Grand Rapids Community Foundation

Financial Report

June 30, 2026

Grand Rapids Community Foundation

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Independent Auditor's Report

To the Board of Trustees
Grand Rapids Community Foundation

Opinion

We have audited the financial statements of Grand Rapids Community Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2026 and 2025 and the related statements of activities and changes in net assets, 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 present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026 and 2025 and the changes in its net assets, functional expenses, and 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 Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our 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.

Emphasis of Matter

As described in Notes 4 and 11 to the financial statements, the financial statements include alternative investments valued at $114,339,895 (22 percent of net assets) and $93,426,182 (21 percent of net assets) at June 30, 2026 and 2025, respectively, whose net asset fair values are recorded by management based on information provided by fund mangers or general partners. Our opinion is not modified with respect to this matter.

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.

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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits 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 audits 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.

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To the Board of Trustees
Grand Rapids Community Foundation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Foundation'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 the Foundation'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

October 9, 2026

Grand Rapids Community Foundation

Statement of Financial Position

June 30, 2026 and 2025

	2026	2025
Assets		
Cash and cash equivalents	$ 22,494,326	$ 11,018,664
Investments (Notes 4 and 11)	521,513,609	458,463,211
Receivables:		
Split-interest agreements receivable	6,115,155	5,252,186
Gifts and pledges receivable	3,706,331	2,735,745
Notes receivable (Note 5)	1,596,571	1,615,870
Other assets:		
Beneficial interest in perpetual trusts	2,743,252	2,473,787
Prepaid expenses	10,768	5,547
Reinsurance contracts	611,160	661,581
Cash surrender value life insurance	1,090,122	1,033,204
Property and equipment - Net (Note 6)	2,880,140	2,815,442
Total assets	**$ 562,761,434**	**$ 486,075,237**
Liabilities and Net Assets		
Liabilities		
Accounts payable and other liabilities	$ 156,580	$ 189,431
Grants and scholarships payable (Note 7)	4,674,482	5,072,952
Charitable gift annuities payable	938,331	1,034,746
Funds held on behalf of nonprofit endowments (Note 8)	39,530,054	26,026,064
Total liabilities	45,299,447	32,323,193
Net Assets		
Without donor restrictions:		
Undesignated	56,776,873	51,667,207
Board designated (Note 10)	428,223,737	374,687,940
With donor restrictions (Note 9)	32,461,377	27,396,897
Total net assets	517,461,987	453,752,044
Total liabilities and net assets	**$ 562,761,434**	**$ 486,075,237**

See notes to financial statements.

Grand Rapids Community Foundation

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains (Losses), and Other Support						
Investment income - Net of investment expenses	$ 2,310,197	$ 204,665	$ 2,514,862	$ 4,876,493	$ 215,787	$ 5,092,280
Realized gains on sale of investments	18,819,330	518,053	19,337,383	6,471,918	201,266	6,673,184
Change in fair value of investments	57,935,580	2,506,841	60,442,421	40,251,139	1,240,753	41,491,892
Bequests and gifts	16,353,952	3,932,821	20,286,773	12,562,819	845,334	13,408,153
Change in fair value of charitable gift annuities and reinsurance contracts	(66,637)	-	(66,637)	(48,385)	-	(48,385)
Change in fair value of split-interest agreements	-	862,969	862,969	-	432,685	432,685
Adjustment for net revenue, losses, and other support associated with nonprofit activity (Note 8)	(14,352,232)	-	(14,352,232)	(3,213,189)	-	(3,213,189)
Total revenue, gains, and other support	81,000,190	8,025,349	89,025,539	60,900,795	2,935,825	63,836,620
Expenses						
Program services:						
Grants and scholarships authorized	20,897,285	-	20,897,285	24,180,887	-	24,180,887
Charitable and philanthropic	1,463,563	-	1,463,563	1,542,843	-	1,542,843
Community initiatives and program expenses	153,012	-	153,012	104,253	-	104,253
Support services:						
Management and general	2,001,701	-	2,001,701	1,808,511	-	1,808,511
Development and marketing	1,377,428	-	1,377,428	1,514,864	-	1,514,864
Fund management	270,849	-	270,849	342,140	-	342,140
Less grants related to nonprofit activity (Note 8)	(848,242)	-	(848,242)	(715,429)	-	(715,429)
Total expenses	25,315,596	-	25,315,596	28,778,069	-	28,778,069
Increase in Net Assets - Before net assets released from restrictions	55,684,594	8,025,349	63,709,943	32,122,726	2,935,825	35,058,551
Net Assets Released from Restrictions	2,960,869	(2,960,869)	-	1,774,876	(1,774,876)	-
Increase in Net Assets	58,645,463	5,064,480	63,709,943	33,897,602	1,160,949	35,058,551
Net Assets - Beginning of year	426,355,147	27,396,897	453,752,044	392,457,545	26,235,948	418,693,493
Net Assets - End of year	**$ 485,000,610**	**$ 32,461,377**	**$ 517,461,987**	**$ 426,355,147**	**$ 27,396,897**	**$ 453,752,044**

See notes to financial statements.

