

WARREN COUNTY COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Warren County Community Foundation
Williamsport, Indiana

Opinion

We have audited the accompanying financial statements of Warren County Community Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 Warren County Community Foundation as of December 31, 2024 and 2023, 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 Warren County Community 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 Warren County Community 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 Warren County Community 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 Warren County Community 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.

Crowder CPA's Ltd.

Danville, Illinois
September 4, 2025

WARREN COUNTY COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	43,194	55,197
Cash interest bearing	529,287	47,139
Endowment and long-term investments	13,419,520	11,603,866
Accounts receivable	-	150
Contributions receivable	3,585	-
Grant receivable	2,400,000	-
Prepaid expenses	<u>7,226</u>	<u>6,218</u>
Total current assets	16,402,812	11,712,570
Property and equipment	<u>104,542</u>	<u>107,333</u>
TOTAL ASSETS	<u>16,507,354</u>	<u>11,819,903</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses	5,587	1,421
Accounts payable	<u>87,694</u>	<u>99,387</u>
Total current liabilities	<u>93,281</u>	<u>100,808</u>
NET ASSETS		
Without donor restrictions (note 8)	2,901,847	1,774,607
With donor restrictions (note 8 and 11)	<u>13,512,226</u>	<u>9,944,488</u>
Total net assets	<u>16,414,073</u>	<u>11,719,095</u>
TOTAL LIABILITIES AND NET ASSETS	<u>16,507,354</u>	<u>11,819,903</u>

See accompanying notes.

WARREN COUNTY COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024 and 2023

	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
		Year Ended 12/31/2024		Year Ended 12/31/2023
REVENUES, GAINS AND OTHER SUPPORT				
Contributions	1,177,564	1,304,750	673,075	364,914
Investment income	82,628	542,526	47,638	298,073
Net realized & unrealized gains on investments	124,486	585,847	133,461	690,139
Administrative fees	190,695	190,695	158,877	-
Grants	10,000	3,760,000	2,500	100,000
Rental income	3,500	3,500	2,400	-
Fundraising event	-	7,400	-	5,200
Donated stock	163,674	198,674	-	-
In-kind donation	28,555	28,555	-	41,000
Total revenues, gains and other support	1,781,102	6,621,947	1,017,951	1,499,326
NET ASSETS RELEASED FROM RESTRICTIONS				
Expiration of purpose restrictions	1,273,107	-	-	-
Total revenue, gains and other support	3,054,209	6,621,947	1,017,951	2,517,277
EXPENSES				
Program services	1,528,857	1,528,857	577,062	577,062
Management and general	392,227	392,227	327,918	327,918
Fundraising	1,493	1,493	481	481
Depreciation	4,392	4,392	3,989	3,989
Total expenses	1,926,969	1,926,969	909,450	909,450
CHANGE IN NET ASSETS	1,127,240	4,694,978	108,501	1,607,827
NET ASSETS BEGINNING OF YEAR	1,774,607	11,719,095	1,666,106	10,111,268
NET ASSETS END OF YEAR	2,901,847	16,414,073	1,774,607	11,719,095

See accompanying notes.

WARREN COUNTY COMMUNITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024 and 2023

	2024			2023		
	Program Services	Management And General	Support Services Fund- raising	Program Services	Management And General	Support Services Fund- raising
Grants	1,145,429	-	-	215,799	-	-
Scholarships	193,004	-	-	258,141	-	-
Salaries	-	112,629	-	-	90,001	-
Payroll taxes & benefits	-	11,176	-	-	8,496	-
Administrative fee expense	-	190,695	-	-	158,877	-
Advertising	-	345	-	-	1,543	-
Bank & credit card fees	-	172	-	-	115	-
Community development & events	152,675	-	-	73,237	-	-
Dues	-	750	-	-	1,833	-
Fundraising event	-	-	-	-	-	481
In-kind donations	28,555	-	-	-	-	-
Insurance	-	4,234	-	-	2,651	-
Investment fees	-	10,274	-	-	9,043	-
Marketing	-	1,573	-	-	5,192	-
Meetings	-	1,415	-	-	811	-
Maintenance & small equipment	-	7,202	-	-	12,926	-
Miscellaneous	-	-	-	-	89	-
Office expense	-	7,257	-	-	3,625	-
Outside contract service	6,208	-	-	22,792	-	-
Professional fees	-	14,466	-	-	19,989	-
Program expenses	2,986	-	1,493	6,504	-	-
Software	-	9,254	-	-	8,134	-
Telephone & utilities	-	3,135	-	-	3,647	-
Training	-	12,208	-	589	-	-
Travel	-	4,653	-	-	859	-
Website	-	789	-	-	87	-
Depreciation	-	4,392	-	-	3,989	-
TOTAL EXPENSES	1,528,857	396,619	1,493	577,062	331,907	481
						909,450

See accompanying notes.

