Cadillac Area community foundation

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Audit of Financial Statements
For the Year Ended September 30, 2025

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Cadillac Area Community Foundation

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cadillac Area Community Foundation
Cadillac, Michigan

Opinion

We have audited the financial statements of Cadillac Area Community Foundation (the "Foundation), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 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 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.

H&S Companies, P.C.

H&S Companies, P.C.
Reed City, Michigan

April 8, 2026

Cadillac Area Community Foundation
Statement of Financial Position
September 30, 2025

ASSETS

Current Assets	
Cash and Cash Equivalents	$ 143,812
Investment in Marketable Securities	23,440,283
Accounts Receivable	171
Security Deposit Receivable	2,300
Total Current Assets	23,586,566
Property and Equipment, Net	9,499
Total Assets	$ 23,596,065

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	$ 2,875
Grants Payable	55,100
Total Current Liabilities	57,975
Long-Term Liabilities	
Charitable Gift Annuity Payable	657,080
Funds Held on Behalf of Agencies	434,277
Total Long-Term Liabilities	1,091,357
Total Liabilities	1,149,332
Net Assets	
Without Donor Restrictions	5,885,117
With Donor Restrictions	16,561,616
Total Net Assets	22,446,733
Total Liabilities and Net Assets	**$ 23,596,065**

Cadillac Area Community Foundation
Statement of Activities
For the Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Donations	$ 1,061,784	$ 374,146	$ 1,435,930
Interest and Dividends	225,217	763,215	988,432
Net Unrealized and Realized Gain on Investments	389,689	1,071,475	1,461,164
Oil Royalties	-	1,212	1,212
Administration Revenue from Agency Endowments	4,316	-	4,316
Change in Fair Value of Charitable Gift Annuity	-	52,679	52,679
Net Assets Released from Restrictions	860,296	(860,296)	-
Total Revenue and Support	2,541,302	1,402,431	3,943,733
Expenses			
Program Services	791,502	-	791,502
Supporting Services			
Management and General	180,656	-	180,656
Fundraising	920	-	920
Total Expenses	973,078	-	973,078
Net Increase in Net Assets	1,568,224	1,402,431	2,970,655
Net Assets - Beginning of Year	4,316,893	15,159,185	19,476,078
Net Assets - End of Year	$ 5,885,117	$ 16,561,616	$ 22,446,733

See Independent Auditor's Report and Accompanying Notes to the Financial Statement.

Cadillac Area Community Foundation
Statement of Functional Expenses
For the Year Ended September 30, 2025

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Wages	$ -	$ 67,058	$ -	$ 67,058
Payroll Taxes	-	5,141	-	5,141
Grants	791,502	-	-	791,502
Legal and Accounting	-	22,000	-	22,000
Investment Expense	-	37,442	-	37,442
Advertising	-	2,086	-	2,086
Program Supplies	-	3,043	-	3,043
Dues and Fees	-	6,400	-	6,400
Insurance	-	3,506	-	3,506
Repairs and Maintenance	-	216	-	216
Occupancy	-	12,054	-	12,054
Telephone	-	2,441	-	2,441
Website	-	360	-	360
Miscellaneous	-	2,070	-	2,070
Contracted Services	-	2,397	-	2,397
Postage and Shipping	-	579	-	579
Compliance	-	1,000	-	1,000
Depreciation	-	1,679	-	1,679
Software	-	1,680	-	1,680
Travel and Conferences	-	2,572	-	2,572
Promotional Expense	-	6,932	920	7,852
	$ 791,502	$ 180,656	$ 920	$ 973,078

Cadillac Area Community Foundation
Statement of Cash Flows
For the Year Ended September 30, 2025

