

# **SCOTT COUNTY COMMUNITY FOUNDATION, INC.**

## **FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2010 AND 2009**

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

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FORTY YEARS & COUNTING

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
Scott County Community Foundation, Inc.  
Scottsburg, Indiana

We have audited the accompanying statements of financial position of the Scott County Community Foundation, Inc. as of September 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Scott County Community Foundation, Inc. as of September 30, 2010 and 2009, and the 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.

*Blue & Co., LLC*

November 23, 2010

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2010 AND 2009

### ASSETS

	<u>2010</u>	<u>2009</u>
Cash and cash equivalents	\$ 72,318	\$ 11,683
Certificates of deposit	54,991	209,567
Investments	5,462,056	4,851,036
Contributions receivable	158,041	162,282
Property and equipment, net	157,260	172,533
Restricted investments	<u>236,050</u>	<u>219,829</u>
	<u>\$ 6,140,716</u>	<u>\$ 5,626,930</u>

### LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 1,789	\$ 2,395
Custodial funds	<u>236,050</u>	<u>219,829</u>
Total liabilities	237,839	222,224
Net assets		
Unrestricted:		
Operating	198,508	207,951
Board designated	<u>238,705</u>	<u>238,133</u>
Total unrestricted net assets	437,213	446,084
Temporarily restricted	5,204,694	4,702,372
Permanently restricted	<u>260,970</u>	<u>256,250</u>
Total net assets	<u>5,902,877</u>	<u>5,404,706</u>
	<u>\$ 6,140,716</u>	<u>\$ 5,626,930</u>

*See accompanying notes to financial statements.*

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## STATEMENTS OF ACTIVITIES YEAR ENDED SEPTEMBER 30, 2010 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009)

	2010			2009	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>Support and revenues</b>					
Contributions	\$ 17,376	\$ 266,336	\$ 4,720	\$ 288,432	\$ 649,428
Grant income	6,000	-0-	-0-	6,000	6,000
Investment return, net	23,375	481,273	-0-	504,648	159,286
Administrative fees	86,549	-0-	-0-	86,549	63,088
Miscellaneous income	905	5,653	-0-	6,558	2,478
Net assets released from restrictions	250,940	(250,940)	-0-	-0-	-0-
Total support and revenues	385,145	502,322	4,720	892,187	880,280
<b>Expenses</b>					
Administrative fees	83,454	-0-	-0-	83,454	60,417
Scholarships and grants	154,990	-0-	-0-	154,990	127,680
Salaries	94,594	-0-	-0-	94,594	87,818
Payroll taxes	7,424	-0-	-0-	7,424	7,586
Employee benefits	1,377	-0-	-0-	1,377	1,344
Annual report	517	-0-	-0-	517	628
Books and subscriptions	-0-	-0-	-0-	-0-	43
Conferences and meetings	3,386	-0-	-0-	3,386	3,244
Depreciation	15,273	-0-	-0-	15,273	15,499
Dues	1,027	-0-	-0-	1,027	1,207
Endowment development	1,835	-0-	-0-	1,835	4,939
Equipment rental and maintenance	7,627	-0-	-0-	7,627	9,384
Insurance	1,470	-0-	-0-	1,470	5,129
Utilities	1,652	-0-	-0-	1,652	1,582
Loss on sale of assets	-0-	-0-	-0-	-0-	188
Office expense	5,396	-0-	-0-	5,396	6,535
Postage and shipping	1,689	-0-	-0-	1,689	1,677
Professional development	95	-0-	-0-	95	100
Professional services	10,675	-0-	-0-	10,675	20,419
Telephone	995	-0-	-0-	995	1,810
Travel	540	-0-	-0-	540	777
Total expenses	394,016	-0-	-0-	394,016	358,006
Change in net assets	(8,871)	502,322	4,720	498,171	522,274
<b>Net assets, beginning of year</b>	446,084	4,702,372	256,250	5,404,706	4,882,432
<b>Net assets, end of year</b>	\$ 437,213	\$ 5,204,694	\$ 260,970	\$ 5,902,877	\$ 5,404,706

