

**INDIAN COMMUNITY SCHOOL, INC. AND  
AFFILIATE**

Franklin, Wisconsin

**CONSOLIDATED FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Years Ended June 30, 2020 and 2019

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Indian Community School, Inc. and Affiliate  
Franklin, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Indian Community School, Inc. and Affiliate (the "School"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

## **Opinion**

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

## **Other Matters**

### *Report on Consolidating Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 23 through 26 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Baker Tilly US, LLP*

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)  
Milwaukee, Wisconsin  
October 19, 2020

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,397,593	\$ 1,905,359
Interest and dividends receivable	298,512	456,192
Other receivables	13,585	69,776
Prepaid expenses	<u>288,084</u>	<u>313,562</u>
Total Current Assets	3,997,774	2,744,889
Long-term investments	610,509,293	611,891,915
Property and equipment, net	<u>43,503,491</u>	<u>45,268,181</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 658,010,558</u></b>	<b><u>\$ 659,904,985</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 1,500,000	\$ 1,300,000
Accounts payable	572,357	860,369
Accrued liabilities		
Wages, salaries and benefits	652,344	533,685
Investment fees	323,596	390,143
Other liabilities	<u>110,382</u>	<u>193,559</u>
Total Current Liabilities	3,158,679	3,277,756
<b>LONG-TERM LIABILITIES</b>		
Long-term payable	28,047	47,847
Long-term debt, net	<u>57,512,952</u>	<u>59,007,832</u>
<b>TOTAL LIABILITIES</b>	60,699,678	62,333,435
<b>NET ASSETS</b>		
Net assets without donor restrictions	<u>597,310,880</u>	<u>597,571,550</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 658,010,558</u></b>	<b><u>\$ 659,904,985</u></b>

See accompanying notes to consolidated financial statements.

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## CONSOLIDATED STATEMENTS OF ACTIVITIES For the Years Ended June 30, 2020 and 2019

	Without Donor Restrictions	
	2020	2019
<b>REVENUES AND OTHER SUPPORT</b>		
Investment income, net of fees	\$ 14,173,276	\$ 35,244,274
Transportation fees and reimbursement	3,009	3,864
Lunch fees and meal reimbursement	224,890	218,720
Other income	96,171	80,736
Rental revenue	38,057	42,203
	<u>14,535,403</u>	<u>35,589,797</u>
Total revenues and other support		
	<u>14,535,403</u>	<u>35,589,797</u>
<b>EXPENSES</b>		
Salaries and wages	5,439,692	5,021,795
Employee benefits	1,612,946	1,466,323
Services, supplies, maintenance, and other	4,217,322	4,503,298
Scholarships and donations	220,376	181,844
Depreciation	2,258,700	2,193,875
Bond fees and interest expense	1,047,037	1,387,940
	<u>14,796,073</u>	<u>14,755,075</u>
Total expenses		
	<u>14,796,073</u>	<u>14,755,075</u>
<b>CHANGE IN NET ASSETS</b>	(260,670)	20,834,722
<b>NET ASSETS , beginning of year</b>	<u>597,571,550</u>	<u>576,736,828</u>
<b>NET ASSETS, end of year</b>	<u>\$ 597,310,880</u>	<u>\$ 597,571,550</u>

See accompanying notes to consolidated financial statements.

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### CONSOLIDATED STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets without donor restrictions	\$ (260,670)	\$ 20,834,722
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	2,258,700	2,193,875
Amortization of bond issuance costs included in interest	5,120	5,120
Net realized and unrealized gains on investments	(2,856,447)	(24,925,493)
Reinvested dividends and interest	(13,387,208)	(12,329,368)
Net loss on sale of property and equipment	3,993	13,112
Changes in assets and liabilities		
Receivables	213,871	(62,934)
Prepaid expenses	25,478	(24,051)
Accounts payable	(17,250)	(71,418)
Accrued liabilities and other liabilities	(31,065)	166,167
Long-term payable	(19,800)	61,067
Net Cash Flows from Operating Activities	(14,065,278)	(14,139,201)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	108,755,434	133,793,337
Purchase of investments	(91,129,157)	(117,869,746)
Purchase of property and equipment	(768,765)	(1,308,970)
Proceeds from sale of property and equipment	-	15,755
Net Cash Flows from Investing Activities	16,857,512	14,630,376
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt	(1,300,000)	(1,100,000)
<b>Net Change in Cash and Cash Equivalents</b>	1,492,234	(608,825)
CASH AND CASH EQUIVALENTS - Beginning of Year	1,905,359	2,514,184
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 3,397,593	\$ 1,905,359
<b>Supplemental cash flow disclosures</b>		
Cash paid during the year for interest	\$ 1,118,748	\$ 1,362,161
Non cash additions to property and equipment included in accounts payable	\$ 28,052	\$ 298,814
Non cash additions to property and equipment included in long-term payable	\$ -	\$ 13,383

See accompanying notes to consolidated financial statements.