Cash Flows From Operating Activities	
Change in Net Assets	$ 2,970,655
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used for)	
Operating Activities	
Endowment Contributions	(1,169,286)
Gain on Sale of Investments	(3,517,523)
Unrealized Gain on Investments	2,029,377
Donated Stock	(986,340)
Depreciation	1,679
Increase in Funds Held on Behalf of Agencies	5,776
Changes in Operating Assets and Liabilities Which Provided by (Used for) Cash	
Accounts Receivable	(171)
Accounts Payable	(2,525)
Grants Payable	(6,650)
Annuity Payable	(142,679)
Net Cash Flows Provided by (Used for) Operating Activities	(817,687)
Cash Flows From Investing Activities	
Purchases of Investments	(10,622,434)
Proceeds From Sale of Investments	9,958,603
Purchase of Property and Equipment	(1,800)
Net Cash Provided by (Used for) Investing Activities	(665,631)
Cash Flows From Financing Activities	
Endowment Donations	1,169,286
Net Cash Provided by (Used for) Financing Activities	1,169,286
Net Increase (Decrease) in Cash and Cash Equivalents	(314,032)
Cash and Cash Equivalents - Beginning of Year	457,844
Cash and Cash Equivalents - End of Year	$ 143,812

NOTE 1 - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Cadillac Area Community Foundation (the "Foundation") was incorporated as a Michigan nonprofit corporation on June 29, 1988, to acquire and manage a collection of unrestricted, field-of-interest and restricted endowment funds with income from these funds used to support the public welfare of the people of and around Cadillac, Michigan.

The Foundation also administers the assets of the Missaukee Area Community Foundation. The assets of this *Geographic Component Fund*, which is not a separate legal entity, are exclusively for the purpose of enhancing the quality of life for the residents of Missaukee County.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions and restrictions imposed by specific fund agreements. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

> **Net Assets Without Donor Restrictions –** These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.
>
> **Net Assets with Donor Restrictions –** These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

It is the Foundation's intent to honor donor instructions and stipulations regarding the use of gifts made to the Foundation. However, the Foundation Board has retained authority to vary the condition of any gift otherwise subject to donor-imposed conditions if adherence to any such conditions or stipulations would, in the judgment of the Board, be unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Foundation.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation for by law.

The Foundation reviewed its revenue streams and concluded that none of them resulted from exchange transactions, and therefore, the revenue streams are not subject to ASU 2014-09.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the current period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using low-risk interest rates applicable to the years in which the promises are to be received. The Foundation records donations of non-cash assets at their appraised or fair value at the date of the gift.

Donated Services

A portion of the Foundation's activities has been conducted by volunteers without compensation and by professional and business organizations at significantly reduced charges. Support for goods and services contributed has only been recognized to the extent that such contributions (1) require specialized skills (and are provided by individuals possessing those skills) and would typically be purchased if not provided by donation or (2) create or enhance the non-financial assets of the Foundation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposits held in various checking and savings accounts. The Foundation considers all temporary investments with a maturity of three months or less to be cash equivalents. Cash amounts included in the investment portfolio are considered to be cash and cash equivalents for the purposes of the statement of cash flows.

Investments

Investments in marketable securities are stated at fair market value. Increases or decreases resulting from changes in market value of investments are included annually in the *Statement of Activities* whether or not realized by the sale of investments. Investments are recorded on the trade date of the transaction.

Property and Equipment

Property and equipment are stated at cost if purchased or at the estimated fair value if donated. The costs of additions and betterments, no matter the cost, are capitalized and expenditures for repairs and maintenance are expensed when paid. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in additions to or deductions from net assets.

Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets as follows:

Office Furniture and Equipment	5 years
Leasehold Improvements	15 years

Funds Held on Behalf of Agencies

A liability has been established for amounts received from other not-for-profit organizations that specify the donor organization or related organization as the beneficiary. Investment earnings or losses allocated to the funds and distributions paid to the beneficiary organization are recorded as increases and decreases, respectively, to the liability. Distributions from restricted organizational funds are subject to the current spending policies of the Foundation.

Grants Payable

Grants payable consist of grants approved for distribution and awarded but not paid to local non-profit organizations or individual scholarship recipients. All grants payable are current.

Charitable Gift Annuity Payable

Charitable gift annuity represent a gift that was given to the Foundation with the condition that a specified payment be made to the donor over his and her life. A liability is established based on the present value of the payments to be made. The interest rate used to calculate the present value of this liability was 6%, which was based on the year the annuity was established.

Tax Status

The Foundation has received determination from the Internal Revenue Service that it qualifies as a public charity and is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Also, the Foundation has been certified as a community foundation by the State of Michigan and has received determination of the Foundation as “other than a private foundation” under Section 170(b)(1)(A)(vii) of the Internal Revenue Code.

