Washington County Community Foundation

Financial Statements

Years Ended December 31, 2025 and 2024
with Independent Auditor's Report

MaherDuessel

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WASHINGTON COUNTY COMMUNITY FOUNDATION

YEARS ENDED DECEMBER 31, 2025 AND 2024

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Independent Auditor's Report

Board of Trustees
Washington County Community Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Washington County Community Foundation (Foundation), 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 financial statements referred to above present fairly, in all material respects, the financial position of the Foundation 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. 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 the Foundation, 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.

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 available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Maher Duessel

Pittsburgh, Pennsylvania
June 25, 2026

WASHINGTON COUNTY COMMUNITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 784,791	$ 380,180
Investments	63,715,311	57,789,878
Pledges receivable	272,085	114,185
Property and equipment - net	1,218,271	1,268,733
Cash surrender value of life insurance	77,274	101,059
Other assets	161,044	160,462
Total Assets	$ 66,228,776	$ 59,814,497
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 8,935	$ 11,464
Accrued payroll liabilities	2,342	170,289
Scholarships payable	163,725	80,500
Grants payable	260,850	281,700
Total Liabilities	435,852	543,953
Net Assets:		
Without donor restrictions:		
Undesignated - general	2,242,381	2,034,351
Board-designated	900,475	791,743
Total without donor restrictions	3,142,856	2,826,094
With donor restrictions	62,650,068	56,444,450
Total Net Assets	65,792,924	59,270,544
Total Liabilities and Net Assets	$ 66,228,776	$ 59,814,497

See accompanying notes to financial statements.

WASHINGTON COUNTY COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Support:			
Contributions and grants	$ 2,398,723	$ 1,662,977	$ 4,061,700
Contributed nonfinancial assets	10,000	-	10,000
Total support	2,408,723	1,662,977	4,071,700
Revenue:			
Interest and dividends	22,529	1,517,992	1,540,521
Miscellaneous income	1,825	21,540	23,365
Net realized/unrealized gains (losses)	77,582	6,169,829	6,247,411
Gain (loss) on disposal of assets	(1,384)	-	(1,384)
Total revenue	100,552	7,709,361	7,809,913
Net assets released from restrictions	3,166,720	(3,166,720)	-
Total support and revenues	5,675,995	6,205,618	11,881,613
Expenses:			
Program	4,875,386	-	4,875,386
General and administrative	265,769	-	265,769
Fundraising	218,078	-	218,078
Total expenses	5,359,233	-	5,359,233
Change in Net Assets	316,762	6,205,618	6,522,380
Net Assets:			
Beginning of year	2,826,094	56,444,450	59,270,544
End of year	$ 3,142,856	$ 62,650,068	$ 65,792,924

See accompanying notes to financial statements.

WASHINGTON COUNTY COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Support:			
Contributions and grants	$ 2,345,638	$ 4,437,799	$ 6,783,437
Contributed nonfinancial assets	10,000	-	10,000
Total support	2,355,638	4,437,799	6,793,437
Revenue:			
Interest and dividends	20,015	1,269,951	1,289,966
Miscellaneous income	-	19,240	19,240
Net realized/unrealized gains (losses)	56,156	3,706,390	3,762,546
Gain (loss) on disposal of assets	-	-	-
Total revenue	76,171	4,995,581	5,071,752
Net assets released from restrictions	2,416,275	(2,416,275)	-
Total support and revenues	4,848,084	7,017,105	11,865,189
Expenses:			
Program	4,259,431	-	4,259,431
General and administrative	313,669	-	313,669
Fundraising	317,322	-	317,322
Total expenses	4,890,422	-	4,890,422
Change in Net Assets	(42,338)	7,017,105	6,974,767
Net Assets:			
Beginning of year	2,868,432	49,427,345	52,295,777
End of year	$ 2,826,094	$ 56,444,450	$ 59,270,544

See accompanying notes to financial statements.

WASHINGTON COUNTY COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Program	General and Administrative	Fundraising	Total
Grants	$ 4,341,300	$ -	$ -	$ 4,341,300
Salaries, payroll taxes, and benefits	345,277	126,826	178,705	650,808
Professional fees	28,235	28,235	21,032	77,502
Advertising and promotion	17,266	7,266	-	24,532
Furniture and equipment	1,247	1,247	-	2,494
Office supplies	7,277	7,277	3,081	17,635
Information technology	21,044	21,044	1,503	43,591
Memberships and subscriptions	7,531	7,531	1,673	16,735
Utilities	5,940	5,940	1,320	13,200
Travel	4,136	4,136	1,863	10,135
Depreciation	22,085	22,085	4,908	49,078
Insurance	5,777	16,296	-	22,073
Awards and recognitions	2,743	-	2,743	5,486
Repairs and maintenance	11,114	11,114	-	22,228
Community projects	48,794	-	-	48,794
Other	5,620	6,772	1,250	13,642
Total Expenses	$ 4,875,386	$ 265,769	$ 218,078	$ 5,359,233

See accompanying notes to financial statements.