WARREN COUNTY COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024 and 2023

	2024	2023
OPERATING ACTIVITIES		
Cash inflows for operations:		
Contributions, net of amounts restricted for long-term purposes	1,499,989	1,040,480
Administrative fees	190,695	158,877
Rental income	3,500	2,400
Fundraising event	7,400	5,200
Grants	1,360,000	102,500
Investment income and dividends	542,526	345,711
Cash outflows for operations:		
Payments for salaries, benefits, and payroll taxes	(122,497)	(101,280)
Payments to vendors	(1,808,616)	(762,222)
Net cash provided by operating activities	1,672,997	791,666
INVESTING ACTIVITIES:		
Investments sold	1,231,359	1,152,472
Purchase of investments	(2,404,902)	(1,985,071)
Acquisition of property and equipment	(29,309)	(27,708)
Net cash used by investing activities	(1,202,852)	(860,307)
CHANGE IN CASH AND CASH EQUIVALENTS	470,145	(68,641)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	102,336	170,977
CASH AND CASH EQUIVALENTS AT END OF YEAR	572,481	102,336

See accompanying notes.

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

Organization and Nature of Activities – The Warren County Community Foundation was formed on February 17, 1999, with a mission to grant funds to charitable organizations for the furtherance of their purposes. The recipients of these funds are scholarship activities, youth activities, senior citizens activities, habitat for humanity activities, and other organizations located in Warren County, Indiana.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting – 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.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts in revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets – The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donor, as follows:

Net assets without donor restrictions: Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in the corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions: Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

Classification of transactions – All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce the net asset class.

Accounts Receivable – Accounts receivable are primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Cash and cash equivalents – Warren County Community Foundation's cash equivalents are short-term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. The organization maintains cash balances at financial institutions located in the Fowler and Williamsport, Indiana. Deposit accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account, with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments.

Investments – Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as investment return on the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Prepaid and Other Assets – Prepaid and other assets are insurance payments made in an entire year. During the year, journal entries are posted monthly to reclassify to an expense account.

Property and Equipment, net – Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to forty years. The Warren County Community Foundation policy is to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. The Foundation's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

Revenue Recognition – Revenues from various sources are recognized as follows:

Contributions – Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed asset is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore, are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Gifts-in-Kind Contributions – The Foundation receives contributions in a form other than cash or investments. Most are donated supplies, which are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Foundation's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

The Foundation benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets, or (b) the services would have been purchased if not provided by contribution, required specialized skills, and are provided by individuals possessing those skills. The Foundation receives significant contributed time which does not meet the two recognition criteria, including the donated services of the voluntary board of directors. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Grant Revenue – Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and reviewed by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Foundation's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Foundation.

Functional Allocation of Expenses – The cost of providing the foundation's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service.

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

Functional Allocation of Expenses (cont.) – General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities.

Income Tax Status – The Foundation is a nonprofit organization exempt from federal income taxes on all related business income under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a)(1) of the Internal Revenue Code.

Endowment and Long-term Investments – Endowment investments consist of investments purchased with the following resources:

- Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the organization’s activities.
- Donor-restricted purpose endowments, which are contributions restricted by donors to investment for the purpose specified by the donor. The donor may either require investment income and appreciation to be reinvested in the fund, or may permit the organization to spend those amounts in accordance with the donor’s restrictions on use.
- Board-designated endowments, which are resources set aside by the Board of Directors for an indeterminate period to operate in a manner similar to a donor-restricted perpetual endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board of Directors.

Endowment investments also included investments purchased with unspent investment income and net gains on these resources.

Endowment investments are reported at fair value with changes to fair value reported as investment returns in the statement of activities.

The investment and spending policies for the Endowment Fund are discussed in Note 10.

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT.)

