KOSCIUSKO COUNTY COMMUNITY FOUNDATION, INC.
AND AFFILIATE,
ORTHOPEDICS CAPITAL FOUNDATION, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

June 30, 2026 and 2025

C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT	2
FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES	5
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8
SUPPLEMENTAL INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION	22
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION	23
CONSOLIDATING STATEMENTS OF ACTIVITIES	24

ESTEP BURKEY SIMMONS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditors' Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kosciusko County Community Foundation, Inc. and Affiliate which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, 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 Kosciusko County Community Foundation, Inc. and Affiliate as of June 30, 2026 and 2025, 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 Kosciusko County Community Foundation, 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.

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 Kosciusko County Community Foundation, 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 Kosciusko County Community Foundation, 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 Kosciusko County Community Foundation, 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
August 26, 2026

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	2026	2025
ASSETS		
Cash and cash equivalents	$ 5,362,738	$ 4,236,277
Interest and dividends receivable	38,978	91,161
Prepaid expenses	31,101	35,537
Pledges receivable	10,000	-
Notes receivable	210,390	439,940
Investments	114,713,100	97,121,691
Charitable remainder trusts	1,332,072	1,248,750
Property, building and equipment, net of accumulated depreciation	465,173	513,554
	$ 122,163,552	$ 103,686,910
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 11,437	$ 66,629
Accrued payroll, taxes and benefits	50,811	48,017
Payroll taxes and benefits withheld	15,370	16,292
Grants payable	2,385,093	4,115,387
Agency endowments	3,389,379	2,969,525
Total liabilities	5,852,090	7,215,850
NET ASSETS		
Without donor restrictions	4,721,010	3,941,431
With donor restrictions	111,590,452	92,529,629
	116,311,462	96,471,060
	$ 122,163,552	$ 103,686,910

The accompanying notes are an integral part of these statements.

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended June 30,

	2026		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Support and revenue			
Contributions and bequests	$ 183,634	$ 5,044,739	$ 5,228,373
Non-cash contributions		3,308,508	3,308,508
Administrative fee income	1,286,391		1,286,391
Investment return, net	471,192	18,533,119	19,004,311
Change in value of split-interest agreements		88,470	88,470
Grant recoveries			
Discounts on receivables		1,770	1,770
Other income	11,032		11,032
	1,952,249	26,976,606	28,928,855
Net assets released from restrictions			
Pursuant to spending policy	3,628,780	(3,628,780)	
Satisfaction of purpose restrictions	4,287,003	(4,287,003)	
	7,915,783	(7,915,783)	
Expenses			
Programming and Grants	7,305,851		7,305,851
Supporting Services			
Management and general	1,116,509		1,116,509
Fundraising	666,093		666,093
	9,088,453		9,088,453
INCREASE IN NET ASSETS	779,579	19,060,823	19,840,402
Net assets at beginning of year	3,941,431	92,529,629	96,471,060
Net assets at end of year	$ 4,721,010	$ 111,590,452	$ 116,311,462

The accompanying notes are an integral part of these statements.

2025		
Without Donor Restrictions	**With Donor Restrictions**	**Total**
$ 511,251	$ 2,776,950	$ 3,288,201
	602,687	602,687
1,171,696		1,171,696
281,353	8,790,006	9,071,359
	518,840	518,840
556,464		556,464
	1,770	1,770
5,370		5,370
2,526,134	12,690,253	15,216,387
3,359,791	(3,359,791)	
3,622,026	(3,622,026)	
6,981,817	(6,981,817)	
7,422,996		7,422,996
1,078,038		1,078,038
547,008		547,008
9,048,042		9,048,042
459,909	5,708,436	6,168,345
3,481,522	86,821,193	90,302,715
$ 3,941,431	$ 92,529,629	$ 96,471,060