*See accompanying notes to financial statements.*

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## STATEMENT OF ACTIVITIES YEAR ENDED SEPTEMBER 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and revenues</b>				
Contributions	\$ 28,301	\$ 621,127	\$ -0-	\$ 649,428
Grant income	6,000	-0-	-0-	6,000
Investment return, net	13,706	145,580	-0-	159,286
Administrative fees	63,088	-0-	-0-	63,088
Miscellaneous income	2,478	-0-	-0-	2,478
Net assets released from restrictions	<u>180,708</u>	<u>(180,708)</u>	<u>-0-</u>	<u>-0-</u>
<b>Total support and revenues</b>	<b>294,281</b>	<b>585,999</b>	<b>-0-</b>	<b>880,280</b>
<b>Expenses</b>				
Administrative fees	60,417	-0-	-0-	60,417
Scholarships and grants	127,680	-0-	-0-	127,680
Salaries	87,818	-0-	-0-	87,818
Payroll taxes	7,586	-0-	-0-	7,586
Employee benefits	1,344	-0-	-0-	1,344
Annual report	628	-0-	-0-	628
Books and subscriptions	43	-0-	-0-	43
Conferences and meetings	3,244	-0-	-0-	3,244
Depreciation	15,499	-0-	-0-	15,499
Dues	1,207	-0-	-0-	1,207
Endowment development	4,939	-0-	-0-	4,939
Equipment rental and maintenance	9,384	-0-	-0-	9,384
Insurance	5,129	-0-	-0-	5,129
Utilities	1,582	-0-	-0-	1,582
Loss on sale of assets	188	-0-	-0-	188
Office expense	6,535	-0-	-0-	6,535
Postage and shipping	1,677	-0-	-0-	1,677
Professional development	100	-0-	-0-	100
Professional services	20,419	-0-	-0-	20,419
Telephone	1,810	-0-	-0-	1,810
Travel	<u>777</u>	<u>-0-</u>	<u>-0-</u>	<u>777</u>
<b>Total expenses</b>	<b><u>358,006</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b><u>358,006</u></b>
Change in net assets	(63,725)	585,999	-0-	522,274
<b>Net assets, beginning of year</b>	<u>509,809</u>	<u>4,116,373</u>	<u>256,250</u>	<u>4,882,432</u>
<b>Net assets, end of year</b>	<u><u>\$ 446,084</u></u>	<u><u>\$ 4,702,372</u></u>	<u><u>\$ 256,250</u></u>	<u><u>\$ 5,404,706</u></u>

*See accompanying notes to financial statements.*

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	2010	2009
<b>Operating activities</b>		
Change in net assets	\$ 498,171	\$ 522,274
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	15,273	15,499
Loss on sale of assets	-0-	188
Realized (gains) losses on investments	(38,275)	321,820
Unrealized gains on investments	(373,647)	(349,693)
Change in discount of contributions receivable	15,084	15,227
Contributions related to restricted endowments	(4,720)	-0-
Changes in assets and liabilities:		
Contributions receivable	(10,843)	(174,639)
Restricted investments	(16,221)	(29,041)
Accounts payable and accrued expenses	(606)	(2,223)
Custodial funds	16,221	29,041
Net cash flows from operating activities	100,437	348,453
<b>Investing activities</b>		
Proceeds from sale of assets	-0-	350
Net change in certificates of deposit	154,576	(156,438)
Net change in investments	(199,098)	(217,292)
Net cash flows from investing activities	(44,522)	(373,380)
<b>Financing activities</b>		
Contributions related to restricted endowments	4,720	-0-
Net change in cash and cash equivalents	60,635	(24,927)
<b>Cash and cash equivalents, beginning of year</b>	<b>11,683</b>	<b>36,610</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 72,318</b>	<b>\$ 11,683</b>

*See accompanying notes to financial statements.*

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009

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## 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

### Nature of Operations

Scott County Community Foundation, Inc. ("SCCF") was incorporated in 1996, to be a leader in attracting, managing and focusing the philanthropic resources which meet community needs and enrich the quality of life of Scott County citizens for all generations.

Following are the significant accounting policies of SCCF:

### Management's Estimates

Management uses estimates and assumptions in preparing 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

Net assets, support, investment return, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. While most gift instruments give SCCF's Board of Directors the right to vary the terms of the gift, this only allows for a limited right of modification and does not relieve the restrictions imposed by the donor. Accordingly, the net assets of SCCF are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions and primarily made up of SCCF's operating fund. SCCF maintains unrestricted funds as follows:

*Operating* – used to fund current operations of SCCF

*Board Designated Funds* – used to fund future operations of SCCF as designated by the Board

Temporarily restricted net assets – Net assets not yet appropriated for expenditure by SCCF's Board of Directors in accordance with their spending policy or that have donor-imposed restrictions relating to a stipulated purpose or a specified time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished or amounts have been allocated for expenditure by the Board of Directors, temporarily restricted net assets are

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

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reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of SCCF. Included in this classification are endowment funds that are subject to the restrictions of gift instruments requiring that the principal be maintained in perpetuity and invested for the purpose of producing present and future income.

### Cash and Cash Equivalents

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

### Investments and Investment Return

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

Interest and dividend income and net unrealized and realized gains and losses on investments are recognized as unrestricted or temporarily restricted based upon the existence or absence of donor-imposed restrictions or the related fund classification in accordance with SCCF's spending policy.

