

**RUSH COUNTY COMMUNITY  
FOUNDATION, INC.**

**(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

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**BRADY WARE**  
& SCHOENFELD

**INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL STATEMENTS PRESENTED  
WITH A SCHEDULE OF FEDERAL AWARDS AS SUPPLEMENTAL DATA**

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Board of Directors  
**Rush County Community Foundation, Inc.**  
Rushville, Indiana

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

**Qualified Opinion**

We have audited the accompanying financial statements of **Rush County Community Foundation, Inc.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects of not consolidating the REC Building Holding Corporation in the financial statements, as described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of **Rush County Community Foundation, Inc.** as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Qualified Opinion**

As discussed in Note 12 to the financial statements, the financial activity of the REC Building Holding Corporation, a 100% owned subsidiary of **Rush County Community Foundation, Inc.**, has not been consolidated into the financial statements. In our opinion, accounting principles generally accepted in the United States of America require consolidation of the financial activity of the REC Building Holding Corporation operations in the financial statements. The effects on the accompanying financial statements of the failure to include the financial activity of the REC Building Holding Corporation have not been determined.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Rush County Community Foundation, Inc.** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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## **INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL STATEMENTS PRESENTED WITH A SCHEDULE OF FEDERAL AWARDS AS SUPPLEMENTAL DATA - CONTINUED**

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### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Rush County Community Foundation, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government 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 a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Rush County Community Foundation, Inc.'s** internal control. Accordingly, no such opinion is expressed.

## INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL STATEMENTS PRESENTED WITH A SCHEDULE OF FEDERAL AWARDS AS SUPPLEMENTAL DATA - CONTINUED

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Rush County Community Foundation, Inc.'s** ability to continue as a going concern for a reasonable period of time.

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

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2025, on our consideration of **Rush County Community Foundation, Inc.'s** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Rush County Community Foundation, Inc.'s** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Rush County Community Foundation, Inc.'s** internal control over financial reporting and compliance.



Richmond, Indiana  
September 3, 2025

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2024**

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**ASSETS**

Cash and cash equivalents	\$ 2,241,638
Investments	26,516,954
Unconditional promises to give, net	906,572
Property and equipment, net	<u>255,020</u>
	<u>\$ 29,920,184</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 15,128
Other liability	700,000
Refundable advances	1,158,000
Funds held for others	<u>2,269,903</u>
	<u>4,143,031</u>

**NET ASSETS**

Without donor restrictions	
Donor advised funds	93,964
Undesignated	6,284,730
Board designated	1,270,563
Plant fund	255,020
Other	<u>(17,871)</u>
	<u>7,886,406</u>
With donor restrictions	
Purpose restrictions	16,897,537
Perpetual in nature	<u>993,210</u>
	<u>17,890,747</u>
	<u>25,777,153</u>
	<u>\$ 29,920,184</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 802,917	\$ 5,226,492	\$ 6,029,409
Net investment return	224,368	421,072	645,440
Net realized gain on investments	192,286	360,930	553,216
Net unrealized gain on investments	433,622	908,243	1,341,865
Administrative fee revenue	<u>31,981</u>	<u>-</u>	<u>31,981</u>
Total Public Support and Revenue	1,685,174	6,916,737	8,601,911
<b>NET ASSETS RELEASED FROM RESTRICTIONS - PURPOSE RESTRICTIONS</b>	<u>7,317,968</u>	<u>(7,317,968)</u>	<u>-</u>
	<u>9,003,142</u>	<u>(401,231)</u>	<u>8,601,911</u>
<b>EXPENSES</b>			
Program services	7,555,869	-	7,555,869
Management and administrative	189,297	-	189,297
Fund development	<u>82,356</u>	<u>-</u>	<u>82,356</u>
Total Expenses	<u>7,827,522</u>	<u>-</u>	<u>7,827,522</u>
<b>CHANGE IN NET ASSETS</b>	1,175,620	(401,231)	774,389
<b>NET ASSETS</b>			
Beginning of year	<u>6,710,786</u>	<u>18,291,978</u>	<u>25,002,764</u>
End of year	<u>\$ 7,886,406</u>	<u>\$ 17,890,747</u>	<u>\$ 25,777,153</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2024**