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended June 30, 2020 and 2019

2020						
	School	Family Resource Center	Total Program	Supporting Services		Total
				General and Administrative	Fundraising	
Salaries and wages	\$ 4,331,421	\$ 260,044	\$ 4,591,465	\$ 839,970	\$ 8,257	\$ 5,439,692
Employee benefits	1,334,895	68,114	1,403,009	207,715	2,222	1,612,946
Services, supplies, maintenance, and other	2,683,573	85,497	2,769,070	1,440,077	8,175	4,217,322
Scholarships and donations	165	17,819	17,984	202,392	-	220,376
Depreciation	1,932,096	11,837	1,943,933	314,767	-	2,258,700
Bond fees and interest	974,664	37,663	1,012,327	34,710	-	1,047,037
Total Expenses	\$ 11,256,814	\$ 480,974	\$ 11,737,788	\$ 3,039,631	\$ 18,654	\$ 14,796,073
2019						
	School	Family Resource Center	Total Program	Supporting Services		Total
				General and Administrative	Fundraising	
Salaries and wages	\$ 3,929,163	\$ 260,818	\$ 4,189,981	\$ 823,518	\$ 8,296	\$ 5,021,795
Employee benefits	1,163,922	72,325	1,236,247	227,715	2,361	1,466,323
Services, supplies, maintenance, and other	2,951,612	112,038	3,063,650	1,430,434	9,214	4,503,298
Scholarships and donations	-	16,727	16,727	165,117	-	181,844
Depreciation	1,892,417	11,944	1,904,361	289,514	-	2,193,875
Bond fees and interest	1,294,615	50,026	1,344,641	43,299	-	1,387,940
Total Expenses	\$ 11,231,729	\$ 523,878	\$ 11,755,607	\$ 2,979,597	\$ 19,871	\$ 14,755,075

See accompanying notes to consolidated financial statements.

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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### **NOTE 1 - Organization**

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The consolidated financial statements of Indian Community School, Inc. and Affiliate (collectively, the "School") include the accounts of Indian Community School, Inc. ("ICS") and the ICS Support Organization, Inc. ("SO"). All intercompany balances and transactions have been eliminated.

ICS is a not-for-profit school serving Southeastern Wisconsin Indian children, grades 4K through eighth. ICS cultivates an enduring cultural identity and critical thinking by weaving indigenous teachings in a distinguished learning environment.

The SO is a not-for-profit corporation organized as a non-functionally integrated type III supporting organization under the Internal Revenue Code ("IRC") for the purpose of holding, investing and managing assets that serve to support and fund the continuous operation of ICS. Certain actions, including amending the SO's articles of incorporation or bylaws and dissolving or merging the SO, require a vote of a two-thirds majority of voting directors and the consent of an ICS-appointed director.

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### **NOTE 2 - Summary of Significant Accounting Policies**

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#### *Basis of Accounting*

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### *Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the School are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed stipulations. The School's Board of Directors may designate a portion of net assets without donor restrictions for a specific purpose. These designations can be modified or removed by the Board of Directors at any time. The School's Board of Directors has not designated any amounts as of June 30, 2020 and 2019.

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of the School pursuant to those stipulations, or be maintained in perpetuity by the School. The School does not have any net assets with donor restrictions.

#### *Cash and Cash Equivalents*

Cash and cash equivalents consist of cash, money market and other highly liquid investments with original maturity dates of three months or less, excluding money market investments held in long-term investment accounts.

The School maintains its cash balances at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). At times, the balances in these accounts may exceed the insured limits. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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### **NOTE 2 - Summary of Significant Accounting Policies** (continued)

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#### *Investments*

Investments are stated at fair value and are recorded at quoted market prices, if publicly traded. Money market mutual funds are measured at cost. Investment income, net of fees, includes realized and unrealized gains and losses for the year. Realized gains and losses on the sale of investments are computed based on the specific identification of investments sold. Purchases and sales of securities are recorded on a trade date basis.

In the absence of readily determinable fair values, the School has estimated fair values for certain investments based on fair values determined by managers responsible for the management and supervision of each investment. The June 30 valuation of these investments is based on the most recent value provided by their investment managers, occasionally March 31, adjusted for cash flows that occurred from the valuation date to June 30.

Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the consolidated financial statements.

Investments, including invested money market mutual funds, have been classified by management as long-term because they will be held to generate investment income to fund the School's operations and because the School is required to maintain a specified unencumbered investment balance under long-term borrowing agreements.

#### *Property and Equipment*

Property and equipment consist of land, buildings, building improvements, computer hardware and software, furniture and fixtures, machinery and equipment, literature, vehicles, paving, landscaping, land improvements and construction in progress, which are stated at cost at the date of acquisition or renovation or at fair value at the date contributed. Additions greater than \$5,000 are capitalized under the School's capitalization policy. Minor renovations, repairs and maintenance are charged to operations and maintenance as incurred. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciable lives by asset category are as follows:

Asset	Estimated Life in Years
Buildings	39
Building improvements	10 - 39
Computer hardware and software	3 - 5
Furniture and fixtures	5 - 20
Machinery and equipment	5 - 15
Literature	3 - 10
Vehicles	3 - 5
Paving	20
Landscaping and land improvements	10 - 25

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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### **NOTE 2 - Summary of Significant Accounting Policies** (continued)

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#### *Rental Revenue*

Rental revenue consists of revenue from one residential building owned by the School and facility usage.

#### *Allocated Expenses*

The costs of operating the School have been presented on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the School's programs. Expenses that can be identified with a specific program or support service are charged directly according to their functional classification. Expenses for the maintenance and upkeep of the School are allocated to the applicable functions based on square footage. Bond fees and interest expense is also allocated based on the square footage of the School.

#### *Debt Issuance Costs*

Debt issuance costs are presented as a direct reduction to the carrying amount of the debt liability. The amortization expense is included in bond fees and interest expense on the consolidated statements of activities.