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30,

	2026			
	Programming and Grants	**Management and General**	**Fundraising**	**Total**
Grants and scholarships	$ 5,073,072			$ 5,073,072
Salaries and wages	262,715	$ 356,825	$ 192,516	812,056
Payroll taxes	19,839	27,224	14,721	61,784
Employee benefits	20,493	20,275	19,076	59,844
Program expenses	1,400,972			1,400,972
Community meetings and studies	8,765			8,765
Administrative fees	443,112	484,329	318,044	1,245,485
Occupancy		25,311		25,311
Insurance		17,680		17,680
Professional and legal fees		30,094		30,094
Credit card processing fees		4,484		4,484
Telephone	3,147	3,440	2,259	8,846
Postage	3,335	3,645	2,393	9,373
Information technology	21,231	47,433	15,238	83,902
Repairs and maintenance		10,008		10,008
Conferences and meetings	19,442	21,250	13,955	54,647
Travel	2,410	2,634	1,729	6,773
Office supplies	1,853	2,025	1,330	5,208
Dues and subscriptions		26,948		26,948
Annual report	3,013	3,013	6,026	12,052
Development			24,780	24,780
Marketing			37,521	37,521
Depreciation	22,452	24,540	16,115	63,107
Miscellaneous		5,351	390	5,741
	$ 7,305,851	$ 1,116,509	$ 666,093	$ 9,088,453

The accompanying notes are an integral part of these statements.

2025			
Programming and Grants	**Management and General**	**Fundraising**	**Total**
$ 4,741,972			$ 4,741,972
240,171	$ 336,986	$ 162,932	740,089
18,109	25,404	12,083	55,596
15,494	18,642	15,045	49,181
1,918,886		667	1,919,553
9,928			9,928
406,757	472,459	261,319	1,140,535
	26,894		26,894
	14,961		14,961
	31,843		31,843
	3,036		3,036
2,693	3,061	1,730	7,484
3,243	3,688	2,084	9,015
24,312	41,978	8,190	74,480
	18,177		18,177
7,769	8,833	4,991	21,593
5,236	5,953	3,364	14,553
2,213	2,516	1,422	6,151
	26,865		26,865
4,209	4,209	8,418	16,836
		14,207	14,207
		36,227	36,227
22,004	25,017	14,136	61,157
	7,516	193	7,709
$ 7,422,996	$ 1,078,038	$ 547,008	$ 9,048,042

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30,

	2026	2025
Cash flows from operating activities:		
Change in net assets	$ 19,840,402	$ 6,168,345
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	63,107	61,157
Realized gains on investments	(2,464,820)	(1,751,284)
Unrealized gains on investments	(14,069,860)	(5,105,094)
Change in value of split interest agreements	(88,470)	(518,840)
Contributions to funds to be held in perpetuity	(3,454,023)	(4,598,481)
Non-cash contributions	(3,308,508)	(602,687)
(Increase) decrease in assets:		
Interest and dividends receivable	52,183	189,244
Prepaid expenses	4,436	(6,034)
Pledges receivable	(10,000)	393,096
Notes receivable	229,550	(439,940)
Increase (decrease) in liabilities:		
Accounts payable	(55,192)	(12,443)
Grants payable	(1,730,294)	324,596
Accrued and withheld taxes and expenses	1,872	11,609
Agency endowments	419,854	209,152
Net cash used in operating activities	(4,569,763)	(5,677,604)
Cash flows from investing activities:		
Cash paid for purchases of fixed assets	(14,726)	(359,142)
Proceeds from sale of investments	11,013,895	9,287,020
Purchases of investments	(8,756,968)	(8,279,042)
Net cash provided by investing activities	2,242,201	648,836
Cash flows from financing activities:		
Contributions to funds to be held in perpetuity	3,454,023	4,598,481
Net cash provided by financing activities	3,454,023	4,598,481
Net increase (decrease) in cash and cash equivalents	1,126,461	(430,287)
Cash and cash equivalents at beginning of year	4,236,277	4,666,564
Cash and cash equivalents at end of year	$ 5,362,738	$ 4,236,277
Supplemental Disclosure		
Non-cash contributions	$ 3,308,508	$ 602,687

The accompanying notes are an integral part of these statements.

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

The Kosciusko County Community Foundation, Inc. was organized in 1968 in trust form under the laws of the State of Indiana to operate for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. On February 4, 2002, a corporation was formed, and on July 1, 2002, all assets and liabilities were transferred to the newly formed corporation. Kosciusko County Community Foundation awards charitable grants and provides technical assistance to not-for-profit organizations, awards scholarships to students pursuing post-secondary education, provides financial assistance for individuals in need, and serves as a catalyst and convener to address needs primarily in Kosciusko County, Indiana.

