



IRVING S. GILMORE FOUNDATION

AUDITED FINANCIAL STATEMENTS

Year ended December 31, 2025

IRVING S. GILMORE FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Irving S. Gilmore Foundation

Opinion

We have audited the accompanying financial statements of Irving S. Gilmore Foundation (the "Foundation"), 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 referred to above present fairly, in all material respects, the financial position of the 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 the 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; this includes 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 Irving S. Gilmore Foundation's 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 18, 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.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, cursive font, with 'LLP' in a smaller, simpler font to the right.

Kalamazoo, Michigan
April 22, 2026

IRVING S. GILMORE FOUNDATION
STATEMENT OF FINANCIAL POSITION
(with Comparative Totals for 2024)

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,367,632	\$ 6,965,806
Investment income receivable	406,031	567,320
Prepaid expenses and other	69,433	58,151
	<u>5,843,096</u>	<u>7,591,277</u>
Total current assets		
INVESTMENTS		
Cash and cash equivalents	10,430,661	7,710,046
U.S. Government and agency securities	13,088,371	14,595,470
Equity securities	185,129,105	180,404,358
Corporate debt securities	15,517,788	36,890,278
Securitized debt instruments	12,447,184	18,241,282
Commingled funds	71,138,238	26,169,736
Mutual funds	53,420,398	60,815,243
	<u>361,171,745</u>	<u>344,826,413</u>
Total investments		
PROPERTY AND EQUIPMENT		
Leasehold improvements	735,166	735,166
Furnishings and fixtures	230,854	230,854
Equipment	60,356	58,384
Total property and equipment	<u>1,026,376</u>	<u>1,024,404</u>
Less accumulated depreciation	986,119	989,149
	<u>40,257</u>	<u>35,255</u>
Net property and equipment		
RIGHT-OF-USE ASSET—OPERATING LEASE		
	<u>441,531</u>	<u>514,369</u>
Total assets	<u>\$ 367,496,629</u>	<u>\$ 352,967,314</u>

	December 31,	
	2025	2024
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 300,930	\$ 296,127
Accrued expenses	3,038	3,015
Pension contribution payable	60,578	58,766
Accrued excise tax	206,999	124,000
Grants payable	2,645,500	1,935,375
Current portion of operating lease liability	72,988	69,587
	<u>3,290,033</u>	<u>2,486,870</u>
LONG-TERM LIABILITIES		
Grants payable, long-term	-	1,000,000
Operating lease liability, net of current portion	396,744	469,732
	<u>396,744</u>	<u>1,469,732</u>
Total long-term liabilities	<u>396,744</u>	<u>1,469,732</u>
Total liabilities	<u>3,686,777</u>	<u>3,956,602</u>
Net assets without donor restrictions	<u>363,809,852</u>	<u>349,010,712</u>
Total liabilities and net assets	<u>\$ 367,496,629</u>	<u>\$ 352,967,314</u>

IRVING S. GILMORE FOUNDATION
STATEMENT OF ACTIVITIES
(with Comparative Totals for 2024)

	Year ended December 31,	
	2025	2024
INVESTMENT INCOME		
Interest	2,664,622	3,364,582
Dividends	6,084,554	4,792,195
Realized and unrealized gains	25,126,292	29,801,502
Other	26,502	28,263
Total investment income	33,901,970	37,986,542
Less investment management fees	(1,708,079)	(1,678,323)
Investment income, net	32,193,891	36,308,219
EXPENSES		
Program services:		
Grants approved	15,207,396	16,237,522
Other	1,650,035	1,625,145
Total program services	16,857,431	17,862,667
Management and general	537,320	317,069
Total expenses	17,394,751	18,179,736
Change in net assets	14,799,140	18,128,483
NET ASSETS, Beginning	349,010,712	330,882,229
NET ASSETS, Ending	\$ 363,809,852	\$ 349,010,712

IRVING S. GILMORE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
(with Comparative Totals for 2024)