Grand Rapids Community Foundation

Statement of Functional Expenses

Year Ended June 30, 2026

	Program Services				Support Services				
	Grants and Scholarships	Charitable and Philanthropic	Community Initiatives and Program Expenses	Total Program Services	Management and General	Development and Marketing	Fund Management	Total Support Services	Total
Salaries and wages	$ -	$ 892,315	$ -	$ 892,315	$ 1,134,619	$ 776,640	$ 170,174	$ 2,081,433	$ 2,973,748
Payroll taxes	-	66,658	-	66,658	84,759	58,017	12,712	155,488	222,146
Recruitment and benefits	-	190,564	-	190,564	242,311	165,860	36,342	444,513	635,077
Total salaries and related expenses	-	1,149,537	-	1,149,537	1,461,689	1,000,517	219,228	2,681,434	3,830,971
Grants and scholarships	20,897,285	-	-	20,897,285	-	-	-	-	20,897,285
Component fund program expenses	-	-	153,012	153,012	-	-	-	-	153,012
Conferences	-	21,876	-	21,876	27,816	19,040	4,172	51,028	72,904
Office expenses	-	73,854	-	73,854	115,471	64,278	14,085	193,834	267,688
Occupancy	-	70,485	-	70,485	56,564	45,270	7,835	109,669	180,154
Insurance and dues/subscriptions	-	23,616	-	23,616	61,601	20,555	4,504	86,660	110,276
Equipment maintenance and depreciation	-	47,402	-	47,402	60,274	41,257	9,040	110,571	157,973
Board of trustees expenses	-	-	-	-	5,681	-	-	5,681	5,681
Other professional fees	-	35,590	-	35,590	45,254	36,053	6,787	88,094	123,684
Audit, tax, and accounting	-	-	-	-	80,625	-	-	80,625	80,625
Legal	-	1,561	-	1,561	1,985	13,267	298	15,550	17,111
Scholarship program administration	-	2,952	-	2,952	-	-	-	-	2,952
Grantmaking expenses	-	5,000	-	5,000	-	-	-	-	5,000
Community outreach	-	5,995	-	5,995	-	-	-	-	5,995
Fund development activities	-	-	-	-	-	62,758	-	62,758	62,758
Publications - Annual report, newsletters, and brochures	-	508	-	508	52,714	52,511	97	105,322	105,830
General public relations	-	25,187	-	25,187	32,027	21,922	4,803	58,752	83,939
Less grants related to nonprofit activity	(848,242)	-	-	(848,242)	-	-	-	-	(848,242)
Total functional expenses	**$ 20,049,043**	**$ 1,463,563**	**$ 153,012**	**$ 21,665,618**	**$ 2,001,701**	**$ 1,377,428**	**$ 270,849**	**$ 3,649,978**	**$ 25,315,596**

See notes to financial statements.

