

Pedal to the Mettle

2020 Annual Report









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You remember that feeling, too, don't you? A fleeting sense of weightlessness as you were thrown from the bike, then the tug of gravity and the sudden, hard impact with the ground.

With your thoughts and limbs jumbled, it took a moment or two for them to untangle and for you to understand what had happened. You had wrecked. You surveyed the scene and identified the culprit: the rock that seemed to come out of nowhere. You had swerved to avoid it — perhaps a bit too much — and then the whole world went off-kilter.







Gingerly, you picked yourself up and saw you only had a few small scrapes. Truth be told, the blow to your pride hurt worse than they did. You got the bike back on its wheels, swung your leg over, and started pedaling again. You were determined to keep going. To the next house. The next street. Around the block.

At the Dekko Foundation, we think achieving economic freedom is a lot like learning to ride a bike.

The training wheels, the Big Wheel, and even the tricycle — they all helped you build knowledge, skills, and character that you applied to those first unsteady attempts on the bike.





As you continued to ride, you got better.

You saw what you were capable of achieving. And that self-confidence powered you down the road toward the horizon and all sorts of new possibilities.

Certainly, there are bumps and spills on the journey to economic freedom. That's why we invest in the healthy development of children and young people from birth to age 18, as well as in environments that nurture their self-sufficiency. What they learn will keep them pedaling and moving forward.



Starting Out

The early years of a child's life, from birth through age 5, are similar in many ways to when he learns to ride a tricycle. He'll be unsteady at first, because he's still developing his fine and gross motor skills. He may just want to sit and turn the handlebars back and forth, or yank the tricycle on its side to spin the wheels — over and over and over again.

That's because he's observing with all of his senses, and the repetition and sustained focus are helping him see how the tricycle works.

When he does start pedaling, he may not venture far from Mom or Dad at first. He's still getting comfortable in a new environment. But his natural curiosity and desire to explore the world will get him moving. Faster and faster, and farther and farther away.

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2020 Grants Awarded Early Childhood Development: Ages 0-5

Organization	Project Title	City	Amount	Together, we're tracking:
Apple Tree Center	Obtaining 501(c)(3) Status	Kendallville, IN	\$1,050	The center's increasing capacity to serve young people.
Children First Center	Master's of Social Work Family Support Position	Auburn, IN	\$35,000	Families' increasing use of in-home therapeutic services so they can focus on their child's health, development, and safety.
Early Childhood Alliance	Engaging Families	Fort Wayne, IN	\$40,000	Families' increasing participation in enriching activities so that children experience less screen time and more time in healthy, developmentally appropriate activities and interactions that build the foundation for learning and school success.
Gary Cares	Dolly Parton's Imagination Library	Gary, MN	\$1,585	Children's increasing access to an in-home library of developmentally appropriate books so that they interact and bond with parents while gaining language and literacy skills.
Healthier Moms and Babies, Inc.	Noble County Prenatal Home Visitation Program	Fort Wayne, IN	\$15,000	High-risk mothers' increasing use of preventative services so that more births have positive outcomes.
Judy A. Morrill Recreation Center	Operating Support	Garrett, IN	\$70,000	The JAM Center's increasing financial stability so that early education staff can support healthy child and youth development.
Kosciusko Literary Services, Inc.	Read to Grow Children's Book Club	Warsaw, IN	\$5,000	Students' increasing participation in book clubs so that they are prepared and feel supported in their learning environments.
Lamoni Community Daycare	Funshine Building the Capacity to SHINE	Lamoni, IA	\$30,000	The organization's increasing financial stability so that it can continue to be proactive and meet young people's needs.



Organization	Project Title	City	Amount	Together, we're tracking:
Murray Public Library	Library Improvements	Murray, IA	\$5,000	The library's increasing ability to engage young people so that they fuel their passion for reading and continue to use the library as a resource.
Norman County East Schools	Preschool Playground	Twin Valley, MN	\$16,663	Children's increasing social skills so that they are able to form and maintain friendships.
Oak Farm School, Inc.	Operating Support	Avilla, IN	\$2,325,000	The school's increasing enrollment and financial independence.
Oak Farm School, Inc.	From Growth to Maturity	Avilla, IN	\$28,600	The school's increasing administrative capacity so that leaders can implement new processes and procedures that will improve efficiency and streamline workloads.
Trine University	Montessori Education	Angola, IN	\$385,000	The university's increasing accreditation so that education majors will be able to receive the academic and social benefits of whole-child-centered education and earn Montessori credentials.
Wawasee Community Schools	Deeper Learning Conference	Syracuse, IN	\$3,500	Educators' increasing knowledge of project-based learning so they can mentor others and support student-led projects at schools.
YMCA of Greater Fort Wayne	Operating Support	Fort Wayne, IN	\$35,000	Armstrong Early Learning Center's increasing ability to consistently uphold child development principles so that children are in environments that support the self-construction of knowledge.

