

COMMUNITY FOUNDATION OF BOONE COUNTY, INC.

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2010 and 2009

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**Board of Directors
Community Foundation of Boone County, Inc.**

We have audited the accompanying statements of financial position of the Community Foundation of Boone County, Inc. as of December 31, 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 Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Community Foundation of Boone County, Inc. as of December 31, 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.

Estep Burkey Simmons, LLC

Muncie, Indiana
June 6, 2011

Community Foundation of Boone County, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS	2010	2009
CURRENT ASSETS		
Cash and cash equivalents	\$ 977,760	\$ 1,220,929
Accrued interest	19,809	13,228
Prepaid expenses	4,364	2,126
Current portion, mortgage receivable	6,429	5,953
	<u>1,008,362</u>	<u>1,242,236</u>
Total current assets	1,008,362	1,242,236
INVESTMENTS	17,909,957	16,797,453
PROPERTY AND EQUIPMENT		
Office equipment and furniture	44,369	43,420
Less accumulated depreciation	37,862	34,593
	<u>6,507</u>	<u>8,827</u>
MORTGAGE RECEIVABLE,		
Less current portion	139,516	136,364
	<u>\$ 19,064,342</u>	<u>\$ 18,184,880</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,502	\$ 5,849
Grants payable	288,758	199,082
Accrued liabilities	4,564	-
Deferred revenue	4,678	-
Current portion, annuity payable	36,100	36,100
	<u>335,602</u>	<u>241,031</u>
Total current liabilities	335,602	241,031
AGENCY FUNDS	246,795	228,177
ANNUITY PAYABLE		
Gift annuity reserves	124,217	87,435
	<u>706,614</u>	<u>556,643</u>
Total liabilities	706,614	556,643
NET ASSETS		
Unrestricted	3,748,970	3,118,402
Temporarily restricted	9,665	8,630
Permanently restricted	14,599,093	14,501,205
	<u>18,357,728</u>	<u>17,628,237</u>
	<u>\$ 19,064,342</u>	<u>\$ 18,184,880</u>

The accompanying notes are an integral part of these statements.

Community Foundation of Boone County, Inc.

STATEMENTS OF ACTIVITIES

Year Ended December 31,

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and support				
Contributions and pledges	\$ 246,194	\$ 764	\$ 157,747	\$ 404,705
Administrative fees	171,644			171,644
Investment income	622,349			622,349
Realized gains (losses) on investments	(198,262)			(198,262)
Unrealized gains on investments	1,461,239			1,461,239
Change in value of CSV of life insurance policies		1,050	7,923	8,973
Change in value of split-interest agreements			(49,750)	(49,750)
Other income	3,303			3,303
	<u>2,306,467</u>	<u>1,814</u>	<u>115,920</u>	<u>2,424,201</u>
Net assets released from restrictions	764	(764)		
Expenses				
Program services	1,504,564			1,504,564
Management and general	91,588			91,588
Fundraising	98,558			98,558
	<u>1,694,710</u>			<u>1,694,710</u>
INCREASE IN NET ASSETS	612,521	1,050	115,920	729,491
Net assets at beginning of year	3,118,402	8,630	14,501,205	17,628,237
Interfund transfers	<u>18,047</u>	<u>(15)</u>	<u>(18,032)</u>	
Net assets at end of year	<u>\$ 3,748,970</u>	<u>\$ 9,665</u>	<u>\$ 14,599,093</u>	<u>\$ 18,357,728</u>

The accompanying notes are an integral part of these statements.

2009			
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 1,177,963	\$ 764	\$ 363,000	\$ 1,541,727
141,428			141,428
523,983			523,983
35,860			35,860
2,735,274			2,735,274
	1,409	10,078	11,487
		92,885	92,885
<u>4,614,508</u>	<u>2,173</u>	<u>465,963</u>	<u>5,082,644</u>
763	(763)		
1,491,809			1,491,809
108,283			108,283
96,984			96,984
<u>1,697,076</u>	<u> </u>	<u> </u>	<u>1,697,076</u>
2,918,195	1,410	465,963	3,385,568
619,311	7,220	13,616,138	14,242,669
(419,104)	<u> </u>	419,104	<u> </u>
<u>\$ 3,118,402</u>	<u>\$ 8,630</u>	<u>\$ 14,501,205</u>	<u>\$ 17,628,237</u>

Community Foundation of Boone County, Inc.