Orthopedics Capital Foundation, Inc. was formed as a not-for-profit affiliate of the Kosciusko County Community Foundation, Inc. on September 22, 2009. Orthopedics Capital Foundation, Inc. targets an integrated set of educational, workforce, cultural, communication, logistical and entrepreneurial initiatives to advance the orthopedics sector and the Warsaw, Indiana community.

2. Basis of Accounting

The consolidated financial statements of Kosciusko County Community Foundation, Inc. and Orthopedics Capital Foundation, Inc. (together "Foundation") have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America.

3. 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 are comprised of the Foundation's operating fund and other board-designated funds.

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.

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Net Assets and Spending Policy - Continued

The investment performance objective is to maximize total return of the Portfolio net of inflation, spending and expenses, over a full market cycle (generally defined as a five-year period) without undue exposure to risk. The primary investment objective of the Portfolio is to provide a relatively stable, inflation adjusted, annual payout to support the Foundation's defined spending rate.

The Foundation has a policy (the spending policy) of appropriating for expenditure each year 4% of its endowment fund's average fair value over each of the prior twenty quarters using the Foundation's fiscal year ending June 30 asset value.

4. Cash and Cash Equivalents

The Foundation maintains its cash in accounts at local financial institutions, which are insured by agencies of the U.S. Government up to $250,000. For purposes of the Consolidated Statements of Cash Flows, the Foundation considers all cash and demand accounts to be cash equivalents.

5. 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.

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. Investment Pools

The Foundation maintains master investment accounts for its endowment funds. Interest, dividends, and realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly based on the relationship of the fair value of each endowment fund to the total fair value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Investment Risks and Uncertainties

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

9. Property and Equipment

Property and equipment are stated at cost or, if donated to the Foundation, at fair value on the date of the acquisition. Expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of various classes of assets on the straight-line method. Depreciation expense for the years ended June 30, 2026 and 2025 was $63,107 and $61,157, respectively. The estimated useful lives are as follows:

Building	30 years
Equipment and furnishings	3 to 10 years

10. Income Taxes

The Foundation is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the Foundation has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code.

11. Compensated Absences

The employees of the Foundation earn vacation days based upon length of service. Vacation days must be used by the employee's anniversary date each year. Any earned vacation days are 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 and to accrue any earned, but unused, vacation time.

12. Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed the federally insured limit of $250,000. At June 30, 2026 and 2025, the Foundation exceeded the insured limit by $784,410 and $1,022,069, respectively.

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

13. Non-Cash Contributions

Contribution of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended June 30, 2026 and 2025, the value of contributed services meeting the requirements for recognition in the consolidated financial statements was $-0- and $-0-, respectively. During the years ended June 30, 2026 and 2025, the Foundation received gifts of grain of $82,819 and $2,837, respectively, which were valued at fair value. It is the Foundation's policy to immediately liquidate gifts of grain and invest the proceeds in compliance with the Foundation's investment policy. During the years ended June 30, 2026 and 2025, the Foundation received gifts of public securities of $3,225,689 and $599,850, 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.

14. Expense Classification

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, travel, telephone, conferences and meetings, office supplies, annual report, postage, salaries and wages, payroll taxes, employee benefits, and information technology. These expenses are allocated on the basis of estimates of time and effort.

15. 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.

16. Estimates

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

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE B - INVESTMENTS

Investments are stated at fair value as of June 30, 2026 and 2025 and are summarized as follows.