Grand Rapids Community Foundation

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services				Support Services				
	Grants and Scholarships	Charitable and Philanthropic	Community Initiatives and Program Expenses	Total Program Services	Management and General	Development and Marketing	Fund Management	Total Support Services	Total
Salaries and wages	$ -	$ 929,412	$ -	$ 929,412	$ 1,077,250	$ 911,113	$ 219,619	$ 2,207,982	$ 3,137,394
Payroll taxes	-	67,466	-	67,466	78,198	66,136	15,942	160,276	227,742
Recruitment and benefits	-	189,598	-	189,598	219,756	185,865	44,802	450,423	640,021
Total salaries and related expenses	-	1,186,476	-	1,186,476	1,375,204	1,163,114	280,363	2,818,681	4,005,157
Grants and scholarships	24,180,887	-	-	24,180,887	-	-	-	-	24,180,887
Component fund program expenses	-	-	104,253	104,253	-	-	-	-	104,253
Conferences	-	12,102	-	12,102	14,027	11,864	2,860	28,751	40,853
Office expenses	-	71,920	-	71,920	94,478	70,505	16,993	181,976	253,896
Occupancy	-	74,860	-	74,860	54,862	52,679	10,239	117,780	192,640
Insurance and dues/subscriptions	-	24,942	-	24,942	48,289	24,451	5,894	78,634	103,576
Equipment maintenance and depreciation	-	49,216	-	49,216	57,045	48,247	11,630	116,922	166,138
Board of trustees expenses	-	-	-	-	8,460	-	-	8,460	8,460
Other professional fees	-	30,206	-	30,206	35,010	34,367	7,138	76,515	106,721
Audit, tax, and accounting	-	-	-	-	52,725	-	-	52,725	52,725
Legal	-	3,584	-	3,584	4,154	6,389	847	11,390	14,974
Scholarship program administration	-	1,210	-	1,210	-	-	-	-	1,210
Grantmaking expenses	-	58,979	-	58,979	-	-	-	-	58,979
Community outreach	-	3,213	-	3,213	-	-	-	-	3,213
Fund development activities	-	-	-	-	-	43,663	-	43,663	43,663
Publications - Annual report, newsletters, and brochures	-	3,105	-	3,105	37,564	37,009	734	75,307	78,412
General public relations	-	23,030	-	23,030	26,693	22,576	5,442	54,711	77,741
Less grants related to nonprofit activity	(715,429)	-	-	(715,429)	-	-	-	-	(715,429)
Total functional expenses	**$ 23,465,458**	**$ 1,542,843**	**$ 104,253**	**$ 25,112,554**	**$ 1,808,511**	**$ 1,514,864**	**$ 342,140**	**$ 3,665,515**	**$ 28,778,069**

See notes to financial statements.

Grand Rapids Community Foundation

Statement of Cash Flows

Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities		
Increase in net assets	$ 63,709,943	$ 35,058,551
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	136,814	139,170
Change in fair value of split-interest agreement receivable	(862,969)	(432,685)
Change in fair value of charitable gift annuities payable and reinsurance contracts	66,637	48,385
Change in fair value of investments	(60,172,956)	(41,342,673)
Realized gain on sale of investments	(19,337,383)	(6,673,184)
Change in fair value of beneficial interest in perpetual trusts	(269,465)	(149,219)
Change in cash surrender value of life insurance	(56,918)	(52,620)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Gifts and pledges receivable	(970,586)	715,969
Prepaid expenses	(5,221)	(360)
Funds held as nonprofit endowments	13,503,990	2,497,760
Other payables	(32,851)	69,662
Grants and scholarships payable	(398,470)	505,646
Net cash and cash equivalents used in operating activities	(4,689,435)	(9,615,598)
Cash Flows Investing Activities		
Net sales of investments	16,459,941	12,375,302
Additions to furniture and equipment	(201,512)	(40,971)
Proceeds from reinsurance contracts	50,421	315,321
Repayment on notes receivable	19,299	721,527
Net cash and cash equivalents provided by investing activities	16,328,149	13,371,179
Cash Flows Used in Financing Activities - Payments on gift annuities	(163,052)	(473,105)
Net Increase in Cash and Cash Equivalents	11,475,662	3,282,476
Cash and Cash Equivalents - Beginning of year	11,018,664	7,736,188
Cash and Cash Equivalents - End of year	**$ 22,494,326**	**$ 11,018,664**

See notes to financial statements.

Note 1 - Nature of Business

Grand Rapids Community Foundation (the "Foundation") was established in October 1922 upon recommendation of a committee appointed by the Association of Commerce (now the Grand Rapids Area Chamber of Commerce) by a resolution adopted jointly by the Michigan Trust Company (now Fifth Third Bank) and Grand Rapids Trust Company (now Bank of America). The purpose of Grand Rapids Community Foundation is to accept gifts and bequests and administer the resulting earnings for charitable and educational uses that, in the opinion of the board of trustees, promote the welfare of persons residing in, or institutions situated in, the city of Grand Rapids, Michigan and surrounding communities.

Effective April 12, 1989, Grand Rapids Community Foundation was incorporated.

Since November 1930, when funds first became available, grants totaling $330,494,770 and scholarships (in addition to scholarship loans) totaling $28,970,166 have been awarded by the Foundation.

