CHARLEVOIX COUNTY COMMUNITY FOUNDATION

(a Michigan nonprofit corporation)

FINANCIAL STATEMENTS

for the year ended December 31, 2025

HANLEY CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
CHARLEVOIX, MICHIGAN

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INDEPENDENT AUDITOR'S REPORT

June 16, 2026

To the Board of Trustees of
Charlevoix County Community Foundation:

Opinion

We have audited the accompanying financial statements of Charlevoix County Community Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Charlevoix County Community Foundation as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Charlevoix County Community Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Charlevoix 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 the 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 judgement 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 Charlevoix 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 Charlevoix 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.

Report on Summarized Comparative Information

We have previously audited Charlevoix County Community Foundation's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 27, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hanley CPA, PLLC

CHARLEVOIX COUNTY COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2025

(with comparative totals as of December 31, 2024)

ASSETS	2025	2024
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,395,037	$ 4,339,742
Pledges receivable (Note C)	13,668	8,168
Prepaid expenses	16,296	-
Total current assets	4,425,001	4,347,910
LONG-TERM ASSETS:		
Investments in marketable securities (Notes D and E)	65,684,494	59,783,971
Pledges receivable (Note C)	39,000	-
Land, building, furniture and equipment, net of accumulated depreciation (Note F)	360,454	373,931
Intangible asset, net amortization (Note G)	24,300	-
Total assets	$ 70,533,249	$ 64,505,812
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other accrued liabilities	$ 24,416	$ 16,615
Grants and scholarships payable (Note H)	468,211	332,417
Total current liabilities	492,627	349,032
OTHER LIABILITIES:		
Grants and scholarships payable, long-term (Note H)	608,146	279,825
Funds held on behalf of other agencies	6,018,776	5,265,910
Total liabilities	7,119,549	5,894,767
NET ASSETS:		
Without donor restrictions	1,487,421	1,562,217
With donor restrictions (Note M)	61,926,279	57,048,828
Total net assets	63,413,700	58,611,045
Total liabilities and net assets	$ 70,533,249	$ 64,505,812

The accompanying notes are a part of the financial statements.

CHARLEVOIX COUNTY COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES

for the year ended December 31, 2025

(with comparative totals for the year ended December 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND SUPPORT:				
Contributions	$ 100	$ 2,903,596	$ 2,903,696	$ 2,885,535
Investment income	111,601	2,351,608	2,463,209	2,128,546
Net realized and unrealized gains on investments	(1,229)	5,269,098	5,267,869	5,035,294
Transfers to funds held on behalf of other agencies	-	(752,866)	(752,866)	(282,591)
Net assets released from restrictions	4,893,985	(4,893,985)	-	-
Total revenues and support	5,004,457	4,877,451	9,881,908	9,766,784
EXPENSES:				
Program Services:				
Grants and scholarships	4,192,864	-	4,192,864	4,001,642
Other program costs	469,457	-	469,457	401,257
Total program services	4,662,321	-	4,662,321	4,402,899
Supporting Services:				
Management	254,091	-	254,091	213,064
Fundraising	162,841	-	162,841	140,620
Total supporting services	416,932	-	416,932	353,684
Total expenses	5,079,253	-	5,079,253	4,756,583
Change in net assets	(74,796)	4,877,451	4,802,655	5,010,201
NET ASSETS, beginning of year	1,562,217	57,048,828	58,611,045	53,600,844
NET ASSETS, end of year	$ 1,487,421	$ 61,926,279	$ 63,413,700	$ 58,611,045

The accompanying notes are a part of the financial statements.

CHARLEVOIX COUNTY COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31, 2025

(with comparative totals for the year ended December 31, 2024)

	Program Services	Supporting Services			Total Expenses	2024
		Management	Fundraising	Total		
Salaries and wages	$ 232,956	$ 131,857	$ 88,339	$ 220,196	$ 453,152	$ 422,372
Payroll taxes	18,583	10,519	7,045	17,564	36,147	33,995
Employee benefits	26,947	15,253	10,216	25,469	52,416	48,898
Advertising and marketing	22,025	6,007	12,013	18,020	40,045	39,331
Professional services	57,466	31,345	15,673	47,018	104,484	23,197
Office expenses	14,585	7,956	3,978	11,934	26,519	27,367
Travel	3,851	2,100	1,050	3,150	7,001	5,658
Grants and scholarships	4,192,864	-	-	-	4,192,864	4,001,642
Supplies	23,387	12,756	6,378	19,134	42,521	38,806
Life insurance premiums	3,112	-	-	-	3,112	3,112
Occupancy	7,803	4,256	2,128	6,384	14,187	12,311
Software and support	37,652	20,538	10,269	30,807	68,459	68,421
Conferences	5,674	3,095	1,547	4,642	10,316	8,131
Memberships and dues	6,519	3,556	1,778	5,334	11,853	10,842
Depreciation and amortization	8,897	4,853	2,427	7,280	16,177	12,500
Totals	$ 4,662,321	$ 254,091	$ 162,841	$ 416,932	$ 5,079,253	$ 4,756,583

The accompanying notes are a part of the financial statements.