Practice, Practice, Practice

Middle childhood, ages 6-12, is when young people are intensely focused on figuring things out for themselves. When it comes to their physical development, they're getting faster, stronger, more coordinated. Intellectually, they're choosing to take deep dives in the things that interest them, and they're seeking out answers to the questions that keep bubbling up inside their heads. Socially and emotionally, they're becoming more self-assured and self-reliant, but they still need the support and guidance of their parents.



These years are similar to the training-wheel stage when a child is learning to ride a bicycle. He knows the key to staying upright is balance, and the training wheels help him find that perfect union of force, weight, momentum, and gravity. But should he have a momentary bobble, the training wheels are there to steady him. The more he practices riding, the closer he gets to taking off the training wheels for good.

Watchout, world! Here he comes!



2020 Grants Awarded Middle Childhood Development: Ages 6-12

Organization	Project Title	City	Amount	Together, we're tracking:
Athens City Schools	Deep and Wide — Expanding Project-Based Learning	Athens, AL	\$35,000	Teachers' and administrators' increasing certification in project-based training so that young people are more engaged in their learning.
Athens Storytelling Festival, Inc.	Athens Storytelling School Days	Athens, AL	\$6,000	The organization's increasing financial sustainability so that children gain a greater appreciation of local traditions, performance, and storytelling.
BABE of Whitley County, Inc.	Operating Support	Columbia City, IN	\$5,000	Families' increasing participation in BABE programs and services so that they improve their self-sufficiency.
Baker Youth Club	Operating Support	Warsaw, IN	\$15,000	The organization's increasing sustainability so that leaders can focus on advancing programming and financial planning that supports the health and safety of young people.
Bear Lake Camp, Inc.	HVAC Addition	Albion, IN	\$10,000	The camp's increasing rentals and revenue so leaders can provide more intentional programming.
Central Decatur Community School District	DRUMatic Fitness	Leon, IA	\$1,417	Students' increasing confidence, self-esteem, and resilience so that they can become more successful.
Central Noble Community School Corporation	Indiana Youth Institute Conference 2019	Albion, IN	\$2,640	Educators' increasing professional development so that they can identify meaningful change that benefits youth development.



Organization	Project Title	City	Amount	Together, we're tracking:
City of Kendallville	Indiana Youth Institute Conference 2019	Kendallville, IN	\$640	School resource officers' increasing time to invest in the well-being of all students.
DeKalb County Eastern Community School District	Fourth-Grade Wooden Statues	Butler, IN	\$2,500	Students' increasing knowledge of, and appreciation for, Indiana history so that they can serve as positive role models to others.
East Noble School Corporation	Jump-start to Sixth-Grade Band	Kendallville, IN	\$3,000	Students' increasing performance, technical, and music reading skills so that they are more confident musicians.
Fort Wayne Ballet, Inc.	Rome City Elementary Residency	Fort Wayne, IN	\$2,500	Students' increasing self-confidence and personal responsibility so that they can make good life choices.
Grace College & Seminary	On-location Lake and Stream Education Experiences	Winona Lake, IN	\$55,000	K-12 students' increasing education specific to Kosciusko County's waterways so that they are equipped to make positive choices to protect water quality in lakes and streams.
Harold W. McMillen Center for Health Education	Preventive Health Education	Fort Wayne, IN	\$15,000	Students' increasing knowledge of their bodies and well-being so that they can make informed health decisions as they enter adolescence and adulthood.
Impact 2818 Camp Lakewood	Camper Scholarships	Wolcottville, IN	\$3,000	Campers' increasing participation so that they can experience meaningful peer and adult relationships, outdoor physical activities, and spiritual devotions.