Note 2 - Significant Accounting Policies

Basis of Accounting

The accounting policies of the Foundation conform to accounting principles generally accepted in the United States of America applicable to nonprofit organizations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Foundation considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

The Foundation maintains cash balances at one bank. Throughout the year, the balances exceeded amounts insured by the Federal Deposit Insurance Corporation. The Foundation evaluates the financial institutions with which it deposits funds; however, it may not be practical to insure all cash deposits.

Investments

Investments in marketable equity securities, debt securities, and real assets are valued at their fair values in the statement of financial position. Alternative investments and certain international equities are carried at fair value, which is estimated based on net asset value per share (or its equivalent) of the investment company. Unrealized gains and losses are included in the statement of activities and changes in net assets. Realized gain or loss on the sale of investments is the difference between the proceeds received and the original cost of the specific investment sold.

Risks and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Note 2 - Significant Accounting Policies (Continued)

Split-interest Agreements Receivable

The Foundation is the sole or partial beneficiary of 12 charitable remainder trusts where the Foundation does not act as trustee. The Foundation has recorded an asset at the estimated present value of the revenue to be received from the trusts. Revenue to be received from the trusts is based on the Foundation's ownership percentage in the underlying trust investments, which are valued at fair value. Subsequent adjustments in the estimated present value of the revenue to be received from the trusts are recorded in the current year as revenue.

Gifts and Pledges Receivable

Unconditional gifts and pledges are reported as revenue when granted or received. Unconditional gifts and pledges that are expected to be collected within one year are recorded at net realizable value, while those that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Unconditional gifts and pledges receivable as of June 30, 2026 are expected to be collected as follows: $1,297,411 in less than one year; $2,406,920 during the years ending June 30, 2028 through 2031; and $2,000 during the years ending June 30, 2032 and beyond. The Foundation has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full. In addition, conditional promises to give are not included as revenue until barriers are overcome.

Notes Receivable

The Foundation records notes receivable that are related to the Foundation's mission at face value and meets regularly with organizations to ensure payment terms are being met. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the loan agreements. The Foundation calculates the allowance using an expected loss model that considers the Foundation's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Foundation considers the borrowers' payment history and the borrowers' source of funds for loan repayment. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

Beneficial Interest in Perpetual Trust

A beneficial interest in a perpetual trust is an arrangement in which a donor establishes and funds a perpetual trust for the benefit of one or more nonprofit beneficiaries. The assets are administered and managed by an independent third party. Under the terms of these arrangements, the Foundation has the irrevocable right to receive the investment income earned on the trust assets in perpetuity. The value of the Foundation's interest in the trust is based on the fair value of the underlying assets of the trust.

Property and Equipment

Property and equipment are stated at their estimated fair values at the date donated or at cost if purchased. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from 3 to 40 years.

Charitable Gift Annuities Payable

Charitable gift annuities represent gifts that are given to the Foundation with the condition that a specified payment be made to the donor over his or her life. A liability is established based on the present value of the payments to be made. This liability is recalculated annually based on changes in the interest rate, life expectancy assumptions, and payments made. Changes in the liability are recorded in the current year as revenue. The Foundation acquires annuities (reinsurance contracts) to fund certain of these arrangements.

Note 2 - Significant Accounting Policies (Continued)

Grants and Scholarships

Grants and scholarships are charged to operations and recognized as liabilities when authorized by the board of trustees, regardless of the year in which they are paid. It is generally a present practice for the board to authorize grants to the extent of income earned on investments, subject to the limitation of a spending rule calculation.

Classification of Net Assets

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Community Foundation Classification of Net Assets without Donor Restrictions

The bylaws of the Foundation include a variance provision and powers of modification, giving the board of trustees the power to vary the use of funds. Based on these provisions, some contributions received by the Foundation are reported as net assets without donor restrictions.

Federal Tax Status

The Internal Revenue Service has ruled that the Foundation is a public charity, as described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. Consequently, the Foundation is exempt from federal income tax and certain excise taxes imposed on private foundations.

Retirement Plan

The Foundation has a simplified employee benefit plan that covers substantially all employees. The Foundation contributes a discretionary amount each year, as determined by the board of trustees. Contributions are allocated to employee accounts based on compensation.

The Foundation's contributions for the years ended June 30, 2026 and 2025 were $167,695 and $170,230, respectively.