	2026 Fair Value	2025 Fair Value
Cash surrender value of life insurance	$ 66,766	$ 66,191
Life estate	158,936	153,788
Mutual funds - equities:		
Foreign large blend	83,136	
Foreign large growth	5,399,215	4,644,573
Foreign large value	8,251,871	7,276,301
Foreign small/mid value	1,758,033	1,372,020
Foreign small/mid growth	2,819,227	
Foreign small/mid blend	3,476,157	5,251,108
Large value	15,690,272	10,508,576
Small value	15,530,152	11,557,321
Small blend	252,241	136,175
Large blend	5,938,869	5,871,366
Large growth	12,151,904	10,614,726
Small growth	1,246,197	915,137
Equity energy	4,189,340	3,264,904
Natural resources	4,595,680	3,695,798
Real estate	5,042,414	4,447,212
Global real estate	1,850,386	2,080,916
Total mutual funds - equities	88,275,094	71,636,133
Mutual funds - fixed income:		
US Treasury bonds and notes	2	5
Short-term bonds	8,011,902	7,641,868
Intermediate-term bonds	8,773,783	8,526,435
Inflation-protected bonds	3,981,972	3,747,029
Emerging markets bond	115,458	
World bond	5,329,187	5,350,242
Total mutual funds - fixed income	26,212,304	25,265,579
Total investments, at fair value	$114,713,100	$ 97,121,691
Total investments, at historical cost	$ 84,398,664	$ 80,955,294

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE C - CHARITABLE REMAINDER TRUSTS

The Foundation's split-interest agreements with donors consist of charitable remainder trusts and annuities. The assets received are recorded at their fair (present) value and are revalued annually. The fair value of assets held for split-interest agreements totaled $1,332,072 and $1,248,750 at June 30, 2026 and 2025, respectively. Changes in fair value of charitable remainder trusts are reflected as changes in net assets with donor restrictions in the Consolidated Statements of Activities.

NOTE D - NOTES RECEIVABLE

During the year ending June 30, 2025, the Foundation entered into two notes receivable totaling $506,464. The notes bear interest at 0% and are unsecured. Monthly payments are due on the notes through December 2034. The balance of the notes receivable as of June 30, 2026 and 2025 was $210,390 and $439,940, respectively. Payments are due on the notes as follows:

2027	$ 59,046
2028	33,046
2029	33,046
2030	33,046
2031 and thereafter	52,206
	$ 210,390

NOTE E - PROPERTY, BUILDING AND EQUIPMENT

The amounts of fixed assets, net of depreciation, consist of the following at June 30,

	2026	2025
Land	$ 15,000	$ 15,000
Building and improvements	1,099,922	1,089,195
Furnishing and equipment	321,318	319,863
	1,436,240	1,424,058
Less accumulated depreciation	971,067	910,504
	$ 465,173	$ 513,554

NOTE F - 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 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, 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.

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 June 30, 2026 and 2025, respectively:

	2026			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Assets:				
Charitable remainder trusts	$ 1,332,072		$ 1,332,072	
Investments:				
Cash surrender value of life insurance	$ 66,766		$ 66,766	
Life estate	$ 158,936			$ 158,936
Mutual funds - equities	$88,275,094	$ 88,275,094		
Mutual funds - fixed income	$26,212,304	$ 26,212,304		

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE F - FAIR VALUE MEASUREMENTS - Continued

	2025			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Assets:				
Charitable remainder trusts	$ 1,248,750		$ 1,248,750	
Investments:				
Cash surrender value of life insurance	$ 66,191		$ 66,191	
Life estate	$ 153,788			$ 153,788
Mutual funds - equities	$ 71,636,133	$ 71,636,133		
Mutual funds - fixed income	$ 25,265,579	$ 25,265,579		

The following schedule provides further detail of the life estate being held as Level 3 fair value measurements using significant unobservable inputs at June 30,

	2026	**2025**
Beginning balance	$ 153,788	$ 151,151
Unrealized gains (losses) on life estate	5,148	2,637
Ending balance	$ 158,936	$ 153,788

Fair values for level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value of the level 2 input investments, which is the cash surrender value of life insurance, is determined by reference to the annual statement provided by the insurance provider. Fair values for charitable remainder trusts are determined by present value calculations based on the fair value of the assets in the trust. Fair value of the level 3 investment in a life estate is based on the present value of the appraisals of the real estate that is being held as a life estate based on the beneficiaries' life expectancy.

