COMMUNITY FOUNDATION OF HANCOCK COUNTY, INC.
AND AFFILIATE, LEGACY PROPERTIES OF THE
COMMUNITY FOUNDATION OF HANCOCK COUNTY, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

December 31, 2025 and 2024

C O N T E N T S

ESTEP BURKEY SIMMONS
LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditors' Report

Board of Directors
Community Foundation of Hancock County, Inc. and Affiliate

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Foundation of Hancock County, Inc. and Affiliate as of December 31, 2025 and 2024, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of Hancock County, Inc. and Affiliate, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Community Foundation of Hancock County, Inc. and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of Hancock County, Inc. and Affiliate's ability to continue as a going concern for a reasonable period of time.

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

Estep Burkey Simmons, LLC

Muncie, Indiana
June 12, 2026

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2025	2024
ASSETS		
Cash and cash equivalents	$ 2,373,806	$ 3,597,921
Accounts receivable	1,590	825
Investments	74,279,160	61,750,097
Prepaid expenses	67,013	66,622
Right of use asset	2,992	4,531
Pledges receivable	666,410	163,579
Trusts receivable	149,370	137,042
Property, building and equipment, net	4,222,218	4,416,111
Total assets	$ 81,762,559	$ 70,136,728
LIABILITIES		
Accounts payable	$ 19,267	$ 51,046
Deferred revenue	6,905	3,965
Grants payable	387,129	332,998
Right of use liability	2,992	4,531
Annuity reserves	158,220	161,735
Agency funds	962,190	836,837
Total liabilities	1,536,703	1,391,112
NET ASSETS		
Without donor restrictions	1,233,476	1,240,311
With donor restrictions	78,992,380	67,505,305
Total net assets	80,225,856	68,745,616
Total liabilities and net assets	$ 81,762,559	$ 70,136,728

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31,

	2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Support and revenue			
Contributions and grants	$ 100,000	$ 3,290,128	$ 3,390,128
In-kind gifts		106,128	106,128
Investment return, net	76,117	11,472,766	11,548,883
Change in value of split-interest agreements		(3,569)	(3,569)
Change in cash surrender value of life insurance		158	158
Rental income	14,180		14,180
Other income	29,759		29,759
	220,056	14,865,611	15,085,667
Net assets released from restrictions			
Satisfaction of purpose restrictions	254,864	(254,864)	
Pursuant to spending policy	2,057,223	(2,057,223)	
Total support and revenue	2,532,143	12,553,524	15,085,667
Expenses			
Program services	2,917,934		2,917,934
Supporting services			
Management and general	304,869		304,869
Development expenses	390,600		390,600
Total expenses	3,613,403		3,613,403
Transfer of administrative fees	1,074,425	(1,066,449)	7,976
CHANGE IN NET ASSETS	(6,835)	11,487,075	11,480,240
Net assets at beginning of year	1,240,311	67,505,305	68,745,616
Net assets at end of year	$ 1,233,476	$ 78,992,380	$ 80,225,856

The accompanying notes are an integral part of these statements.

2024		
Without Donor Restrictions	With Donor Restrictions	Total
$ 605	$ 2,887,181	$ 2,887,786
	149,268	149,268
81,129	7,592,411	7,673,540
	(2,251)	(2,251)
	(303)	(303)
10,530		10,530
30,657		30,657
122,921	10,626,306	10,749,227
445,380	(445,380)	
1,508,588	(1,508,588)	
2,076,889	8,672,338	10,749,227
2,474,450		2,474,450
283,376		283,376
378,017		378,017
3,135,843		3,135,843
950,317	(942,892)	7,425
(108,637)	7,729,446	7,620,809
1,348,948	59,775,859	61,124,807
$ 1,240,311	$ 67,505,305	$ 68,745,616