CHARLEVOIX COUNTY COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

for the year ended December 31, 2025

(with comparative totals for the year ended December 31, 2024)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 4,802,655	$ 5,010,201
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Noncash donations	(617,034)	(377,751)
Cash donations for endowments	(480,637)	(789,232)
Depreciation and amortization	16,177	12,500
Realized gains on sales of investments	(313,339)	(248,372)
Net unrealized gains on investments	(4,954,530)	(4,786,922)
Transfers to funds held on behalf of other agencies	752,866	282,591
Decrease (increase) in pledges and accounts receivable	(44,500)	15,000
Increase in prepaid expenses	(16,296)	-
Increase (decrease) in accounts payable and other accrued liabilities	7,801	(89)
Increase in grants and scholarships payable	464,115	60,542
Net cash flows used by operating activities	(382,722)	(821,532)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed and intangible assets	(27,000)	(17,755)
Purchase of investments	(2,878,417)	(2,583,266)
Proceeds from sales of investments	2,245,763	2,991,727
Net cash flows provided (used) by investing activities	(659,654)	390,706
CASH FLOWS FROM FINANCING ACTIVITIES,		
Donations for endowments	1,097,671	1,166,983
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,295	736,157
CASH AND CASH EQUIVALENTS, beginning of year	4,339,742	3,603,585
CASH AND CASH EQUIVALENTS, end of year	$ 4,395,037	$ 4,339,742

The accompanying notes are a part of the financial statements.

CHARLEVOIX COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2025

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The Charlevoix County Community Foundation was incorporated as a Michigan nonprofit corporation on December 4, 1991. The Foundation's purpose is to manage various restricted and unrestricted endowment and grantmaking funds. Income from these funds is used to support charitable organizations and activities primarily in the County of Charlevoix, Michigan. The Foundation is governed by a Board of Trustees representing each of the five school districts in Charlevoix County. Support for the Foundation comes primarily from donor contributions and long-term investment income.

Basis of Accounting

The Foundation uses the accrual basis of accounting whereby revenues are recognized when earned or when the commitment of a future gift to the Foundation becomes unconditional and expensed when an obligation is incurred.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based on the existence or absence of restrictions on use that are established by its donors, 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 Foundation, the environment in which it operates, the purposes specified in its 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 a particular purpose or in a 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 Foundation's unspent contributions are included in this class if the donor limited their use, including donor-restricted endowment funds.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Net Assets With Donor Restrictions (Continued)

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 restrictions. Net assets restricted for acquisition of buildings or equipment (or 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.

Basis of Presentation

The financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents consist of bank accounts and investments with initial maturities of three months or less.

Accounts Receivable

Accounts receivable are carried at the original amount less an estimate for credit losses. The Foundation maintains an allowance for credit losses which represents management's estimate of expected credit losses over the remaining life of the Foundation's financial assets measured at amortized cost and comprised of three main components: (i) historical collection performance, (ii) specific collection issues, (iii) current conditions, and reasonable and supportable forecasts about the future. If actual provision for credit losses differs from the reserves calculated based on historical trends and known customer issues and current conditions, an adjustment to the provision for credit losses is recorded in the period in which the difference occurs.

Such adjustment could result in additional expenses or reduction of expenses. The Foundation writes off accounts to the allowance when it has determined collection is unlikely. Some of the factors considered in reaching this determination are (i) the apparent financial condition of the customer, (ii) the success the Foundation has in contacting and negotiating with the customer, (iii) the current state of the industry, and the (iv) the number of days the account has been outstanding.

At December 31, 2025, the Foundation deemed it not necessary to record for expected credit losses.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fixed Assets

Property and equipment are recorded at cost for purchased items and estimated value on the date of donation for donated assets. Depreciation is recorded using the straight-line method based on the estimated useful life of the asset. The Foundation capitalizes property and equipment acquired in excess of $5,000. Depreciation expense for the year totaled $13,477.