STATEMENTS OF CASH FLOWS

Year Ended December 31,

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Increase in net assets	\$ 729,491	\$ 3,385,568
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,269	3,511
Realized (gains) losses on investments	198,262	(35,860)
Unrealized gains on investments	(1,461,239)	(2,735,274)
Split interest agreements	49,750	(92,885)
(Increase) decrease in assets:		
Pledges receivable		274,088
Accrued interest	(6,581)	5,022
Prepaid expenses	(2,238)	824
Increase (decrease) in liabilities:		
Accounts payable	(4,347)	5,438
Grants payable	89,676	(62,832)
Accrued liabilities	4,564	(2,778)
Deferred revenue	4,678	
Gift annuity payable	36,782	3,612
Agency funds	18,618	43,822
Net cash provided by (used in) operating activities	<u>(339,315)</u>	<u>792,256</u>
Cash flows from investing activities:		
Purchases of equipment	(949)	(1,633)
Proceeds from sales of investments	7,603,056	1,609,567
Purchases of investments	(7,502,333)	(2,257,217)
Net change in mortgage receivable	<u>(3,628)</u>	<u>15,328</u>
Net cash provided by (used in) investing activities	<u>96,146</u>	<u>(633,955)</u>
Net increase (decrease) in cash and cash equivalents	(243,169)	158,301
Cash and cash equivalents at beginning of the year	<u>1,220,929</u>	<u>1,062,628</u>
Cash and cash equivalents at end of year	<u>\$ 977,760</u>	<u>\$ 1,220,929</u>

The accompanying notes are an integral part of these statements.

Community Foundation of Boone County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

The Community Foundation of Boone County, Inc. (Foundation) is a not-for-profit corporation organized under the laws of the state of Indiana. The Community Foundation of Boone County, Inc. was organized in 1991 for the purpose of soliciting, receiving, managing, and distributing gifts to meet the needs of Boone County citizens and organizations. Its donations are received from private and public organizations and individuals.

2. Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the financial year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

3. Cash and Cash Equivalents

The Foundation maintains its cash in accounts at local financial institutions which are insured by agencies of the U.S. Government. For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Investments

In accordance with the Not-for-Profit Entities - Investments - Debt and Equity Securities topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), investments are recorded at fair value. The changes in the difference between fair value and cost are reflected in the financial statements as net unrealized gains or losses on investments. Investment income, net realized and unrealized gains or losses are classified as unrestricted, temporarily restricted or permanently restricted revenue or expenses, depending on the existence and/or nature of any donor restrictions.

5. Equipment and Depreciation

Purchased equipment is stated at cost. Donated equipment is recorded as support at the estimated fair-market value at the date of gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed according to the estimated useful lives of the respective assets using the straight-line method.

6. Income Taxes

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision has been made for income taxes.

7. Contributed Services

During the years ended December 31, 2010 and 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Community Foundation of Boone County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Net Assets and Spending Policy

The financial statements have been prepared in accordance with FASB ASC 958-205-05. Under the provisions, net assets are classified based upon the existence or absence of donor-imposed restrictions. Net assets are classified as unrestricted, temporarily restricted, or permanently restricted and are detailed as follows:

Unrestricted net assets represent the part of the net assets of the Foundation that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent the part of the net assets of the Foundation resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or by actions of the Foundation.

Permanently restricted net assets represent the part of the net assets of the Foundation resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

The Foundation's endowment consists of over 200 individual funds established for a variety of purposes. The endowment includes both funds established by donors and funds designated by the Board to function as endowments (board-designated endowment funds). The Foundation maintains variance power over all of the endowment funds (including those established by donors) as provided within the fund agreements. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. While the Foundation ultimately has variance power over all of the assets maintained in endowment funds, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

The general investment objectives for the Foundation are to outperform inflation, grow principal through a total return approach to investing and to maximize the return of the portfolio within reasonable and prudent levels of risk. In pursuing this objective, the Foundation endeavors to achieve total returns that, over time, are better than the relevant market averages.