	Year ended December 31,			2024
	2025			
	Program Services	Management and General	Total	Total
Conferences and training	\$ 9,236	\$ 17,070	\$ 26,306	\$ 35,556
Depreciation	5,775	1,019	6,794	5,558
Employee benefits	236,078	30,972	267,050	251,554
Equipment	42,788	4,659	47,447	41,192
Excise tax	481,526	122,974	604,500	370,318
Insurance	14,982	2,644	17,626	16,897
Miscellaneous	10,973	8,603	19,576	52,537
Office supplies	627	4,965	5,592	8,415
Parking	9,860	1,416	11,276	9,970
Payroll taxes	44,205	5,972	50,177	48,996
Printing	-	5,775	5,775	7,329
Professional services	94,095	231,468	325,563	320,399
Rent	68,478	12,084	80,562	80,862
Salaries and wages	619,720	85,636	705,356	681,990
Utilities	11,692	2,063	13,755	10,641
Operating expenses	1,650,035	537,320	2,187,355	1,942,214
Grants	15,207,396	-	15,207,396	16,237,522
Total	\$ 16,857,431	\$ 537,320	\$ 17,394,751	\$ 18,179,736

IRVING S. GILMORE FOUNDATION
STATEMENT OF CASH FLOWS
(with Comparative Totals for 2024)

	Year ended December 31,	
	2025	2024
OPERATING ACTIVITIES		
Change in net assets	\$ 14,799,140	\$ 18,128,483
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	6,794	5,558
Net realized and unrealized gains on investments	(25,126,292)	(29,801,501)
Non-cash lease expense	3,251	5,499
Changes in operating assets and liabilities:		
Investment income receivable	161,289	(59,266)
Prepaid expenses and other	(11,282)	(23,633)
Accounts payable	4,803	70,402
Funds held for others	-	(396,208)
Other current liabilities	84,834	42,863
Grants payable	(289,875)	2,560,375
Net cash used in operating activities	<u>(10,367,338)</u>	<u>(9,467,428)</u>
INVESTING ACTIVITIES		
Purchases of investments	(122,376,097)	(71,800,542)
Proceeds from sales of investments	131,157,057	82,448,509
Equipment expenditures	(11,796)	(10,000)
Net cash provided by investing activities	<u>8,769,164</u>	<u>10,637,967</u>
NET CHANGE IN CASH	(1,598,174)	1,170,539
CASH AND CASH EQUIVALENTS, Beginning	<u>6,965,806</u>	<u>5,795,267</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 5,367,632</u></u>	<u><u>\$ 6,965,806</u></u>

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 — ORGANIZATION

Purpose of Foundation

The Irving S. Gilmore Foundation (the “Foundation”) was established to administer the assets received from the estate of Irving S. Gilmore. The Foundation’s mission is to support and enrich the cultural, social and economic life of Greater Kalamazoo. The priorities of the Foundation are: the arts, culture, and humanities; human services; education; community development; and health and well-being.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these financials statements. The policies conformed to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

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

Basis of Presentation

The Foundation follows net asset accounting methods, whereby revenues are classified for accounting and reporting purposes into one of two net classes:

- Net Assets without Donor Restrictions—net assets available for use in general operations which are not subject to donor-imposed restrictions.
- Net Assets with Donor Restrictions—net assets subject to donor-imposed restrictions that may be temporary in nature, such as those that will be met either by actions of the Foundation, the passage of time, or both. Other donor-imposed restrictions are perpetual in nature and require those resources be maintained permanently by the Foundation. The Foundation does not hold any net assets with restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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, gains, and expenses during the reporting period. Actual results could differ from those estimates.

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of three months or less when purchased outside of the investment portfolio to be cash equivalents.

Investments

Investments of the Foundation are held by a commercial bank and trust department and managed by outside investment management companies. Investments sold are valued using the specific identification method. Net investment return is reported in the accompanying statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses. Investments are stated at their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In accordance with Internal Revenue Service regulations, the Foundation is generally required to distribute at least 5% of its investable assets each year. After considering the long-term expected return on its investment assets and the possible effect of inflation, the Foundation's Board of Trustees has established a policy of spending 5% of investable assets annually.

