



BLACKFORD COUNTY
Community Foundation

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

December 31, 2025 and 2024



ESTEP BURKEY SIMMONS

LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditors' Report

Board of Directors
Blackford County Community Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Blackford County Community Foundation, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Blackford County Community Foundation, Inc. as of December 31, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blackford County Community Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Muncie Office

111 W. Adams St. PO Box 42
Muncie IN 47308-0042

(765) 284 7554 | (765) 284 7706 (Fax)

New Castle Office

309 Parkview Dr. PO Box 1040
New Castle IN 47362-1040

(765) 529 5200 | (765) 529 8840 (Fax)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Blackford County Community Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blackford County Community Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Estep Burkey Simmons, LLC

Muncie, Indiana

July 16, 2026

Blackford County Community Foundation, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 4,622,517	\$ 1,931,240
Certificates of deposit	740,502	517,497
Grant receivable	-	2,478,008
Accounts receivable	-	590
Investments	14,990,426	12,794,786
Right of use asset	5,513	11,026
Furniture and equipment, net of accumulated depreciation of \$27,008 and \$25,357 as of 2025 and 2024, respectively	<u>8,797</u>	<u>10,448</u>
Total assets	<u><u>\$ 20,367,755</u></u>	<u><u>\$ 17,743,595</u></u>
LIABILITIES		
Accounts payable	\$ -	\$ 90
Accrued liabilities	2,548	-
Right of use liability	5,513	11,026
Funds held for others	<u>201,985</u>	<u>184,372</u>
Total liabilities	210,046	195,488
NET ASSETS		
Without donor restrictions	1,020,927	803,348
With donor restrictions	<u>19,136,782</u>	<u>16,744,759</u>
Total net assets	<u>20,157,709</u>	<u>17,548,107</u>
Total liabilities and net assets	<u><u>\$ 20,367,755</u></u>	<u><u>\$ 17,743,595</u></u>

The accompanying notes are an integral part of these statements.

Blackford County Community Foundation, Inc.

STATEMENTS OF ACTIVITIES

Years Ended December 31,

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenue			
Contributions	\$ 12,501	\$ 1,011,555	\$ 1,024,056
Non-cash contributions		422,286	422,286
Administrative fee income	235,669		235,669
Investment return, net	137,713	1,717,062	1,854,775
Miscellaneous income	2,501		2,501
	<u>388,384</u>	<u>3,150,903</u>	<u>3,539,287</u>
Net assets released from restrictions			
Satisfaction of purpose restrictions	315,414	(315,414)	
Pursuant to spending policy	443,466	(443,466)	
Operating expenses			
Program services	724,914		724,914
Supporting services			
Management and general	174,422		174,422
Fundraising	30,349		30,349
	<u>929,685</u>	<u></u>	<u>929,685</u>
CHANGE IN NET ASSETS	217,579	2,392,023	2,609,602
Net assets at beginning of year	<u>803,348</u>	<u>16,744,759</u>	<u>17,548,107</u>
Net assets at end of year	<u>\$ 1,020,927</u>	<u>\$ 19,136,782</u>	<u>\$ 20,157,709</u>

The accompanying notes are an integral part of these statements.

2024		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 22,299	\$ 4,920,217	\$ 4,942,516
213,259		213,259
60,327	1,108,742	1,169,069
8,105		8,105
303,990	6,028,959	6,332,949
190,462	(190,462)	
391,264	(391,264)	
563,424		563,424
168,947		168,947
32,195		32,195
764,566		764,566
121,150	5,447,233	5,568,383
682,198	11,297,526	11,979,724
<u>\$ 803,348</u>	<u>\$ 16,744,759</u>	<u>\$ 17,548,107</u>

Blackford County Community Foundation, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31,

	2025			
	Grant- making	Management & General	Fundraising	Total
Salaries and wages	\$ 36,293	\$ 43,350	\$ 21,171	\$ 100,814
Payroll taxes	2,850	3,405	1,663	7,918
Employee benefits	760	908	444	2,112
Conferences and meetings	865	1,034	505	2,404
Grants	514,082			514,082
Program expenses	19,533			19,533
Printing and publications	961	1,148	560	2,669
Postage	175	209	102	486
Administrative fees expense	139,277	92,852		232,129
Advertising	913	1,090	533	2,536
Dues and subscriptions	376	449	219	1,044
Office supplies	670	800	391	1,861
Legal and accounting		19,430		19,430
Rent	3,240	3,870	1,890	9,000
Repairs and mainenance	2,764	3,302	1,613	7,679
Insurance expense	1,438	1,718	839	3,995
Miscellaneous expenses	123	147	72	342
Depreciation	594	710	347	1,651
	<u>\$ 724,914</u>	<u>\$ 174,422</u>	<u>\$ 30,349</u>	<u>\$ 929,685</u>

The accompanying notes are an integral part of these statements.