Organization	Project Title	City	Amount	Together, we're tracking:
Joe's Kids, Inc.	Matching Funds for Operating Support	Warsaw, IN	\$15,000	The organization's growing sponsorships so that young people receive needed therapies.
Limestone County Schools	Liberty's Legacy Super Citizen Program	Athens, AL	\$4,680	Students' increasing project-based study of civic engagement and financial literacy.
Limestone County Schools	Cedar Hill Elementary Glass Fusing	Athens, AL	\$1,585	Students' increasing confidence and engagement through creative projects that also help them make scientific connections.
Lindsay Lane Christian Academy	Building Empathy Muscles	Athens, AL	\$1,500	Students' increasing opportunities to explore their talents, practice communication and teamwork, learn from their mistakes, and build their self-confidence so that they are more empathetic and compassionate to their peers.
Lucas County Arts Council	Instrument Program	Chariton, IA	\$7,000	Students' increasing interest in music and access to instruments so that they can experience choice and deeper engagement.
Osceola Public Library Foundation	Adult and Youth Programming	Osceola, IA	\$2,000	Students' increasing self-expression through the arts, appreciation for diverse cultures, STEM/STEAM skills, career exploration, and financial literacy.
The Center for Whitley County Youth, Inc.	Thoughtful Planning for a Thriving Future	Columbia City, IN	\$9,276	Teens' increasing social competencies as positive assets as identified by Search Institute surveys.

Organization	Project Title	City	Amount	Together, we're tracking:
The Center for Whitley County Youth, Inc.	Multiplied Environments for Expanded Influence	Columbia City, IN	\$35,000	The organization's increasing number of recurring donors so that its fundraising becomes more sustainable.
United Way of Athens- Limestone County	Career & Academic Workshop Series	Athen, AL	\$9,500	Students' increasing ability to have a plan in hand that includes their interests, transferable skills, and a list of possible careers so that they can identify their next step for life after high school graduation.
Westview School Corporation	Buddy Program	Topeka, IN	\$500	Students' increasing participation in the Buddy Program so that they feel supported, cared for, and empowered.
Women of Grace USA/Sisters Mentoring with a Mission	SMM Leader Training	Pierceton, IN	\$3,500	Volunteer mentors' increasing capacity to develop deeper relationships with the girls they serve that will help them become stronger women in the future.



Look, Ma, No Hands!

Adolescence is, if you'll forgive the expression, when the rubber meets the road. During these years, ages 13-18, she's taking everything she's learned from riding with training wheels and on a tricycle and applying it to becoming a better and better bicycle rider. She's seizing the initiative herself to put in the long hours and do the hard work to first gain competency — and then eventually mastery — with the bike. And in doing so, she's gaining confidence that she can navigate around any obstacles that are thrown at her, no matter the terrain.



2020 Grants Awarded Adolescent Development: Ages 13-18

Organization	Project Title	City	Amount	Together, we're tracking:
Ada-Borup School District	Interactive SmartBoards	Ada, MN	\$7,000	The school's increasing classroom collaboration time so that young people learn to work as a team.
Cahoots Coffee Café	Share the Love	Angola, IN	\$15,000	The organization's increasing financial stability so it can continue to meet the needs of young people in the community.
Chariton Public Library	Inspiration Station	Chariton, IA	\$10,000	Young people's increasing engagement when they visit the library so that they strengthen literacy skills, peer relationships, and community involvement.
City of Athens	My Community. My Commitment.	Athens, AL	\$4,250	Mayor's Youth Advisory Commission members' increasing empowerment so that they become informed citizens and invested in their community.
City of Kendallville	AIM Youth Leadership Summit	Kendallville, IN	\$1,320	Mayor's Youth Advisory Council members' increasing leadership skills and connections with others that inspire them to make a difference in their community.
Community Foundation of DeKalb County	VOICES Youth Philanthropy Operating Support	Auburn, IN	\$20,000	VOICES members' increasing knowledge of local charitable organizations and of philanthropy.
Community Foundation of Noble County	PULSE Youth Philanthropy Operating Support	Ligonier, IN	\$15,000	PULSE members' increasing understanding of philanthropy and support for building an active community where people of all ages want to serve and participate.