The Foundation's investment policy seeks to achieve a total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution requirement with acceptable levels of risk. Funds are invested in a well-diversified asset mix, which includes primarily equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5% of investable assets, while growing the funds if possible. Investment risk is measured in terms of the total investment portfolio; investment assets and allocation between asset classes and strategies are managed to not expose the portfolio to unacceptable levels of risk. It is the Foundation's policy that no more than 8% of the total stock portfolio may be invested in the common stock of any one corporation. Not more than 10% of the outstanding shares of any one corporation may be held. With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue should represent more than 5% of the total fixed income portfolio. Not more than 5% of any individual issue may be held. With the approval of the chairman of the Investment Committee, occasional exceptions to these policies may be made.

Fair Value

The carrying amounts reflected in the statement of financial position for cash, receivables and accounts payable approximate the respective fair values due to the short-term nature of those instruments.

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Equipment and Depreciation

Property and equipment are stated at cost. Purchases in excess of \$5,000 are capitalized. Depreciation is recognized over the estimated useful lives of the assets on a straight-line basis.

Long-Lived Assets

The Foundation continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful lives of long-lived assets, consisting of property and equipment, may warrant revision or that the remaining balances may not be recoverable. When factors or events indicate that such costs should be evaluated for possible impairment, the Foundation evaluates whether the costs are recoverable. There were no triggering events for an impairment assessment, and no impairment charges were recognized during the year ended December 31, 2025 and 2024.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated are compensation and benefits, depreciation, maintenance costs, insurance, occupancy costs, licenses, and professional services, which are allocated on the basis of management's estimate of time and effort. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts.

Income Tax Status

The Internal Revenue Service has determined that the Foundation is a private non-operating foundation which is exempt from income tax under Section 501(a) as a Foundation described in Section 501(c)(3) of the Internal Revenue Code.

Summarized Prior-Year Information

The financial statements include certain prior year summarized comparative information in total but not by net 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.

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Foundation determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the Foundation has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease or the Foundation's incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest the Foundation would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment. The Foundation's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option.

The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use-asset. Certain leases contain escalation clauses, which are factored into the right-of-use asset where appropriate. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Foundation's lease agreement does not contain an implicit rate nor does the Foundation have any debt. As such, the Foundation elected the risk-free rate at the date of adoption as a discount rate to calculate the lease right-of-use asset and lease liability.

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Subsequent Events

Subsequent events were evaluated through April 22, 2026, which is the date the financial statements were available to be issued.

NOTE 3 — CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2025 and 2024, consist primarily of institutional treasury obligation money market funds valued at \$1 per share. Under certain circumstances, the valuation of the money market shares could decline below \$1. Management does not consider declines in the fair value of the money market funds to be a significant risk.

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 — INVESTMENTS

The cost, cumulative unrealized gains (losses) and fair values of investments as of December 31 are as follows:

	2025		
	Cost	Unrealized Gain (loss)	Fair Value
Cash and cash equivalents	\$ 10,430,661	\$ -	\$ 10,430,661
U.S. Government and agency securities	13,995,060	(906,689)	13,088,371
Equity securities	146,549,179	38,579,926	185,129,105
Corporate debt securities	15,722,630	(204,842)	15,517,788
Securitized debt instruments	12,878,436	(431,252)	12,447,184
Commingled funds	59,354,907	11,783,331	71,138,238
Mutual funds	39,522,200	13,898,198	53,420,398
Total	<u>\$ 298,453,073</u>	<u>\$ 62,718,672</u>	<u>\$ 361,171,745</u>
	2024		
	Cost	Unrealized Gain (loss)	Fair Value
Cash and cash equivalents	\$ 7,710,046	\$ -	\$ 7,710,046
U.S. Government and agency securities	16,103,708	(1,508,238)	14,595,470
Equity securities	130,343,243	50,061,115	180,404,358
Corporate debt securities	37,433,514	(543,236)	36,890,278
Securitized debt instruments	19,131,458	(890,176)	18,241,282
Commingled funds	22,554,255	3,615,481	26,169,736
Mutual funds	40,579,013	20,236,230	60,815,243
Total	<u>\$ 273,855,237</u>	<u>\$ 70,971,176</u>	<u>\$ 344,826,413</u>