#### *Income Taxes*

The School follows Accounting Standards Codification ("ASC") 740, *Income Taxes*, which clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more-likely-than-not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The School is exempt from federal income tax under Internal Revenue Code ("IRC") section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The School has processes in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. The tax years ending June 30, 2017, 2018, 2019, and 2020 are still open to audit for federal or state purposes. The School has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

#### *Use of Estimates*

The preparation of consolidated 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, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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#### **NOTE 2 - Summary of Significant Accounting Policies** (continued)

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##### *Adopted Accounting Pronouncements*

In 2020, the School adopted Accounting Standards Update ("ASU") No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The School adopted ASU No. 2018-08 regarding the treatment of contributions received for the fiscal year ended June 30, 2020 using the modified prospective method and the adoption did not have a significant impact on the consolidated financial statements of the School. Management is currently evaluating the impact of adopting ASU No. 2018-08 regarding the treatment of contributions made on the School's consolidated financial statements as the adoption of this component of the accounting standard is not effective until fiscal year 2021.

In 2020, the School adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and all related amendments. The School adopted the new standard effective July 1, 2019, using the modified retrospective approach with the cumulative effect of initially applying the standard at the date of initial application. There was no cumulative effect related to the adoption of the standard. The core principle under ASU No. 2014-09 is that revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration at which the entity expects to be entitled in exchange for those goods or services. Adoption of ASU No. 2014-09 did not have a significant impact on the consolidated financial statements of the School.

In 2020, the School adopted ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10)*. The ASU modifies the guidance related to fair value disclosures of financial instruments. Adopting ASU No. 2016-01 following the prospective method did not have a significant impact on the consolidated financial statements of the School.

##### *New Accounting Pronouncement*

In August 2018, the Financial Accounting Standards Board ("FASB") issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. ASU No. 2018-13 updates the disclosure requirements regarding fair value. ASU No. 2018-13 is effective for annual periods and interim periods within those annual periods beginning after December 15, 2019 (2021). Early adoption is permitted. Management is currently evaluating the impact of ASU No. 2018-13 on the School's consolidated financial statements.

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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#### **NOTE 3 - Investments**

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The following is a summary of investments held, at fair value as of June 30:

	<u>2020</u>	<u>2019</u>
Money market mutual funds	\$ 38,708,392	\$ 27,972,746
Corporate bonds	26,835,096	21,256,160
Fixed income funds	51,651,658	49,657,360
U.S. government agencies	2,749,015	32,321,382
Foreign obligations	10,168,489	9,621,673
Equities: stock and equity mutual funds	237,030,552	235,121,930
Private equity funds	98,731,060	88,921,649
Private real estate funds	100,600,917	100,900,683
Senior loan fund	27,794,859	29,886,624
Hedge fund	2,577,757	2,696,993
Other private equity	<u>13,661,498</u>	<u>13,534,715</u>
	<u>\$ 610,509,293</u>	<u>\$ 611,891,915</u>

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#### **NOTE 4 - Fair Value of Financial Instruments**

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The School measures certain financial assets and liabilities at fair value using a framework that provides a fair value hierarchy of the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest level measurement to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest level ranking to unobservable inputs (Level 3). The three levels of the fair value hierarchy are further described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified or contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no significant changes in the School's valuation techniques from the prior year.

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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### **NOTE 4 - Fair Value of Financial Instruments** (continued)

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Following is a description of the valuation methodologies used for assets measured at fair value.

**Corporate bonds, foreign obligations, and U.S. government agencies:** Values are based on last reported sales or, if not traded on a national exchange or over-the-counter market, on the most recent estimates available from broker-dealers and on yields currently available on comparable securities of issuers with similar credit ratings.

**Equity stocks:** Fair values are based on closing prices for listed securities.

**Equity mutual and fixed income funds:** Quoted market prices as of the last business day of the School's fiscal year, as determined based on the market prices for the individual investments comprising each fund.

**Alternative investments:** Fair values are estimated using the net asset value ("NAV") per share as the practical expedient. Management believes that the carrying amounts of these financial instruments are a reasonable estimate of fair value. Alternative investments measured at NAV are excluded from the fair value hierarchy.

**Money market mutual funds:** As these funds are measured at cost, they are excluded from the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

#### **NOTE 4 - Fair Value of Financial Instruments** (continued)

The following table presents the fair value hierarchy for those assets and liabilities measured on a recurring basis, at fair value as of June 30:

	2020			Total
	Level 1	Level 2	Level 3	
Investments:				
Corporate bonds	\$ -	\$ 26,835,096	\$ -	\$ 26,835,096
Fixed income funds	51,651,658	-	-	51,651,658
U.S. government agencies	-	2,749,015	-	2,749,015
Foreign obligations	-	10,168,489	-	10,168,489
Equities: stocks and equity mutual funds	<u>192,264,462</u>	-	-	<u>192,264,462</u>
Total investments measured at fair value	<u>\$ 243,916,120</u>	<u>\$ 39,752,600</u>	<u>\$ -</u>	<u>283,668,720</u>
Alternative investments, measured at NAV:				
Equity funds				44,766,090
Private equity funds				98,731,060
Private real estate funds				100,600,917
Senior loan fund				27,794,859
Hedge fund				2,577,757
Other private equity				<u>13,661,498</u>
Total alternative investments measured at NAV				<u>288,132,181</u>
Money market mutual funds				<u>38,708,392</u>
Total investments				<u>\$ 610,509,293</u>