	<b>Program Services</b>	<b>Management and Administrative</b>	<b>Fund Development</b>	<b>Total</b>
Grants and scholarships	\$ 728,797	\$ -	\$ -	\$ 728,797
Salaries and wages	104,381	75,125	47,748	227,254
Employee benefits	22,923	16,497	10,485	49,905
Professional fees	3,206	18,169	-	21,375
Travel and meetings	2,801	373	560	3,734
Telephone and utilities	457	8,233	457	9,147
Advertising and promotion	1,921	-	2,881	4,802
Contracted services - Community Center Grant	6,602,712	-	-	6,602,712
Contracted services - First5	23,022	2,708	1,354	27,084
Contracted services - Other	50,676	-	-	50,676
Repairs and maintenance	117	274	-	391
Insurance	2,315	5,400	-	7,715
Donor cultivation	-	-	16,461	16,461
Dues and subscriptions	-	3,549	-	3,549
Postage	614	2,147	307	3,068
Printing	753	2,257	752	3,762
Supplies	-	6,934	-	6,934
IT expenses	4,053	32,874	1,351	38,278
Miscellaneous	-	4,076	-	4,076
Total Expenses Before Depreciation	7,548,748	178,616	82,356	7,809,720
Depreciation	7,121	10,681	-	17,802
Total Expenses	<u>\$ 7,555,869</u>	<u>\$ 189,297</u>	<u>\$ 82,356</u>	<u>\$ 7,827,522</u>



**RUSH COUNTY COMMUNITY FOUNDATION, INC.**  
**(A NONPROFIT ORGANIZATION)**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2024**

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**OPERATING ACTIVITIES**

Change in net assets	\$ 774,389
Adjustments to reconcile change in net assets to net cash and cash equivalents used by operating activities:	
Depreciation	17,802
Loss on disposal of equipment	481
Net unrealized gain on investments	(1,341,865)
Net realized gain on investments	(553,216)
Donated investments	<u>(23,748)</u>
	(1,126,157)
Changes in operating assets and liabilities:	
Unconditional promises to give	436,505
Accounts payable and accrued expenses	(1,838,891)
Other liability	700,000
Refundable advances	242,949
Funds held for others	<u>148,298</u>
Net Cash and Cash Equivalents Used by Operating Activities	<u>(1,437,296)</u>

**INVESTING ACTIVITIES**

Purchases of property and equipment	(10,717)
Proceeds from sale of investments	625,115
Purchases of investments	<u>(1,441,792)</u>
Net Cash and Cash Equivalents Used by Investing Activities	<u>(827,394)</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (2,264,690)

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>4,506,328</u>
End of year	<u>\$ 2,241,638</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business** - Rush County Community Foundation, Inc. (the "Foundation") is a nonprofit organization established to cultivate resources to enhance life in Rush County, Indiana. The Foundation enables donors to carry out their own philanthropic intentions by serving as a full service agency and catalyst for meeting local needs in areas such as education, arts and culture, health and human services, civic affairs, and community development. The Foundation is supported primarily through donor contributions and grants. Investment earnings from the various funds also provide revenue to the Foundation.

**Basis of Accounting** - The financial statements of the Foundation have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. However, the financial statements do not include the consolidation of the REC Building Holding Corporation. See Note 12.

**Net Asset Classifications** - Management has determined that the majority of the Foundation's net assets meet the definition of endowment under the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation is governed subject to the governing documents for the Foundation, and most contributions are subject to the terms of the governing documents. Certain contributions are received subject to other gift instruments or are subject to specific agreements with the Foundation.

Under the terms of the governing documents, the Board of Directors has the ability to distribute so much of the corpus of some specific endowment funds, or separate gift, devise, bequest, or fund, as the Board in its sole discretion shall determine. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment funds.
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.

As a result of the ability to distribute corpus from some specific endowment funds, the Board of Directors has determined that these contributions received subject to the governing document, and subject to UPMIFA, are classified as net assets with donor restrictions until appropriated, at which time the appropriation is reclassified to net assets without donor restrictions. Contributions that are subject to other gift instruments may be recorded with or without donor restrictions, depending on the specific terms of the agreement.