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31,

	2025			
	Programming	Management & General	Development	Total
Grants and scholarships	$ 2,141,545			$ 2,141,545
Salaries and wages	234,779	$ 210,699	$ 156,519	601,997
Payroll taxes and benefits	42,648	38,274	28,432	109,354
Program expenses	173,538			173,538
Insurance	16,059	2,677	8,030	26,766
Property repairs and maintenance	22,452	3,742	11,226	37,420
Legal and professional fees	7,669	2,675	3,572	13,916
Utilities	14,992	2,499	7,496	24,987
Telephone and internet	3,059	510	1,529	5,098
Merchant and bank fees	1,801	300	901	3,002
Dues and subscriptions	5,199	867	2,600	8,666
Travel and meetings	4,081	680	2,040	6,801
Staff and committee development	5,014	836	2,507	8,357
Office and building supplies	9,279	1,547	4,640	15,466
Postage	5,989	998	2,995	9,982
Technology	60,362	10,061	30,181	100,604
Human resources	37,105	6,184	18,552	61,841
Annual event			5,426	5,426
Development			37,772	37,772
Miscellaneous		259		259
Depreciation	132,363	22,061	66,182	220,606
	$ 2,917,934	$ 304,869	$ 390,600	$ 3,613,403

The accompanying notes are an integral part of these statements.

2024			
Programming	Management & General	Development	Total
$ 1,665,525			$ 1,665,525
207,210	$ 190,852	$ 147,228	545,290
37,509	34,548	26,651	98,708
227,247			227,247
14,869	2,478	7,435	24,782
23,461	3,910	11,731	39,102
58,137	11,247	12,540	81,924
11,398	1,900	5,699	18,997
3,292	549	1,646	5,487
1,480	247	740	2,467
4,216	703	2,108	7,027
9,254	1,542	4,627	15,423
5,567	928	2,784	9,279
11,283	1,881	5,642	18,806
6,634	1,106	3,317	11,057
52,953	8,826	26,476	88,255
2,486	414	1,243	4,143
		5,882	5,882
		46,304	46,304
	257		257
131,929	21,988	65,964	219,881
$ 2,474,450	$ 283,376	$ 378,017	$ 3,135,843

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 11,480,240	$ 7,620,809
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	220,606	219,881
Realized gains on investments	(114,740)	(18,344,354)
Unrealized (gains) losses on investments	(9,121,061)	12,518,953
Change in gift annuity reserve	3,569	2,251
Change in cash surrender value of life insurance	(158)	303
Non-cash contributions	(106,128)	(149,268)
Non-cash grants		
Contributions to restricted funds	(1,045,922)	(2,600,085)
(Increase) decrease in assets:		
Accounts receivable	(765)	433
Pledges receivable	(502,831)	220,751
Prepaid expenses	(391)	(9,535)
Trust receivable	(12,328)	(17,678)
Increase (decrease) in liabilities:		
Accounts payable	(31,779)	34,707
Deferred revenue	2,940	1,015
Grants payable	54,131	33,683
Annuity reserves	(3,515)	35,286
Agency funds	125,353	65,509
Net cash provided by (used in) operating activities	947,221	(367,339)
Cash flows from investing activities:		
Proceeds from sale of investments	6,679,233	63,600,752
Purchases of investments	(9,869,778)	(65,702,953)
Capital expenditures	(26,713)	(48,424)
Net cash used in investing activities	(3,217,258)	(2,150,625)
Cash flows from financing activities:		
Cash received from contributors for restricted funds	1,045,922	2,600,085
Net cash provided by financing activities	1,045,922	2,600,085
Net change in cash and cash equivalents	(1,224,115)	82,121
Cash and cash equivalents at beginning of year	3,597,921	3,515,800
Cash and cash equivalents at end of year	$ 2,373,806	$ 3,597,921
Supplemental Disclosures		
Non-cash contributions	$ 106,128	$ 149,268

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

1. Nature of Activities

The Community Foundation of Hancock County, Inc. and its affiliate, Legacy Properties of the Community Foundation of Hancock County, Inc. (Foundation) are not-for-profit corporations organized under the laws of the State of Indiana. The Community Foundation of Hancock County, Inc. was organized to perpetuate the rich heritage of philanthropy in Hancock County, Indiana and to provide new opportunities for donors. The Foundation is committed to strengthening and enhancing all aspects of the quality of life in Hancock County by providing individuals and organizations wishing to contribute their resources with an effective and attractive way to channel their gifts to worthy community endeavors. Its contributions are received from private and public organizations or individuals.