### 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 SCCF are being depreciated over their estimated useful lives ranging from three to thirty-nine years using the straight-line method.

### Restricted Investments

Restricted investments include monies received from organizations that have named themselves as the beneficiary of the income from funds they established and to which they have contributed. These amounts are also included in custodial funds at September 30, 2010 and 2009.

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

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### 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.

Support and revenues are reported as increases in either unrestricted or temporarily restricted net assets in accordance with the classification of the fund as it relates to SCCF's spending policy. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in either unrestricted or temporarily restricted net assets in accordance with the classification of the fund as it relates to SCCF's spending policy.

All other revenues are recorded when earned.

### Administrative Fees

Administrative fees are expensed from the funds to support the operations of SCCF. Administrative fees from all funds are reflected as revenue on the Statements of Activities. The administrative fees from custodial funds (agency endowments) are not included as expenses on the 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 notes to financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Income Taxes

SCCF is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on related income pursuant to Section 501(a) of the Code.

### Subsequent Events

SCCF has evaluated events or transactions occurring subsequent to the Statement of Financial Position date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued, which is November 23, 2010.

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

### 2. CERTIFICATES OF DEPOSIT

Certificates of deposit consist of the following at September 30, 2010 and 2009:

2010			2009		
Amount	Maturity	Interest Rate	Amount	Maturity	Interest Rate
\$ 4,264	12/17/10	4.25%	\$ 84,844	10/24/09	3.16%
7,500	6/23/11	2.17%	3,000	3/17/10	1.30%
6,227	6/29/11	1.05%	5,000	3/24/10	2.15%
7,500	3/24/12	2.57%	2,053	4/18/10	1.24%
2,500	6/23/12	2.37%	53,708	5/3/10	2.70%
12,000	7/29/12	2.03%	24,328	6/23/10	2.70%
<u>15,000</u>	6/23/13	2.52%	4,134	12/17/10	4.25%
<u>\$ 54,991</u>			7,500	6/23/11	2.17%
			7,500	3/24/12	2.57%
			2,500	6/23/12	2.37%
			<u>15,000</u>	6/23/13	2.52%
			<u>\$ 209,567</u>		

### 3. INVESTMENTS

Investments (including restricted investments) are reported at fair value and consist of the following at September 30, 2010 and 2009:

	2010	2009
Domestic equity mutual funds	\$ 3,023,588	\$ 2,667,229
Foreign equity mutual funds	869,879	658,650
Domestic fixed income mutual funds	1,707,836	1,668,319
Money market funds	<u>96,803</u>	<u>76,667</u>
	<u>\$ 5,698,106</u>	<u>\$ 5,070,865</u>

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

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The following schedule summarizes the investment return, excluding the investment return related to the restricted investments which is a part of the change in custodial funds, and its classification in the Statements of Activities for the years ended September 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Interest and dividend income	\$ 114,935	\$ 145,147
Realized gains (losses) on investments	38,275	(321,820)
Unrealized gains on investments	373,647	349,693
Investment fees	<u>(22,209)</u>	<u>(13,734)</u>
	<u>\$ 504,648</u>	<u>\$ 159,286</u>

#### 4. CONTRIBUTIONS RECEIVABLE

SCCF is the recipient of a gift in the form of notes receivable. SCCF is to receive 50% of future payments on a vehicle loan agreement and real estate contract. The receivables were calculated using a discount factor of 5%. If the payments are in default, SCCF will receive 50% ownership in the property. No allowance for doubtful contributions receivable was determined to be necessary at September 30, 2010 and 2009. Following is a summary of the receivables and future payments:

	<u>2010</u>	<u>2009</u>
Contributions receivable	\$ 158,184	\$ 177,509
Less unamortized discount	<u>(143)</u>	<u>(15,227)</u>
Net contributions receivable	<u>\$ 158,041</u>	<u>\$ 162,282</u>
Amounts due in:		
Less than one year	\$ 154,241	\$ 11,783
One to five years	<u>3,943</u>	<u>165,726</u>
	<u>\$ 158,184</u>	<u>\$ 177,509</u>

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

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### 5. RISKS AND UNCERTAINTIES

SCCF holds investments (Note 3). 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 financial statements.