2024

Grant- making	Management & General	Fundraising	Total
\$ 40,019	\$ 47,801	\$ 23,345	\$ 111,165
2,884	3,445	1,683	8,012
1,045	1,249	610	2,904
722	863	421	2,006
308,766			308,766
73,595			73,595
1,271	1,518	742	3,531
630	752	367	1,749
125,873	83,915		209,788
434	518	253	1,205
480	574	280	1,334
1,312	1,567	765	3,644
	19,110		19,110
2,520	3,010	1,470	7,000
1,978	2,362	1,154	5,494
1,269	1,516	740	3,525
178	212	104	494
448	535	261	1,244
<u>\$ 563,424</u>	<u>\$ 168,947</u>	<u>\$ 32,195</u>	<u>\$ 764,566</u>

Blackford County Community Foundation, Inc.

STATEMENTS OF CASH FLOWS

Years Ended December 31,

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,609,602	\$ 5,568,383
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,651	1,244
Realized and unrealized gains on investments	(770,881)	(511,378)
Non-cash contributions	(422,286)	
Contributions to funds held in perpetuity	(2,604,234)	(1,620,521)
(Increase) decrease in assets:		
Grant receivable	2,478,008	(2,478,008)
Accounts receivable	590	(590)
Increase (decrease) in liabilities:		
Accounts payable	(90)	90
Accrued liabilities	2,548	(2,596)
Agency funds	17,613	9,490
Net cash provided by operating activities	1,312,521	966,114
Cash flows from investing activities:		
Purchase of equipment		(1,276)
Purchase of certificates of deposit	(740,502)	(717,497)
Maturity of certificates of deposit	517,497	1,092,780
Proceeds from sale of investments	1,598,227	8,952,257
Purchase of investments	(2,600,700)	(11,733,762)
Net cash used in investing activities	(1,225,478)	(2,407,498)
Cash flows from financing activities:		
Cash received from contributors to be held in perpetuity	2,604,234	1,620,521
Net cash provided by financing activities	2,604,234	1,620,521
Net change in cash and cash equivalents	2,691,277	179,137
Cash and cash equivalents at beginning of year	1,931,240	1,752,103
Cash and cash equivalents at end of year	<u>\$ 4,622,517</u>	<u>\$ 1,931,240</u>

The accompanying notes are an integral part of these statements.

Blackford County Community Foundation, Inc.**NOTES TO FINANCIAL STATEMENTS****December 31, 2025 and 2024****NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES****1. Nature of Activities**

Blackford County Community Foundation, Inc. (Foundation) was incorporated as a not-for-profit organization on May 15, 1989, under the laws of the State of Indiana. The Foundation was organized exclusively to seek and accept donations from private and public sources for the purpose of distributing the income for scholarships and other charitable purposes, and to enhance and promote philanthropy in Blackford County, Indiana.

2. Basis of Accounting

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

3. Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the financial year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

4. Cash and Cash Equivalents

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

5. Investments

The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return/(loss) is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

6. Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2025 and 2024, the Foundation exceeded the insured limit by \$776,818 and \$350,187, respectively.

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

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

7. Property, Equipment and Depreciation

Purchased property and equipment is stated at cost. Donated property and equipment is recorded as support and revenue at the estimated fair value at the date of gift. Depreciation is computed according to the estimated useful lives of the respective assets, which range from three to forty years, using the straight-line method.

8. Grants and scholarships

Grants and scholarships, including multi-year awards, are recorded as an expense and a payable when grants are approved and communicated to the grantees. Grants and scholarships expense for the years ended December 31, 2025 and 2024 was \$514,082 and \$308,766, respectively.

9. Net Assets and Spending Policy

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and comprised of the Foundation's operating fund and unrestricted income from endowment funds.