Generally, if the corpus of a contribution will, at some future time, become available for spending, it is recorded as with donor restrictions. In addition, contributions that are promised to be given in a future period are presented as with donor restrictions. If the corpus never becomes available for spending, it will be reported as net assets with donor restrictions which are perpetual in nature. Net assets with donor restrictions that are perpetual in nature represent the fair value of the original gift as of the gift date, and the original value of subsequent gifts to donor-restricted endowment funds.

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Net assets without donor restrictions include unrestricted resources, including donations, gifts, and bequests available for the use of the Foundation, over which the Board of Directors has discretionary control. The bylaws of the Foundation include a variance provision on the income of endowed gifts, giving the Board of Directors the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose, or to a specified organization if, in its sole judgment, the Board determines that the restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

**Cash and Cash Equivalents** - The Foundation considers liquid investments with an original maturity of three months or less to be cash equivalents, with the exception of those held within its investment portfolio.

**Financial Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**Concentrations** - The Foundation received grants from three grantors and one contribution that represented 79% of the total contributions and grants revenue for the year 2024.

The Foundation had two contributions that represented 98% of unconditional promises to give receivable at December 31, 2024. At December 31, 2024, the Foundation had deposits held at a financial institution that were in excess of FDIC limits.

**Functional Allocation of Expenses** - Directly identifiable expenses are charged to programs and supporting services. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Salaries and wages and related employee benefits and payroll taxes are allocated on the basis of estimates of time and effort. All other allocated expenses are based on estimates.

**Investments** - Investments are carried at fair value and include liquid investments with an original maturity of three months or less that are held within its portfolio.

**Endowment Investment and Spending Policies** - The Foundation has adopted an investment policy for endowment assets that attempt to preserve the real purchasing power of the assets and provide a growing stream of income to be made available for spending, and keeping pace with inflation in order to sustain the operations and grant-making capacity of the Foundation. The investment policy establishes a return objective through diversification of asset classes.

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

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The Foundation has adopted a formal spending policy to calculate the amount of money annually distributed from the Foundation's various endowed funds. The current spending policy is to distribute an amount determined annually by the Board of Directors and that rate is multiplied by the previous five-year rolling average of the fund's fair market value. For December 31, 2024, the Board approved a spending rate of 4.2%. The Foundation's objective is to avoid invasion into the historical value or principal of a fund to meet the spending policy, unless the terms of a gift allows the Foundation to do so in a prudent manner. Accordingly, over the long term, the Foundation expects that the formalized spending policy will allow its endowment assets to grow consistent with the Foundation's objective to maintain the purchasing power of endowment assets, as well as to provide additional real growth through new gifts and investment return.

***Unconditional Promises to Give*** - Pledges and contributions receivable are recorded at net realizable value. Conditional promises to give are recorded only when the conditions on which they depend are substantially met and the promises become unconditional.

***Property and Equipment*** - Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Donated assets are reflected at their estimated value at the date of receipt. Routine repairs and maintenance are expensed as incurred. The Foundation's policy is to capitalize property and equipment expenditures in excess of \$1,000. Depreciation expense for 2024 was \$17,802.

The Foundation reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at December 31, 2024.

***Funds Held for Others*** - The Foundation receives and distributes assets under certain agency arrangements. Accounting standards require that if a nonprofit organization establishes a fund at a community foundation with its own funds, and specifies itself or its affiliate as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The liability is reflected as funds held for others on the statement of financial position.

***Tax-Exempt Status*** - The Foundation, an Indiana nonprofit corporation, is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"), and has been determined not to be a private foundation under Section 509(a)(1) of the Code. Accordingly, no provision for income tax is presented in the statement of financial position.

***Accounting for Uncertainty in Income Taxes*** - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Foundation's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Foundation has taken any material uncertain tax positions, including any position that would place the Foundation's exempt status in jeopardy, as of December 31, 2024.

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Subsequent Events** - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 3, 2025, the date the financial statements were available to be issued.