The Foundation reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors. The Foundation did not recognize any impairment loss in 2025.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 are reported as decreases in net assets without 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 administers various types of funds in accordance with agreements establishing the fund between the original donors and the Foundation. Fund distributions are approved by the Board of Trustees in accordance with the fund agreement. Administrative charges and interfund grants have been eliminated in the financial statements. It is the Foundation's intent to honor donor instructions and stipulations regarding the use of gifts made to the Foundation. However, the Board has retained authority to vary the condition of any gift otherwise subject to donor-imposed conditions, if adherence to any such conditions or stipulations would, in the judgment of the Board, be unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the communities served by the Foundation.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Income Tax Status

The Internal Revenue Service has determined that the Foundation qualifies as a public charity and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Also, the Foundation has received determination as "other than a private foundation" under Section 170(b)(1)(A)(vi) of the Internal Revenue Code. The Foundation believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Foundation's financial condition, results of operations, or cash flows. Therefore, the financial statements reflect no provision or liability for federal income tax. The Foundation's tax filings are no longer subject to examination for years prior to December 31, 2023.

Fund Administrative Fees

The Foundation charges a fee for management of each fund. Fees are charged quarterly and vary by type of fund ranging from 0 to 0.5625 percent of the average quarterly market value.

Use of Estimates

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

Contributed Services

The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with programs. No amounts have been recorded for volunteer services.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the year totaled $40,045.

Revenue Recognition

The Foundation recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. For the year ended December 31, 2025, the Foundation did not have any conditional promises to give receivable. The Foundation had unconditional promises to give receivable totaling $52,668.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Funds Held on Behalf of Agencies

The Foundation has adopted Statement of Financial Accounting Standard No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others* (FAS 136). This statement establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor.

FAS 136 guidelines state that if an organization establishes a fund at a community foundation with its own monies and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency or designated funds.

The Foundation maintains variance power and legal ownership of agency endowment funds and as such continues to report the funds as assets of the Foundation. However, in accordance with FAS 136, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the organization.

NOTE B – LIQUIDITY AND AVAILABILITY:

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

Financial assets:	
Cash and cash equivalents	$ 4,395,037
Less financial assets held to meet obligations:	
Accounts payable and other accrued liabilities	(24,416)
Grants and scholarships payable	(1,076,357)
Amount available for general expenditures within one year	$ 3,294,264

NOTE C – PLEDGES RECEIVABLE:

As of December 31, 2025, the Foundation has received unconditional promises to give, consisting of pledges as follows:

2026	$ 13,668
2027	13,000
2028	13,000
2029	13,000
Total	$ 52,668

The pledges are recorded at face value and no allowance for uncollectible pledges is recorded.

NOTE D – INVESTMENTS:

Investments are carried at estimated fair market value, as determined by the agency holding the investments. Unrealized increases or decreases resulting from changes in market value of investments are included annually in the Statement of Activities. The Foundation's investments are held primarily by brokerage companies and are summarized as follows:

	FAIR VALUE	COST
Certificate of deposit	$ 284,524	$ 284,524
Mutual funds – equity	39,290,439	28,339,487
Mutual funds - bond	11,934,917	11,802,701
Mutual funds – real estate	3,032,667	3,163,140
Exchange traded funds	11,141,947	4,917,459
Totals	$ 65,684,494	$ 48,507,311

The Statement of Activities reports interest and dividend income earned on investments plus interest earned on interest-bearing bank accounts. Investment income is reported net of investment fees and is summarized as follows:

Interest and dividends	$2,521,696
Management investment fees	(58,487)
Total investment income	$2,463,209

The investment policies follow a target of 70 percent equities, 20 percent fixed income, 5 percent emerging markets, and 5 percent real estate funds. The total return shall exceed the Consumer Price Index plus the Foundation's spending rate plus the Foundation's administrative fees. The volatility is expected to be no greater than 1.2 times the weighted average of various benchmarked index funds, representing equities and fixed income funds.

NOTE E – FAIR VALUE MEASUREMENTS:

Financial Accounting Standards Board Codification 820.10 (FASB ASC 820.10) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820.10 are described below:

Level 1 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.

NOTE E – FAIR VALUE MEASUREMENTS:

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

Fair values for mutual funds are determined by reference to quoted market prices and other relevant information by market transactions.