Functional Allocation of Expenses

The costs of providing services are reported on a functional basis. Costs are allocated between the various program and support services on an actual basis, where available, or based upon reasonable methods. Categories not allocated on an actual basis include payroll taxes, recruitment and benefits, conferences, other professional fees, general legal, office expenses, certain occupancy costs, equipment maintenance and depreciation, general public relations, and insurance and dues/subscriptions. These categories are allocated proportionally with salaries, which are based on actual time and effort. Although the methods of allocation used are considered appropriate, other methods could be used that would provide different amounts.

Note 2 - Significant Accounting Policies (Continued)

The Foundation classifies its expenses based on the following categories:

Grants and Scholarships

See policy above.

Charitable and Philanthropic Expenses

These operating expenses are associated with processing the Foundation's grant applications, philanthropic services (services to various nonprofit or community organizations, foundations, or the field of philanthropy), and special project expenses.

Community Initiatives and Program Expenses

These expenses cover activities that could be carried out by a grantee but that the Foundation chooses to conduct as a program with its own or others' resources. Currently, these initiatives are focused on K-12 education in the city of Grand Rapids and the Catalyzing Community Giving initiative, which supports communities of color in using philanthropy to become agents of their own change. These are expenses for services or program materials that are paid to persons/organizations that are not not-for-profits. These include items such as consulting fees for a project or general operating expenses of a fund.

Management and General Expenses

These expenses benefit the Foundation as a whole and cannot be directly assigned to any other category.

Development and Marketing Expenses

These expenses are associated with acquiring and marketing foundation assets through endowment, donor-related, or other foundation activity.

Fund Management Expenses

These expenses are associated with managing the assets of the Foundation. This category includes all financial management (staff time), legal expenses, or other related expenses that are directly attributable to managing the funds of the Foundation.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 9, 2026, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The Foundation's financial assets available for general use expenditures within one year of June 30 are as follows:

	2026	2025
Total assets as of June 30	$ 562,761,434	$ 486,075,237
Less amounts not available for general expenditures within one year:		
Property and equipment - Net	2,880,140	2,815,442
Funds held on behalf of nonprofit endowments	39,530,054	26,026,064
Reinsurance contracts	611,160	661,581
Cash surrender value life insurance	1,090,122	1,033,204
Other assets	10,768	5,547
Investments with donor restrictions	32,461,377	27,396,897
Investments in board-designated endowments	428,223,737	374,687,940
Endowment assets appropriated for expenditure	(16,819,704)	(15,642,719)
Financial assets available to meet cash needs for general expenditures within one year	$ 74,773,780	$ 69,091,281

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in investments or cash equivalents. The Foundation understands that there could be unexpected liquidity needs. While there are board-designated net assets, these funds are earmarked for certain initiatives (see Note 10 for disclosure regarding board-designated net assets). In addition, the Foundation has variance power over a majority of contributions received (see Note 2), which could be drawn upon in the event of unexpected liquidity needs. While board-designated endowments may be drawn upon at the discretion of the board, it is not the intention of the board to exercise this power. In addition, both the board-designated and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available (see Note 11 for disclosures about investments).

Note 4 - Investments

Investments consist of the following, stated at fair value:

	2026	2025
Bonds and fixed-income mutual funds	$ 51,030,252	$ 53,884,125
U.S. equities stock and mutual funds	189,446,021	168,990,648
International stock and mutual funds	155,311,743	132,645,248
Alternative investments	114,339,895	93,426,182
Real assets	11,385,698	9,517,008
Total investments	$ 521,513,609	$ 458,463,211

Note 5 - Notes Receivable

Notes receivable at June 30 consist of the following program-related notes:

	2026	2025
Note maturing in January 2025 with no annual installments, paying interest semiannually at a fixed rate of 2.75 percent. This note was refinanced during the year ended June 30, 2025 and now matures in May 2030 with no annual installments, paying interest quarterly at a fixed rate of 4.5 percent	$ 500,000	$ 500,000
Note maturing in November 2027 with monthly installments of $2,332, paying interest at a fixed rate of 4.00 percent	596,571	615,870
Note maturing in May 2028 with no annual installments, paying interest quarterly at a fixed rate of 2.00 percent	500,000	500,000
Total	$ 1,596,571	$ 1,615,870

Note 6 - Property and Equipment

The cost of property and equipment consists of the following:

	2026	2025
Land	$ 200,000	$ 200,000
Buildings	4,309,987	4,309,987
Building improvements	201,512	-
Furniture and fixtures	848,990	848,990
Computer equipment and software	455,493	455,493
Total cost	6,015,982	5,814,470
Accumulated depreciation	3,135,842	2,999,028
Net property and equipment	$ 2,880,140	$ 2,815,442

Depreciation expense for the years ended June 30, 2026 and 2025 was $136,814 and $139,170 respectively.

