Keokuk Area Community Foundation
and Affiliate

Combined Financial Statements

December 31, 2025 and 2024

Gray Hunter Stenn LLP
CERTIFIED PUBLIC ACCOUNTANTS

Keokuk Area Community Foundation

Contents

December 31, 2025 and 2024

GRAY HUNTER STENN LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Review Report

Board of Directors
Keokuk Area Community Foundation

We have reviewed the accompanying combined financial statements of Keokuk Area Community Foundation (a nonprofit organization) and affiliate (the Foundation), which comprise the statement of financial position as at December 31, 2025 and 2024, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Keokuk Area Community Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Gray Hunter Stenn LLP

Gray Hunter Stenn LLP

Dated at Quincy, Illinois
July 22, 2026

Keokuk Area Community Foundation and Affiliate

Statements of Financial Position

December 31, 2025 and 2024

		2025		2024
Assets				
Cash and cash equivalents	$	116,634	$	88,397
Investments		34,638,590		23,369,027
Bequests receivable		2,251,414		9,214,028
Pledges receivable		46,453		67,301
Land		179,100		179,100
Total Assets		37,232,191		32,917,853
Liabilities				
Accrued expenses		44,054		28,968
Agency liabilities		7,725,468		6,280,948
Total Liabilities		7,769,522		6,309,916
Net Assets				
Without donor restrictions		29,462,669		26,607,937
Total Liabilities and Net Assets	$	37,232,191	$	32,917,853

Keokuk Area Community Foundation and Affiliate

Statements of Activities

Years Ended December 31, 2025 and 2024

Without Donor Restrictions

		2025	2024
Revenues and Other Support			
Contributions	$	2,640,062	9,949,355
Gifts-in-kind		-	180,300
Investment return, net		2,184,778	1,913,981
Administrative fees		341,676	256,117
Total Revenues and Other Support		5,166,516	12,299,753
Expenses			
Program services		1,797,383	1,293,654
Supporting activities		480,388	463,567
Fundraising activities		34,013	22,472
Total Expenses		2,311,784	1,779,693
Change in Net Assets		2,854,732	10,520,060
Net Assets, Beginning of Year		26,607,937	16,087,877
Net Assets, End of Year	$	29,462,669	26,607,937

Keokuk Area Community Foundation and Affiliate

Statement of Functional Expenses

Years Ended December 31, 2025 and 2024

	2025			
	Program Services	Supporting Activities	Fundraising Activities	Total
Grants and scholarships awarded	$ 1,595,785	$ -	$ -	$ 1,595,785
External administrative fees	-	313,551	9,254	322,805
Insurance	-	15,739	-	15,739
Office expense	44,839	18,888	4,329	68,056
Payroll taxes	9,610	2,746	1,373	13,728
Professional fees	15,414	87,346	-	102,760
Promotion expense	1,860	4,065	644	6,569
Wages	125,612	35,889	17,944	179,445
Travel	3,514	704	469	4,688
Miscellaneous	749	1,460	-	2,209
Total	$ 1,797,383	$ 480,388	$ 34,013	$ 2,311,784

	2024			
	Program Services	Supporting Activities	Fundraising Activities	Total
Grants and scholarships awarded	$ 1,202,592	$ -	$ -	$ 1,202,592
External administrative fees	-	227,911	-	227,911
Insurance	-	14,393	-	14,393
Office expense	16,311	40,062	6,063	62,436
Payroll taxes	5,055	5,231	929	11,215
Professional fees	-	99,746	-	99,746
Promotion expense	2,260	4,421	1,188	7,869
Wages	66,123	68,421	12,151	146,695
Travel	-	3,302	827	4,129
Miscellaneous	1,313	80	1,314	2,707
Total	$ 1,293,654	$ 463,567	$ 22,472	$ 1,779,693