NOTE G - ENDOWMENT FUNDS

At June 30, 2026 and 2025, the Foundation's endowment consists of 406 and 394 funds, respectively, established for a variety of purposes. The endowment includes both funds established by donors and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE G - ENDOWMENT FUNDS - Continued

The Board of Directors of the Foundation has interpreted the Indiana Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2026 and 2025, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted 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

Endowment net assets composition by type of fund as of June 30, 2026 and 2025 was as follows:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 777,443		$ 777,443
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		$ 70,302,810	70,302,810
Accumulated investment gains		29,277,422	29,277,422
	$ 777,443	$ 99,580,232	$100,357,675

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 520,805		$ 520,805
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		$ 66,848,787	66,848,787
Accumulated investment gains		15,385,799	15,385,799
	$ 520,805	$ 82,234,586	$ 82,755,391

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE G - ENDOWMENT FUNDS - Continued

Changes in endowment net assets for the years ended June 30, 2026 and 2025, were as follows:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and grant income	$ 145,452	$ 3,419,007	$ 3,564,459
Investment return, net	131,780	17,555,419	17,687,199
Total revenue and support	277,232	20,974,426	21,251,658
Appropriation of endowment assets for expenditure	20,594	3,628,780	3,649,374
Change in endowment net assets	256,638	17,345,646	17,602,284
Endowment net assets, beginning of year	520,805	82,234,586	82,755,391
Endowment net assets, end of year	$ 777,443	$ 99,580,232	$100,357,675

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions and grant income	$ 173,604	$ 4,383,903	$ 4,557,507
Investment return, net	43,012	8,001,145	8,044,157
Total revenue and support	216,616	12,385,048	12,601,664
Appropriation of endowment assets for expenditure	13,613	3,359,791	3,373,404
Change in endowment net assets	203,003	9,025,257	9,228,260
Endowment net assets, beginning of year	317,802	73,209,329	73,527,131
Endowment net assets, end of year	$ 520,805	$ 82,234,586	$ 82,755,391

From time to time, the fair value of assets associated with donor-restricted endowments may fall below the level the donor or UPMIFA requires the Foundation to retain. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in net assets with donor restrictions were $-0- and $68,747 as of June 30, 2026 and 2025, respectively. These deficiencies resulted from spending policy distributions and unfavorable market fluctuations.

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2026 and 2025:

	2026	2025
Subject to expenditure for a specific purpose:		
Donor advised	$ 4,832,102	$ 4,953,955
Designated	1,892,521	1,750,559
Scholarships	737,670	668,399
Field of interest	1,283,959	1,026,557
Community grants	1,721,506	206,883
Pledges and notes receivable, the proceeds from which have been restricted by donors for:		
Field of interest	210,390	439,940
	10,678,148	9,046,293
Subject to appropriation and expenditure when a specific event occurs:		
Proceeds from charitable remainder trusts upon death of the donor	1,332,072	1,248,750
Endowments:		
Subject to appropriation and expenditure when a specific event occurs:		
Restricted by donors for:		
Donor advised	261,626	168,995
Designated	234,679	217,297
Scholarships	470,161	364,241
Field of interest	684,189	655,508
Community grants	12,116	9,380
	1,662,771	1,415,421
Subject to Foundation spending and appropriation:		
Donor advised	11,081,078	9,366,700
Designated	24,437,396	18,723,469
Scholarships	27,890,541	23,820,955
Field of interest	11,131,018	9,358,568
Operating	3,135,941	2,695,237
Community grants	20,241,487	16,922,983
Underwater endowments		(68,747)
	97,917,461	80,819,165
	$111,590,452	$ 92,529,629

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE I - NET ASSETS RELEASED FROM DONOR RESTRICTION

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 June 30, 2026 and 2025:

	2026	2025
Satisfaction of purpose restrictions:		
Donor advised	$ 2,259,353	$ 1,550,178
Designated	1,712,561	275,175
Scholarships	177,142	175,100
Field of interest	104,320	1,619,114
Community grants	33,627	2,459
	4,287,003	3,622,026
Restricted-purpose spending-rate distributions and appropriations:		
Donor advised	257,212	350,309
Designated	793,532	641,935
Scholarships	1,177,754	1,005,431
Field of interest	512,439	436,256
Operating	26,977	120,603
Community grants	860,866	805,257
	3,628,780	3,359,791
	$ 7,915,783	$ 6,981,817

NOTE J - RELATED-PARTY TRANSACTIONS

During the fiscal year ended June 30, 2026 and 2025, officers and board members made donations to the Foundation totaling $71,000 and $169,850, respectively. Two board members of the Foundation are also employees of a financial institution which maintain investments and cash accounts for the Foundation. Also, a board member is a partner at a legal firm which provides legal services for the Foundation. One committee member is a partner of a financial institution which maintains investment accounts for the Foundation.