Organization	Project Title	City	Amount	Together, we're tracking:
Community Foundation of Whitley County	HANDS Foundation Youth Philanthropy Operating Support	Columbia City, IN	\$27,500	HANDS members' increasing understanding of philanthropy and their mentoring of others on how they can help the community.
Garrett-Keyser-Butler Community School District	Teaching Aligned with Developing Adolescents (TADA)	Garrett, IN	\$60,000	Staff members' increasing professional development so that they can better meet students' needs.
Harvest with a Heart	Operating Support	Milford, IN	\$15,000	Students' increasing employability skills through the coffees shop's chore program.
Impact 2818 Camp Lakewood	Impact Leadership Training	Wolcottville, IN	\$3,000	Teens' increasing participation in the program so that they can become leaders in their own communities.
Indiana Youth Institute, Inc.	Operating Support	Indianapolis, IN	\$130,194	Youth-serving professionals' increasing knowledge and skills so they can serve diverse populations and have a positive impact on young people.
J. Kruse Education Center, Inc.	Career Exploration	Auburn, IN	\$100,000	The organization's increasing number of "pods" that serve to connect students with potential careers, as well as partnerships with businesses.

Organization	Project Title	City	Amount	Together, we're tracking:
Kosciusko County Community Foundation, Inc.	KEYS Youth Philanthropy Operating Support	Warsaw, IN	\$36,500	KEYS members' increasing understanding of philanthropy and their support for social-emotional learning in schools.
Lakeland Christian Academy	Dave Ramsey Curriculum	Winona Lake, IN	\$1,365	Students' increasing financial literacy and understanding of how it impacts their daily decisions.
Limestone Area Community Foundation	TRAIL Youth Philanthropy Operating Support	Athens, AL	\$20,000	TRAIL members' increasing understanding of philanthropy so they are more productive and thoughtful with their work to bring about positive change in their community.
Limestone County Schools	Collaborative Seating	Athens, AL	\$5,805	The school's increasing number of students who are engaged in their collaborative environment so that they experience organic conversations, peer mentoring, and a deeper understanding of classroom lessons.
Lindsay Lane Christian Academy	LLCA Robotics Improvement Challange	Athens, AL	\$5,000	Students' increasing ability to work together as a team and build robotics-related skills.
RespectTeam	RespectTeam Programming in DeKalb, Noble, and Whitley Counties	Huntertown, IN	\$3,000	The organization's increasing programs for young people so they gain positive asssets.

Organization	Project Title	City	Amount	Together, we're tracking:
South Central lowa Community Foundation	ROCCS Youth Philanthropy Operating Support	Chariton, IA	\$30,000	ROCCS members' increasing ability to address community needs and their understanding of philanthropy.
South Central lowa Community Foundation	HELP Youth Philanthropy Operating Support	Chariton, IA	\$25,000	HELP members' increasing understanding of philanthropy and support for elementary and middle school classrooms' charitable giving projects.
South Central lowa Community Foundation	YACC Youth Philanthropy Operating Support	Chariton, IA	\$25,000	YACC members' increasing understanding of philanthropy and their support for young people who feel empowered to serve their community.





For us, the key is that wherever they choose to go, they have the

knowledge, skills, and character

to make the journey.

And our hope is that by the time they graduate from high school, they feel confident they can put the "pedal to the mettle" to make their own choices, chart their own course, and achieve their goals and aspirations.

When Mr. Chester E. Dekko started the Dekko Foundation in 1981, he aspired for others in our grantmaking priority areas in Indiana, Iowa, Minnesota, and Alabama to achieve economic freedom.

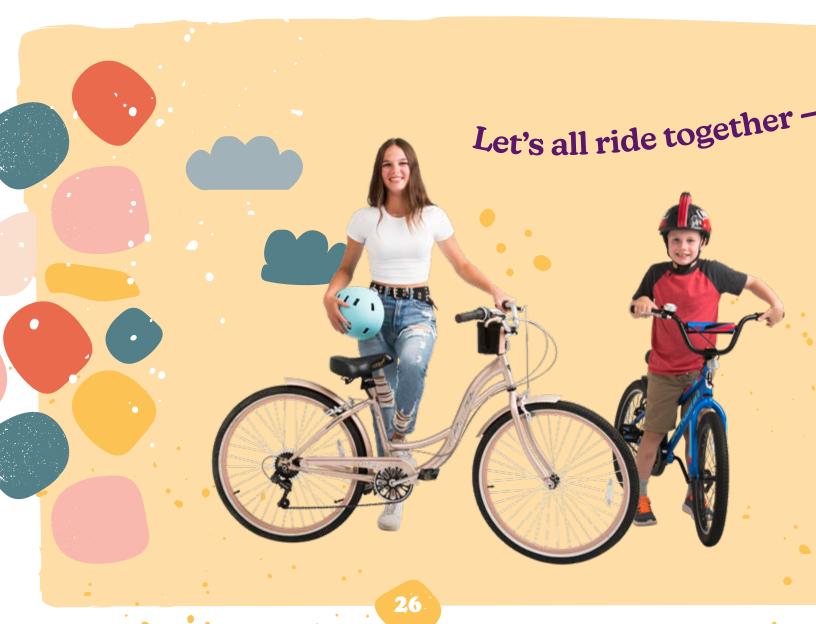
In the years since, we've learned a lot through our grantmaking and grown in our understanding of child and youth development. We know the journey to economic freedom isn't easy. There will be potholes in the road, flat tires, and the occasional detour along the way. That's why we invest in opportunities and experiences that nurture the continued growth of children and young people so they can fix the flat or navigate their way back and keep moving down the road.