Note 7 - Grants and Scholarships Payable

As of June 30, 2026, the board of trustees authorized the unconditional payment of certain grants in future periods as follows:

Years	Amount
2027	$ 2,714,282
2028	1,305,200
2029	575,000
2030	80,000
Total	$ 4,674,482

Note 8 - Funds Held on Behalf of Nonprofit Endowments

The Foundation has adopted the accounting standard *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This statement establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both to another entity that is specified by the donor. This statement specifically requires that, if a not-for-profit organization (NPO) establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as nonprofit endowments.

The Foundation maintains variance power and legal ownership of nonprofit endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with the statement, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPOs.

At June 30, 2026 and 2025, the Foundation was the owner of nonprofit endowment funds, of which $39,530,054 and $26,026,064, respectively, is reported as a liability in the accompanying financial statements. The following table summarizes activity during the year in those funds for which there is a corresponding liability:

	2026	2025
Nonprofit endowment fund balances at July 1	$ 26,026,064	$ 23,528,304
Amounts raised	9,665,592	119,886
Investment income	309,357	417,542
Unrealized and realized investment gains	4,377,283	2,675,761
Grants	(709,323)	(602,653)
Fees	(138,919)	(112,776)
Nonprofit endowment fund balances at June 30	$ 39,530,054	$ 26,026,064

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2026	2025
Not subject to appropriation or expenditure:		
Community welfare and programs (Note 10)	$ 4,354,699	$ 4,354,699
Scholarships (Note 10)	113,515	113,515
Beneficial interests in perpetual trusts	2,743,252	2,473,787
Total not subject to appropriation or expenditure	7,211,466	6,942,001
Purpose restrictions:		
Other program funds	2,126,633	2,543,711
Scholarships	231,230	189,749
Special projects	1,384,822	165,557
Total purpose restrictions	3,742,685	2,899,017
Time restrictions:		
Endowment earnings (Note 10)	11,685,740	9,567,948
Split-interest agreements receivable	6,115,155	5,252,186
Pledges receivable	3,706,331	2,735,745
Total time restrictions	21,507,226	17,555,879
Total	$ 32,461,377	$ 27,396,897

Note 10 - Donor-restricted and Board-designated Endowments

The Foundation's endowment funds consist of a donor-restricted endowment and board-designated net assets. The board-designated net assets consist of designated endowments that would be classified as donor-restricted endowments except that the Foundation has variance power of these assets. Therefore, the board of trustees treats these funds as designated endowments. The net assets associated with the donor-restricted and board-designated endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions, as well as variance power.

Interpretation of Relevant Law

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of trustees of the Foundation had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

	Endowment Net Asset Composition by Type of Fund as of June 30, 2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 428,223,737	$ -	$ 428,223,737
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	4,468,214	4,468,214
Accumulated investment gains	-	11,685,740	11,685,740
Total	$ 428,223,737	$ 16,153,954	$ 444,377,691

Note 10 - Donor-restricted and Board-designated Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 374,687,940	$ 14,036,162	$ 388,724,102
Investment return:			
Investment income	3,757,933	130,034	3,887,967
Net appreciation (realized and unrealized)	65,219,441	2,471,249	67,690,690
Total investment return	68,977,374	2,601,283	71,578,657
Appropriation of endowment assets for expenditure	(15,441,577)	(483,491)	(15,925,068)
Endowment net assets - End of year	$ 428,223,737	$ 16,153,954	$ 444,377,691

	Endowment Net Asset Composition by Type of Fund as of June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 374,687,940	$ -	$ 374,687,940
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	4,468,214	4,468,214
Accumulated investment gains	-	9,567,948	9,567,948
Total	$ 374,687,940	$ 14,036,162	$ 388,724,102

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 345,313,861	$ 13,416,304	$ 358,730,165
Investment return:			
Investment income	5,609,994	208,014	5,818,008
Net appreciation (realized and unrealized)	39,149,988	1,522,271	40,672,259
Total investment return	44,759,982	1,730,285	46,490,267
Appropriation of endowment assets for expenditure	(15,385,903)	(1,110,427)	(16,496,330)
Endowment net assets - End of year	$ 374,687,940	$ 14,036,162	$ 388,724,102

Underwater Endowment Funds

As of June 30, 2026 and 2025, there were no donor-restricted funds with deficiencies.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds.