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

#### **NOTE 4 - Fair Value of Financial Instruments** (continued)

	2019			Total
	Level 1	Level 2	Level 3	
Investments:				
Corporate bonds	\$ -	\$ 21,256,160	\$ -	\$ 21,256,160
Fixed income funds	49,657,360	-	-	49,657,360
U.S. government agencies	-	32,321,382	-	32,321,382
Foreign obligations	-	9,621,673	-	9,621,673
Equities: stocks and equity mutual funds	<u>194,437,406</u>	-	-	<u>194,437,406</u>
Total investments measured at fair value	<u>\$ 244,094,766</u>	<u>\$ 63,199,215</u>	<u>\$ -</u>	<u>307,293,981</u>
Alternative investments, measured at NAV:				
Equity funds				40,684,524
Private equity funds				88,921,649
Private real estate funds				100,900,683
Senior loan fund				29,886,624
Hedge Fund				2,696,993
Other private equity				<u>13,534,715</u>
Total alternative investments measured at NAV				<u>276,625,188</u>
Money market mutual funds				<u>27,972,746</u>
Total investments				<u>\$ 611,891,915</u>

With respect to long-term investments, the overall objective of the School is to grow its investment portfolio on a long-term basis, net of inflation and expenses.

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

### **NOTE 4 - Fair Value of Financial Instruments** (continued)

The following table presents additional information about the School's investments for which fair values are estimated using the reported NAV as a practical expedient:

	Fair value June 30, 2020	Fair value June 30, 2019	Unfunded commitments at June 30, 2020	Redemption frequency	Redemption notice period
Equity funds:					
JP Morgan Global Emerging Markets Fund (a)	\$ 27,816,250	\$ 26,166,101	\$ -	Monthly	5 days prior to month end
Wellington Common Trust Fund (b)	-	11,792,799	-	Monthly	10 days prior to month end
Barings International Small Cap Equity Fund (b)	14,262,886	-	-	Monthly	10 days prior to month end
Parametric Defensive Equity Fund LLC (c)	2,686,954	2,725,624	-	Monthly	5 days prior to month end
Other private equity:					
JP Morgan Infrastructure Investment Fund (d)	13,661,498	13,534,715	-	A	A
Private real estate funds:					
RREEF America REIT II, Inc. (e)	33,831,703	33,807,690	-	Quarterly	45 days prior to quarter end
UBS (US) Trumbull Property Growth & Income Fund, LP (f)	26,742,148	27,617,733	-	Quarterly	60 days prior to quarter end
Clarion Lion Properties Fund, LP (g)	40,027,066	39,475,260	-	Quarterly	90 days prior to quarter end
Private equity funds:					
PEG Institutional Investors III (h)	7,761,019	11,179,504	612,904	B	B
PEG Institutional Investors IV (h)	25,537,870	29,864,544	1,410,649	B	B
PEG Institutional Investors V (h)	9,450,738	11,634,265	735,708	B	B
PEG Institutional Investors VI (h)	6,347,358	4,628,959	3,406,632	B	B
PEG Institutional Investors VII (h)	6,781,648	3,775,607	12,816,096	B	B
PEG Institutional Investors VIII (h)	1,588,472	827,828	10,415,280	B	B
PEG Institutional Investors IX (h)	-	-	12,000,000	B	B
Pantheon Global Secondary Fund III 'A' (i)	695,293	1,785,290	847,700	C	C
Glouston Private Equity Opportunities V, LP (j)	1,795,569	2,153,462	760,000	D	D
Fort Washington Private Equity Investors VIII, LP (k)	7,846,875	7,675,563	2,700,000	D	D
Fort Washington Private Equity Investors IX, LP (k)	7,438,053	4,768,062	5,460,000	D	D
Siguler Guff Small Buyout Opportunities Fund III, LP (l)	12,171,866	9,524,936	3,234,000	D	D
Siguler Guff Small Buyout Opportunities Fund IV, LP (l)	3,024,244	-	15,127,606	D	D
Greenspring Global Partners IX-B (m)	1,368,565	575,999	1,835,136	D	D

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

#### **NOTE 4 - Fair Value of Financial Instruments (continued)**

	Fair value June 30, 2020	Fair value June 30, 2019	Unfunded commitments at June 30, 2020	Redemption frequency	Redemption notice period
Private equity funds (continued):					
Greenspring Secondaries Fund IV, LP (m)	\$ 3,608,613	\$ -	\$ 9,733,647	D	D
RCP Secondary Opportunity Fund III, LP (n)	3,314,877	527,630	6,861,797	E	E
RCP SOF III Overage Fund, LP (o)	-	-	6,000,000	E	E
Senior loan funds:					
Dollar Senior Loan Offshore Fund, Ltd. (p)	27,794,859	29,886,624	-	F	F
Hedge Fund:					
Corbin Opportunity Fund, LTD (q)	<u>2,577,757</u>	<u>2,696,993</u>	<u>-</u>	G	G
Total investments measured at NAV	<u>\$ 288,132,181</u>	<u>\$ 276,625,188</u>	<u>\$ 93,957,155</u>		