Net assets with donor restrictions - Net assets not yet appropriated for expenditure by the Foundation's Board of Directors in accordance with their spending policy or that have donor-imposed restrictions relating to a stipulated purpose or a specified time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished or amounts have been allocated for expenditure by the Board of Directors, net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

The primary investment objective of the Foundation is to preserve real purchasing power in perpetuity and to maintain a spending policy that supports the mission of the Foundation. The overall, long-term investment goal of the Foundation is to achieve an annualized total return, net of fees and expenses, through appreciation and income, greater than the rate of inflation plus any spending which is anticipated not to exceed 5% annually, thus protecting the purchasing power of the assets.

The Foundation's spending policy is to spend up to 3% of a twelve quarter trailing average of the market value of the total portfolio. The amount to be spent in the coming year is calculated each December 31 and is reviewed by the Board annually.

Blackford County Community Foundation, Inc.**NOTES TO FINANCIAL STATEMENTS****December 31, 2025 and 2024****NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued****10. Income Taxes**

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision has been made for income taxes. The Foundation is not considered to be a private foundation.

11. Compensated Absences

Full-time employees of the Foundation qualify for paid days off. Paid days off must be used by the end of the calendar year. Any unused paid days off is paid to an employee upon termination based upon the employee's hourly rate. The Foundation's policy is to recognize the cost of compensated absences when actually paid to employees.

12. Advertising

Advertising costs are expensed as incurred and included in functional expenses. Advertising expenses totaled \$2,536 and \$1,205 for the years ending December 31, 2025 and 2024, respectively.

13. Non-Cash Contributions

During the years ended December 31, 2025 and 2024, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

During the years ended December 31, 2025 and 2024, the Foundation received gifts of public securities of \$422,286 and \$0-, respectively, which were valued at fair value. It is the Foundation's policy to immediately liquidate gifts of public securities and invest the proceeds in compliance with the Foundation's investment policy.

14. Uncertain Tax Positions

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

The Foundation's federal and state exempt organization tax returns for 2022, 2023, and 2024 are subject to examination by the Internal Revenue Service and the Indiana Department of Revenue. Returns are generally subject to examination for three years after they are filed.

Blackford County Community Foundation, Inc.**NOTES TO FINANCIAL STATEMENTS****December 31, 2025 and 2024****NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued**15. Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses include depreciation, insurance, printing and publications, rent, telephone, utilities, cleaning, office supplies, postage, website, dues and subscriptions, salaries and wages, payroll taxes, employee benefits, conferences and meetings, and miscellaneous expenses. These expenses are allocated on the basis of estimates of time and effort.

16. Estimates

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

NOTE B - LIQUIDITY

The Foundation has financial assets available within one year of the Statements of Financial Position date consisting of cash in the amount of \$1,020,927 and \$803,348 as of December 31, 2025 and 2024, respectively.

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statements of Financial Position date. As part of its liquidity management, the Foundation invests cash in excess of daily requirements in various cash equivalents including money market funds and other interest earning opportunities.

NOTE C - GRANT RECEIVABLE

Grant receivable consists of a grant from Lilly Endowment to develop and maintain trails along the Cardinal Greenway in Blackford County, Indiana. The Foundation received a total grant of \$3,097,510 to complete this project. During the year ending December 31, 2024, the Foundation received a payment of \$619,502 for this project. The remaining \$2,478,008 has been recorded as a grant receivable on the Statements of Financial Position. The grant receivable was received in June 2025.

NOTE D - RISKS AND UNCERTAINTIES

The Foundation holds a variety of investments (Note E). Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these securities and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the various risk factors will occur in the near term that could materially affect the amounts reported in the accompanying financial statements.

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE E - INVESTMENTS

The following is an analysis of the cost and fair value at December 31, 2025 and 2024, by type of investment. The investments are held in uninsured trust accounts at various financial institutions.

	2025	2024
	Fair Value	Fair Value
Cash surrender value of life	\$ 93,083	\$ 90,582
Alternative investment	1,468,564	1,382,832
Mutual funds - equities:		
Foreign large blend	1,133,937	857,102
Foreign large growth	1,052,480	796,458
Small value	477,072	
Small growth	501,615	464,340
Mid-cap blend		451,366
Large blend	5,483,462	4,775,788
Infrastructure	972,445	785,125
Total mutual funds - equity	<u>9,621,011</u>	<u>8,130,179</u>
Mutual funds - fixed income:		
Corporate bond	952,402	824,564
Nontraditional bond	1,141,984	954,264
High yield bond	572,030	478,149
Intermediate-term bond	1,141,352	934,216
Total mutual funds - fixed income	<u>3,807,768</u>	<u>3,191,193</u>
Total investments, at fair value	<u>\$ 14,990,426</u>	<u>\$ 12,794,786</u>
Total investments, at historical cost	<u>\$ 12,796,885</u>	<u>\$ 12,995,782</u>