NOTE K - 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 June 30, 2026 and 2025, the following activity occurred in the agency funds held by the Foundation. These amounts are not reflected on the Consolidated Statements of Activities.

	2026		2025	
Support and revenue				
Contributions and pledges	$ 13,300		$ 30,945	
Investment return, net	588,727		290,167	
		$ 602,027		$ 321,112
Expenses				
Grants expense	147,516		80,799	
Administrative fees	34,657		31,161	
		182,173		111,960
Change in agency funds		419,854		209,152
Balance at beginning of year		2,969,525		2,760,373
Balance at end of year		$ 3,389,379		$ 2,969,525

NOTE L - ADMINISTRATIVE CHARGES

The Foundation assesses an administrative charge of 0.1% to 2.0% on endowment and non-permanent funds. For endowment funds, one fourth of the fee is assessed each quarter to the funds based upon the ending quarter balances, beginning with September 30 information and ending with June 30 information. For non-permanent funds, one fourth of the fee is assessed each quarter to the funds based upon the beginning balance plus all new gifts to the fund. At fiscal year-end, all non-permanent funds, with the exception of non-permanent donor advised funds, will be assessed the full 2% fee regardless of the timing of gifts received. Non-permanent donor advised funds will be assessed a tiered fee of 0.25% to 2.0% based upon the value of the fund. The administrative charge is used primarily to support the operations of the Foundation.

For the fiscal years ended June 30, 2026 and 2025, $1,286,391 and $1,171,696, respectively, is included as support and revenue and $1,245,485 and $1,140,535, respectively, as an expense, less fees from agency endowments. Due to the fact that administrative charges to various funds are considered a significant measure of the operations of community foundations, these fees have not been eliminated in the consolidated financial statements.

Kosciusko County Community Foundation, Inc. and Affiliate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE M - RETIREMENT PLAN

Full-time and part-time Foundation employees earning a minimum of $5,000 are eligible to participate in its Simple IRA plan. Under the plan, the employees may contribute a specified portion of their compensation, and the Foundation will match the employee contribution, up to 3% of eligible employees' gross wages.

NOTE N - LIQUIDITY

The Foundation has financial assets available within one year of the Consolidated Statements of Financial Position date consisting the following:

	2026	2025
Cash and cash equivalents	$ 531,176	$ 419,409
Interest and dividends receivable	2,613	3,854
Investments	3,765,416	3,043,832
	$ 4,299,205	$ 3,467,095

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.

NOTE O - SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through August 26, 2026, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2026, have been incorporated into these financial statements herein.

SUPPLEMENTAL INFORMATION

ESTEP BURKEY SIMMONS
LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditors' Report on Supplemental Information

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

We have audited the consolidated financial statements of Kosciusko County Community Foundation, Inc. and Affiliate as of and for the years ended June 30, 2026 and 2025, and have issued our report thereon dated August 26, 2026, which contained an unqualified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated 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
August 26, 2026

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

June 30,

	2026			
	Kosciusko County Community Foundation, Inc.	**Orthopedics Capital Foundation, Inc.**	**Eliminations**	**Total**
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 5,216,531	$ 146,207	$ -	$ 5,362,738
Interest and dividends receivable	38,918	60	-	38,978
Prepaid expenses	31,101	-	-	31,101
Pledges receivable	10,000	-	-	10,000
Notes receivable	210,390	-	-	210,390
Investments	114,713,100	-	-	114,713,100
Charitable remainder trusts	1,332,072	-	-	1,332,072
Property, building and equipment, net	465,173	-	-	465,173
Total assets	$ 122,017,285	$ 146,267	$ -	$ 122,163,552
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	$ 11,437	$ -	$ -	$ 11,437
Accrued payroll, taxes and benefits	50,811	-	-	50,811
Payroll taxes and benefits withheld	15,370	-	-	15,370
Grants payable	2,385,093	-	-	2,385,093
Agency endowments	3,389,379	-	-	3,389,379
Total liabilities	5,852,090	-	-	5,852,090
NET ASSETS				
Without donor restrictions	4,581,843	139,167	-	4,721,010
With donor restrictions	111,583,352	7,100	-	111,590,452
Total net assets	116,165,195	146,267	-	116,311,462
Total liabilities and net assets	$ 122,017,285	$ 146,267	$ -	$ 122,163,552