Note 10 - Donor-restricted and Board-designated Endowments (Continued)

Under this policy, as approved by the board of trustees, the Foundation has three objectives: (1) to preserve and grow the assets of the Foundation by focusing on total investment returns from a diversified portfolio of investments; (2) to balance long-term growth with appropriate risk and liquidity; and (3) to comply with applicable laws, rules, and regulations.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation of domestic equity, foreign equity, fixed-income funds, and alternative investments, with performance benchmarks based on each asset class.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 16 quarters through the fiscal year end preceding the fiscal year in which the distribution is planned. The expendable amount will never be less than a floor amount of 4.0 percent of the current fair value or more than a ceiling amount of 5.75 percent of current fair value. In establishing this policy, the Foundation considered the long-term expected rate of return on its endowment. The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater unless otherwise precluded by donor intent or relevant laws and regulations. The governing board did not appropriate for expenditure from underwater donor-restricted endowment funds during 2026 and 2025.

Note 11 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2026 and 2025 and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. The Foundation estimates the fair value of these investments using quoted prices and other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve, as well as other relevant economic measures. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 11 - Fair Value Measurements (Continued)

The Foundation applies guidance that allows for investments valued at net asset value (NAV) per share (or its equivalent) as a practical expedient. Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient are no longer classified in the fair value hierarchy above.

For the years ended June 30, 2026 and 2025, there were no transfers between levels of the fair value hierarchy.

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2026				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value	Balance at June 30, 2026
Investments:					
Fixed income	$ 16,662,403	$ 34,367,849	$ -	$ -	$ 51,030,252
U.S. equities	86,271,896	103,174,125	-	-	189,446,021
International equities	-	136,706,347	-	18,605,396	155,311,743
Alternatives	-	-	-	114,339,895	114,339,895
Real assets	807,455	10,578,243	-	-	11,385,698
Subtotal investments	103,741,754	284,826,564	-	132,945,291	521,513,609
Level 3 assets:					
Beneficial interests in perpetual trusts	-	-	2,743,252	-	2,743,252
Split-interest agreements receivable	-	-	6,115,155	-	6,115,155
Subtotal Level 3 assets	-	-	8,858,407	-	8,858,407
Total assets	$ 103,741,754	$ 284,826,564	$ 8,858,407	$ 132,945,291	$ 530,372,016

Note 11 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value	Balance at June 30, 2025
Investments:					
Fixed income	$ 14,969,185	$ 38,914,940	$ -	$ -	$ 53,884,125
U.S. equities	75,372,921	93,617,727	-	-	168,990,648
International equities	-	116,895,310	-	15,749,938	132,645,248
Alternatives	-	-	-	93,426,182	93,426,182
Real assets	814,145	8,702,863	-	-	9,517,008
Subtotal investments	91,156,251	258,130,840	-	109,176,120	458,463,211
Level 3 assets:					
Beneficial interests in perpetual trusts	-	-	2,473,787	-	2,473,787
Spilt-interest agreements receivable	-	-	5,252,186	-	5,252,186
Subtotal Level 3 assets	-	-	7,725,973	-	7,725,973
Total assets	$ 91,156,251	$ 258,130,840	$ 7,725,973	$ 109,176,120	$ 466,189,184

Beneficial interests in perpetual trusts and split-interest agreements receivable are categorized as Level 3 assets. The fair value is based on the percentage of the trust designated to the Foundation applied to the total fair value of the trust, which is based on quoted market prices unless the facts and circumstances indicate that the fair value would be different from the present value of estimated future distributions. Changes in the fair value of the underlying trust asset, as determined by the trustees that hold and manage these assets, are recognized in the statement of activities and changes in net assets in the period in which they occur. Significant increases (or decreases) in any of those inputs in isolation would result in a significantly lower (or higher) fair value measurement.

There were no transfers into or out of the Level 3 assets during the years ended June 30, 2026 and 2025. Additionally, there were no purchases or issuances of beneficial interests in perpetual trusts. The Foundation entered into no new split-interest agreements during the years ended June 30, 2026 and 2025.