Keokuk Area Community Foundation and Affiliate

Statements of Cash Flows

Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 2,854,732	$ 10,520,060
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Donated securities and land	(168,341)	(1,247,220)
Realized (gain) loss on investment	(473,935)	(672,739)
Unrealized (gain) loss on investment	(1,235,672)	(937,646)
(Increase) decrease in:		
Pledges receivable	20,848	3,677
Bequests receivable	6,962,614	(9,214,028)
Accrued expenses	15,086	(9,578)
Agency liabilities	757,113	1,187,981
Net Cash from Operating Activities	8,732,445	(369,493)
Cash Flows from Investing Activities		
Purchase of investments	(26,041,043)	(21,047,164)
Proceeds from the sale of investments	17,336,835	21,450,407
Net Cash from Investing Activities	(8,704,208)	403,243
Net Increase (Decrease) in Cash and Cash Equivalents	28,237	33,750
Cash and Cash Equivalents at Beginning of Year	88,397	54,647
Cash and Cash Equivalents at End of Year	$ 116,634	$ 88,397

Keokuk Area Community Foundation
and Affiliate
Notes to Financial Statements

1. Nature of Activities

Keokuk Area Community Foundation (KACF), an Iowa nonprofit corporation, was created in October 2004 as a community foundation for the purpose of receiving gifts and bequests to provide support for charitable enterprises in Iowa, Missouri, and Illinois. It provides grants to various organizations in the tri-state Area to help foster and promote public, charitable, scientific, literary, and educational activities.

Keokuk Area Community Foundation has affiliation agreements with the Community Foundation of Des Moines County (CFDMC) and the North Lee Community Foundation (NLCF). These agreements provide for the affiliates to transfer endowment funds to KACF to be invested, managed, and granted in consultation with the affiliate. KACF provides administrative services under the agreements. The agreements allow for the transfer of affiliate funds to another community foundation and termination of the agreement at the request of the affiliate's board. NLCF and KACF are under common management and as such their financial results are combined. Funds held on behalf of CFDMC are accounted for as agency funds as there is not common control between the entities and they are not financially interrelated.

2. Summary of Significant Accounting Policies

Basis of Accounting
The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Principles of Combination
As described above, the combined financial statements include the accounts of Keokuk Area Community Foundation and North Lee Community Foundation (collectively, the Foundation), which are under common management. Significant intercompany transactions and balances have been eliminated in the combination.

Use of Estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates which are particularly susceptible to change in a short period of time relate to the valuation of level 3 fair value investments and estimated realizable amounts of bequests receivable.

Cash and Cash Equivalents
For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Investments
The Foundation's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. See Note 4 for discussion of fair value measurement. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net investment return includes the Foundation's gains and losses on investments bought and sold as well as those held during the year.

2. Summary of Significant Accounting Policies (Continued)

The Foundation invests in various securities that are exposed to interest rate, market, and credit risks. Due to the level of risk associated with certain investments, 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 financial statements.

Net Assets
Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed restrictions and available for use in general operations and fulfilling the purpose of donor established funds subject to agreements that grant variance power to the Foundation. Furthermore, the governing board has designated resources from these net assets establishing a board-designated (quasi) endowment.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are recorded as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both. No such assets are maintained by the Foundation.

Investment Pools
The Foundation maintains investment accounts for its endowment funds. Pooling endowment funds for investment purposes has many benefits including, but not limited to, spreading the total risk for each endowment fund and making the risk equal for all funds invested in the investment accounts, enhancing the investment performance relative to that of an individual fund; and reducing management fees. The investment return from securities in the investment accounts is allocated annually to individual endowments based on the relationship of the fair value of each endowment to the total fair value of the investment accounts.

Conditional Promises to Give
Conditional promises to give, where the donor has placed a condition on the gift that the ultimate transfer of the assets or promise to give is contingent on a future and uncertain event, are not recorded as contributions until the condition is met.

Unconditional Promises to Give
Unconditional promises to give, including bequests, are recognized as revenue in the period received. The Foundation uses the allowance method to determine uncollectible promises to give. The allowance is based on management's analysis of specific promises made. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Funds Held for Others
The Foundation acts as an agent for certain charitable organizations. In addition to the assets held on behalf of CFDMC discussed previously, various charitable organizations have established funds at the Foundation and specified themselves as beneficiary. These funds are accounted for as agency liabilities by the Foundation, and do not have an impact on the Statement of Activities. As of December 31, 2025 and 2024, the Foundation held $6,085,559 and $3,680,910, respectively, of investments on behalf of CFDMC and $1,639,909 and $2,600,038, respectively, on behalf of other charitable organizations.

