

COMMUNITY GIVING FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024
AND
INDEPENDENT AUDITOR'S REPORT



McKONLY
& ASBURY

TAX
ASSURANCE
CONSULTING
ACCOUNTING

COMMUNITY GIVING FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Giving Foundation

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Giving Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Giving Foundation, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Community Giving 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 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 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 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 Community Giving 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, which raise substantial doubt about Community Giving 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.

McKonly & Asbury, LLP

Bloomsburg, Pennsylvania
May 28, 2026

COMMUNITY GIVING FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 3,865,157	\$ 1,602,860
Unconditional promises to give	10,000	66,508
Accrued interest receivable	121,062	104,697
Prepaid Expenses	775	-
Total current assets	<u>3,996,994</u>	<u>1,774,065</u>
Noncurrent assets		
Investments	90,577,545	80,406,732
Beneficial interest in remainder trusts held by others	25,402	23,495
Beneficial interest in perpetual trusts held by others	1,001,777	919,095
Property and equipment, net	1,120,277	1,041,020
Total noncurrent assets	<u>92,725,001</u>	<u>82,390,342</u>
Total assets	<u>\$ 96,721,995</u>	<u>\$ 84,164,407</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 133,390	\$ 146,504
Grants payable, current	267,413	388,738
Total current liabilities	<u>400,803</u>	<u>535,242</u>
Noncurrent liabilities		
Grants payable, long-term	17,600	31,100
Funds held as agency endowments	6,713,534	6,040,409
Total noncurrent liabilities	<u>6,731,134</u>	<u>6,071,509</u>
Total liabilities	<u>7,131,937</u>	<u>6,606,751</u>
Net assets		
Without donor restrictions	88,562,879	76,615,066
With donor restrictions	1,027,179	942,590
Total net assets	<u>89,590,058</u>	<u>77,557,656</u>
Total liabilities and net assets	<u>\$ 96,721,995</u>	<u>\$ 84,164,407</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY GIVING FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without	With	Total	Without	With	Total
	Donor Restrictions	Donor Restrictions		Donor Restrictions	Donor Restrictions	
Revenues and support						
Contributions						
Cash and other financial assets	\$ 4,161,783	-	\$ 4,161,783	\$ 6,263,735	-	\$ 6,263,735
Nonfinancial assets	8,956	-	8,956	13,173	-	13,173
Administrative fees	1,118,346	-	1,118,346	1,133,834	-	1,133,834
Grants	162,000	-	162,000	136,413	-	136,413
Trust income	30,395	-	30,395	27,306	-	27,306
Other income	375	-	375	4,642	-	4,642
Net assets released from restriction	-	-	-	304,045	(304,045)	-
Total revenues and support	<u>5,481,855</u>	<u>-</u>	<u>5,481,855</u>	<u>7,883,148</u>	<u>(304,045)</u>	<u>7,579,103</u>
Operational expenses						
Program services	5,194,481	-	5,194,481	4,641,732	-	4,641,732
Management and general	380,917	-	380,917	469,593	-	469,593
Development	405,491	-	405,491	361,232	-	361,232
Total operational expenses	<u>5,980,889</u>	<u>-</u>	<u>5,980,889</u>	<u>5,472,557</u>	<u>-</u>	<u>5,472,557</u>
Other gains						
Net investment return	12,446,847	-	12,446,847	7,570,980	-	7,570,980
Change in value of perpetual trusts held by others	-	82,682	82,682	-	67,981	67,981
Change in value of remainder trusts held by others	-	1,907	1,907	-	89,143	89,143