The Foundation files income tax returns in the U.S. Federal jurisdiction. With few exceptions, the Foundation is no longer subject to U.S. Federal income tax examination by tax authorities for years before September 30, 2023.

Advertising

Advertising costs are charged in the year incurred and totaled $2,086 in 2025.

Use of Estimates in the Preparation of Financial Statements

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 revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Functional Classification of Expenses

The Foundation reports its expenses on the consolidated statement of activities into functional classifications based on direct identification. each category is as follows:

> Program Services – Program services include grant awards for the various programs the foundation takes part of.

Management and General – Management and general expenses include those expenses associated with the administration and management of the foundation.

Fundraising – Fundraising expenses include expenses incurred by soliciting donations for leadership projects or for general purposes. Fundraising does not include working with donors to establish funds.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation's primary sources of revenues are donations and investment income. The Foundation's board meets to review the grants awarded and the Foundation strives to maximize the investment of its available funds. The general objective for the Foundation is to generate sufficient long-term growth of capital without undue exposure to risk, to provide a sustainable level of spending distributions, as well as enhance the purchasing power of the investments. The foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative, general, and fundraising expenses plus an amount representing expected grant commitments.

The table below presents financial assets available for general expenditures within one year at September 30, 2025:

Cash and Cash Equivalents	$ 143,812
Investment in Marketable Securities	23,440,283
Total Financial Assets at Year-End	23,584,095
Less Board Designated Endowment Funds	(3,350,185)
Less Donor-Imposed Restricted Sources	(16,561,516)
Less Restricted Funds for Long Term Liabilities	(1,091,457)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 2,580,937

NOTE 3 – INVESTMENTS AND DEPOSITS

The Foundation's cash and investments are held by financial institutions and consisted of the following at September 30, 2025:

	Market Value	Cost
Cash Equivalents		
Deposits and Cash Equivalent - Investments	$ 143,812	$ 143,812
Marketable Securities		
Bonds	6,787,215	6,927,381
Mutual Funds - Equity	8,243,947	6,082,199
Equity Securities	1,674,114	1,262,129
Exchange Traded Funds	6,730,507	5,989,233
Other Investments		
Mineral Interests	4,500	4,500
Total Investments in Marketable Securities and Mineral Interests	23,440,283	20,265,442
Total Cash Equivalents and Investments	$ 23,584,095	$ 20,409,254

Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at various financial institutions. The balances, at times, may exceed federally insured limits. At September 30, 2025, the Foundation's cash balances were fully insured.

Concentration of Credit Risk - Investments

Brokerage accounts have insurance of $500,000 per broker, provided by the Securities Investor Protection Corporation. The balance of investments exceeded insured limits by $22.452 million at September 30, 2025.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board Accounting Standards Codification 820-10 (FASB ASC 820-10), formerly Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements,* establishes a framework for measuring fair value. That framework provides a fair value 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1—Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, cash equivalents, and listed derivatives.

Level 2—Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies. Assets in this level include debt securities and partnerships that hold Level 1 assets, provided that the Foundation has the ability to redeem the investment in the near term, and real estate held for investment if measured by a current appraisal.

Level 3—Unobservable inputs that reflect management's assumptions and best estimates based on available data. Assets in this level include alternative investments, real estate held for investment if measured using management estimates, investments in partnerships and limited liability companies, and beneficial interests in charitable remainder trusts.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs to minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for asset measured at fair value. There have been no changes in the methodologies used at September 30, 2025.

Corporate bonds: Valued using pricing information from various sources including pricing vendors and investment managers.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Foundation at year-end.

Mineral Interests: Valued at management's estimate.

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of September 30, 2025:

	Level 1	Level 2	Level 3	Total
Corporate Bonds	$ -	$ 6,787,215	$ -	$ 6,787,215
Mutual Funds - Equity	8,243,947	-	-	8,243,947
Equity Securities	1,674,114	-	-	1,674,114
Exchange Traded Funds	6,730,507	-	-	6,730,507
Mineral Interests	-	-	4,500	4,500
	$ 16,648,568	$ 6,787,215	$ 4,500	$ 23,440,283

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30, 2025:

Office Furniture and Equipment	$ 8,174
Leasehold Improvements	8,545
	16,719
Less Accumulated Depreciation	(7,220)
Total Property and Equipment	$ 9,499

Depreciation expense for the year ending September 30, 2025 totaled $1,679.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

The Foundation's restricted net assets are available for the following purposes:

Available for Expenditure for:	
Field of Interest	$ 6,011,759
Donor Advised	5,915,252
Agency	2,324,393
Scholarships	2,310,212
	16,561,616

During the year ended September 30, 2025, net assets released from donor restriction totaled $860,296. The release of restricted was related to incurring expenses satisfying their restricted purposes.