2. **Summary of Significant Accounting Policies** (Continued)

Income Tax Status
The Foundation is exempt from income taxes under Section 50l(c)(3) of the Internal Revenue Code and a similar section of the Code of Iowa. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. The Foundation has open tax years for the three years prior to December 31, 2025 and 2024.

Revenue Recognition
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

The Foundation's operating fund charges a management fee to each donor fund to support the cost of its administrative operating budget. These fees are recognized as the services are provided.

Expense Allocation
Directly identifiable expenses are charged to program services and supporting activities. Expenses related to more than one function are charged to program services and activities services based on management's estimated allocation. Supporting activities expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. Salaries, payroll taxes, and benefits are allocated based on time and effort and office, travel, and promotional expenses are allocated based on usage.

Concentration of Credit Risk
The Foundation sometimes maintains deposits in excess of federally insured limits and in uninsured money market accounts. These amounts vary daily.

In the current year, a significant amount of contributions were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors, or contributions might be lost in the near term.

Subsequent Events
The Foundation performed an evaluation of subsequent events through July 22, 2026, which is the date the financial statements were available to be issued.

3. Pledges and Bequests Receivable

The Foundation uses the allowance method to determine uncollectible promises to give. The allowance is based on management's analysis of specific promises made. As of December 31, 2025 and 2024, management determined no allowance was necessary. Unconditional promises collectible in greater than one year are discounted to their present value using a discount rate of 7.65% at December 31, 2025, and as of that date unconditional pledges receivable consist of amounts due as follows:

2026	$	12,700
2027		10,000
2028		10,000
2029		10,000
2030		10,000
Thereafter		-
Total Promises to Give		52,700
Less discount to present value		(6,247)
Total	$	46,453

As of December 31, 2025 and 2024, the Foundation has recorded bequests receivable of $2,251,414 and 9,214,028, respectively, representing unconditional promises to receive financial assets from two estates. The funds are expected to be collected within one to two years and have not been discounted for present value. The funds have been allocated to the following endowment fund types:

		2025		2024
Grants	$	-	$	214,028
NLCF designated		2,251,414		-
NLCF grants		-		9,000,000
Total	$	2,251,414	$	9,214,028

4. Investments

The Foundation carries investments in marketable securities with readily determinable fair value and all investments in debt securities at their fair values in the Statement of Financial Position. Certificates of deposit are classified as held-to-maturity and carried at amortized cost, which approximates fair value. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

The following schedule summarizes the investment return for the years ended December 31, 2025 and 2024:

		2025		2024
Dividends and interest	$	542,954	$	384,714
Realized gains (losses)		473,935		672,739
Unrealized gains (losses)		1,235,672		937,646
Investment advisory expenses		(67,783)		(81,118)
Total	$	2,184,778	$	1,913,981

4. Investments (Continued)

Financial Accounting Standards Board's Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Pricing inputs other than quoted prices included in Level 1 that are either directly observable or that can be derived or supported from observable data as of the reporting date. Instruments in this category include certain U.S. government agency and sponsored entity debt securities and certificates of deposit.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial assets at fair value as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investments, December 31, 2025				
Money market funds	$ 3,159,586	$ -	$ -	$ 3,159,586
Certificates of deposit	-	1,094,811	-	1,094,811
Corporate bonds	-	631,131	-	631,131
Mutual funds	9,407,746	-	-	9,407,746
Equities	20,345,316	-	-	20,345,316
Structured investments	-	-	-	-
Total Investments	$ 32,912,648	$ 1,725,942	$ -	$ 34,638,590