We think children and young people from birth through age 18 are naturally wired to become economically free adults through their own development and by being in learning environments that support their self-sufficiency. As they grow older and have opportunities to connect their skills and talents to careers, they further their ability to create goods and services for others. As they create goods and services for others within our democracy and free-enterprise system, they can earn, build, use, and share their wealth in the manner they choose. And for that, we should shout,

"HOORAY!"
because they ve achieved because they reedomic freedom.
economic freedom.





to economic freedom!



2020 Grants Awarded Community Development

Organization	Project Title	City	Amount	Together, we're tracking:
Auburn Cord Duesenberg Automobile Museum	Education Program	Auburn, IN	\$5,000	Students' increasing knowledge of science and local history so that they create deeper connections with their community.
Auburn Cord Duesenberg Automobile Museum	Strategic Plan 2020	Auburn, IN	\$8,000	The museum's increasing strategies to grow financial support, enhance programming and experiential learning, and complete a capital campaign to restore the building to its original 1930s appearance.
Bobcat Youth League	Bobcat Youth Sports Complex	Butler, IN	\$50,000	The league's increasing ability to engage more young people in impactful relationships and activities through its enhanced facilities.
City of Gary	Repurposing Gary School	Gary, MN	\$3,500	The city's increasing strategies for repurposing a vacant school building by partnering residents of the community with experts from the fields of architecture, grant writing, and engineering.
City of Mount Ayr	Recreation Facilities Feasibility Study	Mount Ayr, IA	\$5,000	The city's increasing ability to move forward on one cohesive project.
Decatur County Development Corporation	Lamoni Fairgrounds Makeover	Leon, IA	\$25,000	The fairgrounds' increasing use for youth and family activities through the addition of a multipurpose building and renovation of existing facilities.

Organization	Project Title	City	Amount	Together, we're tracking:
Fort Wayne Philharmonic Orchestra, Inc.	Operating Support	Fort Wayne, IN	\$50,000	Schools' increasing participation in the organization's Ensembles in the Schools program so that students gain basic music literacy skills.
Kosciusko County Community Foundation, Inc.	LaunchPad Support	Warsaw, IN	\$10,500	The increasing number of early childhood educators that complete child development associate classes so that they are better qualified to enter and/or work in the field.
Living History Farms	American Association for State and Local History Education Evaluation	Urbandale, IA	\$3,750	The organization's increasing strategies for improving education programs so that students are more engaged.
Michiana Public Broadcasting Corporation/WNIT	Education Counts	South Bend, IN	\$7,000	School districts' increasing participation in Education Counts conversations so that educators learn from one another and elevate learning environments for students.

Pekko Foundation Year in Review

2020 brought its share of challenges and changes. Some were good, like our transition to a new grants management database system that we think will better serve our grantseekers and grantees. And we welcomed Abby Lindsey to our team as a program officer. She is enthusiastic about building relationships with our grantseekers and grantees, and working with them to support positive change in children and young people.



Of course the biggest challenge in 2020 was the Covid-19 pandemic and accompanying economic downturn, which affected our grantmaking ability and prevented us from visiting our grantmaking priority areas in Indiana, Iowa, Minnesota, and Alabama. We appreciate the patience and understanding of our grantseekers and grantees, and we look forward to seeing you — in person — and learning more about the great things you're doing to support the healthy development and self-sufficiency of children and young people.