Change in Accounting Principles – As of January 1, 2021 the Foundation implemented Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, in the current year. This standard assists foundations in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The provisions of ASU 2018-08 were implemented applicable to both contributions received and to contributions made in the accompanying financial statements.

As of January 1, 2021 the Foundation implemented Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820)*, applying the changes retrospectively. The new standard changes the disclosure requirements on fair measurements by now requiring the following:

- The amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy.
- The policy for timing of transfers between levels.
- The valuation for Level 3 fair value measurements.
- The change in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period.
- In lieu of rollforward for Level 3 fair value measurements, it is now required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities.
- For investments in certain entities that calculate net asset value, an entity is required to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly.
- Measurement uncertainty disclosure is to communicate information about the uncertainty in measurement as of the reporting date.

As of January 1, 2022, the Foundation has implemented the AICPA's Statement on Auditing Standards (SAS) No. 134 *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, SAS No. 137 *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*, SAS No. 138 *Amendments to the Description of the Concept of Materiality*, SAS No. 139 *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134*, and SAS No. 140 *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes from SAS No. 134 and 137*. AICPA's SAS No. 134 through 140 are interrelated because the ASB amended the auditor reporting model adopted in SAS No. 134 with the issuance of the subsequent SASs.

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

Change in Accounting Principle (cont.) – As of January 1, 2022, the Foundation implemented FASB ASU 2020-01, *Investments – Equity Securities (Topic 321)*, *Investments – Equity Method and Joint Ventures (Topic 323)*, and *Derivatives and Hedging (Topic 815)*, which clarify the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. The adoption of this guidance has no effect on the Foundation’s financial statements.

As of January 1, 2022, the Foundation implemented FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958)*, which changes the presentation and disclosures requirements for Contributed Nonfinancial Assets.

As of January 1, 2023, the Foundation as implemented FASB ASU 2016-02 (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes the right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the consolidated statement of activities. The adoption of this guidance has no effect on the Foundation’s financial statements.

As of January 1, 2023, the Foundation implemented FASB ASU 2019-12, *Income Taxes – Simplifying the Accounting for Income Taxes*: The Board is issuing this Update as part of its initiative to reduce complexity in accounting standards (the Simplification Initiative). The adoption of this guidance has no effect on the Foundation’s financial statements.

As of January 1, 2023, the Foundation implemented SAS No. 142, *Audit Evidence*: The primary focus and objective of this Standard is on considering the attributes and factors of information that contribute to an assessment of whether sufficient appropriate audit evidence has been obtained. The premise is that the auditor should evaluate information to be used as audit evidence notwithstanding the source from which it is obtained, or the procedures used to obtain the information. New attributes of information for the auditor to consider include whether the information is corroborative or contradictory to management assertions, the authenticity of the evidence and its susceptibility to bias.

As of January 1, 2024, the Foundation implemented SAS No. 143, *Auditing Accounting Estimates and Related Disclosures*: This Standard is intended to enable auditors to appropriately address the increasingly complex scenarios that arise today from new accounting standards the include estimates and related disclosures, and to enhance the auditor’s focus on factors driving estimation uncertainty and potential management bias.

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following:

	2024	2023
Financial Assets:		
Cash and cash equivalents	43,194	55,197
Cash interest bearing	529,287	47,139
Accounts receivable	2,403,585	150
Endowment and long-term investments	<u>13,419,520</u>	<u>11,603,866</u>
Total financial assets	16,395,586	11,706,352
Less financial assets held to meet donor-imposed restrictions		
Purpose-restricted net assets (note 8)	11,413,074	8,010,395
Perpetual in nature net assets (note 8)	2,099,152	1,934,093
Less board-designated endowment fund (note 8)	<u>2,588,144</u>	<u>1,490,501</u>
Amount available for general expenditures within one year	<u>295,216</u>	<u>271,363</u>

In addition to financial assets available to meet general expenditures over the year-end December 31, 2025, the foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The foundation's governing board has designated a portion of its unrestricted resources for other purposes. Those amounts are included in the amounts noted above and may be spent at the discretion of the Board.