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of donor-imposed restrictions or internal designations. Financial assets are considered unavailable when not convertible to cash within one year such as endowments which include board designated endowments. These board designations could be drawn upon if the Board of Directors approves that action.

Cash and cash equivalents	\$ 2,241,638
Investments	26,516,954
Unconditional promises to give	<u>906,572</u>
Total financial assets	<u>29,665,164</u>
Less those unavailable for general expenditure within one year due to:	
Non-endowed purpose restrictions	(809,318)
Endowment funds subject to the Foundation's spending policy:	
Designated funds	(17,081,429)
Undesignated funds less the next year's approved draw	(6,063,433)
Board designated non-endowment funds	(1,270,563)
Refundable advances	(1,158,000)
Funds held for others	<u>(2,269,903)</u>
	<u>(28,652,646)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,012,518</u>

**NOTE 3 - INVESTMENTS**

	<u>Cost</u>	<u>Fair Value</u>
Money market and cash equivalents	\$ 439,376	\$ 439,376
Alternative investments	2,441,907	2,451,775
Fixed income funds	6,246,575	5,626,532
Equities - domestic and international	<u>12,942,438</u>	<u>17,999,271</u>
	<u>\$ 22,070,296</u>	<u>\$ 26,516,954</u>

**RUSH COUNTY COMMUNITY FOUNDATION, INC.**  
**(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Fair values of the Foundation's financial assets measured on a recurring basis at December 31, 2024 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
Investments				
Money market and cash equivalents	\$ 439,376	\$ 439,376	\$ -	\$ -
Alternative investments	2,451,775	2,451,775	-	-
Fixed income funds	5,626,532	5,626,532	-	-
Equities - domestic and international	<u>17,999,271</u>	<u>17,999,271</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 26,516,954</b></u>	<u><b>\$ 26,516,954</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

**Level 1** - Fair values for investments are determined by reference to quoted market prices.

**Level 2** - Fair values for investments are calculated using quoted market prices for similar assets in markets that are not active. At December 31, 2024, the Foundation had no Level 2 investments.

**Level 3** - Fair values for investments are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair measurement. At December 31, 2024, the Foundation had no Level 3 investments.

**NOTE 5 - UNCONDITIONAL PROMISES TO GIVE**

Receivable in less than one year	\$ 388,750
Receivable in one to five years	<u>582,500</u>
	971,250
Less discounts to net present value	<u>(64,678)</u>
	<u><b>\$ 906,572</b></u>

At December 31, 2024, the present value of the unconditional promises to give has been determined using discount rates of 3.93% and 4.27%.

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6 - PROPERTY AND EQUIPMENT**

Land	\$ 100,293
Building	349,263
Furniture and equipment	<u>65,294</u>
Total cost	514,850
Less accumulated depreciation	<u>259,830</u>
	<u>\$ 255,020</u>

**NOTE 7 - OTHER LIABILITY**

During 2024, the Foundation received \$700,000 from the City of Rushville to advance funds pledged by an unrelated organization. Once the amount pledged is received from the organization, the Foundation will use the money to pay back the City of Rushville.

**NOTE 8 - REFUNDABLE ADVANCES**

During 2020, the Foundation received the funding for a \$5,000,000 grant. The grant was from Lilly Endowment Inc. and was for support for a new community center in Rush County offering comprehensive recreation, education and social service programs. As the grant contained both barriers and a right of return, the Foundation recorded the full unspent amount of \$5,000,000 as a refundable advance as of December 31, 2020. During 2024, the Foundation spent \$915,051 from the refundable advance resulting in using up all of the remaining funds of the grant as of December 31, 2024. These amounts have been reflected as contributions and grants in the statement of activities. In addition, the corresponding expenses are reflected as contracted services and donor cultivation in the statement of functional expenses.

During 2024, the Foundation received \$1,000,000 of a \$5,000,000 grant from Lilly Endowment Inc. and a \$158,000 grant from Early Learning Indiana. These grants are for the support of projects being completed by the Foundation. As both of the grants contain both barriers and a right of return, the Foundation recorded the full unspent amount received of \$1,158,000 as refundable advances as of December 31, 2024.