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial assets at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investments, December 31, 2024				
Money market funds	$ 941,235	$ -	$ -	$ 941,235
Certificates of deposit	-	402,559	-	402,559
Corporate bonds	-	467,106	-	467,106
Mutual funds	7,245,518	-	-	7,245,518
Equities	13,359,809	-	-	13,359,809
Structured investments	-	-	952,800	952,800
Total Investments	$ 21,546,562	$ 869,665	$ 952,800	$ 23,369,027

4. Investments (Continued)

Structured investments are an illiquid fund of securities whose return is tied to the S&P 1000 market index. The value is based on the value, volatility and dividend yield, as applicable, of the underlying index and the securities comprising the underlying index, interest and yield rates, time remaining to maturity, geopolitical conditions and economic, financial, political and regulatory or judicial events and the issuer's internal credit ratings or credit spreads. This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below presents a reconciliation for structured investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

Balance, December 31, 2023	$	869,600
Sales of securities		-
Purchases of securities		-
Unrealized gains (losses)		83,200
Balance, December 31, 2024	$	952,800
Sales of securities		(973,201)
Purchases of securities		-
Realized gains (losses)		20,401
Balance, December 31, 2025	$	-

5. Liquidity and Availability

Financial assets available for general expenditure and grantmaking, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025 and 2024 are as follows:

	2025	2024
Cash and cash equivalents	$ 116,634	$ 88,397
Investments	34,638,590	23,369,027
Pledges receivable	46,453	67,301
Bequests receivable	2,251,414	9,214,028
Total Financial Assets as of Year End	37,053,091	32,738,753
Less those unavailable for general expenditures within one year:		
Assets held for others (agency)	(7,725,468)	(6,280,948)
Endowment, net of estimated spendable	(27,322,580)	(24,505,434)
Nonendowed donor advised funds	(682,235)	(797,982)
Financial Assets Available for General Expenditures and Grants Within One Year	$ 1,322,808	$ 1,154,389

5. **Liquidity and Availability** (Continued)

The Foundation's financial assets consist primarily of cash, investments, pledges receivable, and bequests receivable. The Foundation is substantially supported by donor contributions. Although the Foundation has variance power over most contributions, it seeks to maintain financial assets sufficient to meet its grantmaking obligations, operating expenditures, and other commitments as they become due. Thus, financial assets may not be available for general expenditure within one year. The Foundation has a goal to maintain financial assets, as part of its liquidity management, excess cash is invested in short-term investment vehicles while maintaining sufficient resources for current operating needs. Although the Foundation does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

Bequests receivable totaling $2,251,414 as of December 31, 2025, are expected to be collected within approximately 12 to 18 months and provide an additional source of liquidity available to support future operations, grantmaking activities, and other Foundation obligations. Management believes the Foundation has sufficient financial resources available to meet its obligations as they become due.

6. **Funds Held for Others**

The Foundation maintains legal ownership of agency funds and as such continues to report the funds as assets of the Foundation. However, in accordance with accounting standards, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments which could possibly be made to the charitable organizations under certain conditions. Agency activity comprised of the following for the years ended December 31, 2025 and 2024.

Balance, December 31, 2023	$ 4,483,632
Contributions	1,390,275
Investment income	705,710
Grants	(214,029)
Operating and administrative fees	(84,640)
Balance, December 31, 2024	6,280,948
Contributions	1,104,021
Investment income	787,610
Grants	(347,136)
Operating and administrative fees	(99,975)
Balance, December 31, 2025	$ 7,725,468

7. Net Assets without Donor Restrictions

Net assets without donor restrictions are comprised of the following fund types at December 31, 2025 and 2024:

		2025		2024
Unrestricted	$	312,782	$	264,870
NLCF scholarships		4,578,856		4,357,186
Designated		1,164,324		1,093,508
NLCF designated		14,640,288		3,786,609
Donor-advised		3,066,015		3,095,387
NLCF donor-advised		1,419,213		1,368,446
Other named funds		1,866,905		1,728,545
Grants		1,815,909		1,362,844
NLCF grants		598,376		9,550,542
Total Net Assets without Donor Restrictions	$	29,462,669		26,607,937