Total other gains	<u>12,446,847</u>	<u>84,589</u>	<u>12,531,436</u>	<u>7,570,980</u>	<u>157,124</u>	<u>7,728,104</u>
Change in net assets	11,947,813	84,589	12,032,402	9,981,571	(146,921)	9,834,650
Net assets, beginning	76,615,066	942,590	77,557,656	66,633,495	1,089,511	67,723,006
Net assets, ending	<u>\$ 88,562,879</u>	<u>\$ 1,027,179</u>	<u>\$ 89,590,058</u>	<u>\$ 76,615,066</u>	<u>\$ 942,590</u>	<u>\$ 77,557,656</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY GIVING FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				2024			
	Program Services	Management and General	Development	Total	Program Services	Management and General	Development	Total
Expenses								
Grants	\$ 3,724,673	\$ -	\$ -	\$ 3,724,673	\$ 3,220,919	\$ -	\$ -	\$ 3,220,919
Administrative fees	1,027,457	-	-	1,027,457	1,047,542	-	-	1,047,542
Salaries and wages	199,020	171,379	182,435	552,834	157,170	197,731	152,100	507,001
Employee benefits	63,815	54,953	58,498	177,266	42,899	53,968	41,515	138,382
Professional fees	35,381	30,464	32,432	98,277	16,217	20,402	15,694	52,313
Special projects	21,992	18,938	20,160	61,090	57,298	72,085	55,450	184,833
Community events	21,730	18,715	19,919	60,364	16,857	21,208	16,313	54,378
Dues and subscriptions	19,623	16,896	17,988	54,507	17,955	22,588	17,377	57,920
Repairs and maintenance	12,654	10,896	11,600	35,150	12,050	15,158	11,661	38,869
Depreciation expense	15,583	13,419	14,285	43,287	13,499	16,982	13,063	43,544
Office	10,429	8,980	9,559	28,968	6,387	8,036	6,181	20,604
Marketing	9,091	7,829	8,334	25,254	7,171	9,020	6,940	23,131
Workers' compensation claim	9,000	7,750	8,250	25,000	7,750	9,750	7,500	25,000
Meeting supplies	5,752	4,953	5,272	15,977	4,194	5,276	4,059	13,529
Insurance	5,437	4,682	4,984	15,103	4,480	5,637	4,335	14,452
Miscellaneous	5,095	4,388	4,672	14,155	3,270	4,113	3,165	10,548
Utilities	4,683	4,035	4,292	13,010	4,019	5,056	3,890	12,965
Telephone	3,066	2,640	2,811	8,517	2,055	2,583	1,989	6,627
Total expenses	<u>\$ 5,194,481</u>	<u>\$ 380,917</u>	<u>\$ 405,491</u>	<u>\$ 5,980,889</u>	<u>\$ 4,641,732</u>	<u>\$ 469,593</u>	<u>\$ 361,232</u>	<u>\$ 5,472,557</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY GIVING FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 12,032,402	\$ 9,834,650
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Transfer of beneficial interest in charitable remainder trust	-	304,045
Change in value of remainder trusts held by others	(1,907)	(89,143)
Change in value of perpetual trusts held by others	(82,682)	(67,981)
Depreciation	43,287	43,544
Donated stock	(278,650)	(440,888)
Net realized and unrealized gain on investments	(12,446,847)	(7,570,980)
Changes in assets and liabilities:		
Unconditional promises to give	56,508	78,000
Prepaid expenses	(775)	-
Accrued interest receivable	(16,365)	(31,165)
Accounts payable	(13,114)	137,461
Grants payable	(134,825)	71,050
Refundable advance	-	(23,150)
Funds held as agency endowments	673,125	294,448
Net cash and cash equivalents (used in) provided by operating activities	(169,843)	2,539,891
Cash flows from investing activities		
Proceeds from sale of investments	14,731,732	6,295,022
Purchase of investments	(12,177,048)	(8,986,063)
Purchase of property and equipment	(122,544)	-
Net cash and cash equivalents provided by (used in) investing activities	2,432,140	(2,691,041)
Net increase (decrease) in cash and cash equivalents	2,262,297	(151,150)
Cash and cash equivalents, beginning of year	1,602,860	1,754,010
Cash and cash equivalents, end of year	\$ 3,865,157	\$ 1,602,860