### 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets that are measured at fair value are categorized according to a fair value hierarchy that prioritizes the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. If the inputs used fall within different levels of the hierarchy, the categorization is based upon the lowest level input that is significant to the fair value measurement. The hierarchy of inputs is as follows:

- Level 1 – Unadjusted quoted prices for identical assets and liabilities in active markets.
- Level 2 – Quoted prices for similar assets and liabilities in active markets (other than those included in Level 1) which are observable for the assets or liability, either directly or indirectly.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Investments and restricted investments are financial assets measured at fair value in the Statements of Financial Position and are classified as Level 1 within the fair value hierarchy at September 30, 2010 and 2009. Fair values for investments and restricted investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

### 7. PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Property and equipment	\$ 241,022	\$ 241,022
Less accumulated depreciation	<u>(83,762)</u>	<u>(68,489)</u>
	<u>\$ 157,260</u>	<u>\$ 172,533</u>

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# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

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### 8. CUSTODIAL FUNDS

Custodial funds represent funds placed on deposit with SCCF by other organizations based on their individual board resolutions. SCCF accounts for these transfers as a liability in accordance with standards set forth by the Financial Accounting Standards Board. Income is added to these funds periodically in accordance with SCCF'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 on the Statements of Activities. Following is a progression of custodial funds during 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Beginning balance	\$ 219,829	\$ 190,788
Contributions	65	25,874
Investment return, net	24,654	12,373
Administrative fees	(3,095)	(2,651)
Grant payments	<u>(5,403)</u>	<u>(6,555)</u>
Ending balance	<u>\$ 236,050</u>	<u>\$ 219,829</u>

### 9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes at September 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Designated purpose restrictions related to Sustaining Resource Development	\$ -0-	\$ 4,383
Time restrictions related to contributions receivable	3,800	150,499
Endowment funds not yet appropriated for expenditure	<u>5,200,894</u>	<u>4,547,490</u>
	<u>\$ 5,204,694</u>	<u>\$ 4,702,372</u>

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# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

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### 10. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets include designated purpose restrictions related to promoting charitable activities in Scott and Jefferson County and total \$260,970 and \$256,250 at September 30, 2010 and 2009, respectively.

### 11. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions or based on SCCF's spending policy during the years ended September 30, 2010 and 2009 as follows:

	<u>2010</u>	<u>2009</u>
Designated purpose restrictions related to Sustaining Resource Development	\$ 4,383	\$ 7,192
Time restrictions related to contributions receivable	146,699	-0-
Endowment funds appropriated for expenditure	<u>99,858</u>	<u>173,516</u>
	<u>\$ 250,940</u>	<u>\$ 180,708</u>

### 12. ENDOWMENT

The majority of SCCF'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 GAAP, 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 endowment funds to be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by SCCF in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, SCCF 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 SCCF and the donor-restricted endowment fund
  - (3) General economic conditions
  - (4) The possible effect of inflation and deflation
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# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of SCCF
- (7) The investment policies of SCCF

SCCF 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 SCCF 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. SCCF expects its endowment funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

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

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

Endowed funds by net asset type at September 30, 2010 and 2009 were as follows:

	2010		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Board Designated Funds	\$ 238,705	\$ -0-	\$ -0-
Donor Restricted Funds	-0-	5,200,894	260,970
	\$ 238,705	\$ 5,200,894	\$ 260,970
	2009		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Board Designated Funds	\$ 238,133	\$ -0-	\$ -0-
Donor Restricted Funds	-0-	4,547,490	256,250
	\$ 238,133	\$ 4,547,490	\$ 256,250

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2010 AND 2009

Changes in endowed funds for the years ending September 30, 2010 and 2009 were as follows:

	2010		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 238,133	\$ 4,547,490	\$ 256,250
Contributions and other revenues	-0-	271,989	4,720
Investment return, net	23,201	481,273	-0-
Appropriation of endowment assets for expenditure	<u>(22,629)</u>	<u>(99,858)</u>	<u>-0-</u>
Endowment net assets, end of year	<u>\$ 238,705</u>	<u>\$ 5,200,894</u>	<u>\$ 260,970</u>

  

	2009		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 238,532	\$ 4,104,798	\$ 256,250
Contributions and other revenues	-0-	470,628	-0-
Investment return, net	6,005	145,580	-0-
Appropriation of endowment assets for expenditure	<u>(6,404)</u>	<u>(173,516)</u>	<u>-0-</u>
Endowment net assets, end of year	<u>\$ 238,133</u>	<u>\$ 4,547,490</u>	<u>\$ 256,250</u>

### 13. FUNCTIONAL EXPENSES

SCCF serves as a vehicle for residents of Scott County to donate to various organizations and projects in the county. Expenses related to providing this service for the years ended September 30, 2010 and 2009 are classified as follows:

	2010	2009
Development of Scott County	\$ 256,509	\$ 215,721
Fundraising	48,140	54,715
General and administrative expenses	<u>89,367</u>	<u>87,570</u>
	<u>\$ 394,016</u>	<u>\$ 358,006</u>

# SCOTT COUNTY COMMUNITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009

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## 14. CONCENTRATIONS OF CREDIT RISK

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

Marketable securities and money market funds are maintained with one investment firm. Such balances exceed the Securities Investor Protection Corporation insured limits of up to \$500,000.