WASHINGTON COUNTY COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program	General and Administrative	Fundraising	Total
Grants	$ 3,585,792	$ -	$ -	$ 3,585,792
Salaries, payroll taxes, and benefits	495,511	178,116	281,948	955,575
Professional fees	21,472	21,472	20,209	63,153
Advertising and promotion	18,184	8,184	-	26,368
Furniture and equipment	10,655	10,655	-	21,310
Office supplies	6,755	6,755	2,950	16,460
Information technology	20,038	20,038	1,449	41,525
Memberships and subscriptions	1,194	1,194	265	2,653
Utilities	5,743	5,743	1,276	12,762
Travel	4,571	4,571	2,105	11,247
Depreciation	26,272	26,271	5,838	58,381
Insurance	5,349	10,613	-	15,962
Awards and recognitions	285	-	286	571
Repairs and maintenance	14,300	14,300	-	28,600
Community projects	38,828	-	-	38,828
Other	4,482	5,757	996	11,235
Total Expenses	$ 4,259,431	$ 313,669	$ 317,322	$ 4,890,422

See accompanying notes to financial statements.

WASHINGTON COUNTY COMMUNITY FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Change in net assets	$ 6,522,380	$ 6,974,767
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized/unrealized (gains) losses on investments	(6,247,411)	(3,762,546)
Net increase (decrease) in cash surrender value of life insurance	23,785	7,064
Depreciation	49,078	58,381
Contributions received for endowment	(1,361,886)	(4,462,015)
Loss on disposal of property and equipment	1,384	-
Change in:		
Other assets	(582)	(6,239)
Accounts payable	(2,529)	(9,656)
Accrued payroll liabilities	(167,947)	165,287
Refundable advance	-	(3,000)
Scholarships payable	83,225	(100,600)
Grants payable	(20,850)	31,700
Total adjustments	(7,643,733)	(8,081,624)
Net cash provided by (used in) operating activities	(1,121,353)	(1,106,857)
Cash Flows From Investing Activities:		
Purchase of investments	(7,788,705)	(17,466,320)
Sales of investments	8,110,683	9,012,156
Purchase of property and equipment	-	(12,736)
Net cash provided by (used in) investing activities	321,978	(8,466,900)
Cash Flows From Financing Activities:		
Contributions received for endowment	1,203,986	9,692,478
Net cash provided by (used in) financing activities	1,203,986	9,692,478
Net Increase (Decrease) in Cash and Cash Equivalents	404,611	118,721
Cash and Cash Equivalents:		
Beginning of year	380,180	261,459
End of year	$ 784,791	$ 380,180

See accompanying notes to financial statements.

1. Organization

The Washington County Community Foundation (Foundation) is a not-for-profit voluntary agency established to improve the quality of life in Washington County, Pennsylvania by promoting and facilitating philanthropy. The Foundation typically receives support from businesses and individuals that have a presence or reside within Washington County.

To achieve its mission of improving the quality of life in Washington County by promoting and facilitating philanthropy, the Foundation assumes four roles:

Grant-Maker – The Foundation operates a diverse grants program organized into eight funding areas: Animal Welfare, Arts & Humanities, Community Improvement & Economic Development, Conservation & Environment, Education, Health & Fitness, Human Needs, and Religion & Faith. Altogether, 306 nonprofits providing charitable services in our community were supported in 2025.

A significant portion of grants are awarded for capacity-building, which is defined as any activity that increases the nonprofit's operational, programmatic, financial, or organizational maturity. Foundation donors with donor advised funds have also embraced the concept of capacity-building grant-making. In 2025, 33 capacity-building grants ranging from $400 to $100,000 and totaling $471,650 were issued. Financial process improvement, communications, and data management are funding priorities, but grants are also issued for facility improvements, program expansion, and technology.

Fundraiser – The Foundation works to develop broad support from many separate, unrelated donors with diverse charitable interests in our community. The long-term goal is to secure the necessary discretionary resources to address the changing and unmet needs of Washington County.

Community Leader – The Foundation works to identify and address community issues and opportunities, and serves as a leader and convener.