- A. Notices for redemption between March 31 and May 15 must be received between November 15 and December 15 and notices for redemption on September 30 must be received by June 30.
- B. Investor withdrawals are not permitted without the prior written consent of the investment fund's board, which may be granted or withheld at its sole discretion.
- C. This fund has a term of thirteen years from the initial closing date (July 12, 2006), subject to up to three successive one-year extensions by the General Partner and extensions thereafter by the General Partner with the consent of a majority interest of investors. Redemptions are not permitted until after the thirteen year term which began in July 2006.
- D. Investor withdrawals are not permitted.
- E. Investor withdrawals are not permitted except under specific circumstances or with the prior written consent of the General Partner, which may be withheld in its discretion, and subject to the terms of the Partnership Agreement.
- F. Investors may, upon 20 calendar days' prior written notice, make redemption in respect to all or a portion of its shares on the first business day of any month following the date such shares were issued. Redemption fees may apply.
- G. Investors may, as of any calendar quarter-end, upon at least 70 days prior written notice to the Fund, redeem up to, but not in excess of, such number of shares equal in value to 25% of its aggregate investment balance as of such redemption date. In order to make a complete redemption of all shares, an investor must request to redeem the maximum allowable number of shares on four consecutive redemption dates, with the maximum allowable redeemable shares being 25%, 33%, 50%, and 100% of the total investor shares on the first, second, third, and fourth redemption dates, respectively.

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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#### **NOTE 4 - Fair Value of Financial Instruments** (continued)

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- (a) This investment includes a portfolio of equity securities, including privately placed securities of companies in emerging markets.
- (b) These investments include a portfolio of international equity securities. The investment objective is to provide long-term returns, and the fund is managed on a total return basis.
- (c) This investment includes defensive equity exposure that is expected to provide favorable risk adjusted performance relative to the S&P 500® Index over the long term and is expected to produce the strongest relative performance when the S&P 500® Index is experiencing negative returns.
- (d) This investment includes eleven funds that invest capital in holding companies that invest in a broad range of infrastructure assets.
- (e) This investment includes investments in private core and enhanced core real estate. The fund seeks to obtain a favorable total return through income and growth.
- (f) This investment includes an actively managed portfolio of real estate holdings located in the United States that utilizes a broad range of value-added strategies.
- (g) The investment seeks to identify, acquire and manage a diversified portfolio of primarily institutional quality real estate assets and real estate related investments within the United States, selecting investments across property types, geographic and economic regions, and metropolitan markets to attempt to achieve favorable risk-adjusted investment returns.
- (h) These investments include investments that generate returns through investing in venture capital companies, limited partnerships and other pooled investment vehicles.
- (i) This investment includes new global private equity funds. In addition to new funds, the fund will also selectively target global secondary and direct co-investment.
- (j) This investment seeks to realize long-term capital appreciation through the purchase of existing limited partnership interests in independently managed private equity funds from third parties seeking liquidity prior to the contractual termination of such fund.
- (k) These investments seek to realize capital appreciation primarily by investing in a diversified portfolio of private equity funds. The investment targets 25-30 commitments to private equity funds over three vintage years diversified across a range of private equity sectors including buyout, venture capital, and special situations (primarily distressed, credit and real assets).
- (l) These investments seek to assemble a diversified portfolio of private equity funds investing in the securities of small and lower middle market companies by investing in limited partnerships as well as direct investments, generally as co-investments alongside small buyout fund managers and deal sponsors.
- (m) These investments seek to invest in or acquire interests from existing investors that have invested in Pooled Investment Vehicles that primarily provide equity-type returns in connection with business growth strategies, fundamental business changes, acquisition transactions, refinancings and recapitalizations; make venture capital investments; provide mezzanine or other subordinated debt financing for acquisition transactions, refinancings and recapitalizations, with the possibility of equity-type returns; provide equity capital to financially or operationally troubled companies; purchase the debt of companies in distress, with the possibility of equity-type returns; provide equity for other corporate finance transactions and for "niche" strategies, such as project finance and energy.

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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#### NOTE 4 - Fair Value of Financial Instruments (continued)

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- (n) This investment seeks to develop a diversified secondary investing product with top quartile performance, using a pool of underlying funds with superior risk-adjusted return potential.
- (o) The fund operates as an overage fund of RCP Secondary Opportunity Fund III, LP ("the main fund"). The fund invests in certain investments of the main fund and/or in investments that exceed the main fund's desired allocation.
- (p) This Fund's investment objective is to invest on an unlevered basis predominantly in senior secured loans to below investment grade U.S. and non-U.S. obligors, as well as in other debt securities issued by U.S. and non-U.S. obligors including, without limitation, second lien loans, high yield bonds and cash-flow collateralized loan obligations secured primarily by senior secured loans of U.S. and/or non-U.S. obligors.
- (q) This investment seeks to achieve a substantial return on capital through opportunistic investments primarily in a broad range of public and private credit instruments, with an expected emphasis on corporate credit securities, asset-backed securities, mortgage-backed securities, commercial real estate, structured credit and collateralized loan obligations. The fund may employ a variety of investment strategies, such as high-yield and distressed securities, long/short credit, structured and asset-backed credit, private lending, event driven investing and emerging markets credit.