The accompanying notes are an integral part of these financial statements.

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Community Giving Foundation (Foundation) was organized in March 1999 as the Berwick Health and Wellness Foundation with the proceeds from the sale of the Berwick Hospital. The Foundation's mission was to improve the health and welfare of the Berwick area community.

During 2003, the Foundation changed its name to the Central Susquehanna Community Foundation to reflect a greater mission and area to be served. The Foundation now serves Columbia, Montour, Union, Snyder, Northumberland, and Lower-Luzerne Counties in Pennsylvania and encourages philanthropy to benefit the charities and communities within this region to improve the quality of life of the residents of these communities. During 2020, a special committee of the Board and staff of the Foundation led a re-branding initiative to unify the many moving parts that make up the Foundation's philanthropic work. On December 7, 2020, a new name and brand were introduced: Community Giving Foundation.

The Foundation's support comes primarily from contributions and investment income. The original Berwick Health and Wellness Fund is designated for promoting health and wellness in the Berwick area community, comprising boroughs and townships in eastern Columbia County and western Luzerne County.

The Foundation administers 104 agency endowment funds and 303 other charitable endowment and non-endowment funds; each established with an instrument of gift describing either the general or specific purposes for which the grants are to be made.

Basis of Accounting

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") promulgated in the United States of America for nonprofit organizations. Net assets, revenues, expenses and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Foundation or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Also included in this category are net assets whose use by the Foundation is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Pursuant to donor instructions, the Foundation has classified each of its component funds into six types; unrestricted funds, field of interest funds, donor advised, scholarship funds, agency endowment, and acorn funds. While it is the intent of the Foundation to hold these assets as endowment funds, its Board of Directors may, by majority vote, modify any restriction or condition on the distribution of funds from its component funds if, in the Board of Directors' judgment, such restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community (i.e., variance power). Due to the governing body having variance power, contributions are classified as net assets without donor restriction if the ultimate beneficiary is not also the contributing entity. Accordingly, all net assets and related activity over which the management of the Foundation exercises direct control are classified as net assets without donor restrictions in the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposits, savings deposits, time deposits, and all highly liquid debt instruments with original maturities of three months or less. Cash and cash equivalents that are discretionary components of the Foundation's long-term investment portfolios managed by professional investment management firms hired by the Foundation are classified as investments. The Foundation did not have any cash equivalents at December 31, 2025 and 2024.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value or net assets value, which approximates fair value. The cost of investments sold is determined by use of the specific identification method. Interest and dividend income and realized and unrealized gains and losses on investments are accounted for as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations. Net investment return is reported on the statements of activities and consists of interest, dividends, and realized and unrealized gain and losses, less external and direct internal investment expenses.

Property and Equipment

Property and equipment are stated at cost or, in the case of donated equipment, at fair market value as of the date of gift. Expenditures that extend the useful life of an asset are capitalized. Routine repair and maintenance expenditures are expensed as incurred. Depreciation is provided for utilizing the straight-line method over the estimated useful lives as follows:

Building and building improvements	7 – 40 years
Land improvements	15 – 40 years
Furniture and equipment	3 – 7 years

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

The cost of maintenance and repairs is charged to expense as incurred. Renewals and betterments with a cost greater than \$5,000 and having a useful life greater than two years are capitalized. When assets are retired or disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period.

Split Interest Agreements – Charitable Remainder Trust and Beneficial Interest in Perpetual Trusts

The Foundation is the beneficiary of several trusts which are managed by various financial institutions. The financial institutions hold the investments in diversified and balanced portfolios consisting of cash and money market funds, corporate debt securities, equity securities and equity mutual funds, fixed income mutual funds, real asset funds, and other funds with complementary investment strategies. The Foundation uses the income approach to value the beneficial interest in remainder trusts. Fair value of the beneficial interest in perpetual trusts is based on fair value information received from the trustee.

The methods described previously may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its reliance on these 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 Foundation is a beneficiary of certain irrevocable trusts held by a financial institution's trust department. Under the terms of the trust agreements, the Foundation has the irrevocable right to receive a portion of the income earned on trust assets in perpetuity, but never receives the assets held in the trust. The Foundation recorded its proportionate share of the fair value of the principal of the trusts when received. Distributions from the trusts are recorded as trust income on the statements of activities.

Impairment

The Foundation reviews its long-lived assets for impairment on an exception basis whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through future cash flows. If it is determined that an impairment loss has occurred, based on the expected cash flows, a loss is recognized in the statements of activities. There were no impairment losses recognized for the years ended December 31, 2025 and 2024.

Management also reviews the Foundation's investment portfolio performance at least quarterly, including evaluation of any available for sale debt securities in an unrealized loss position for possible impairment. A debt security is deemed impaired if the fair value of the investment is less than its amortized cost. In this evaluation, consideration is given to the issuer of the securities and their creditworthiness, any changes to the rating of the security and any adverse conditions specifically related to the security, among other factors. Also, the business and financial outlook of the issuer, as well as broader economic performance indicators, may be evaluated. Unrealized losses, if any, are recorded in the statements of activities. The Foundation does not have any available for sale debt

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

securities it considers to be impaired at December 31, 2025 and 2024 and required an allowance for credit losses.

Contributions and Grants

The Foundation reports gifts of cash and other assets as contributions with donor restrictions when they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (such as when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are released to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as net assets without donor restrictions.