At December 31, 2025, the Foundation's investments, measured on a recurring basis, are as follows:

	Level 1	Level 2	Level 3	Total
Certificate of deposit	$ 284,524	$ -	$ -	$ 284,524
Mutual funds - equity	39,290,439	-	-	39,290,439
Mutual funds - bond	11,934,917	-	-	11,934,917
Mutual funds – real estate	3,032,667	-	-	3,032,667
Exchange traded funds	11,141,947	-	-	11,141,947
Totals	$ 65,684,494	$ -	$ -	$ 65,684,494

NOTE F - LAND, BUILDING, FURNITURE AND EQUIPMENT:

Fixed assets consist of the following at December 31, 2025:

Building and improvements	$ 460,967
Office furnishings and equipment	73,542
	534,509
Less accumulated depreciation	(199,055)
	335,454
Land	25,000
Total	$ 360,454

Depreciation expense totaled $13,477 for the year ended December 31, 2025.

NOTE G – INTANGIBLE ASSET:

The Foundation contracted the development of a new website totaling $27,000 during 2025. The website is being amortized using the straight-line method over five years. Amortization expense totaled $2,700 for the year ended December 31, 2025.

NOTE H – GRANTS AND SCHOLARSHIPS PAYABLE:

Grants and scholarships payable consist of amounts approved for distribution under the Foundation's spending policy, but not yet paid, to local nonprofit organizations or educational institutions on behalf of scholarship recipients. At December 31, 2025, amounts payable are scheduled as follows:

2026	$ 468,211
2027	345,600
2028	128,900
2029	48,400
2030	39,500
2031	45,746
Total	$1,076,357

NOTE I - EMPLOYEE RETIREMENT PLAN:

The Foundation has adopted a 401(k) retirement plan. The plan provides retirement benefits for all employees and is a defined contribution retirement plan. For 2025, the Foundation's contributions to the plan totaled 5.5 percent of qualified compensation and aggregated $24,923 for the year. Employees are allowed to make contributions to the plan from their earnings as well.

NOTE J – ENDOWMENT FUNDS:

Endowment funds are summarized as follows:

	With Donor Restrictions
Balance, January 1, 2025	$ 49,870,824
Contributions	1,097,671
Net investment income	1,886,216
Realized and unrealized losses	4,396,844
Grants and scholarships	(1,046,623)
Transfers to other funds	(572,477)
Expenses	(716,635)
Balance, December 31, 2025	$ 54,915,820

NOTE J – ENDOWMENT FUNDS (CONTINUED):

The distributions for grants and scholarships are determined by averaging 12 quarters of each fund's market value multiplied by a spending rate. The Foundation uses 4.75 percent for all endowed fund sub-types, except scholarship funds, which uses 5 percent.

The Foundation has interpreted the Michigan Uniform Prudent Management of Institutional Funds Act (UPMIFA) (Act 87 of 2009) 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 Foundation as (a) the original value of gifts donated to all donor-restricted endowments, (b) the original value of subsequent gifts to donor-restricted endowments and (c) accumulations to the donor-restricted endowments made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

NOTE K – DATE OF MANAGEMENT'S REVIEW:

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosures through June 16, 2026, the date the financial statements were available to be issued.

NOTE L – CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject the Foundation to a significant concentration of credit risk consist of cash and investments. Cash is deposited in banks and brokerage accounts with satisfactory credit ratings. The Board assesses the financial health of each financial institution each year.

At December 31, 2025, amounts on deposit and invested exceed the FDIC and SIPC insurance limits by $3,379,469. The Foundation's cash balances are maintained at the level deemed appropriate by management for near-term grant making.

Investments are subject to market fluctuations but are spread among a number of different investments in order to minimize risk. At December 31, 2025, investments were in mutual and exchange-traded funds invested with corporate bonds and common stock issues.

NOTE M – NET ASSETS WITH DONOR RESTRICTIONS:

As of December 31, 2025, net assets with donor restrictions are available for the following purposes:

Purpose restrictions, available for grant spending:	
Field of interest	$ 3,124,514
Donor advised	12,029,202
Donor designated	2,464,057
Agency endowments	4,679,774
Scholarships	5,332,937
Endowments, unrestricted	2,118,585
Total purpose-restricted net assets	29,749,069
Endowment funds	32,177,210
Total net assets with donor restrictions	$ 61,926,279