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 9 - ENDOWMENT FUNDS AND NET ASSETS**

The following is a summary of changes in endowment net assets for the year ended December 31, 2024:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Endowment net assets, beginning of year	\$ 5,361,162	\$ 14,343,241	\$ 19,704,403
Net investment return	147,391	404,559	551,950
Net investment gain (realized and unrealized)	452,914	1,244,636	1,697,550
Contributions	185,494	1,687,969	1,873,463
Transfers	201,127	30,599	231,726
Amounts appropriated for expenditure	<u>-</u>	<u>(629,575)</u>	<u>(629,575)</u>
Endowment net assets, end of year	<b><u>\$ 6,348,088</u></b>	<b><u>\$ 17,081,429</u></b>	<b><u>\$ 23,429,517</u></b>

The following is a summary of endowment net asset composition by type of fund as of December 31, 2024:

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Donor designated endowment funds	\$ -	\$ 17,081,429	\$ 17,081,429
Donor advised endowment funds	63,358	-	63,358
Undesignated endowment funds	<u>6,284,730</u>	<u>-</u>	<u>6,284,730</u>
	<b><u>\$ 6,348,088</u></b>	<b><u>\$ 17,081,429</u></b>	<b><u>\$ 23,429,517</u></b>



**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED**

In addition to endowment net assets, the Foundation also manages other non-endowed funds. The following tables summarize all Foundation net assets as of December 31, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment funds:			
Donor advised funds	\$ 63,358	\$ -	\$ 63,358
Purpose restrictions			
Designated purpose	-	8,102,887	8,102,887
Field of interest	-	1,427,718	1,427,718
Scholarship funds	-	6,530,751	6,530,751
Agency	-	26,863	26,863
	-	16,088,219	16,088,219
Perpetual in nature	-	993,210	993,210
Undesignated funds	6,284,730	-	6,284,730
	6,348,088	17,081,429	23,429,517
Non-endowment funds:			
Board designated	1,270,563	-	1,270,563
Purpose restrictions			
Special projects	-	84,396	84,396
Agency	-	724,922	724,922
	-	809,318	809,318
Donor advised funds	30,606	-	30,606
Plant fund	255,020	-	255,020
Other	(17,871)	-	(17,871)
	\$ 7,886,406	\$ 17,890,747	\$ 25,777,153

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10 - FUNDS HELD FOR OTHERS**

During the year 2024, the following activities occurred in the Foundation's funds held for others. These amounts are not reflected in the statement of activities.

Contributions	\$ 88,310
Net investment return	56,178
Net realized gain on investments	48,151
Net unrealized gain on investments	<u>129,752</u>
	<u>322,391</u>
Grants	111,513
Foundation administrative fees	31,981
Transfer	<u>30,599</u>
	<u>174,093</u>
Increase in funds held for others	148,298
Balance at beginning of year	<u>2,121,605</u>
Balance at end of year	<u>\$ 2,269,903</u>

**NOTE 11 - RELATED PARTY TRANSACTIONS**

Due to the small community size of Rush County, Indiana, members of the Foundation's Board of Directors also serve on the Board of Directors for other local nonprofit agencies. Some of these nonprofit organizations have applied for and received grants from the Foundation.

**NOTE 12 - QUALIFIED AUDIT OPINION**

During 2023, the REC Building Holding Corporation, a 501(c)(2) Organization, was formed which is 100% owned by the Foundation. There were no transactions that would require consolidation for 2023, however, there are transactions that occurred in 2024. The financial activity for the REC Building Holding Corporation has not been included in the financial statements. At this time, management has represented that it is not practical to quantify the financial effects of the REC Building Holding Corporation, however, we believe the impact would be material enough for a qualified audit opinion to be issued.