The Foundation recognizes contributions when cash, securities, 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.

A portion of the Foundation's revenue is derived from federal and state contracts and grants. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. There were no refundable advances at December 31, 2025 and 2024.

Contributed Services, Facilities, and Equipment (In-kind Contributions)

A number of unpaid volunteers, which include the Board of Directors of the Foundation, have made significant contributions of their time toward developing and achieving the Foundation's goals and objectives. Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Expense Allocations

The cost of providing the various program and supporting services have been summarized on a functional basis in the statements of activities. These statements report expenses that are attributed to more than one program or supporting function. Therefore, some expenses require allocation on a reasonable basis that is consistently applied. These expenses are allocated based upon a time and cost study of where efforts are made.

Affiliation Agreement

The Foundation entered into agreements with the Danville Area Community Foundation (Danville

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NOTES TO FINANCIAL STATEMENTS

Foundation) (a 501(c)(3) organization) and the Berwick Area Community Foundation (Berwick Foundation) (a 501(c)(3) organization) to administer their assets for investment purposes. These agreements also provide for the Foundation to perform administrative tasks on behalf of the Danville Foundation and the Berwick Foundation. The agreements may be terminated by the Danville Foundation and the Berwick Foundation at any time.

Administrative Fees

The Foundation charges an administrative fee of between one and one-half and two percent of a 16-quarter trailing average of the fund balance to all permanent endowed funds, agency endowment funds, and certain non-permanent funds. The fees are included in other income in the statements of activities to the extent that they are earned from outside parties.

Funds Held as Agency Endowments

Assets transferred to the Foundation from other nonprofit organizations for the purpose of establishing an endowment for the benefit of the nonprofit organization are accounted for as funds held as agency endowments. In such circumstances, the Foundation recognizes the fair value of the assets transferred as an increase in its investments and a liability payable to the nonprofit.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Endowment Investment and Spending Policy

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. The goal of the Foundation's investment policy is to maintain the purchasing power of the current assets and all future contributions, to maintain the level of services and programs, and to maximize return within reasonable and prudent levels of risk. Under the current investment policy approved by the Board of Directors in September 2017, the endowment assets have a strategic target of 70% equity securities, 24% fixed income securities, 4% alternative securities, and 2% cash and cash equivalents. The allowable investment bounds are 60% to 80% in equity securities, 15% to 35% in fixed income securities, 2% to 10% in alternative investments, 0% to 15% in private markets, and 0% to 15% in cash and cash equivalents.

The Foundation expects its endowment funds, over time, to provide an average rate of return that exceeds a weighted index comprised of 36% of the Russell 1000, 7% of the Russell 2000, 20% MSCI EAFE (net), 7% MSCI Emerging Markets (net), 22% Barclays Aggregate, 2% Barclays High Yield, 1% Barclays US Gov't ILB, 1.5% S&P Developed Property, 1.5% Bloomberg Commodity, and 2% IA SBBI US

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

30-day T-Bill. The Foundation's actual returns may vary from this amount in any given year.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds for grant-making and administration. Based on the investment model selected by the donor, the spending policy for the years ended December 31, 2025 and 2024 is to distribute not in excess 4.25% of a 16-quarter trailing average of the fund balance of the endowment funds. For funds less than four years old, the fair value will be the average of all quarterly market values to date.

Income Taxes

The Foundation is a not-for-profit corporation as described in section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes under Section 501(a) of the Internal Revenue Code and state income taxes. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation. Further, the Foundation annually files a Form 990.

The Foundation adheres to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740). ASC 740 establishes rules for recognizing and measuring tax positions in an income tax return, including disclosures of uncertain tax positions (UTPs). ASC 740 mandates that organizations evaluate all material income tax positions for period that remain open under applicable statutes of limitation, as well as positions expected to be taken in future returns. The UTP rules then impose a recognition threshold on each tax position. An organization can recognize an income tax benefit only if the position has a "more likely than not" (i.e. more than 50 percent) chance of being sustained on its technical merits. During 2025, the Foundation has taken no material tax positions on its applicable tax filings that do not meet the more likely than not threshold. As a result, no amount for UTPs has been included in the financial statements. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for the years prior to December 31, 2022.

Reclassifications

Certain items in the December 31, 2024 financial statements have been reclassified to conform to the December 31, 2025 reporting format.

Subsequent Events

The Foundation has evaluated subsequent events through May 28, 2026, the date the financial statements were available to be issued. See Note 12.