NOTE F - FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE F - FAIR VALUE MEASUREMENTS - Continued

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

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

The following tables set forth financial assets measured at fair value in the Statement of Financial Position and the respective levels to which the fair value measurements are classified within the fair value hierarchy as of December 31, 2025 and 2024, respectively:

2025				
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Investments:				
Cash surrender value of life insurance	\$ 93,083		\$ 93,083	
Alternative investment	\$ 1,468,564			\$ 1,468,564
Mutual funds - equities	\$ 9,621,011	\$ 9,621,011		
Mutual funds - fixed income	\$ 3,807,768	\$ 3,807,768		

2024				
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Investments:				
Cash surrender value of life insurance	\$ 90,582		\$ 90,582	
Alternative investment	\$ 1,382,832			\$ 1,382,832
Mutual funds - equities	\$ 8,130,179	\$ 8,130,179		
Mutual funds - fixed income	\$ 3,191,193	\$ 3,191,193		

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE F - FAIR VALUE MEASUREMENTS - Continued

The following schedule provides further detail of the investments being held as a Level 3 fair value measurement using significant unobservable inputs at December 31, 2025 and 2024:

	Level 3	
	2025	2024
Beginning balance	\$ 1,382,832	\$ 577,801
Purchase of investments		761,723
Investment return (loss), net	85,732	43,308
Ending balance	<u>\$ 1,468,564</u>	<u>\$ 1,382,832</u>

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for level 2 investments are determined by reference to a statement provided by the life insurance company. Fair value for Level 3 investments are determined by monthly statements with quarterly valuations of the alternative investments.

NOTE G - FUNDS HELD FOR OTHERS

The Foundation reports contributions as a liability when third party organizations transfer these assets to the Foundation and specify themselves, or their affiliates, as the beneficiary. These liabilities are offset by the Foundation's investments.

During the years ended December 31, 2025 and 2024, the following activity occurred in the funds held for others by the Foundation. These amounts are not reflected on the Statements of Activities.

	2025	2024
Support and revenue		
Investment return, net	<u>\$ 25,426</u>	<u>\$ 17,175</u>
	\$ 25,426	\$ 17,175
Expenses		
Grants expense	4,273	4,214
Administrative fees	<u>3,540</u>	<u>3,471</u>
	<u>7,813</u>	<u>7,685</u>
Change in agency funds	17,613	9,490
Balance at beginning of year	<u>184,372</u>	<u>174,882</u>
Balance at end of year	<u>\$ 201,985</u>	<u>\$ 184,372</u>

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE H - OPERATING LEASE AGREEMENT

The Foundation leases office space under an operating lease expiring in 2026. Rental and lease expense for the years ended December 31, 2025 and 2024 was \$6,000. The following table discloses the undiscounted cash flows due related to operating leases, as of December 31, 2025, along with a reconciliation to the discounted amount recorded on the Statements of Financial Position.

Year ending December 31, 2026	\$	6,000
2027	-	
2028	-	
2029	-	
2030	-	
		6,000
Present value discount		487
Right of use asset/liability	\$	<u><u>5,513</u></u>

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2025 and 2024:

	2025	2024
Subject to expenditure for a specific purpose:		
Designated	\$ 1,686,930	\$ 2,233,243
GIFT VIII - Greenway expansion	3,087,370	619,502
GIFT IX - Community Support Grant	750,000	
Scholarships	18,923	9,238
Grant receivable, the proceeds from which have been restricted for:		
GIFT VIII - Greenway expansion		2,478,008
	5,543,223	5,339,991
Endowments:		
Subject to Foundation spending and appropriation:		
Donor advised	74,253	69,039
Designated	4,700,181	4,277,961
Field of interest	2,259,826	2,075,242
Scholarships	2,515,158	2,195,465
Community grantmaking	4,044,141	2,808,187
Underwater funds		(21,126)
	13,593,559	11,404,768
	\$ 19,136,782	\$ 16,744,759