The Foundation has a policy (the spending policy) of appropriating for expenditure each year a maximum of 5% of the average net fund balance value at September 30 of the trailing 12 quarters of the portfolio for endowment funds. There are no restrictions on the amount per year that can be disbursed from non-endowed funds.

9. Grants and scholarships

Grants and scholarships, including multi-year awards, are recorded as an expense and a payable when grants are approved and communicated to the grantees. Grants and scholarships expense for the years ended December 31, 2010 and 2009 was \$1,005,355 and \$1,083,648.

Community Foundation of Boone County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits. At December 31, 2010 and 2009, the Foundation exceeded the insured limit by approximately \$0- and \$77,389, respectively.

11. Compensated Absences

Vacation days are earned based on length of employment up to 15 days. Vacation days may not be carried over for more than one calendar year beyond the year in which they were earned. Each calendar year, full-time employees who have completed their introductory periods may take up to 5 paid sick days. Sick days do not accumulate and must be used in the year earned. Upon termination of employment, earned but unused vacation days will be paid in a lump sum but unused sick days will not be paid.

Unused vacation days at December 31, 2010 were immaterial and have not been recorded.

12. Uncertain Tax Positions

The Foundation follows the Income Tax topic of the FASB ASC. The Foundation now recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. The Foundation has examined this issue and has determined there are no material contingent tax liabilities.

13. Estimates

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

NOTE B - MORTGAGE RECEIVABLE

The Foundation holds a mortgage with an interest rate of 6.2% payable through September 30, 2025. The mortgage requires quarterly payments of \$3,832. Principal payments for the next five years are as follows.

Year ending December 31, 2011	\$	6,429
2012		6,732
2013		7,160
2014		7,614
2015		8,223
Thereafter		109,787
		<u>145,945</u>
Less current portion		<u>6,429</u>
	\$	<u><u>139,516</u></u>

NOTE C - INVESTMENTS

The Foundation follows the provisions of the Fair Value Measurements and Disclosures topic of the FASB ASC. FASB ASC-820-10-35-19 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Community Foundation of Boone County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE C - INVESTMENTS - Continued

FASB ASC 820-10-35-37 establishes a hierarchy of inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is an analysis of the cost and market value at December 31, 2010 and 2009 by type of investment. The investments are held in uninsured trust accounts at Indiana financial institutions.

	2010		
	Cost	Unrealized Gains	Fair Value
Certificates of deposit	\$ 235,770		\$ 235,770
Equities	452,174	\$ 52,359	504,533
Mutual funds	15,443,172	890,428	16,333,600
Preferred stock	24,350	650	25,000
Corporate bonds and notes	87,275	9,981	97,256
U.S. Treasury bonds and notes	259,049	8,678	267,727
Life insurance policies	87,283		87,283
Charitable remainder trusts	358,788		358,788
	<u>\$ 16,947,861</u>	<u>\$ 962,096</u>	<u>\$ 17,909,957</u>

Community Foundation of Boone County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE C - INVESTMENTS - Continued

	2009		
	Cost	Unrealized Gains (Losses)	Fair Value
Certificates of deposit	\$ 332,129	\$ 148	\$ 332,277
Equities	369,471	31,589	401,060
Mutual funds	15,656,701	(550,004)	15,106,697
Preferred stock	25,000	(2,870)	22,130
Fixed income	166,935	(14,574)	152,361
U.S. Treasury bonds and notes	259,049	10,742	269,791
U.S. Government obligations	100,000	(828)	99,172
Life insurance policies	78,310		78,310
Charitable remainder trusts	335,655		335,655
	<u>\$ 17,323,250</u>	<u>\$ (525,797)</u>	<u>\$ 16,797,453</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2010 and 2009.