NOTE 4 – CASH AND CASH EQUIVALENT

All cash is held on hand or deposited at financial institutions and is carried at cost. Amounts deposited that exceed the FDIC insurance limit of \$250,000, are collateralized by securities issued by the United States government or an agency thereof. The Foundations' cash at December 31, 2024 and 2023 was as follows:

	2024		2023	
	Carrying	Bank	Carrying	Bank
	<u>Amount</u>	<u>Balance</u>	<u>Amount</u>	<u>Balance</u>
CASH				
Demand deposits	43,194	62,671	55,197	76,485
Cash interest bearing	<u>529,287</u>	<u>531,687</u>	<u>47,139</u>	<u>47,499</u>
TOTAL OPERATING CASH	<u>572,481</u>	<u>594,358</u>	<u>102,336</u>	<u>123,984</u>

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 4 – CASH AND CASH EQUIVALENT (CONT.)

The following table categorizes deposits, not including cash on hand, according to levels of risk.

Category #1	Category #2	Category #3	Bank Balance	Carrying Amount
594,358	-	-	594,358	572,481

Category #1 includes deposits that are insured by the FDIC, or registered, or securities that are held by Warren County Community Foundation.

Category #2 includes deposits for which securities are held by the pledging financial or its trust department but not in Warren County Community Foundation name which are backed with repurchase agreements and U.S. government securities.

Category #3 includes uninsured and uncollateralized deposits.

NOTE 5 – INVESTMENTS

Investments as of December 31, 2024 and 2023 are summarized as follows:

		2024	
		Cost	Fair Value
Edward Jones			
Lee Whitehall Scholarship		393,550	439,927
Lilly VII Fund		2,605,775	2,852,338
Lilly VIII Blueway		247,000	247,000
Seegar URA Scholarships		3,899,883	4,272,597
Steinbaugh Scholarships		258,685	283,161
Charles Schwab: Capitalcities, LLC		2,549,476	3,105,059
Venerable: VOYA		2,219,438	2,219,438
Total investments		12,173,807	13,419,520
		2023	
		Cost	Fair Value
Edward Jones			
Lee Whitehall Scholarship		362,136	393,059
Lilly VII Fund		1,285,370	1,446,985
Lilly VIII Fund		100,000	100,032
Seegar URA Scholarships		3,572,159	3,954,950
Steinbaugh Scholarships		254,893	278,516
Charles Schwab: Capitalcities, LLC		2,800,022	3,264,994
Venerable: VOYA		2,165,330	2,165,330
Total investments		10,539,910	11,603,866

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6 – INVESTMENT INCOME

Investment income consists of the following:

	2024	2023
Interest/dividend income from investments	542,526	345,711
Investment fees	(10,274)	(9,043)
Net investment income	<u>532,252</u>	<u>336,668</u>

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2024			
	Cost	Depreciation Expense	Accum. Depreciation	Book Value
Building	97,000	2,425	36,615	60,385
Building improvement	69,307	1,967	25,150	44,157
Computers	5,075	-	5,075	-
Office equipment	9,119	-	9,119	-
	<u>180,501</u>	<u>4,392</u>	<u>75,959</u>	<u>104,542</u>

	2023			
	Cost	Depreciation Expense	Accum. Depreciation	Book Value
Building	97,000	2,340	34,190	62,810
Building improvement	67,706	1,550	23,183	44,523
Computers	5,075	99	5,075	-
Office equipment	9,119	-	9,119	-
	<u>178,900</u>	<u>3,989</u>	<u>71,567</u>	<u>107,333</u>

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 8 – NET ASSETS

Net assets and changes in net assets for the years ended December 31, 2024 are as follows:

	Balance 12/31/23	Increase (Decrease)	Balance 12/31/24
Without Donor Restrictions:			
General operating	278,106	29,597	307,703
Board designated	1,490,501	1,097,643	2,588,144
Lilly VII – unrestricted	6,000	-	6,000
	<u>1,774,607</u>	<u>1,127,240</u>	<u>2,901,847</u>
With Donor Restrictions:			
Purpose Restrictions			
Community development	622,057	51,748	673,805
Education	737,944	36,354	774,298
Elderly	65,625	3,513	69,138
Lilly VII	170,446	(163,990)	6,456
Lilly VIII	99,450	2,937,851	3,037,301
Religious	89,833	4,470	94,303
Scholarship	5,775,361	414,323	6,189,684
Specifically identified organizations	449,679	118,410	568,089
Perpetual in Nature			
Scholarships	1,896,046	162,355	2,058,401
Human Services	38,047	2,704	40,751
	<u>9,944,488</u>	<u>3,567,738</u>	<u>13,512,226</u>
	<u>11,719,095</u>	<u>4,694,978</u>	<u>16,414,073</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. For the year ended December 31, 2024 and 2023, \$1,273,107 and \$0 respectively, were released.