For years the Foundation hosted free educational sessions for local nonprofits on a variety of topics impacting the sector. While the Foundation was pleased with the results of those sessions, management identified the need for a more comprehensive educational program. In response, the Foundation developed the Community PILLARS program which provides in-depth educational sessions on six broad topics: Mission, Strategy & Evaluation; Governance & Leadership; Legal Compliance & Ethics; Finance &

Operations; Fundraising & Resource Development; and Public Awareness & Advocacy. The PILLARS program was modeled after an accreditation tool of the Pennsylvania Association of Nonprofit Organizations, a leading authority on nonprofit governance and management. The PILLARS program convened its third annual class in the fall of 2025 with 14 participants completing the program.

Launched in 2023, the Community Snapshot website, hosted by the Foundation, serves as a community needs assessment tool for both charities and donors. Information gleaned from the Foundation's research, focus groups, and annual survey is continuously accessible to all community members. On Community Snapshot, nonprofits can specify their individual needs, a feature unique to the Foundation's website. The result is a centralized location to learn about broad community needs, as well as the specific needs of local nonprofits providing valuable services in our community. The Foundation's donors have quickly embraced this tool and have directed more than $100,000 in grants from donor advised funds to needs identified on the Community Snapshot website.

Annually, the Foundation hosts a giving event, WCCF Gives, which is conducted over several months. Community giving begins on August 1 with check contributions and concludes on a designated day in September when credit card contributions are also accepted from 8 a.m. to 8 p.m. via a dedicated website. The Foundation does not charge any fees to charities or donors to participate in WCCF Gives and annually secures a bonus pool to encourage giving. Cumulatively, over $15,680,000 in grants have been issued through WCCF Gives.

Donor Services – The Foundation accepts and administers a diversity of gift and fund types to meet the varied philanthropic objectives of the Foundation's donors and the needs of Washington County. The Foundation works to educate and engage donors in identifying and addressing community issues and grant-making opportunities. As detailed above, the Foundation created the Community Snapshot website, which serves to educate donors about community needs.

Additional details regarding the Foundation's many activities can be found on its primary website, www.wccf.net.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenues are recognized when earned, and expenses recognized when incurred. The Foundation's net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of amounts that are available for use in carrying out the supporting activities of the Foundation and are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of amounts that are expendable only for those purposes specified by the donor or grantor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Some donor-imposed restrictions are temporary in nature, such as those that will be satisfied by the actions of the Foundation, the passage of time, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give (pledges) to the Foundation are recorded as receivables and revenues. Similarly, grants and scholarships pledged by the Foundation are recorded as grant and scholarship expense in the year pledged. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met by the grantee organization.

The Foundation distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions are considered available for unrestricted use unless specifically restricted by the donor and are classified for accounting and reporting purposes into net asset categories according to these externally (donor) imposed restrictions. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed Nonfinancial Assets and Expenses

The Foundation receives in-kind donations which are recorded at the estimated fair value. Total in-kind donations for the years ended December 31, 2025 and 2024 were $10,000, respectively.

In addition, members of the Board of Trustees (Board) provide services to the Foundation without compensation and the value has not been reported, as these services do not meet the criteria for recognition in the Foundation’s statements of activities under accounting principles generally accepted in the United States of America and are not recorded in the financial statements.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Foundation considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. The Foundation maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Management believes the Foundation is not exposed to any significant credit risk related to cash.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Investments in cash management funds are stated at cost, which approximates fair value. Net realized and unrealized gains and losses are included in the statements of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The Foundation's Board sets overall investment objectives. Specific decisions to buy and sell securities are made by the custodians of the Foundation funds. The Board reviews the investment performance of the advisors and also periodically meets with representatives of those advisors for the purpose of discussing investment performance and objectives. The Foundation's investments are comprised of a variety of financial instruments and are managed by investment advisors. There are no significant concentrations of investments by industry or company.

The Foundation contracts with several financial institutions for custody and investment of its assets. Investment returns on the statements of activities are reported net of the fees charged by the various financial institutions. These fees are recognized in the year in which they occur. Fees relative to the management of the investments were approximately $145,000 and $126,000 for the years ended December 31, 2025 and 2024, respectively.

Total Return Investment and Distribution Policy

In compliance with 20 Pa. Cons. Stat. Sec. 8113, the Foundation has adopted a total return investment and distribution policy, under which an administrative fee is charged internally for donor funds under management. These fees help fund general operations and are recorded internally as both revenue and expense; however, because these fees do not come from sources external to the Foundation, they are presented net for financial statement presentation.