2025			
Kosciusko County Community Foundation, Inc.	**Orthopedics Capital Foundation, Inc.**	**Eliminations**	**Total**
$ 3,738,027	$ 498,250	$ -	$ 4,236,277
89,975	1,186	-	91,161
35,537	-	-	35,537
-	-	-	-
439,940	-	-	439,940
97,121,691	-	-	97,121,691
1,248,750	-	-	1,248,750
513,554	-	-	513,554
$ 103,187,474	$ 499,436	$ -	$ 103,686,910
$ 27,220	$ 39,409	$ -	$ 66,629
48,017	-	-	48,017
16,292	-	-	16,292
4,115,387	-	-	4,115,387
2,969,525	-	-	2,969,525
7,176,441	39,409	-	7,215,850
3,868,251	73,180	-	3,941,431
92,142,782	386,847	-	92,529,629
96,011,033	460,027	-	96,471,060
$ 103,187,474	$ 499,436	$ -	$ 103,686,910

Kosciusko County Community Foundation, Inc. and Affiliate

CONSOLIDATING STATEMENTS OF ACTIVITIES

Years Ended June 30,

	2026					
	Kosciusko County Community Foundation, Inc.		Orthopedics Capital Foundation, Inc.			
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
Support and revenue						
Contributions and bequests	$ 183,634	$ 4,009,353		$ 1,035,386		$ 5,228,373
Non-cash contributions		3,308,508				3,308,508
Administrative fee income	1,286,391					1,286,391
Investment return, net	464,709	18,533,119	$ 6,483			19,004,311
Change in value of split-interest agreements		88,470				88,470
Grant recoveries						
Discounts on receivables		1,770				1,770
Other income	11,032					11,032
	1,945,766	25,941,220	6,483	1,035,386		28,928,855
Net assets released from restrictions						
Pursuant to spending policy	3,628,780	(3,628,780)				
Satisfaction of purpose restrictions	2,871,870	(2,871,870)	1,415,133	(1,415,133)		
	6,500,650	(6,500,650)	1,415,133	(1,415,133)		
Expenses						
Programming & grants	5,978,835		1,327,016			7,305,851
Supporting Services						
Management & general	1,110,259		6,250			1,116,509
Fundraising & promotion	643,730		22,363			666,093
	7,732,824		1,355,629			9,088,453
INCREASE (DECREASE) IN NET ASSETS	713,592	19,440,570	65,987	(379,747)		19,840,402
Net assets at beginning of year	3,868,251	92,142,782	73,180	386,847		96,471,060
Net assets at end of year	$ 4,581,843	$ 111,583,352	$ 139,167	$ 7,100		$ 116,311,462

2025					
Kosciusko County Community Foundation, Inc.		Orthopedics Capital Foundation, Inc.			
Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
$ 511,251	$ 2,416,556		$ 360,394		$ 3,288,201
	602,687				602,687
1,171,696					1,171,696
266,783	8,790,006	$ 14,570			9,071,359
	518,840				518,840
556,464					556,464
	1,770				1,770
5,370					5,370
2,511,564	12,329,859	14,570	360,394		15,216,387
3,359,791	(3,359,791)				
2,553,389	(2,553,389)	1,068,637	(1,068,637)		
5,913,180	(5,913,180)	1,068,637	(1,068,637)		
6,363,995		1,059,001			7,422,996
1,068,038		10,000			1,078,038
546,341		667			547,008
7,978,374		1,069,668			9,048,042
446,370	6,416,679	13,539	(708,243)		6,168,345
3,421,881	85,726,103	59,641	1,095,090		90,302,715
$ 3,868,251	$ 92,142,782	$ 73,180	$ 386,847		$ 96,471,060