Legacy Properties of the Community Foundation of Hancock County, Inc. was incorporated in Indiana on June 7, 2013 to support the Community Foundation of Hancock County, Inc. by accepting, purchasing, holding, disposing, and managing real and personal property for the benefit of the Foundation.

2. Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and reflect all significant receivables, payables and other liabilities.

3. Financial Statement Presentation

The consolidated financial statements include the accounts of the Community Foundation of Hancock County, Inc. and its affiliated organization, Legacy Properties of the Community Foundation of Hancock County, Inc. Inter-organization balances have been eliminated in the consolidated financial statements.

4. Contributions

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

5. Cash and Cash Equivalents

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

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES - Continued

6. Investments

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

7. Equipment and Depreciation

Purchased equipment is stated at cost. Donated equipment is recorded as support at the estimated fair value at the date of gift. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Foundation has a capitalization policy which states that only items with a value of more than $1,000 are capitalized. Depreciation is computed according to the estimated useful lives of the respective assets using the straight-line method.

8. Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2025 and 2024, the Foundation exceeded the insured limit by approximately $51,261 and $439,715, respectively.

9. Net Assets and Spending Policy

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and comprised of the Foundation's board designated funds and unrestricted investment income.

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

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES - Continued

9. Net Assets and Spending Policy - Continued

The Foundation's endowment consists of 354 and 348 individual funds established for a variety of purposes as of December 31, 2025 and 2024 respectively. The endowment includes both funds established by donors and funds designated by the Board to function as endowments (board-designated endowment funds). The Foundation maintains variance power over all of the endowment funds (including those established by donors) as provided within the fund agreements. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. While the Foundation ultimately has variance power over all of the assets maintained in endowment funds, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

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

The investment objective of this Portfolio is long-term growth of the assets of the Foundation, above and beyond the Payout Policy, average administrative fee, and inflation. Controlling portfolio volatility to help provide stable distributions from year to year is an additional objective.

The Foundation has a policy (the Payout Policy) of appropriating for expenditure each year 4% of its endowment fund's average fair value over the prior twelve quarters beginning with June 30 of the current year and looking back. In establishing this policy, the Foundation considered the long-term expected return on its endowment.

10. Uncertain Tax Positions

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

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

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES - Continued

11. In-Kind Contributions

During the years ended December 31, 2025 and 2024, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. During the years ended December 31, 2025 and 2024, the Foundation received gifts of public securities of $106,128 and $149,268, respectively, which were valued at fair value. It is the Foundation's policy to immediately liquidate gifts of public securities and invest the proceeds in compliance with the Foundation's investment policy.

12. Income Taxes

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision has been made for income taxes.

13. Grants and scholarships

Grants and scholarships, including multi-year awards, are recorded as an expense and a payable when grants are approved and communicated to the grantees. Grants and scholarships expense for the years ended December 31, 2025 and 2024 was $2,141,545 and $1,665,525, respectively.

14. Functional Allocation of Expenses

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

15. Compensated Absences

The employees of the Foundation qualify for paid time off based upon length of service. Paid time off is intended to be used by the end of the calendar year, but can be carried over to the subsequent year and used within six months. Any unused paid time off is paid to an employee upon termination based upon the employee's hourly rate. The Foundation's policy is to recognize the cost of compensated absences when actually paid to employees.

16. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was $6,556 and $5,433 for the years ended December 31, 2025 and 2024, respectively.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES – Continued

17. Estimates

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

NOTE B - PROPERTY, BUILDING AND EQUIPMENT

The amounts of fixed assets, net of depreciation, consist of the following at December 31,

	2025	2024
Land	$ 359,700	$359,700
Land improvements	384,651	373,151
Building and improvements	3,191,526	3,183,051
Furniture and equipment	904,217	901,069
	4,840,094	4,816,971
Less accumulated depreciation	617,876	400,860
	$ 4,222,218	$ 4,416,111

NOTE C - TRUSTS RECEIVABLE

During 2018, the Foundation was notified that it was a residual beneficiary of a trust with a local bank naming the Foundation as a 10% residual beneficiary of a charitable remainder unitrust. Under the charitable remainder unitrust, the current income beneficiary is to receive distributions of a specified percentage of the fair value of the trust annually until death. Upon the death of the current income beneficiary, the remaining assets in the trust pass to the remainder beneficiaries.