The amount available for distribution is determined annually by applying a percentage ranging between two percent and seven percent of the fair market value of the assets averaged over the three preceding years. The percentage used for the years ended December 31, 2025 and 2024 was 2.5%.

Property and Equipment

The Foundation capitalizes purchases greater than $5,000 at cost. Property and equipment additions are recorded at cost at the time of purchase, or fair market value at the time of donation. Expenditures for major renewals and substantial betterments which extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Building	40 Years
Equipment	5 Years
Furniture and fixtures	5 Years
Improvements	15-40 Years
Software	5 Years

Scholarships and Grants Payable

The Foundation records a payable at the time the grant or scholarship is awarded to a recipient.

Accumulated Paid Time Off

The Foundation provides full-time employees an entitlement of hours away from work with pay, Paid Time Off (PTO). With advance written approval, PTO may be accumulated from year to year, provided that the number of PTO hours carried forward from one year to the next does not exceed the total PTO hours earned in the next year, and provided that the maximum accumulated PTO hours per employee does not exceed 160 hours. The value of any employees' remaining accumulated PTO is not paid out by the Foundation upon termination.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. As a result, no provision or liability for federal or state income taxes has been included in these financial statements. Further, the Foundation annually files a Form 990.

Advertising Costs

Advertising costs are charged to expense as incurred. Advertising expense for the years ended December 31, 2025 and 2024 was $24,532 and $26,368, respectively. Advertising costs include contributed nonfinancial assets of $10,000 for the years ended December 31, 2025 and 2024.

Functional Allocation of Expenses

The costs of providing the Foundation's various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated on a percentage basis that is consistently applied among the programs and supporting services benefited, which are allocated on the basis of estimated time and effort.

Use of 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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Foundation invests or holds a variety of investments in marketable securities, as well as investments in limited partnerships and pledges receivable. These items may be exposed to interest rate, market, credit, and other risks depending upon their nature. Specifically, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such change could materially affect the amount reported on the statements of financial position.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. Pledges Receivable

Pledges receivable for the years ended December 31, 2025 and 2024 were $272,085 and $114,185, respectively. Management believes that all amounts will be received when due; therefore, no reserve or allowance for uncollectible pledges has been provided.

4. Property and Equipment

Property and equipment consist of the following at December 31:

	2025	2024
Building	$ 385,000	$ 385,000
Equipment	34,788	63,507
Furniture and fixtures	58,375	58,375
Improvements	1,169,634	1,173,929
Software	55,170	68,925
	1,702,967	1,749,736
Less: accumulated depreciation	(484,696)	(481,003)
Total	$ 1,218,271	$ 1,268,733

5. Line of Credit

The Foundation has a $500,000 revolving, secured line of credit with a local financial institution using a first-lien mortgage on the Foundation’s facility. The interest rate on the line of credit is the Prime rate minus 0.25%, currently 6.50%. There was no balance outstanding on the line of credit as of December 31, 2025 and 2024, and the line of credit was not drawn upon during the years ended December 31, 2025 and 2024.

6. Net Assets

Without Donor Restrictions – Board-Designated

Board-designated net assets consist of amounts designated for future use in operations in accordance with a Board-approved plan of action. At December 31, 2025 and 2024, Board-designated net assets consist of amounts designated by the Board as an operating and administrative reserve.

With Donor Restrictions

Net assets with donor restrictions can be restricted for purpose or period. Net assets are restricted for the following purpose as of December 31:

	2025	2024
Donor Advised Funds - temporary	$ 421,185	$ 422,860
Other Funds	549,912	288,852
Special projects	154,465	222,762
Scholarship Fund	228,407	336,548
Total	$ 1,353,969	$ 1,271,022

In addition to the above net assets with donor restrictions that are restricted for purpose, the Foundation also reports the following net assets that are restricted in perpetuity as of December 31, 2025 and 2024. Income generated by these assets is to be used in accordance with donor contracts.

The Foundation has interpreted Pennsylvania State Act 141 of 1998 (Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the applicable donor gift instrument at the time the accumulation is added to the fund, and investment income in excess of amounts designated for current operations, less any losses up to the extent of accumulated gains. The Foundation’s endowment investment objective is to preserve the long-term purchasing power of endowment assets while generating a total return sufficient to support the Foundation’s spending policy and operating needs. In managing these funds, the Foundation applies risk parameters that emphasize a diversified asset allocation and a balance between capital preservation and long-term growth, with spending appropriations determined in accordance with the Board’s policy based on a rolling average of endowment asset values.