Our Board & Staff

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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying modified cash basis financial statements of Dekko Foundation, Inc. (Foundation), which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities and functional expenses for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

ACCETO

TOTAL LIABILITIES

AND NET ASSETS

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Dekko Foundation, Inc. as of August 31, 2020 and 2019, and the changes in its net assets for the years then ended in accordance with the modified cash basis of accounting described in Note 1

BASIS OF ACCOUNTING

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than the accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



2020

Fort Wayne, Indiana | November 16, 2020

STATEMENTS OF FINANCIAL POSITION

August 31, 2020 and 2019 Modified Cash Basis

ASSETS	2020	2019
Cash and cash equivalents	\$4,931,868	\$5,249,202
Investments	\$197,617,738	\$195,536,456
Note receivable, net	\$4,500,000	\$1,000,000
Property and equipment, net	\$171,079	\$105,768
TOTAL ASSETS	\$207,220,685	\$201,891,426
LIABILITIES		
LIADILITIES		
Payroll tax withholdings	\$4,770	\$4,963
NET ASSETS WITHOUT DONOR RESTRICTIONS	\$207,215,915	\$201,886,463

2020

\$207,220,685 \$201,891,426

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STATEMENTS OF ACTIVITIES

Years Ended August 31, 2020 and 2019 Modified Cash Basis

	2020		2019		
RECEIPTS	TOTAL	% OF TOTAL	TOTAL	% OF TOTAL	
Contributions	\$319,903	1.78%	\$319,903	1.89%	
Interest and dividend income	\$3,824,927	21.22%	\$4,145,971	24.52%	
Net realized gains on investments	\$13,874,744	76.99%	\$12,413,760	73.42%	
Other	\$1,995	0.01%	\$28,443	0.17%	
TOTAL RECEIPTS	\$18,021,569	100.00%	\$16,908,077	100.00%	
DISBURSEMENTS & EXPENSES					
Grants	\$10,721,022	84.45%	\$10,797,904	85.30%	
Administrative	\$839,372	6.61%	\$809,266	6.39%	
Library	\$948	0.01%	\$858	0.01%	
Depreciation	\$11,508	0.09%	\$11,508	0.09%	
Utilities	\$20,292	0.16%	\$18,431	0.15%	
Office supplies	\$3,350	0.03%	\$6,867	0.05%	
Equipment	\$269	0.01%	\$3,052	0.02%	

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		2020	2019	
DISBURSEMENTS & EXPENSES (CONT.)	TOTAL	% OF TOTAL	TOTAL	% OF TOTAL
Repair and maintenance	\$73,911	0.58%	\$80,103	0.63%
Dues and membership	\$25,845	0.20%	\$23,909	0.19%
Training	\$41,204	0.32%	\$39,861	0.31%
Travel	\$38,038	0.31%	\$80,748	0.64%
Postage	\$4,613	0.04%	\$6,236	0.05%
Insurance	\$26,096	0.21%	\$24,529	0.19%
Professional fees	\$462,825	3.65%	\$454,378	3.59%
Federal excise tax and unrelated business income tax	\$372,118	2.93%	\$222,500	1.76%
Other	\$50,706	0.40%	\$79,208	0.63%
TOTAL DISBURSEMENTS & EXPENSES	\$12,692,117	100.00%	\$12,659,358	100.00%
CHANGE IN UNRESTRICTED NET ASSETS	\$5,329,452		\$4,248,719	
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	\$201,886,463		\$197,637,744	
UNRESTRICTED NET ASSETS, END OF YEAR	\$207,215,915		\$201,886,463	