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#### NOTE 5 - Property and Equipment

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Property and equipment comprises the following as of June 30:

	2020	2019
Land	\$ 4,762,290	\$ 4,762,290
Buildings	45,649,954	45,649,954
Building improvements	1,944,254	1,899,264
Computer hardware and software	1,819,277	1,733,112
Furniture and fixtures	9,301,992	9,336,369
Machinery and equipment	1,644,165	1,543,329
Literature	477,290	374,077
Vehicles	82,039	82,039
Paving	2,212,566	2,212,566
Landscaping and land improvements	1,925,838	1,912,023
Construction in progress	<u>40,052</u>	<u>92,974</u>
	69,859,717	69,597,997
Less accumulated depreciation	<u>(26,356,226)</u>	<u>(24,329,816)</u>
	<u>\$ 43,503,491</u>	<u>\$ 45,268,181</u>

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

#### **NOTE 6 - Long-Term Debt**

Long-term debt consists of the following as of June 30:

	2020	2019
Wisconsin Health and Educational Facilities Authority Refunding Revenue Bonds, Series 2015 issued in a monthly rate mode, with serial redemption in annual installments due July 1, 2016 through July 1, 2037. The interest rate was 0.657% and 2.448% on June 30, 2020 and 2019, respectively.	\$ 59,100,000	\$ 60,400,000
Less current portion of long-term debt	(1,500,000)	(1,300,000)
Total long-term debt	57,600,000	59,100,000
Less bond issuance costs to be amortized	(87,048)	(92,168)
Total long-term debt, net	\$ 57,512,952	\$ 59,007,832

During the year ended June 30, 2016, the Wisconsin Health and Educational Facilities Authority ("WHEFA") issued \$63,000,000 of its Refunding Revenue Bonds, Series 2015 bonds (the "Series 2015 Bonds"). The Series 2015 Bonds were purchased by the School's bank pursuant to a purchase agreement dated December 1, 2015 by and among the bank, WHEFA and the School and a continuing covenants agreement dated November 1, 2015 (the "Continuing Covenants Agreement") between the School and the bank. The proceeds from the Series 2015 Bonds were used to pay for the refunding of the WHEFA Adjustable Rate Demand Revenue Bonds, Series 2006 and the WHEFA Adjustable Rate Demand Revenue Refunding Bonds, Series 2007.

The Continuing Covenants Agreement requires the School to make monthly payments of interest and an annual payment of principal to the bank. Interest payments are based on a percentage of the 1 month LIBOR rate plus a fixed spread.

The Continuing Covenants Agreement requires affirmative and negative covenants, which include certain financial covenants related to liquidity. As of June 30, 2020, the School was in compliance with the affirmative and negative covenants or obtained waivers.

On September 10, 2020, the School amended its Series 2015 Bonds. The amendment included extending the redemption period from the remaining 18 years to 30 years, increasing the cash and investments covenant from \$102,000,000 to \$175,000,000 and committing to a fixed interest rate of 1.55% for 10 years.

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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#### NOTE 6 - Long-Term Debt (continued)

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Scheduled principal payments on the outstanding debt, based on the amended terms, are summarized as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2021	\$ 1,500,000
2022	500,000
2023	600,000
2024	700,000
2025	800,000
Thereafter	<u>55,000,000</u>
	<u>\$ 59,100,000</u>

Bond fees and interest as of June 30 consist of the following:

	<u>2020</u>	<u>2019</u>
Amortization on bond issuance costs	\$ 5,120	\$ 5,120
Other fees	5,313	5,065
Interest expense on bonds	<u>1,031,236</u>	<u>1,373,431</u>
Total bond fees and bond interest expense	1,041,669	1,383,616
Other interest expense	<u>5,368</u>	<u>4,324</u>
Total bond fees and interest expense	<u>\$ 1,047,037</u>	<u>\$ 1,387,940</u>

Bond issuance costs incurred in connection with bond financing are included in long-term debt on the consolidated statements of financial position and are amortized using the straight-line method which approximates the effective interest rate over the term of the bonds. At June 30, 2020 and 2019, the capitalized bond issuance costs were \$110,515. At June 30, 2020 and 2019, the remaining net amount of bond issuance costs was \$87,048 and \$92,168, respectively.

The School maintains a letter of credit to fund unemployment expenses. At June 30, 2020 and 2019, the letter of credit amount was \$53,761. The term of the letter of credit expires December 31, 2023.

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#### NOTE 7 - Employee Benefit Plan

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The School maintains a defined contribution plan under Section 401(k) of the IRC. The 401(k) plan requires participants in the plan attain age 21 in order to make elective deferrals and/or receive employer contributions. All employees who meet the minimum age requirement, except those with excluded job titles, are eligible to participate in the plan and receive employer matching contributions once they have met the eligibility requirements of working 250 hours during 3 months of consecutive service. Employees, except those excluded due to age or job title, are eligible to receive employer profit sharing and safe harbor contributions when they have completed one year of service as defined by the plan. Plan entry dates are January 1, April 1, July 1 and October 1, following fulfillment of the eligibility requirements.

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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### **NOTE 7 - Employee Benefit Plan** (continued)

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The participant and employer contributions and investment earnings thereon are held in participant selected investment options offered through the plan. Under this type of plan, no coverage is provided by the Pension Benefit Guaranty Corporation, a federal agency that insures certain types of benefits. As this is a defined contribution plan with no guaranteed benefit, participants' benefits are limited to the amount in their individual accounts. The School has the right to amend or to terminate the plan at any time. The School has recorded \$397,052 and \$340,473 in contributions related to the plan for the years ended June 30, 2020 and 2019, respectively.

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### **NOTE 8 - Commitments and Contingencies**

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The School is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material, adverse effect on the School's financial position, change in net assets, or liquidity.