During 2022, the Foundation was notified that it was a residual beneficiary of a trust with a local bank naming the Foundation as a 25% residual beneficiary of a charitable remainder unitrust. The income beneficiary of the trust passed away during the year ended December 31, 2025. The Foundation expects to receive payment from the trust during 2026.

Based on the current income beneficiary's life expectancy and a 4.6% and 5.0% discount rate as of December 31, 2025 and 2024, respectively, the present value of future benefits expected to be received by the Foundation was estimated to be $149,370 and $137,042 at December 31, 2025 and 2024, respectively.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE D - INVESTMENTS

The following is an analysis of the fair value at December 31, 2025 and 2024 by type of investment.

	2025 Fair Value	2024 Fair Value
Common stocks	$ 1,516,998	$ 1,382,504
Cash surrender value of life insurance	10,001	9,844
Investments in partnerships	1,082,996	800,332
Mutual funds - equities:		
Foreign large blend	10,318,275	6,817,945
Small value	3,379,494	3,187,357
Mid-cap value	1,705,060	1,603,394
Foreign large value	3,955,920	2,263,673
Small growth	3,377,680	3,115,086
Large growth	2,648,472	2,300,456
Mid-cap growth	2,082,819	1,618,013
Large blend	23,411,801	23,898,758
Equity hedged	1,716,965	1,332,262
Diversified emerging markets	5,894,003	2,620,584
Moderate allocation	2,503,155	1,998,938
Infrastructure	2,387,959	1,951,690
Total mutual funds - equities	63,381,603	52,708,156
Mutual funds - fixed income:		
Long government	2,166,057	1,915,294
Multisector bond	1,496,199	1,213,264
Intermediate-term bonds	3,756,698	3,617,632
Short-term bonds	868,608	103,071
Total mutual funds - fixed income	8,287,562	6,849,261
Total investments, at fair value	$74,279,160	$61,750,097
Total investments, at historical cost	$ 66,937,365	$ 63,685,779

NOTE E - RISKS AND UNCERTAINTIES

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

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE F - PLEDGES RECEIVABLE

Donors have made pledges to various funds held by the Foundation. Outstanding pledges at December 31, 2025 and 2024 totaled $666,410 and $163,579, respectively. Pledges receivable are due from individuals and organizations and are deemed to be fully collectible; therefore, no provision has been made for uncollectible pledges. Pledges deemed uncollectible are written off using the direct write-off method when that determination is made. The Foundation determined that the discount of the pledges to fair value was immaterial and was not recorded. Pledges are scheduled to be collected as follows:

December 31,	2026	$ 126,410
	2027	$ 140,000
	2028	$ 140,000
	2029	$ 140,000
	2030	$ 120,000

NOTE G - GRANTS PAYABLE

Grants approved and committed for future payments are payable in the following years.

December 31,	2026	$ 301,586
	2027	$ 53,362
	2028	$ 32,181
	2029	$ -0-
	2030 and therafter	$ -0-

NOTE H - SPLIT-INTEREST AGREEMENTS

The Foundation's split-interest agreements with donors consist of nine charitable gift annuities. The assets received are recorded at their fair value. The fair value of assets held for the charitable gift annuities totaled $545,617 and $499,415 at December 31, 2025 and 2024, respectively. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of future payment obligations at December 31, 2025 and 2024 was $158,220 and $161,735, respectively. The liabilities were determined using discount rates ranging from 4.6% to 5.0%. Changes in fair value of the charitable gift annuities are reflected as changes in net assets without donor restrictions in the Consolidated Statements of Activities.

Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the value of the split-interest agreements in the Consolidated Statements of Activities in their respective net asset classification.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE I - INTERFUND LOAN

From November 2022 through November 2023, the Foundation borrowed $3,648,028 from its fixed income portfolio to fund the acquisition and renovation of new office space, which includes a large meeting space (the Thrive Center). The interfund loan is being repaid to the portfolio at an interest rate that meets or exceeds what the funds would earn if invested in the Community Foundation's investment fixed income portfolio. The balance of the interfund loan was $3,351,023 and $3,605,468 at December 31, 2025 and 2024, respectively.

NOTE J - FAIR VALUE MEASUREMENTS

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

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

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

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

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE J - FAIR VALUE MEASUREMENTS - Continued

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

	2025			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Assets:				
Investments				
Common stocks	$ 1,516,998	$ 1,516,998		
Cash surrender value of life insurance	$ 10,001		$ 10,001	
Investments in partnerships*	$ 1,082,996			
Mutual funds - equities	$ 63,381,603	$ 63,381,603		
Mutual funds - fixed income	$ 8,287,562	$ 8,287,562		
Total investments	$74,279,160			
Trust receivable	$ 149,370		$ 149,370	
Liabilities:				
Annuity reserves	$ 158,220		$ 158,220	

	2024			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Assets:				
Investments				
Common stocks	$ 1,382,504	$ 1,382,504		
Cash surrender value of life insurance	$ 9,844		$ 9,844	
Investment in partnership*	$ 800,332			
Mutual funds - equities	$ 52,708,156	$ 52,708,156		
Mutual funds - fixed income	$ 6,849,261	$ 6,849,261		
Total investments	$61,750,097			
Trust receivable	$ 137,042		$ 137,042	
Liabilities:				
Annuity reserves	$ 161,735		$ 161,735	

* In accordance with Accounting Standards, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented at fair value in the Consolidated Statements of Financial Position.

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE J - FAIR VALUE MEASUREMENTS - Continued

Investment in partnership, including balances, restrictions on redemptions, and investment objectives consist of the following as of December 31, 2025 and 2024.

	2025			
	Net Asset Value	**Unfunded Commitments**	**Redemption Notice**	**Redemption Frequency**
Investment in partnership B	$ 904,586	$ 541,760	N/A	N/A
Investment in partnership C	$ 178,410	$ 345,000	N/A	N/A

	2024			
	Net Asset Value	**Unfunded Commitments**	**Redemption Notice**	**Redemption Frequency**
Investment in partnership A	$ 101,697	$ -	30 days notice	Monthly
Investment in partnership B	$ 650,253	$ 800,911	N/A	N/A
Investment in partnership C	$ 48,382	$ 450,000	N/A	N/A

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for the trust receivable is determined by calculating the present value of future payments to beneficiaries using published life expectancy tables with a discount rate of 4.6 percent. Fair value for the gift annuity payable is determined by calculating the present value of future payments to beneficiaries using published life expectancy tables using the applicable discount rate.

NOTE K - ENDOWMENT FUNDS

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

	2025		
	Without Restrictions	**With Donor Restrictions**	**Total**
Board-designated endowment funds	$ 309,336		$ 309,336
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		$46,942,383	46,942,383
Accumulated investment gains		28,690,732	28,690,732
	$ 309,336	$ 75,633,115	$75,942,451

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE K - ENDOWMENT FUNDS - Continued

	2024		
	Without Restrictions	**With Donor Restrictions**	**Total**
Board-designated endowment funds	$ 274,321		$ 274,321
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		$45,896,461	45,896,461
Accumulated investment gains		20,378,782	20,378,782
	$ 274,321	$66,275,243	$66,549,564

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

	2025		
	Without Restrictions	**With Donor Restrictions**	**Total**
Revenue and support			
Contributions		$ 1,036,378	$ 1,036,378
Investment return, net	$ 48,786	11,413,172	11,461,958
Total revenue and support	48,786	12,449,550	12,498,336
Appropriatation of endowment assets for expenditure	13,771	3,091,678	3,105,449
Change in endowment net assets	35,015	9,357,872	9,392,887
Endowment net assets, beginning of year	274,321	66,275,243	66,549,564
Endowment net assets, end of year	$ 309,336	$ 75,633,115	$75,942,451