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation considers investment income without donor restrictions, appropriated earnings from the Board-designated endowment funds, amounts held in non-permanent funds, and fee income to be available to meet cash needs for general expenditures. General expenditures expected to be paid in the subsequent year include program expenses, excluding grants, development expenses, and administrative expenses. Annual operations are defined as activities occurring during the Foundation's fiscal year.

As part of the Foundation's liquidity management, its policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2025, these liquid financial assets include a non-endowed operating fund of \$299,283, a Board designated endowment subject to the Foundation's spending policy of \$562,081, and estimated fund administration fee income of \$1,207,952 expected to be earned in 2026. The Foundation also has a non-permanent fund which the Foundation has the ability to modify the fund's distribution if deemed appropriate by the Foundation's Board of Directors. Although the Foundation does not intend to spend from this non-permanent fund, amounts could be made available, if necessary.

3. FAIR VALUE MEASUREMENTS

The Foundation reports its fair value measurements using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- | | |
|---------|--|
| Level 1 | Quoted prices for identical assets or liabilities in active markets to which the Foundation has access at the measurement date. |
| Level 2 | Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets in markets that are not active;• Observable inputs other than quoted prices for the asset or liability• Inputs derived principally from, or corroborated by, observable market data by correlation or other means. |
| Level 3 | Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available. |

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

When available, the Foundation measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs may not be available for all of the assets and liabilities the Foundation is required to measure at fair value.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, certain U.S. government, U.S. agency and sovereign obligations, corporate bonds, real estate funds, certain money market securities, and certain mutual funds.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment grade corporate bonds. The Foundation's Level 2 investments are valued using the market approach based on current exchange prices. For securities that do not trade on exchanges, the dealer utilizes a modeling system based on current market data including benchmark yields, reported trades, and broker-dealer quotes. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or nontransferability, which are generally based on available market information.

4. INVESTMENTS

The Foundation's investment portfolio at December 31, 2025, is shown at fair value by investment class and fair value hierarchy.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and equivalents	\$ 2,562,173	\$ 2,562,173	\$ -	\$ -
Equity securities	63,678,989	63,678,989	-	-
Fixed income securities	20,938,218	16,221,725	4,716,493	-
Real estate assets and funds	<u>3,398,165</u>	<u>3,398,165</u>	<u>-</u>	<u>-</u>
	<u>\$ 90,577,545</u>	<u>\$ 85,861,052</u>	<u>\$ 4,716,493</u>	<u>\$ -</u>

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

The Foundation's investment portfolio at December 31, 2024, is shown at fair value by investment class and fair value hierarchy.

	Total	Level 1	Level 2	Level 3
Cash and equivalents	\$ 3,775,255	\$ 3,775,255	\$ -	\$ -
Equity securities	56,142,080	56,142,080	-	-
Fixed income securities	18,194,406	13,880,726	4,313,680	-
Real estate assets and funds	2,294,991	2,294,991	-	-
	\$ 80,406,732	\$ 76,093,052	\$4,313,680	\$ -

Marketable securities are in the custody of a bank contracted by the Foundation's investment advisor. The custodian provides insurance coverage up to \$500,000 on securities, including up to \$250,000 on cash and equivalents, through the Securities Investor Protection Corporation and supplemental coverage up to the full net equity value of the assets held in these accounts. Such coverage, however, does not insure against losses resulting from changes in securities markets.

5. REMAINDER TRUSTS AND PERPETUAL TRUSTS HELD BY OTHERS

The following tables summarize the changes in value of remainder trusts and perpetual trusts held by others, which are level 3 fair value instruments, as described in Note 1:

	Balance as of January 1, 2025	Contributions/ Purchases	Withdrawals/ Redemptions/ Donations	Change in Value	Balance as of December 31, 2025
Remainder trusts	\$ 23,495	\$ -	\$ -	\$ 1,907	\$ 25,402
Perpetual trusts	919,095	-	-	82,682	1,001,777
	\$ 942,590	\$ -	\$ -	\$ 84,589	\$ 1,027,179
	Balance as of January 1, 2024	Contributions/ Purchases	Withdrawals/ Redemptions/ Donations	Change in Value	Balance as of December 31, 2024
Remainder trusts	\$ 238,397	\$ -	\$ (304,045)	\$ 89,143	\$ 23,495
Perpetual trusts	851,114	-	-	67,981	919,095
	\$ 1,089,511	\$ -	\$ (304,045)	\$ 157,124	\$ 942,590