	2010	2009
	Unrestricted	Unrestricted
Investment return	\$ 622,349	\$ 523,983
Realized gains (losses) on investment	(198,262)	35,860
Unrealized gains on investment	1,461,239	2,735,274
	<u>\$ 1,885,326</u>	<u>\$ 3,295,117</u>

The Foundation's investments, excluding its money market funds and certificates of deposit, are measured at fair value on a recurring basis at December 31, 2010 and 2009, utilizing the following input levels:

	2010			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investments	\$17,228,116	\$446,071	\$0	\$17,674,187
	2009			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investments	\$16,051,211	\$413,965	\$0	\$16,465,176

NOTE D - RISKS AND UNCERTAINTIES

The Foundation holds a variety of investments (Note C). 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.

Community Foundation of Boone County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE E - AGENCY FUNDS

In accordance with *FASB ASC-958-20-15*, the Foundation reports contributions as a liability when the donor has specified an unaffiliated beneficiary and not granted variance power over the gift. The Foundation reports these as Agency Funds on its statement of financial position.

During the years ended December 31, 2010 and 2009, the following activity occurred in the agency funds held by the Foundation. These amounts are not reflected on the statements of activities.

	<u>2010</u>	<u>2009</u>
Support and revenue		
Investment income	\$ 8,165	\$ 7,204
Realized gains on investments	6,467	1,853
Unrealized gains on investments	<u>10,137</u>	<u>37,431</u>
	\$ 24,769	\$ 46,488
Expenses		
Grants expense	1,000	
Program expenses	2,080	
Bank trustee fees	787	772
Administrative fees	<u>2,284</u>	<u>1,894</u>
	<u>6,151</u>	<u>2,666</u>
Increase in agency funds	18,618	43,822
Balance at beginning of year	<u>228,177</u>	<u>184,355</u>
Balance at end of year	<u><u>\$ 246,795</u></u>	<u><u>\$ 228,177</u></u>

NOTE F - OPERATING LEASES

The Foundation leases office space and a copier under non-cancelable operating leases expiring in 2012. Rental and lease expense for the years ended December 31, 2010 and 2009 was \$19,204 and \$21,682, respectively. Future minimum payments on the above leases are as follows.

Year ending December 31, 2011	\$ 18,660
2012	15,135
2013	
2014	
2015	
	<u> </u>
	<u><u>\$ 33,795</u></u>

NOTE G - RETIREMENT PLAN

The Foundation sponsors a retirement savings plan for its employees through a 403 (b) Defined Contribution Retirement Plan. All contributions are made by the employee and no contributions are made by the Foundation.

Community Foundation of Boone County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE H - RESTRICTIONS ON NET ASSETS

The Foundation follows the topic Donor-Restricted Endowment Fund under FASB ASC 958. FASB ASC 958 provides guidance on the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of UPMIFA. Upon adoption, there was no change in the Foundation's net asset classification. In accordance with the Foundation's fund agreements, charitable endowments are classified as permanently restricted net assets. All other Foundation net assets are considered unrestricted or temporarily restricted.

Temporarily restricted net assets consist of the cash surrender value of life insurance in the amount of \$9,665 and \$8,630 at December 31, 2010 and 2009, respectively.

Permanently restricted net assets consist of endowment funds created for the following purposes as of December 31,

	2010	2009
Arts/Culture	\$ 132,989	\$ 128,639
Religious	554,057	554,159
Community Development	2,036,375	2,054,737
Education	1,620,914	1,612,486
Elderly	139,660	139,660
Health	158,652	156,652
Human Services	1,669,534	1,696,612
Youth	170,240	167,940
Scholarship	3,736,004	3,652,954
Parks and Recreation	12,932	12,832
General	3,993,601	3,969,121
Administration	374,135	355,413
	<u>\$ 14,599,093</u>	<u>\$ 14,501,205</u>

NOTE I - ALLOCATED COSTS

For the purposes of the Statements of Functional Expenses, the Foundation allocated the following costs in 2010 and 2009 by the following percentages of the total expense:

	2010		
	Program Services	Management & General	Fundraising
Salary, wages and payroll taxes			
Executive director	20%	20%	60%
Grants coordinator	80%	10%	10%
Administrative assistant	15%	60%	25%
Finance director	10%	80%	10%
Rent, utilities and leases	33%	34%	33%
Supplies	33%	34%	33%
Telephone	33%	34%	33%