NOTE 9 – CONTRIBUTIONS AND GRANTS RECEIVABLE

	2024	2023
Donations receivable	<u>1,065</u>	<u>-</u>
Match receivable	<u>2,520</u>	<u>-</u>
Total donations receivable	<u>3,585</u>	<u>-</u>
Grant receivable	<u>2,400,000</u>	<u>-</u>

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 10 – ACCOUNTING FOR ENDOWMENTS

The Foundation's endowment consists of numerous funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Warren County Community Foundation is a public charity that administers more than 90 individual funds, both, endowed and non-endowed, for charitable purposes in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the state of Indiana (IC 30-2-12). The law defines an endowment fund as an institutional fund, or any part of the fund, not wholly expendable by the institution on a current basis under the terms of the applicable gift instrument.

UPMIFA establishes law for the management and investment of donor-restricted endowment funds. Donor-restricted endowment funds are subject to a time restriction imposed by UPMIFA until amounts are appropriated for expenditure by the organization. In addition, most donor restricted endowment funds are subject to restrictions on the use of appropriated amounts. Note 11 describes the purposes for which donor-restricted endowment may be used. As a result, donor-restricted endowment funds are classified as net assets with donor restrictions.

UPMIFA permits the organization to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making its determination to appropriate or accumulate, the foundation must act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and it must consider, if relevant, the following factors:

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

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 10 – ACCOUNTING FOR ENDOWMENTS (CONT.)

The net asset composition of the endowment as of December 31, 2024 and 2023 is as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Type of Endowment Fund			
Donor-Restricted funds	-	2,478,825	2,478,825
Perpetual in nature			
Board-designated endowments	2,588,144	-	2,588,144
Total	2,588,144	2,478,825	5,066,969
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Type of Endowment Fund			
Donor-Restricted funds	-	2,155,763	2,155,763
Perpetual in nature			
Board-designated endowments	1,490,501	-	1,490,501
Total	1,490,501	2,155,763	3,646,264

Investment and Spending Policies

The Foundation has an investment policy designed to ensure both preservation and growth of principal, as well as a dependable source of revenue for distribution and expenses. The Foundation has selected 60-70% equity and a 30-40% bond/fixed income mix, based on the historical relationship between asset mix and total return.

Income available for spending or grant making is determined by a total return system. The amount to be spent for grant making in the coming year is calculated as of December 31st market values (net of investment and the Foundation management fees) and is reviewed by the Finance Committee and presented to the Board of Directors annually for approval. The calculation is as follows:

Each year the Foundation Board shall make available for grants an amount of 3% of the value of the endowed funds, based on their market value as of December 31st of the preceding calendar year. The amount to be spent will not be in excess of 5% of the market value calculated above. In deciding the percent of average market value to distribute, consideration is also to be given to the average inflation rates for the three investment fiscal years.

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 10 – ACCOUNTING FOR ENDOWMENTS (CONT.)

The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. The original gift is defined by the organization as (a) the original value of gifts donated to all donor-restricted endowments, (b) the original value of any subsequent gifts to donor-restricted endowments, and (c) the original value of accumulations to donor-restricted endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The changes in endowment net assets for the years ended December 31, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, December 31, 2022	1,433,147	1,667,692	3,100,839
Investment return (net)	102,965	264,351	367,316
Contributions	67,985	314,162	382,147
Grants	-	-	-
Other transfers	-	-	-
Amounts appropriated for expenditure	(113,596)	(90,442)	(204,038)
Endowment Net Assets, December 31, 2023	1,490,501	2,155,763	3,646,264
Investment return (net)	95,025	251,516	346,541
Contributions	1,155,072	187,028	1,342,100
Grants	-	-	-
Other transfers	-	-	-
Amounts appropriated for expenditure	(152,454)	(115,482)	(267,936)
Endowment Net Assets, December 31, 2024	2,588,144	2,478,825	5,066,969

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2024 and 2023, net assets with donor restrictions are available for the following purposes or periods:

	2024	2023
Purpose restrictions:		
4-H (original gift \$100)	66,668	62,026
Animal care	18,848	16,965
Arts/Culture	11,253	10,252
Attica cemetery upkeep	7,845	7,501
Boy Scout Troops	24,058	22,125
Common grounds coffee	38,374	83,565
Community development (original gift \$100)	455,934	417,193
Education	774,298	737,944
Eyeglasses/medical	24,273	23,170
Family decision	30,982	29,902
Habitat for Humanity	7,211	6,895
Hope totes	73,871	61,883
Junior leaders of Warren County	211	-
Lilly VII	6,456	170,446
Lilly VIII	3,037,301	99,450
Local library	24,646	23,435
MAC van (original gift \$40)	52,275	49,504
Mental health (original gift \$5,000)	16,294	15,555
NICHES	52,707	50,280
Nursing home – staff education	14,095	12,962
Pine Village Elementary - trips	128,173	120,691
Pine Village Park	185	-
Religious support	34,200	32,372
Scholarships	6,114,788	5,716,896
Senior Center	16,863	16,121
Youth council	1,592	1,592
Total purpose-restricted net assets	11,033,401	7,788,725
Endowment Funds		
Donors restricted to the following purposes:		
Alzheimer's support (original gift \$20,180)	24,457	22,492
Cicott county park (original gift \$15,000)	16,973	16,725
Hanging rock support (original gift \$51,192)	60,103	57,461
Scholarships (original gift \$1,660,958)	2,133,296	1,954,511
Seegar professional development (original gift \$76,449)	81,471	-
West Lebanon fire department (original gift \$149,635)	162,525	104,574
Total endowment funds	2,478,825	2,155,763
Total net assets with donor restrictions	13,512,226	9,944,488

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 12 – FAIR VALUE MEASUREMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on recurring basis at December 31, 2024 and 2023, are as follows:

	2024	
	Fair Value	Level 1
Bonds	9,999	9,999
Certificates of deposits	934,180	934,180
Fixed income Mutual funds	9,025,913	9,025,913
Equities Mutual funds	582,844	582,844
Exchange traded funds	647,146	647,146
Annuity	<u>2,219,438</u>	<u>2,219,438</u>
Total	<u>13,419,520</u>	<u>13,419,520</u>

	2023	
	Fair Value	Level 1
Money markets	33,881	33,881
Fixed income Mutual funds	7,199,471	7,199,471
Equities Mutual funds	1,984,095	1,984,095
Exchange traded funds	221,089	221,089
Annuity	<u>2,165,330</u>	<u>2,165,330</u>
Total	<u>11,603,866</u>	<u>11,603,866</u>

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 12 – FAIR VALUE MEASUREMENTS (CONT.)

Assets and liabilities recorded at fair value in the statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management’s own assumptions about the inputs used in pricing the asset of liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

NOTE 13 – LILLY VII

At December 31, 2024 and 2023, the Lilly VII balance breakdown is as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board engagement fund	6,000	-	6,000
Lg. scale leadership fund	-	6,456	6,456
Total	6,000	6,456	12,456

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board engagement fund	6,000	-	6,000
Lg. scale leadership fund	-	170,446	170,446
Total	6,000	170,446	176,446

WARREN COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 14 – IN-KIND CONTRIBUTIONS

Included in the financial statements are in-kind contributions and corresponding expenses, which consisted of the following during the year ended December 31:

	2024		2023	
	Contribution	Expense	Contribution	Expense
Materials	200	200	-	-
Professional Fees	28,355	28,355	-	-
Property	-	-	41,000	-
Total In-Kind Contributions	28,555	28,555	41,000	-

In valuing in-kind contributions, the Foundation estimated the fair value based on appraisals or current rates for similar services. All in-kind donations were for the start up of the Common Grounds Coffee Shop.

NOTE 15 – RETIREMENT PLAN

Warren County Community Foundation participates in a Simple IRA retirement plan. This is offered to full time employees; there is only 1 full time employee. The Foundation contributed \$2,340 and \$2,052 for the years ended December 31, 2024, and 2023, respectively.

NOTE 16 – SUBSEQUENT EVENTS

Warren County Community Foundation has evaluated subsequent events through September 4, 2025, which is the date the financial statements were available to be issued. Warren County Community Foundation is not aware of any material subsequent events.