**BRADY WARE**  
& SCHOENFELD

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

---

Board of Directors  
**Rush County Community Foundation, Inc.**  
Rushville, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Rush County Community Foundation, Inc.** (the "Foundation"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 3, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
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STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* -  
CONTINUED**

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Rush County Community Foundation, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Foundation's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Richmond, Indiana  
September 3, 2025



**BRADY WARE**  
& SCHOENFELD

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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Board of Directors  
**Rush County Community Foundation, Inc.**  
Rushville, Indiana

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited **Rush County Community Foundation, Inc.'s** compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Rush County Community Foundation, Inc.'s** major federal programs for the year ended December 31, 2024. **Rush County Community Foundation, Inc.'s** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Rush County Community Foundation, Inc.** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Rush County Community Foundation, Inc.** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Rush County Community Foundation, Inc.'s** compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **Rush County Community Foundation, Inc.'s** federal programs.

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED

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### ***Auditors' Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Rush County Community Foundation, Inc.'s** compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Rush County Community Foundation, Inc.'s** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 **Rush County Community Foundation, Inc.'s** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Rush County Community Foundation, Inc.'s** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Rush County Community Foundation, Inc.'s** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED

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### Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Richmond, Indiana  
September 3, 2025

**RUSH COUNTY COMMUNITY FOUNDATION, INC.**  
**(A NONPROFIT ORGANIZATION)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<b>U.S. Department of Treasury</b> Pass-through program from: REC Building Holding Corporation: COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	None	<u>\$ 990,131</u>

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Foundation under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C - Indirect Cost Rate**

The Uniform Guidance allows recipients to use a 10 percent de minimis indirect cost rate for federal awards with award dates through September 30, 2024. The de minimis indirect cost rate was increased to up to 15 percent for federal awards with award dates beginning October 1, 2024. The Foundation has elected not to use the applicable de minimis indirect cost rate.

**Note D - Subrecipients**

The Foundation did not provide any federal awards to subrecipients.



**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED DECEMBER 31, 2024**

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**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses a qualified opinion on whether the financial statements of the Foundation were prepared in accordance with GAAP.
2. One material weakness disclosed during the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No significant deficiencies are reported.
3. No instances of noncompliance material to the financial statements of the Foundation, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported in the Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the Foundation expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was: Federal Assistance Listing Number 21.027: Coronavirus State and Local Fiscal Recovery Funds.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Foundation was not determined to be a low-risk auditee.

**RUSH COUNTY COMMUNITY FOUNDATION, INC.  
(A NONPROFIT ORGANIZATION)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**YEAR ENDED DECEMBER 31, 2024**

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**FINDINGS - FINANCIAL STATEMENT AUDIT**

**MATERIAL WEAKNESS**

**2024-001: Preparation of Financial Statements**

**Condition:** The Foundation relies upon its auditor to draft the financial statements and required disclosures as part of its year-end financial reporting process. Management reviews all adjusting entries to the trial balance and the audited financial statements, but does not possess the qualifications to ensure propriety and completeness of the presentation.

**Criteria:** The Foundation should have proper controls in relation to its financial reporting in order to present its financial statements in accordance with generally accepted accounting principles.

**Cause:** The personnel of the Foundation do not have the accounting background and related continuing education to provide the requisite skills and knowledge to prepare the financial statements in complete conformity with generally accepted accounting principles.

**Effect:** Internal financial statements may not be presented in accordance with U.S. generally accepted accounting principles.

**Recommendation:** We acknowledge that this is an element of internal control that may be difficult for the Foundation to overcome. We recommend that the Foundation evaluate the costs associated with obtaining the necessary technical expertise.

**Views of Responsible Officials and Planned Corrective Actions:** The Foundation agrees with the finding and the recommendation. Refer to the Corrective Action Plan.

## CORRECTIVE ACTION PLAN

### FINDINGS - FINANCIAL STATEMENT AUDIT

#### MATERIAL WEAKNESS

##### 2024-001: Preparation of Financial Statements

**Response:** The Foundation agrees with the finding and has looked into the cost effectiveness of hiring a CPA to review and prepare the financial statements on a monthly basis. After weighing many options including, but not limited to, having a CPA on the Board of Directors to prepare the financial statements, having a CPA on staff, or furthering the education and certification of current staff, the Foundation does not find it cost effective to implement the changes needed to negate this comment at the current time.