-	-	-	287,581
Unearned revenue	-	-	-	-	15,989	-	15,989
Custodial funds	85,399,050	-	-	-	-	-	85,399,050
Charitable remainder trusts liability	942,356	-	-	-	-	-	942,356
Annuities payable	51,210	-	-	-	-	-	51,210
Construction loan	-	-	235,518	-	-	(235,518)	-
Mortgage payable	-	-	70,000	-	-	(70,000)	-
Total liabilities	86,710,796	-	309,124	37,937	19,634	(342,393)	86,735,098
Net assets							
Without donor restrictions:							
Operating	1,388,771	109,364	985,645	2,283,556	456,921	-	5,224,257
Board designated administrative endowment	590,600	-	-	-	-	-	590,600
Board designated funds	265,665	-	-	-	-	-	265,665
	<u>2,245,036</u>	<u>109,364</u>	<u>985,645</u>	<u>2,283,556</u>	<u>456,921</u>	<u>-</u>	<u>6,080,522</u>
With donor restrictions							
Restricted for specified purpose	1,594,333	700	-	-	127,569	-	1,722,602
Restricted due to time restrictions	620,025	-	-	-	-	-	620,025
Endowed funds	34,161,177	-	-	-	-	-	34,161,177
	<u>36,375,535</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>127,569</u>	<u>-</u>	<u>36,503,804</u>
Total net assets	38,620,571	110,064	985,645	2,283,556	584,490	-	42,584,326
Total net assets and liabilities	\$ 125,331,367	\$ 110,064	\$ 1,294,769	\$ 2,321,493	\$ 604,124	\$ (342,393)	\$ 129,319,424

See Report of Independent Auditors on pages 1 and 2.

COMMUNITY FOUNDATION OF SOUTHERN INDIANA, INC. AND AFFILIATES

COMBINING STATEMENT OF ACTIVITIES
(WITHOUT DONOR RESTRICTIONS)
YEAR ENDED JUNE 30, 2020

	Community Foundation of Southern Indiana, Inc.	OSI Foundation, Inc.	4100 Charlestown, Inc.	Jeffersonville Carnegie Library Foundation, Inc.	New Albany- Floyd County Education Foundation, Inc.	Eliminations	Combined
Support and revenues							
Contributions and grants	\$ 133,171	\$ 126,750	\$ -	\$ 500	\$ 220,284		\$ 480,705
Investment return, net	28,218	609	246	196	6,250	(9,637)	25,882
Administrative fee income	929,373	-	-	-	-	(29,025)	900,348
Rental income	-	-	194,955	31,313	-	(32,500)	193,768
Change in value of split-interest agreement	-	-	-	-	-	-	-
Change in value of life insurance	-	-	-	-	-	-	-
Income from events, net	40,662	-	-	-	207,053	-	247,715
Net assets released from restrictions	2,898,539	30,000	-	-	317,826	-	3,246,365
Total support and revenues	4,029,963	157,359	195,201	32,009	751,413	(71,162)	5,094,783
Expenses							
Program services	3,259,353	136,942	247,399	107,794	485,316	(40,787)	4,196,017
Administrative	348,053	-	-	-	26,413	(19,250)	355,216
Fundraising	240,945	-	-	-	117,134	(11,125)	346,954
Total expenses	3,848,351	136,942	247,399	107,794	628,863	(71,162)	4,898,187
Change in net assets	181,612	20,417	(52,198)	(75,785)	122,550	-	196,596
Net assets, beginning of year	2,063,424	88,947	1,037,843	2,359,341	334,371	-	5,883,926
Net assets, end of year	\$ 2,245,036	\$ 109,364	\$ 985,645	\$ 2,283,556	\$ 456,921	\$ -	\$ 6,080,522

See Report of Independent Auditors on pages 1 and 2.

COMMUNITY FOUNDATION OF SOUTHERN INDIANA, INC. AND AFFILIATES

COMBINING STATEMENT OF ACTIVITIES
(WITH DONOR RESTRICTIONS)
YEAR ENDED JUNE 30, 2020

	Community Foundation of Southern Indiana, Inc.	OSI Foundation, Inc.	4100 Charlestown, Inc.	Jeffersonville Carnegie Library Foundation, Inc.	New Albany- Floyd County Education Foundation, Inc.	Combined
Support and revenues						
Contributions and grants	\$ 5,202,893	\$ -	\$ -	\$ -	\$ 202,055	\$ 5,404,948
Investment return, net	1,448,827	-	-	-	-	1,448,827
Administrative fee income	-	-	-	-	-	-
Rental income	-	-	-	-	-	-
Change in value of split-interest agreement	(167,411)	-	-	-	-	(167,411)
Change in value of life insurance	9,965	-	-	-	-	9,965
Income from events, net	-	-	-	-	-	-
Net assets released from restrictions	<u>(2,898,539)</u>	<u>(30,000)</u>	-	-	<u>(317,826)</u>	<u>(3,246,365)</u>
Total support and revenues	3,595,735	(30,000)	-	-	(115,771)	3,449,964
Expenses						
Program services	-	-	-	-	-	-
Administrative	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	3,595,735	(30,000)	-	-	(115,771)	3,449,964
Net assets, beginning of year	<u>32,779,800</u>	<u>30,700</u>	-	-	<u>243,340</u>	<u>33,053,840</u>
Net assets, end of year	<u>\$ 36,375,535</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,569</u>	<u>\$ 36,503,804</u>

See Report of Independent Auditors on pages 1 and 2.