	2024		
	Without Restrictions	**With Donor Restrictions**	**Total**
Revenue and support			
Contributions		$ 2,453,911	$ 2,453,911
Investment return, net	$ 32,648	7,354,098	7,386,746
Total revenue	32,648	9,808,009	9,840,657
Appropriatation of endowment assets for expenditure	19,838	2,440,789	2,460,627
Change in endowment net assets	12,810	7,367,220	7,380,030
Endowment net assets, beginning of year	261,511	58,908,023	59,169,534
Endowment net assets, end of year	$ 274,321	$66,275,243	$66,549,564

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE K - ENDOWMENT FUNDS - Continued

Occasionally, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor of UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of December 31, 2025, none of the funds had deficiencies. As of December 31, 2024, 11 of the 348 endowment funds had deficiencies totaling $46,039.

NOTE L - RETIREMENT PLAN

During 2022, the Foundation adopted the Group Management Services, Inc. 401(k) Profit Sharing Plan & Trust. Under the plan, the employees may contribute a specified portion of their compensation, and the Foundation will match the employee contributions up to 5%. The Foundation can also make additional contributions to the plan at its discretion. The Foundation contributed $25,408 and $23,973 for the years ended December 31, 2025 and 2024, respectively.

NOTE M - OPERATING LEASES

The Foundation leases office equipment under a non-cancelable lease expiring in November 2029. Monthly lease payments are $74 per month. Total lease expense for the years ended December 31, 2025 and 2024 was $1,563 and $1,992, respectively.

The following table discloses the undiscounted cash flows due related to operating leases, as of December 31, 2025, along with a reconciliation to the discounted amount recorded on the Consolidated Statements of Financial Position.

2026	$	888
2027		888
2028		888
2029		814
2030		-0-
		3,478
Present value discount		486
Right of use asset/liability	$	2,992

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE N - NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Subject to expenditure for a specific purpose:		
Designated	$ 1,289,078	$ 547,912
Donor advised	444,405	374,632
Field of interest	80,952	89,784
Scholarship	44,830	59,998
Community support	1,500,000	157,736
	3,359,265	1,230,062
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
Designated	5,000	
Donor advised	27,566	40,946
Scholarship	82,832	66,990
Field of interest	31,675	31,040
	147,073	138,976
Trust receivable, the proceeds from which have been restricted by donors for field of interest	149,370	137,042
Pledges receivable, the proceeds from which have been restricted by donors for:		
Field of interest		95,045
Designated	655,000	
Operating	11,410	68,534
	666,410	163,579
Subject to appropriation and expenditure when a specific event occurs:		
Proceeds from gift annuity upon death of the annuitant	536,766	478,126
Subject to Foundation spending and appropriation:		
Designated	26,439,296	23,360,244
Imagination Library	3,241,988	2,830,619
Donor advised	1,114,595	1,091,601
Scholarship	20,349,803	17,605,659
Field of interest	18,691,714	16,795,276
Operating	4,296,100	3,720,160
Underwater funds		(46,039)
	74,133,496	65,357,520
	$78,992,380	$67,505,305

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE O - NET ASSETS RELEASED FROM RESTRICTIONS

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

	2025	2024
Purpose restrictions accomplished:		
Designated	$ 32,013	$ 76,456
Donor advised	150,055	126,654
Operating	43,078	57,283
Scholarship	15,168	
Field of interest	14,550	184,987
	254,864	445,380
Restricted-purpose spending-rate distributions and appropriations:		
Designated	936,728	660,496
Imagination Library	64,812	37,376
Donor advised	51,068	15,805
Scholarship	606,191	457,929
Field of interest	398,424	336,982
	2,057,223	1,508,588
	$ 2,312,087	$ 1,953,968

NOTE P - LIQUIDITY

The Foundation has financial assets without donor restrictions available within one year of the Consolidated Statements of Financial Position date consisting of the following:

	2025	2024
Cash and cash equivalents	$ 544,847	$ 344,411
Accounts receivable	1,590	825
	$ 546,437	$ 345,236

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

Community Foundation of Hancock County, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE Q - AGENCY FUNDS

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

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

	2025		2024	
Support and revenue				
Contributions	$ 24,012		$ 6,481	
Investment return, net	132,372		85,884	
		$ 156,384		$ 92,365
Expenses				
Grants	23,055		19,431	
Administrative fees	7,976		7,425	
		31,031		26,856
Change in agency funds		125,353		65,509
Balance at beginning of year		836,837		771,328
Balance at end of year		$ 962,190		$ 836,837

NOTE R - RENTAL INCOME

The Foundation rents conference space for use by organizations for specific events. During the years ended December 31, 2025 and 2024, the Foundation received rental income for conference space of $14,180 and $10,530, respectively.

NOTE S - MATCHING GRANT

During 2024, the Foundation received a $1,500,000 gift from Lilly Endowment GIFT VIII, which has a matching requirement. The Foundation raised $78,868 and $720,989 towards the matching requirement and earned $157,736 and $1,342,264 from the matching gift for the years ending December 31, 2025 and 2024, respectively. The unmatched portion of the Lilly Endowment GIFT VIII was $-0- and $157,736 as of December 31, 2025 and 2024, respectively. Since the grantor does not require any unmatched funds to be returned, the unmatched funds are recorded as contribution revenue in the year received.

NOTE T - ADMINISTRATION MANAGEMENT

The Foundation assesses an administrative charge of 1% to 2.5% on endowment and pass-through funds. Fees are assessed quarterly based on the quarterly balance one prior quarter. This amount is used primarily to support the operations of the Foundation.

NOTE U - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 12, 2026, which is the date these consolidated financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2025, have been incorporated into these consolidated financial statements herein.

SUPPLEMENTAL INFORMATION

ESTEP BURKEY SIMMONS
LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditors' Report on Supplemental Information

Board of Directors
Community Foundation of Hancock County, Inc. and Affiliate

We have audited the consolidated financial statements of Community Foundation of Hancock County, Inc. and Affiliate as of and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated June 12, 2026, which contained an unqualified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Estep Burkey Simmons, LLC
Muncie, Indiana
June 12, 2026

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Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

December 31,

	2025			
	Community Foundation of Hancock County, Inc.	**Legacy Properties of the Community Foundation of Hancock County, Inc.**	**Eliminations**	**Total**
ASSETS				
Cash and cash equivalents	$ 2,317,836	$ 55,970	$ -	$ 2,373,806
Accounts receivable	-	1,590	-	1,590
Investments	74,279,160	-	-	74,279,160
Prepaid expenses	58,689	8,324	-	67,013
Right of use asset	2,992	-	-	2,992
Pledges receivable	666,410	-	-	666,410
Trust receivable	149,370	-	-	149,370
Property, building and equipment, net	8,809	4,213,409	-	4,222,218
Total assets	$ 77,483,266	$ 4,279,293	$ -	$ 81,762,559
LIABILITIES				
Accounts payable	$ 14,950	$ 4,317	$ -	$ 19,267
Deferred revenue	1,850	5,055	-	6,905
Grants payable	387,129	-	-	387,129
Right of use liability	2,992	-	-	2,992
Annuity reserves	158,220	-	-	158,220
Agency funds	962,190	-	-	962,190
Total liabilities	1,527,331	9,372	-	1,536,703
NET ASSETS				
Without donor restrictions	(2,806,445)	4,039,921	-	1,233,476
With donor restrictions	78,762,380	230,000	-	78,992,380
	75,955,935	4,269,921	-	80,225,856
Total liabilities and net assets	$ 77,483,266	$ 4,279,293	$ -	$ 81,762,559