NOTE 7 – ENDOWMENT

The Foundation's endowment consists of individual funds that are donor restricted or board designated and have been established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net assets are classified as the following as of September 30, 2025:

Without Donor Restrictions	$ 5,885,117
With Donor Restrictions	15,426,039
	$ 21,311,156

The net changes in endowment net assets are as follows for September 30, 2025:

	Board Designated Endowment	Donor-Restricted Endowments	
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	$ 4,316,893	$ 14,126,187	$ 18,443,080
Contributions	1,066,785	143,301	1,210,086
Oil Royalites	-	1,212	1,212
Administration Revenue	4,316	-	4,316
Change in Fair Value of Charitable Gift Annuity	-	52,679	52,679
Distributions	(117,784)	(653,230)	(771,014)
Net Investment Return (Loss)	614,907	1,752,840	2,367,747
Net Transfers	-	3,050	3,050
Endowment Net Assets, End of Year	$ 5,885,117	$ 15,426,039	$ 21,311,156

Interpretation of Relevant Law

The Foundation is subject to the Michigan Uniform Prudent Management of Institutional Funds Act (UPMIFA) (Act 87 of 2009), 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 Foundation 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 Foundation has 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 considered a fund 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 prudent measures required under law. Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The durations and preservation of the fund
2. The purpose of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation (depreciation) of investments
6. Other resources of the organization
7. The investment policies of the Foundation.

Fund with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions and continued appropriations for certain programs deemed prudent by the Foundation. A deficiency of this nature exists in one donor-restricted fund, which has a total original gift value of $3,330, and a deficiency of $70. This deficiency is the result of a loss in investments in 2022 as well as minimum annual administration fees of $250.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to increase the purchasing power of the funds and to produce a reasonable return for distribution to meet current community needs. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period.

Strategies Employed for Achieving Objectives

To meet its investment objectives for endowment funds, the Foundation follows a total-return strategy; that is, investment decisions are made with the intent of maximizing the long-term total return of the entire portfolio both from market-value increases (realized and unrealized gains) and from current yield (interest and dividends). Assets may be invested among stocks, bonds, cash and other financial instruments in a manner that will produce the highest return without the constraint of producing a specified amount of income for distribution.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year, in general, up to 5.0% of the fund's average quarterly balance, for the prior year. The quarterly balances used to calculate the 5.0% available to be distributed was September 30 and December 31 of the prior year and March 31, and June 30 of the current year. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 5.0% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 8 – CHARITABLE REMAINDER TRUSTS

The Foundation has been named as the remainder beneficiary of a certain trust at the bequest of a donor. The timing and method of disbursing the trust's assets are governed by the provisions of the related legal document. The amount of assets ultimately to be received and the date when this trust's assets will be available to the Foundation is not determinable at this time.

NOTE 9 – LEASES

It has been determined that the Foundation has a lease as defined by ASC 842. However, this lease has been determined they are not significant enough to warrant disclosure.

NOTE 10 – FUNDS HELD ON BEHALF OF AGENCIES

FAS 136 guidelines state that if an organization establishes a fund at a community foundation with its own monies 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 agency or designated funds.

Changes in the funds held on behalf of agencies during the year ended September 30, 2025, are as follows:

Beginning of Year	$	428,501
Donations		1,500
Interest and Dividends		20,272
Net Unrealized and Realized Gain on Investments		26,983
Investment Fees		(750)
Administrative Fees		(4,316)
Grants		(37,913)
Net Decrease for the Year		5,776
End of Year	$	434,277

NOTE 11 – SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions to September 30, 2025 for potential recognition and disclosure through April 8, 2026 the date the financial statements were available to be issued.