The following tables summarize the valuation methods and inputs used to determine fair value at June 30, 2026 and 2025 for assets measured at fair value on a recurring basis using unobservable inputs (Level 3 inputs):

	Fair Value at June 30, 2026	Valuation Technique	Unobservable Inputs	Range of Inputs
Assets:				
Beneficial interest in perpetual trusts	$2,743,252	Trust investment statement	Market value of trust assets	$129,076 - $1,662,273
Split-interest agreements receivable	$6,115,155	Discounted cash flow	Discount rate	3%
			Life expectancy of beneficiaries	3-31 years
			Market value of trust assets	$78,063 - $2,173,014
			Expected investment return	0%-6%

Note 11 - Fair Value Measurements (Continued)

	Fair Value at June 30, 2025	Valuation Technique	Unobservable Inputs	Range of Inputs
Assets:				
Beneficial interest in perpetual trusts	$2,473,787	Trust investment statement	Market value of trust assets	$119,977 - $1,486,440
Split-interest agreements receivable	$5,252,186	Discounted cash flow	Discount rate	3%
			Life expectancy of beneficiaries	2-31 years
			Market value of trust assets	$76,317 - $2,197,887
			Expected investment return	0%-6%

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2026	June 30, 2025	June 30, 2026		
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Multistrategy (a)	$ 31,790,482	$ 29,148,872	$ 642,281	December 31	100 days
Private equity (b)	54,762,234	54,439,353	33,148,414	N/A	N/A
Real estate (c)	8,132,995	6,126,920	9,300,522	N/A	N/A
International equity (d)	18,605,396	15,749,938	-	Monthly	2-10 days
Private debt (e)	19,654,184	3,711,037	25,286,657	N/A	N/A
Total	$ 132,945,291	$ 109,176,120	$ 68,377,874		

a) Multistrategy: An investment approach that attempts to profit regardless of the overall direction of the stock or bond market. This is accomplished by using highly flexible investment strategies that permit the use of short selling and margin. While these techniques are widely perceived as risky, many managers have successfully used them to achieve solid returns with relatively low volatility. For example, while short selling is certainly risky on its own, when paired with traditional long equity positions, the result can be a relatively low-risk portfolio. Multistrategies can also be described with names such as absolute return, market neutral, convertible arbitrage, and merger arbitrage.

b) Private equity: Private equity covers a broad class of investments, which generally involve taking an equity position in a privately held company or privatizing a publicly traded company. Private equity managers can be broadly classified into three groups: buyouts, venture capital, and special situations. Buyout transactions usually involve acquiring relatively mature businesses, while venture capital transactions involve providing capital to newer businesses. Special situations refer to investments in equity or debt securities of financially stressed companies. This could include various forms of investment, such as mezzanine debt and distressed investments.

c) Real estate: This strategy involves generating returns predominately through the identification of undervalued or mispriced real estate assets or real estate-related companies. Investments would be expected to be made through either public or private equity securities, convertible notes or warrants, or other acquired or originated debt securities. The exposure within this asset class would be expected to be predominately long-only exposure and generally will be maintaining a long exposure to direct real estate assets or real estate-related companies and securities.

Note 11 - Fair Value Measurements (Continued)

d) International equity: This investment approach is where investment managers combine buying positions in international securities that are expected to increase in value with selling positions in international securities that are expected to decrease in value. Although most managers maintain net long positions, market exposure can vary widely among managers and through time, depending on the level of long and short exposures. Managers attempt to reduce volatility by either diversifying or hedging positions across various regions, industries, and sectors.

e) Private debt: Private investment vehicles that contain assets or strategies, such as direct lending, mezzanine, opportunistic credit, stressed, and distressed investments. Direct lending utilizes primarily floating rate debt to facilitate changes through leveraged buyouts or recapitalizations, finance acquisitions, or enable growth. Mezzanine investments tend to be fixed-rate subordinated debt obligations made to noninvestment grade borrowers. Opportunistic credit involves using various credit-linked opportunities, such as distressed debt, performing and nonperforming loans, structured products, and hard assets. Distressed investments for control have the intent to take equity control of the companies that have typically defaulted on debt obligations, whereas distressed (noncontrol) investments focus on companies that may have defaulted or are in need of financial restructuring.

Approximately $89,000,000 is invested in illiquid funds as of June 30, 2026. The illiquid funds are made up of multistrategy, real estate, private equity, and private debt. The availability of funds is based on when the underlying direct funds believe there is an attractive exit point in the investment. Based on the percentage of ownership in each fund, the Foundation will receive distributions when deals are closed. Generally speaking, it takes about 2 to 4 years for the private equity funds to deploy capital and then roughly 5 to 9 years to return it to investors. For real estate, it takes upwards of 10 to 15 years after the capital is deployed to return it to investors as a result of the nature of the investment/business.