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE J - NET ASSETS RELEASED FROM DONOR RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Purpose restrictions accomplished:		
Designated	\$ 298,211	\$ 174,688
GIFT IX - Community Support Grant	12,640	
Scholarships	<u>4,563</u>	<u>15,774</u>
	315,414	190,462
Restricted-purpose spending-rate distributions and appropriations:		
Donor advised	1,279	1,240
Designated	135,239	121,847
Field of interest	90,567	88,933
Scholarships	89,007	77,118
Community grantmaking	<u>127,374</u>	<u>102,126</u>
	<u>443,466</u>	<u>391,264</u>
	<u><u>\$ 758,880</u></u>	<u><u>\$ 581,726</u></u>

NOTE K - ADMINISTRATION MANAGEMENT

The Foundation assesses an administrative charge of 2.0% on endowment and pass-through funds. The amount assessed to the funds is based upon the type of fund and the balance of the fund. This amount is used primarily to support the operations of the Foundation.

For the years ended December 31, 2025 and 2024, \$235,669 and \$213,259, respectively, is included as support and revenue and \$232,129 and \$209,788, respectively, is included as an expense. Due to the fact that administrative charges to various funds are considered a significant measure of the operations of community foundations, these fees have not been eliminated in the financial statements.

NOTE L - ENDOWMENT FUNDS

The Foundation's endowment consists of 71 and 68 individual funds established for a variety of purposes as of December 31, 2025 and 2024, respectively. The endowment includes both funds established by donors and funds designated by the Board to function as endowments (board-designated endowment funds). As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE L - ENDOWMENT FUNDS - Continued

The Board of Directors of the Foundation has interpreted the Indiana Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment net assets composition by type of fund as of December 31, 2025 and 2024 were as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Board-designated endowment	\$ 154,468		\$ 154,468
Original donor-restricted gift amount and amounts required to be maintained in perpetuity		\$ 10,659,172	10,659,172
Accumulated investment gains		2,934,387	2,934,387
	<u>\$ 154,468</u>	<u>\$ 13,593,559</u>	<u>\$ 13,748,027</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Board-designated endowment	\$ 137,995		\$ 137,995
Original donor-restricted gift amount and amounts required to be maintained in perpetuity		\$ 9,675,459	9,675,459
Accumulated investment gains		1,729,309	1,729,309
	<u>\$ 137,995</u>	<u>\$ 11,404,768</u>	<u>\$ 11,542,763</u>

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE L - ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the years ended December 31, 2025 and 2024, were as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and other		\$ 1,087,008	\$ 1,087,008
Investment return, net	\$ 19,093	1,545,249	1,564,342
Total revenue and support	19,093	2,632,257	2,651,350
Appropriation of endowment assets for expenditure	2,620	443,466	446,086
Change in endowment net assets	16,473	2,188,791	2,205,264
Endowment net assets, beginning of year	137,995	11,404,768	11,542,763
Endowment net assets, end of year	\$ 154,468	\$ 13,593,559	\$ 13,748,027
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and other		\$ 1,058,496	\$ 1,058,496
Investment return, net	\$ 12,749	1,018,005	1,030,754
Total revenue and support	12,749	2,076,501	2,089,250
Appropriation of endowment assets for expenditure	2,342	391,264	393,606
Change in endowment net assets	10,407	1,685,237	1,695,644
Endowment net assets, beginning of year	127,588	9,719,531	9,847,119
Endowment net assets, end of year	\$ 137,995	\$ 11,404,768	\$ 11,542,763

Occasionally, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor of UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of December 31, 2025, none of the endowment funds had deficiencies. As of December 31, 2024, 2 of 68 endowment funds had deficiencies totaling \$21,126.

Blackford County Community Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE M - RETIREMENT PLAN

The Foundation provides a SIMPLE IRA plan to all eligible employees. The Foundation will match up to an amount equivalent to 3% of the employee's wage. The expense for the years ended December 31, 2025 and 2024 was \$2,112 and \$2,904, respectively.

NOTE N - GREENWAY EXPANSION

The Foundation was awarded \$3,097,510 from Lilly Endowment Inc. through the Community Leadership Implementation Grants component of the eighth phase of its Giving Indiana Funds for Tomorrow (GIFT VIII) initiative. This grant is to develop and maintain trails along the Cardinal Greenway in Blackford County, Indiana. To date, the Foundation has spent \$12,640 of the awarded grant.

NOTE O - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through July 16, 2026, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2025, have been incorporated into these financial statements herein.