Community Foundation of Boone County, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE I - ALLOCATED COSTS - Continued

	2009		
	Program Services	Management & General	Fundraising
Salary, wages and payroll taxes			
Executive director	20%	20%	60%
Grants coordinator	80%	10%	10%
Administrative assistant	15%	60%	25%
Finance director	10%	80%	10%
Rent, utilities and leases	33%	34%	33%
Supplies	33%	34%	33%
Telephone	33%	34%	33%

NOTE J - FOUNDATION ADMINISTRATIVE FEES

The Foundation assesses an annual administrative charge of 1.0% on most funds. This amount is used to support the operations of the Foundation. The amount is assessed on the average daily fund value at the end of each quarter.

For the years ended December 31, 2010 and 2009, \$171,644 and \$141,428, respectively, are included as revenue and support in unrestricted net assets and \$169,349 and \$139,531, respectively, as expense in unrestricted net assets. Due to the fact that administrative fees are considered a significant measure of the operations of community foundations, these fees have not been eliminated in the financial statements.

NOTE K - BEQUESTS

During 2006, the Foundation received notification that it was named as a beneficiary of an estate. As of the date of this report, the Foundation has not received any distributions. Since no amount is known, nothing has been recognized in the financial statements at December 31, 2010 and 2009.

NOTE L - RECLASSIFICATION

Certain prior period balances have been reclassified to conform to current period presentation.

NOTE M - SUBSEQUENT EVENTS

In accordance with FASB ASC Topic 855, Subsequent Events, the Foundation has evaluated subsequent events through June 6, 2011, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2010, have been incorporated into these financial statements herein.

SUPPLEMENTAL INFORMATION



Report of Independent Certified Public Accountants
on Supplemental Information

Board of Directors
Community Foundation of Boone County, Inc.

Our report on our audit of the basic financial statements of Community Foundation of Boone County, Inc. for 2010 and 2009 appears on Page 3. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The statements of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Estep Burkey Simmons, LLC

Muncie, Indiana
June 6, 2011

Community Foundation of Boone County, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31,

2010

	Program Services	Management & General	Fundraising	Total
Salaries and wages	\$ 48,286	\$ 39,760	\$ 60,620	\$ 148,666
Payroll taxes	3,694	3,042	4,637	11,373
Conferences and meetings		3,476		3,476
Travel			4,213	4,213
Grants	1,005,355			1,005,355
Program expenses	199,080			199,080
Donor recognition expenses			6,701	6,701
Printing and publications			8,269	8,269
Administrative fees expense	169,349			169,349
Advertising			4,232	4,232
Dues and subscriptions		3,766		3,766
Office supplies	1,321	1,361	1,321	4,003
Bank trustee fees	62,896	1,126		64,022
Legal and accounting		17,855		17,855
Rent	4,745	4,889	4,745	14,379
Telephone	1,250	1,288	1,250	3,788
Utilities	978	1,008	978	2,964
Insurance expense	6,018	2,214		8,232
Repairs and maintenance		252		252
Equipment maintenance		6,346		6,346
Copier lease	1,592	1,641	1,592	4,825
Miscellaneous expenses		295		295
Depreciation expense		3,269		3,269
	<u>\$ 1,504,564</u>	<u>\$ 91,588</u>	<u>\$ 98,558</u>	<u>\$ 1,694,710</u>

2009

<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
\$ 47,342	\$ 60,753	\$ 57,738	\$ 165,833
3,679	4,723	4,480	12,882
	1,803		1,803
		4,390	4,390
1,083,648			1,083,648
136,340			136,340
		6,316	6,316
		12,256	12,256
139,531			139,531
	3,689		3,689
2,189	2,256	2,189	6,634
63,447	710		64,157
	6,350		6,350
5,301	5,462	5,301	16,064
1,387	1,429	1,387	4,203
1,073	1,105	1,073	3,251
6,018	2,856		8,874
	514		514
	11,212		11,212
1,854	1,910	1,854	5,618
	3,511		3,511
<u>\$ 1,491,809</u>	<u>\$ 108,283</u>	<u>\$ 96,984</u>	<u>\$ 1,697,076</u>