COMMUNITY GIVING FOUNDATION

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6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2025</u>	<u>2024</u>
Land	\$ 95,324	\$ 95,324
Building and building improvements	1,417,493	1,417,493
Land improvements	244,401	224,501
Furniture and equipment	<u>179,268</u>	<u>76,624</u>
Total cost	1,936,486	1,813,942
Less accumulated depreciation	<u>816,209</u>	<u>772,922</u>
Property and equipment, net	<u>\$ 1,120,277</u>	<u>\$ 1,041,020</u>

7. GRANTS PAYABLE

Grants payable represent amounts approved by the Board of Directors for which the barriers for payment have been met, but not made as of December 31.

Total cash flow requirements in subsequent years are as follows:

2026	\$ 267,413
2027	10,900
2028	<u>6,700</u>
Total	<u>\$ 285,013</u>

8. FUNDS HELD AS AGENCY ENDOWMENTS

The Foundation holds funds on behalf of other organizations. In accordance with GAAP, the Foundation is reporting the funds it has received and all earnings on these funds as liabilities. The Foundation administers and invests these funds in accordance with the agreements established with each organization. At December 31, 2025 and 2024, the Foundation has recorded \$6,713,534 and \$6,040,409, respectively, in investments and funds held as agency endowments for these organizations.

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

9. RESTRICTIONS ON NET ASSETS

At December 31, 2025, net assets without donor restrictions consist of \$88,562,879, including \$2,962,220 in non-permanent funds and \$85,600,659 in Board-designated endowment funds. At December 31, 2024, net assets without donor restrictions consist of \$76,615,066, including \$2,983,068 in non-permanent funds and \$73,631,998 in Board-designated endowment funds. While the Foundation retains variance power, it is Foundation's policy that the donors' intention will be honored unless it is impossible, impractical, undesirable, or inadvisable to do so. Therefore, the principal of the endowment funds will remain intact.

At December 31, 2025 and 2024, net assets with donor restrictions consist of a beneficial interest in remainder trusts held by others subject to time restrictions totaling \$25,402 and \$23,495, respectively, and \$1,001,777 and \$919,095, respectively, in beneficial interests in perpetual trusts, the income from which is expendable to support the activities of the Foundation.

Board-designated endowment net asset activity for the years ended December 31 is as follows:

	2025	2024
Beginning balance	\$ 73,631,998	\$ 63,986,700
Contributions	3,730,860	6,253,123
Trust income	30,395	27,306
Investment return, net	12,174,225	7,315,939
Other income	-	22
Expenses	(3,966,819)	(3,951,092)
Endowment funds with variance power – end of year	<u>\$ 85,600,659</u>	<u>\$ 73,631,998</u>

10. COMMITMENTS AND CONTINGENCIES

The Foundation is liable for any excess liability resulting from claims against the Berwick Healthcare Corporation (Corporation), not to exceed the amount originally transferred to the Foundation. During 2007, the Corporation transferred the remaining funds to the Foundation. In September 2015, the Foundation became the administrator and began managing the Corporation's claims. During the year ended December 31, 2025 and 2024, the Foundation paid \$25,000 for claims and related expenses. The Corporation and now the Foundation have attempted to settle any outstanding claims to no avail. The Foundation cannot determine the potential liability and will continue to remit amounts to the third-party insurance trust as funds are needed. The Foundation will continue to record these amounts as expenses are incurred. The Foundation receives periodic reimbursement from an insurance carrier for a portion of the expenses and records the revenue when received.

COMMUNITY GIVING FOUNDATION

NOTES TO FINANCIAL STATEMENTS

The Foundation is not aware of any material pending claims against the Corporation. In the opinion of the Board of Directors of the Foundation, the Foundation's liability will not materially affect its financial position.

11. CONCENTRATIONS OF RISK

The Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management believes that the diversification of its invested assets should mitigate the impact of changes in any one type of investment.

The Foundation's cash is primarily maintained at one local bank in the form of demand deposits which may, at times, exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). Balances in excess of \$250,000 were collateralized through a repurchase agreement.

12. SUBSEQUENT EVENT

During February 2026, the Foundation entered into an agreement with one of their financial institutions where funds in excess of \$250,000 are automatically swept daily and deposited into network banks located across the United States limiting the Foundation's exposure of depository risk.



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