8. Endowment

The Foundation's endowment consists of various funds established for a variety of grants and includes both funds established by donors and funds designated by the Boards of Directors to function as endowments. The Foundation's agreements with donors include a variance provision, giving the Boards of Directors the power to vary the use of endowed funds if the purpose becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the area served by the Foundation. Based on these provisions, most contributions, received by the Foundation are reported as support without donor restrictions. Any gift instrument received that is not established in accordance with the aforementioned that limits the Boards' authority to accumulate or appropriate for expenditures, explicitly, is classified as net assets with donor restrictions pursuant to the provisions of the Iowa Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Interpretation of Relevant Law

The Board of Directors has adopted UPMIFA as policy governing the accumulation and appropriation of endowment gifts. UPMIFA provides organizations the ability to distribute corpus of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) duration and preservation of the various funds (2) purposes of the donor-restricted endowment funds (3) general economic conditions (4) the possible effect of inflation and deflation (5) the expected total return from income and the appreciation of investments (6) other resources of the organization, and (7) the Foundation's investment policies.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide funding to grants supported by its endowment funds while also maintaining the purchasing power of endowment assets. Accordingly, the investment process seeks to achieve a total rate of return of 7%.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation or depreciation (realized and unrealized) and current yield (interest and dividends). The Foundation has developed a diversified asset allocation to achieve its long-term objectives with prudent risk parameters.

8. **Endowment** (Continued)

Spending Policy

The endowment spending rate is calculated as a percentage of the average endowment investment market value from the previous eight quarters. For the years ended December 31, 2025 and 2024, the Board of Directors approved an endowment spending policy of 4.5%. The Board reviews and modifies the spending policy annually based on economic conditions.

For the years ended December 31, 2025 and 2024, changes in the endowment net assets are as follows:

Net Assets, December 31, 2023	$	15,281,399
Contributions		9,454,565
Investment returns, net		1,862,317
Appropriation of endowment assets for expenditure		(1,031,333)
Interfund grants and expenses		(30,181)
Net Assets, December 31, 2024		25,536,767
Contributions		2,361,842
Investment returns, net		2,134,649
Appropriation of endowment assets for expenditure		(1,123,068)
Interfund grants and expenses		(464,542)
Net Assets, December 31, 2025	$	28,445,648

As of December 31, 2025 and 2024, the endowment net asset composition by type of fund is as follows:

		2025		2024
NLCF scholarships	$	4,578,856	$	4,357,186
Designated		1,147,893		1,085,808
NLCF designated		14,640,288		3,786,609
Donor-advised		2,498,590		2,413,788
NLCF donor-advised		1,304,404		1,252,063
Other named funds		1,866,831		1,728,545
Grants		1,815,409		1,362,226
NLCF grants		593,376		9,550,542
Total	$	28,445,648		25,536,767

During 2025, the Foundation reallocated a $9,000,000 bequest received in the prior year from an NLCF grant fund to an NLCF designated fund based on review of the donor's intent. The Foundation’s net assets without donor restrictions include amounts that have been designated by the Board of Directors as endowment funds. These endowments totaling $457,727 and $445,067, at December 31, 2025 and 2024, respectively, are available for disbursement at the discretion of the Board and are subject to the Foundation’s spending policy. Disbursements generally made are philanthropic grants and support the key objects of the Foundation’s mission.

9. **Gifts-in-kind**

During 2024, the Foundation was gifted a parcel of land located in Keokuk, Iowa valued as of contribution date based on an appraisal at $179,100. The Foundation plans to hold it for investment or sale.

10. Contingencies

On July 29, 2024, NLCF filed a petition in the Iowa District Court for Lee County against a community foundation with which it was previously affiliated related to a dispute over funds donated to NLCF and held by the defendant under their affiliation agreement. NLCF has demanded the return of approximately $10 million of donated funds and related administrative fees as well as damages, attorney fees, and interest. A trial is scheduled for January 2027. Because of the uncertainty of the outcome of this matter, no amounts have been recorded in the financial statements as of December 31, 2025.