CHARLEVOIX COUNTY COMMUNITY FOUNDATION

SCHEDULE OF FINANCIAL POSITION BY FUND CLASSIFICATION

December 31, 2025

	Field of Interest	Donor Advised	Designated	Agencies
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 1,134,795	$ 381,346	$ 141,468	$ 377,614
Pledges and accounts receivable	-	-	-	13,000
Interfund receivable (payable)	-	(2,000)	-	2,000
Prepaid expenses	-	-	-	-
Total current assets	1,134,795	379,346	141,468	392,614
LONG-TERM ASSETS:				
Investments in marketable securities	8,160,128	17,587,876	8,021,219	11,423,940
Pledges receivable, long-term	-	-	-	39,000
Land, building, furniture and equipment, net of accumulated depreciation	-	-	-	-
Intangible asset, net amortization	-	-	-	-
Total assets	$ 9,294,923	$ 17,967,222	$ 8,162,687	$ 11,855,554
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES:				
Accounts payable and other accrued liabilities	$ -	$ -	$ 11,000	$ -
Grants and scholarships payable, current	-	161,150	-	-
Total current liabilities	-	161,150	11,000	-
OTHER LIABILITIES:				
Grants and scholarships payable, long-term	-	135,000	-	-
Funds held on behalf of other agencies	-	-	613,118	5,405,658
Total liabilities	-	296,150	624,118	5,405,658
NET ASSETS:				
Without donor restrictions	-	-	-	-
With donor restrictions	9,294,923	17,671,072	7,538,569	6,449,896
Total net assets	9,294,923	17,671,072	7,538,569	6,449,896
Total liabilites and net assets	$ 9,294,923	$ 17,967,222	$ 8,162,687	$ 11,855,554

The accompanying notes are a part of the financial statements.

Scholarships	Unrestricted Endowment	Operations	Total
$ 1,449,117	$ 215,675	$ 695,022	$ 4,395,037
668	-	-	13,668
-	-	-	-
-	-	16,296	16,296
1,449,785	215,675	711,318	4,425,001
15,297,262	4,789,304	404,765	65,684,494
-	-	-	39,000
-	-	360,454	360,454
-	-	24,300	24,300
$ 16,747,047	$ 5,004,979	$ 1,500,837	$ 70,533,249
$ -	$ -	$ 13,416	$ 24,416
307,061	-	-	468,211
307,061	-	13,416	492,627
473,146	-	-	608,146
-	-	-	6,018,776
780,207	-	13,416	7,119,549
-	-	1,487,421	1,487,421
15,966,840	5,004,979	-	61,926,279
15,966,840	5,004,979	1,487,421	63,413,700
$ 16,747,047	$ 5,004,979	$ 1,500,837	$ 70,533,249

CHARLEVOIX COUNTY COMMUNITY FOUNDATION

SCHEDULE OF ACTIVITIES BY FUND CLASSIFICATION

for the year ended December 31, 2025

	Field of Interest	Donor Advised	Designated	Agencies
REVENUES:				
Donations	$ 331,591	$ 1,124,055	$ 286,691	$ 736,312
Interest and dividends	282,744	625,038	283,333	415,660
Fees	(134,711)	(270,135)	(69,060)	(90,822)
Net realized and unrealized gains on investments	822,355	1,359,721	629,352	885,736
Transfers to funds held on behalf of other agencies	-	-	(73,950)	(678,916)
Total revenues	1,301,979	2,838,679	1,056,366	1,267,970
EXPENSES:				
Program services:				
Grants and scholarships	724,502	1,888,095	326,150	521,686
Other program costs	8,117	966	3,923	406
Total program expenses	732,619	1,889,061	330,073	522,092
Management	-	-	-	-
Fundraising	-	-	-	-
Total expenses	732,619	1,889,061	330,073	522,092
EXCESS OF REVENUES OVER EXPENSES	569,360	949,618	726,293	745,878
NET ASSETS, January 1, 2025	8,378,410	17,072,687	6,826,020	5,700,918
Interfund transfers	347,153	(351,233)	(13,744)	3,100
NET ASSETS, December 31, 2025	$ 9,294,923	$ 17,671,072	$ 7,538,569	$ 6,449,896

The accompanying notes are a part of the financial statements.

Scholarships	Unrestricted Endowment	Operations	Total
$ 348,618	$ 76,329	$ 100	$ 2,903,696
568,983	175,850	111,601	2,463,209
(275,944)	(26,284)	866,956	-
1,204,157	367,777	(1,229)	5,267,869
-	-	-	(752,866)
1,845,814	593,672	977,428	9,881,908
613,446	118,985	-	4,192,864
31,501	161	424,383	469,457
644,947	119,146	424,383	4,662,321
-	-	254,091	254,091
-	-	162,841	162,841
644,947	119,146	841,315	5,079,253
1,200,867	474,526	136,113	4,802,655
14,755,873	4,314,920	1,562,217	58,611,045
10,100	215,533	(210,909)	-
$ 15,966,840	$ 5,004,979	$ 1,487,421	$ 63,413,700