STATEMENTS OF FUNCTIONAL EXPENSES		2020			2019	
Years Ended August 31, 2020 and 2019 Modified Cash Basis	PROGRAM SERVICES	MANAGEMENT & GENERAL	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	TOTAL
Grants	\$10,721,022	_	\$10,721,022	\$10,797,904	_	\$10,797,904
Administrative	\$413,940	\$425,432	\$839,372	\$396,540	\$412,726	\$809,266
Library	\$465	\$483	\$948	\$420	\$438	\$858
Depreciation	\$5,639	\$5,869	\$ 11,508	\$5,639	\$5,869	\$ 11,508
Utilities	\$9,943	\$10,349	\$20,292	\$9,031	\$9,400	\$18,431
Office supplies	\$857	\$2,493	\$3,350	\$2,400	\$4,467	\$6,867
Equipment	\$132	\$137	\$269	\$1,495	\$1,557	\$3,052
Repair and maintenance	\$36,217	\$37,694	\$73,911	\$39,250	\$40,853	\$80,103
Dues and membership	\$12,664	\$13,181	\$25,845	\$11,715	\$12,194	\$ 23,909
- Training	\$31,689	\$9,515	\$41,204	\$33,399	\$6,462	\$39,861
Travel	\$17,196	\$20,842	\$38,038	\$42,293	\$38,455	\$80,748
Postage	\$2,261	\$2,352	\$4,613	\$105	\$6,131	\$6,236
Insurance	\$12,787	\$13,309	\$26,096	\$12,019	\$12,510	\$24,529
Professional fees	\$329,318	\$133,507	\$462,825	\$422,585	\$31,793	\$454,378
Federal excise tax and unrelated business income tax	-	\$372,118	\$372,118	-	\$222,500	\$222,500
Other	\$8,539	\$42,167	\$50,706	\$27,322	\$51,886	\$79,208
	\$11,602,669	\$1,089,448	\$12,692,117	\$11,802,117	\$857,241	\$12,659,358

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 and 2019 Modified Cash Basis

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Dekko Foundation, Inc. (Foundation) was incorporated as a not-for-profit foundation in 1981, under the laws of the state of Indiana. The mission of the Foundation is to foster economic freedom through education in the areas where its founder, Mr. Chester E. Dekko, had an interest. For that reason, the Foundation focuses its grant making in portions of Alabama, Florida, Indiana, Iowa and Minnesota. Primary sources of revenue for the Foundation are estate contributions and investment income. Mr. Dekko's intent for his foundation was to give young people the opportunity for high-quality experiences that would lay the groundwork for the development of financial independence. To carry out that mission, the Dekko Foundation makes grants to not-for-profit organizations that promote developmentally appropriate experiences. The Foundation also invests in the capacity of youth and community development organizations to sustain and elevate their work.

USE OF ESTIMATES

The preparation of financial statements in conformity with the Foundation's modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements and other changes in net assets during the reporting period. Actual results could differ from those estimates.

BASIS OF ACCOUNTING

The financial statements have been prepared on a modified cash basis of accounting which differs from accounting principles generally accepted in the United States of America (GAAP) as follows:

- Cash paid to charitable organizations and vendors is expensed when paid, not when the grant is approved or when the obligation is incurred as required by GAAP.
- Investments are recorded at cost, not fair value, and investment income is recorded when received, not when earned, as required by GAAP. In addition, certain disclosures are not provided regarding the nature of certain investments, as required by GAAP.

NET ASSET CLASSIFICATIONS

The following class of net assets is maintained:

Net Assets Without Donor Restrictions – The net assets without donor restrictions class includes general assets and liabilities of the Foundation. The net assets without donor restrictions of the Foundation may be used at the discretion of management to support the Foundation's purposes and operations.

CASH AND CASH EQUIVALENTS

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At August 31, 2020 and 2019, cash equivalents consisted primarily of money market accounts with brokers.

At August 31, 2020, the Foundation's cash accounts exceeded federally insured limits by approximately \$4,683,000.

NOTES RECEIVABLE

Notes receivable are stated at the outstanding principal amount, net of allowance for uncollectible notes. The Foundation provides an allowance for uncollectible notes, which is based upon a review of outstand-

ing receivables, historical collection information and existing economic conditions (none at August 31, 2020 and 2019). Outstanding notes pay interest based on the terms of the respective note agreements. A note receivable is considered delinquent when the debtor has missed three or more payments.

INVESTMENTS

Marketable securities and other investments are recorded at cost or, if donated, at the fair value at the date of gift. Other investments are comprised of nonmarketable securities, such as private partnerships and limited liability corporations. Investment gains and losses are recognized upon realization using the specific-identification method.

INCOMETAXES

The Foundation is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and a similar provision of state law. The Foundation is considered to be a private foundation under Section 509(a) of the Code. The Foundation is subject to excise tax on investment income. In addition, the Internal Revenue Service requires that certain minimum distributions be made in accordance with a specified formula.

The Foundation files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Foundation is no longer subject to U.S. federal examinations by tax authorities for years before 2017.