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### **NOTE 9 - Related Parties**

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Board committees primarily consist of Board members. In addition, they may also include employees, partners, or owners of firms with which the School has business relationships.

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### **NOTE 10 - Availability of Financial Assets**

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The following reflects the School's financial assets reduced by amounts not available for general use within one year of the consolidated statements of financial position date, at June 30:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 3,397,593	\$ 1,905,359
Interest and dividends receivable	298,512	456,192
Other receivables	13,585	69,776
Long-term investments, at fair value	<u>610,509,293</u>	<u>611,891,915</u>
Total financial assets	614,218,983	614,323,242
Less those unavailable for general expenditure:		
Alternative investments (private equity funds)	(98,731,060)	(88,921,649)
Unfunded commitments (see Note 4)	(93,957,155)	(67,656,982)
Debt covenant requirement*	<u>(102,000,000)</u>	<u>(102,000,000)</u>
Financial assets available to meet cash needs for general use within one year	<u>\$ 319,530,768</u>	<u>\$ 355,744,611</u>

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2020 and 2019

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### **NOTE 10 - Availability of Financial Assets** (continued)

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\*Minimum amount of cash and investments required for debt covenant compliance. While the debt covenant requires the School to maintain \$102,000,000 as of June 30, 2020 and 2019, in cash and investments, the bonds payable were \$59,100,000 and \$60,400,000 as of June 30, 2020 and 2019, respectively. If the bonds were to be retired, the covenant would no longer apply, thereby, increasing the School's liquidity by the net of the debt covenant and the retirement value of the bonds.

The School had unfunded alternative investment commitments of \$93,957,155 and \$67,656,982 as of June 30, 2020 and 2019, respectively, which are subject to call at any time. The investment managers are not able to provide a timeline when the commitments will be called. While the Board of Directors has not designated any amounts to fund these commitments, the School's investment policy requires an asset allocation target of 7 percent of the total investment portfolio to be invested in cash equivalents and ultrashort bonds. This allocation is intended to provide sufficient liquidity to fund one year of the School's expenses as well as to fund alternative investment commitments.

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### **NOTE 11 - Subsequent Events**

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The School has evaluated subsequent events through October 19, 2020 which is the date that the financial statements were approved and available to be issued.

**SUPPLEMENTAL INFORMATION**

# INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION As of June 30, 2020

	<u>Indian Community School, Inc.</u>	<u>ICS Support Organization, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,256,056	\$ 141,537	\$ -	\$ 3,397,593
Interest and dividends receivable	-	298,512	-	298,512
Intercompany receivable	23,669	-	(23,669)	-
Other receivables	13,585	-	-	13,585
Prepaid expenses	<u>265,813</u>	<u>22,271</u>	<u>-</u>	<u>288,084</u>
Total Current Assets	3,559,123	462,320	(23,669)	3,997,774
Long-term investments	58,012,036	552,497,257	-	610,509,293
Interest in ICS Support Organization, Inc.	552,576,842	-	(552,576,842)	-
Property and equipment, net	<u>43,503,491</u>	<u>-</u>	<u>-</u>	<u>43,503,491</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 657,651,492</u></b>	<b><u>\$ 552,959,577</u></b>	<b><u>\$ (552,600,511)</u></b>	<b><u>\$ 658,010,558</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of long-term debt	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Accounts payable	530,462	41,895	-	572,357
Accrued liabilities				
Wages, salaries and benefits	652,344	-	-	652,344
Investment fees	6,425	317,171	-	323,596
Intercompany payable	-	23,669	(23,669)	-
Other liabilities	<u>110,382</u>	<u>-</u>	<u>-</u>	<u>110,382</u>
Total Current Liabilities	2,799,613	382,735	(23,669)	3,158,679
<b>LONG-TERM LIABILITIES</b>				
Long-term payable	28,047	-	-	28,047
Long-term debt, net	<u>57,512,952</u>	<u>-</u>	<u>-</u>	<u>57,512,952</u>
<b>TOTAL LIABILITIES</b>	<b>60,340,612</b>	<b>382,735</b>	<b>(23,669)</b>	<b>60,699,678</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
	<u>597,310,880</u>	<u>552,576,842</u>	<u>(552,576,842)</u>	<u>597,310,880</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 657,651,492</u></b>	<b><u>\$ 552,959,577</u></b>	<b><u>\$ (552,600,511)</u></b>	<b><u>\$ 658,010,558</u></b>

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### CONSOLIDATING STATEMENT OF FINANCIAL POSITION As of June 30, 2019