2024			
Community Foundation of Hancock County, Inc.	Legacy Properties of the Community Foundation of Hancock County, Inc.	Eliminations	Total
$ 3,528,709	$ 69,212	$ -	$ 3,597,921
-	825	-	825
61,750,097	-	-	61,750,097
59,317	7,305	-	66,622
4,531	-	-	4,531
163,579	-	-	163,579
137,042	-	-	137,042
19,829	4,396,282	-	4,416,111
$ 65,663,104	$ 4,473,624	$ -	$ 70,136,728
$ 46,993	$ 4,053	$ -	$ 51,046
-	3,965	-	3,965
332,998	-	-	332,998
4,531	-	-	4,531
161,735	-	-	161,735
836,837	-	-	836,837
1,383,094	8,018	-	1,391,112
(2,995,295)	4,235,606	-	1,240,311
67,275,305	230,000	-	67,505,305
64,280,010	4,465,606	-	68,745,616
$ 65,663,104	$ 4,473,624	$ -	$ 70,136,728

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF ACTIVITIES

Year Ended December 31, 2025

	Community Foundation of Hancock County, Inc.		Legacy Properties of the Community Foundation of Hancock County, Inc.			
	Without Donor Restrictions	**With Donor Restrictions**	**Without Donor Restrictions**	**With Donor Restrictions**	**Eliminations**	**Total**
Support and revenue						
Contributions and grants	$ 100,000	$ 3,290,128	$ 28,980		$ (28,980)	$ 3,390,128
In-kind gifts		106,128				106,128
Investment return, net	75,910	11,472,766	207			11,548,883
Change in value of split-interest agreements		(3,569)				(3,569)
Change in cash surrender value of life insurance		158				158
Rental income			79,680		(65,500)	14,180
Other income	29,734		25			29,759
	205,644	14,865,611	108,892		(94,480)	15,085,667
Net assets released from restrictions						
Restrictions satisfied by payments	254,864	(254,864)				
Pursuant to spending policy	2,057,223	(2,057,223)				
Total support and revenue	2,517,731	12,553,524	108,892		(94,480)	15,085,667
Expenses						
Program services	2,946,914				(28,980)	2,917,934
Supporting services						
Management and general	65,792		304,577		(65,500)	304,869
Development expenses	390,600					390,600
Total expenses	3,403,306		304,577		(94,480)	3,613,403
Transfer of administrative fees	1,074,425	(1,066,449)				7,976
CHANGE IN NET ASSETS	188,850	11,487,075	(195,685)			11,480,240
Net assets at beginning of year	(2,995,295)	67,275,305	4,235,606	$ 230,000		68,745,616
Net assets at end of year	$ (2,806,445)	$ 78,762,380	$ 4,039,921	$ 230,000		$ 80,225,856

Community Foundation of Hancock County, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF ACTIVITIES

Year Ended December 31, 2024

	Community Foundation of Hancock County, Inc.		Legacy Properties of the Community Foundation of Hancock County, Inc.			
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
Support and revenue						
Contributions and grants	$ 605	$ 2,887,181	$ 36,164		$ (36,164)	$ 2,887,786
In-kind gifts		149,268				149,268
Investment return, net	80,919	7,592,411	210			7,673,540
Change in value of split-interest agreements		(2,251)				(2,251)
Change in cash surrender value of life insurance		(303)				(303)
Rental income			76,030		(65,500)	10,530
Other income	30,657					30,657
	112,181	10,626,306	112,404		(101,664)	10,749,227
Net assets released from restrictions						
Satisfaction of purpose restrictions	445,380	(445,380)				
Pursuant to spending policy	1,508,588	(1,508,588)				
Total support and revenue	2,066,149	8,672,338	112,404		(101,664)	10,749,227
Operating expenses						
Program services	2,510,614				(36,164)	2,474,450
Supporting services						
Management and general	48,928		299,948		(65,500)	283,376
Development expenses	378,017					378,017
Total expenses	2,937,559		299,948		(101,664)	3,135,843
Transfer of administrative fees	950,317	(942,892)				7,425
CHANGE IN NET ASSETS	78,907	7,729,446	(187,544)			7,620,809
Net assets at beginning of year	(3,074,202)	59,545,859	4,423,150	$ 230,000		61,124,807
Net assets at end of year	$ (2,995,295)	$ 67,275,305	$ 4,235,606	$ 230,000		$ 68,745,616