PROPERTY AND FQUIPMENT

Expenditures for property and equipment and items, which substantially increase the useful lives of existing assets, are capitalized at cost. The Foundation provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

- Furnishings and equipment: 5-7 Years
- Buildings and improvements: 15-31 Years

NOTE 2: INVESTMENTS

The Foundation's investments are as follows

The Foundation's investments are a		2020	2019		
	COST	FAIR VALUE	COST	FAIR VALUE	
U.S. Government and U.S. Government agency securities	\$21,537,882	\$23,706,830	\$28,176,779	\$29,318,507	
Equities	\$128,155,613	\$167,015,301	\$119,998,636	\$159,491,366	
Corporate and municipal bonds	\$14,736,137	\$15,136,616	\$17,280,579	\$17,507,205	
Nonmarketable securities	\$33,188,106	\$42,072,542	\$30,080,462	\$40,228,478	
TOTAL	\$197,617,738	\$247,931,289	\$195,536,456	\$246,545,556	

The fair value is based on quoted prices in active markets, if available. In the absence of readily determinable fair values, the fair value of alternative investments is based on the net asset value of the fund either provided by the investments fund manager or general partner or estimated by management based on audited financial statements received from the respective investment's fund manager or general partner. 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 notes to the financial statements.

NONMARKETABLE INVESTMENTS

The fair value of nonmarketable investments have been estimated using the net asset value per share (or its equivalent) as a practical expedient. This category includes investments in private equity funds that pursue multiple strategies and investment options to maximize return while diversifying risks and reducing volatility. The nature of these investments is that distributions are received through liquidation of the underlying assets of the fund in accordance with the planned life cycle of the fund and its investment strategy. The amount of unfunded capital commitments is approximately \$8,732,000 and \$9,974,000 at August 31, 2020 and 2019, respectively.

NOTE 3: PROPERTY AND EQUIPMENT

The Foundation's property and equipment are as follows:

	2020	2019
Buildings and improvements	\$561,027	\$561,027
Furnishings and equipment	\$202,936	\$202,936
Construction in progress	\$76,819	_
	\$840,782	\$763,963
Accumulated depreciation	(\$669,703)	(\$658,195)
TOTAL	\$171,079	\$105,768

NOTE 4: EMPLOYEE BENEFITS

The Foundation maintains a 403(b) defined-contribution plan for the benefit of substantially all of its employees, which allows for both employee and employer contributions. The Foundation's contribution consists of a discretionary contribution of 10 percent of eligible compensation, and a matching contribution of 100 percent of employee contributions, up to 5 percent of eligible employee compensation. The Foundation's contribution to the plan was \$86,587 and \$84,338 for 2020 and 2019, respectively.

NOTE 5: RELATED PARTY TRANSACTIONS

During 2020 and 2019, a portion of the Foundation's investments were managed by an investment advisor who is a related party of the Foundation in the amount (cost basis) of \$40,962,581 and \$37,843,259 as of August 31, 2020 and 2019, respectively. The investment advisory fee (which was paid to the brokerage firm, not the related party advisory firm) was \$231,128 and \$230,907 for the years ended August 31, 2020 and 2019, respectively.

NOTE 7: SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 16, 2020, which is the date the financial statements were available to be issued.

NOTE 6: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of August 31, 2020 and 2019, comprise the following:

	2020	2019
Cash	\$4,931,868	\$5,249,202
Investments	\$189,165,802	\$187,590,653
Financial assets available to meet cash needs for general expenditures within one year	\$194,097,670	\$192,839,855

While the Organization does not anticipate liquidity concerns, the Organization does have a highly involved Board of Directors who monitors liquidity throughout the year. The entity's primary expenses are grant disbursements that are decided upon by the Board of Directors. If liquidity concerns were to appear, the Board of Directors would be able to limit disbursements on an as needed basis and maintain sufficient levels of liquidity.

Cash is monitored daily and a monthly review is performed at the management level.

Economic Freedom

Here's how we think it works.

We'd love to hear your ideas for helping young people grow up to be economically free!

You can send us your proposal by going to **dekkofoundation.org** and clicking on "Apply Now" or discuss your idea with us by calling **260-347-1278**.

Young
adults have the
economic freedom
they need to nurture
the next generation and
to be philanthropic.

People enter young adulthood with a vocational plan already underway.

Children and young people gain the skills, knowledge, and character they need from experiences offered by caring adults.

Wanting children to thrive, adults step back to seek information about children's development and the experiences they need to grow.

Adults — parents, educators, and community members — love children and care deeply about their future happiness and livelihood.