	<u>Indian Community School, Inc.</u>	<u>ICS Support Organization, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,759,822	\$ 145,537	\$ -	\$ 1,905,359
Interest and dividends receivable	519	455,673	-	456,192
Intercompany receivable	23,426	-	(23,426)	-
Other receivables	18,258	51,518	-	69,776
Prepaid expenses	<u>291,298</u>	<u>22,264</u>	<u>-</u>	<u>313,562</u>
Total Current Assets	2,093,323	674,992	(23,426)	2,744,889
Long-term investments	54,123,467	557,768,448	-	611,891,915
Interest in ICS Support Organization, Inc.	557,995,473	-	(557,995,473)	-
Property and equipment, net	<u>45,268,181</u>	<u>-</u>	<u>-</u>	<u>45,268,181</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 659,480,444</u></b>	<b><u>\$ 558,443,440</u></b>	<b><u>\$ (558,018,899)</u></b>	<b><u>\$ 659,904,985</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Current portion of long-term debt	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
Accounts payable	819,869	40,500	-	860,369
Accrued liabilities				
Wages, salaries and benefits	533,685	-	-	533,685
Investment fees	6,102	384,041	-	390,143
Intercompany payable	-	23,426	(23,426)	-
Other liabilities	<u>193,559</u>	<u>-</u>	<u>-</u>	<u>193,559</u>
Total Current Liabilities	2,853,215	447,967	(23,426)	3,277,756
<b>LONG-TERM LIABILITIES</b>				
Long-term payable	47,847	-	-	47,847
Long-term debt, net	<u>59,007,832</u>	<u>-</u>	<u>-</u>	<u>59,007,832</u>
<b>TOTAL LIABILITIES</b>	<b>61,908,894</b>	<b>447,967</b>	<b>(23,426)</b>	<b>62,333,435</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
	<u>597,571,550</u>	<u>557,995,473</u>	<u>(557,995,473)</u>	<u>597,571,550</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 659,480,444</u></b>	<b><u>\$ 558,443,440</u></b>	<b><u>\$ (558,018,899)</u></b>	<b><u>\$ 659,904,985</u></b>

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### CONSOLIDATING STATEMENT OF ACTIVITIES For the Year Ended June 30, 2020

	Indian Community School, Inc.	ICS Support Organization, Inc.	Eliminations	Consolidated
<b>REVENUES AND OTHER SUPPORT</b>				
Cost sharing income	\$ 94,500	\$ -	\$ (94,500)	\$ -
Distributions from ICS Support Organization, Inc.	18,610,000	-	(18,610,000)	-
Investment income, net of fees	652,675	13,520,601	-	14,173,276
Transportation fees and reimbursement	3,009	-	-	3,009
Lunch fees and meal reimbursement	224,890	-	-	224,890
Other income	96,171	-	-	96,171
Rental revenue	38,057	-	-	38,057
Change in value of the ICS Support Organization, Inc.	<u>(5,418,631)</u>	<u>-</u>	<u>5,418,631</u>	<u>-</u>
Total revenues and other support	<u>14,300,671</u>	<u>13,520,601</u>	<u>(13,285,869)</u>	<u>14,535,403</u>
<b>EXPENSES</b>				
Salaries and wages	5,439,692	-	-	5,439,692
Employee benefits	1,612,946	-	-	1,612,946
Services, supplies, maintenance, and other	3,982,590	18,939,232	(18,704,500)	4,217,322
Scholarships and donations	220,376	-	-	220,376
Depreciation	2,258,700	-	-	2,258,700
Bond fees and interest expense	<u>1,047,037</u>	<u>-</u>	<u>-</u>	<u>1,047,037</u>
Total expenses	<u>14,561,341</u>	<u>18,939,232</u>	<u>(18,704,500)</u>	<u>14,796,073</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	(260,670)	(5,418,631)	5,418,631	(260,670)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, beginning of year</b>	<u>597,571,550</u>	<u>557,995,473</u>	<u>(557,995,473)</u>	<u>597,571,550</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, end of year</b>	<u>\$ 597,310,880</u>	<u>\$ 552,576,842</u>	<u>\$ (552,576,842)</u>	<u>\$ 597,310,880</u>

## INDIAN COMMUNITY SCHOOL, INC. AND AFFILIATE

### CONSOLIDATING STATEMENT OF ACTIVITIES For the Year Ended June 30, 2019

	Indian Community School, Inc.	ICS Support Organization, Inc.	Eliminations	Consolidated
<b>REVENUES AND OTHER SUPPORT</b>				
Cost sharing income	\$ 91,800	\$ -	\$ (91,800)	\$ -
Distributions from ICS Support Organization, Inc.	18,377,040	-	(18,377,040)	-
Investment income, net of fees	2,572,070	32,672,204	-	35,244,274
Transportation fees and reimbursement	3,864	-	-	3,864
Lunch fees and meal reimbursement	218,720	-	-	218,720
Other income	80,736	-	-	80,736
Rental revenue	42,203	-	-	42,203
Change in value of the ICS Support Organization, Inc.	<u>13,965,472</u>	<u>-</u>	<u>(13,965,472)</u>	<u>-</u>
Total revenues and other support	<u>35,351,905</u>	<u>32,672,204</u>	<u>(32,434,312)</u>	<u>35,589,797</u>
<b>EXPENSES</b>				
Salaries and wages	5,021,795	-	-	5,021,795
Employee benefits	1,466,323	-	-	1,466,323
Services, supplies, maintenance, and other	4,265,406	18,706,732	(18,468,840)	4,503,298
Scholarships and donations	181,844	-	-	181,844
Depreciation	2,193,875	-	-	2,193,875
Bond fees and interest expense	<u>1,387,940</u>	<u>-</u>	<u>-</u>	<u>1,387,940</u>
Total expenses	<u>14,517,183</u>	<u>18,706,732</u>	<u>(18,468,840)</u>	<u>14,755,075</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	20,834,722	13,965,472	(13,965,472)	20,834,722
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, beginning of year</b>	<u>576,736,828</u>	<u>544,030,001</u>	<u>(544,030,001)</u>	<u>576,736,828</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, end of year</b>	<u>\$ 597,571,550</u>	<u>\$ 557,995,473</u>	<u>\$ (557,995,473)</u>	<u>\$ 597,571,550</u>