Endowment net asset composition by type of fund at December 31, 2025 and 2024, and changes in endowment with donor restricted net assets for the fiscal years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Beginning of year	$ 55,173,428	$ 47,848,156
Increases:		
Contributions and grants	1,361,886	4,462,015
Interest and dividend income	1,517,992	1,269,951
Net realized/unrealized gains (losses)	6,169,829	3,706,390
Miscellaneous income	21,540	19,240
Releases:		
Grants and scholarships	(2,948,576)	(2,132,324)
	$ 61,296,099	$ 55,173,428

7. Fair Value Measurements

The fair value measurements and disclosures topic of the FASB Accounting Standards Codification (ASC) establishes a framework for measuring fair value. The standards establish a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels are defined as follows:

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

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are supported by little or no market activity and are significant to the fair value measurement.

The carrying values of current assets and liabilities, except those excluded by other pronouncements, are reasonable estimates of fair value due to the short-term nature of those financial instruments.

The carrying value for other investments was determined by an independent third-party appraiser at the date of the donation. This amount is classified as a Level 3 asset in the hierarchy for measuring its fair value. Certain other assets were purchased and are valued at cost.

At December 31, 2025, the Foundation's investments were classified as follows based on the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
U.S. Treasury and Corporate Bonds	$ -	$ -	$ -	$ -
Mutual Funds	53,062,923	-	-	53,062,923
Real Estate Limited Partnerships	-	-	134,625	134,625
Stocks	10,517,763	-	-	10,517,763
Total	$ 63,580,686	$ -	$ 134,625	$ 63,715,311

At December 31, 2024, the Foundation's investments were classified as follows based on the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
U.S. Treasury and Corporate Bonds	$ 99,044	$ -	$ -	$ 99,044
Mutual Funds	48,263,832	-	-	48,263,832
Real Estate Limited Partnerships	-	-	134,625	134,625
Stocks	9,292,377	-	-	9,292,377
Total	$ 57,655,253	$ -	$ 134,625	$ 57,789,878

8. Life Insurance Policies

The Foundation is the sole owner and beneficiary of three separate whole life insurance policies and one term policy. The whole life policies insure the lives of individual donors. The total death benefit of these policies at December 31, 2025 and 2024 is $579,508. Of this amount, $100,000 is included in receivables on the Statements of Financial Position as of December 31, 2025 due to the death of the insured donor. The Foundation expects to receive this payment in 2026. The other policy insures the life of the Foundation's former President and CEO. The death benefit on this policy is $1,000,000. Cash surrender values of life insurance policies are provided by the insurance carrier on a periodic basis. The values approximate the fair value of these policies. The cash surrender value of the policy as of year end is reported on the Statements of Financial Position.

9. Liquidity and Availability

Operating liquidity comes from fees, grants and donations, and distributions from the administrative reserve funds. Fee income is assessed annually. Administrative reserve distributions are assessed annually and based on the year-end balance of funds administered by the Foundation. The Foundation also maintains a $500,000 line of credit to cover short-term cash flow needs in advance of a future inflow of cash, or for any other purpose the Board deems appropriate and prudent. The Foundation manages liquidity through ongoing monitoring of cash flows and available financial assets to meet general expenditures as they come due.

The table below presents the Foundation’s financial assets available for general expenditures within one year of the statements of financial position date:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 784,791	$ 380,180
Investments	63,580,686	57,655,253
Pledges receivable	272,085	114,185
Total financial assets	64,637,562	58,149,618
Monies not available to be used within one year due to:		
Board-designated admin and operating reserves	900,475	791,743
Donor-restricted funds	62,650,068	56,444,450
Total monies not available	63,550,543	57,236,193
Financial assets available to meet general expenditures within one year	$ 1,087,019	$ 913,425

The Foundation’s Board-designated funds are not intended to be used for operating activities and have been excluded from financial assets available to meet general expenditures within one year in the table above. These funds could be utilized upon Board action as needed.

10. Concentrations

Approximately 12% and 59% of the Foundation's total revenue was provided by one donor during the years ended December 31, 2025 and 2024, respectively.

Of the pledges receivable balances at December 31, 2025 and 2024, 34% and 30%, respectively, are attributed to one donor.

11. Retirement Plan

The Foundation maintains a 403(b) retirement savings plan (plan) for all full-time employees. The Foundation contributes 6% of the eligible employee's compensation. Employer contributions to the plan for the years ended December 31, 2025 and 2024 were $32,577 and $37,254, respectively.