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 — FAIR VALUE MEASUREMENTS

The Foundation reports assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical assets that the Foundation has the ability to access at the measurement date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets does not entail a significant degree of judgment.

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets and market-corroborated inputs.

Level 3—Unobservable inputs for the asset. In these situations, the Foundation develops inputs using the best information available in the circumstances.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

The Foundation uses prices and inputs that are current as of the measurement date, obtained through multiple third-party custodians and from independent pricing services.

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 — FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for investments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position:

Cash and Cash Equivalents

Cash and cash equivalents include cash equivalents and fixed income investments with maturities of less than one year. Short-term investments are valued using observable market data and are categorized as Level 1 to the degree that they can be valued based on quoted market prices in active markets. The majority of these short-term investments are held in U.S. Treasury money market accounts. Although these cash equivalents are readily available, it is the intent of the Foundation to hold them for reinvestment purposes and, therefore, the Foundation has classified them as investments.

Equity Securities

Equity investments consist of securities held in corporate stocks and are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

Corporate Debt Securities, U.S. Government and Agency Securities and Securitized Debt Instruments

Debt securities held by the Foundation often do not trade in active markets on the measurement date. In the absence of a trade on the measurement date for the identical security in an active market, corporate debt securities, U.S. government and agency securities and securitized debt instruments are valued using observable inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations, bond spreads, and fundamental data relating to the issuer. Accordingly, these investments are categorized as Level 2.

Mutual Funds

Daily traded mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

Commingled Funds

The fair value of the commingled funds is determined using the net asset value of the funds' interests as reported by the fund managers. The underlying investments of the funds consist primarily of fixed-income securities and international equities which are traded in active markets; however, the investments are considered Level 3 because the specifics of the inputs used are unobservable to other market participants.

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 — FAIR VALUE MEASUREMENTS (Continued)

The Foundation's assets measured at fair value on a recurring basis are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
December 31, 2025				
Cash and cash equivalents	\$ 10,430,661	\$ 10,430,661	\$ -	\$ -
U.S Government and agency securities	13,088,371	-	13,088,371	-
Equity securities:				
Domestic	173,478,257	173,478,257	-	-
International developed	8,323,835	8,323,835	-	-
Emerging markets	3,327,013	3,327,013	-	-
Corporate debt securities:				
Domestic	14,505,097	-	14,505,097	-
International developed	1,012,691	-	1,012,691	-
Securitized debt instruments	12,447,184	-	12,447,184	-
Commingled funds	71,138,238	-	-	71,138,238
Mutual funds:				
Domestic equity	25,165,328	25,165,328	-	-
International developed	28,255,070	28,255,070	-	-
Total	<u>\$ 361,171,745</u>	<u>\$ 248,980,164</u>	<u>\$ 41,053,343</u>	<u>\$ 71,138,238</u>

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 — FAIR VALUE MEASUREMENTS (Continued)

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
December 31, 2024				
Cash and cash equivalents	\$ 7,710,046	\$ 7,710,046	\$ -	\$ -
U.S Government and agency securities	14,595,470	-	14,595,470	-
Equity securities:				
Domestic	169,561,163	169,561,163	-	-
International developed	10,248,561	10,248,561	-	-
Emerging markets	594,634	594,634	-	-
Corporate debt securities:				
Domestic	22,847,176	-	22,847,176	-
International developed	4,336,989	-	4,336,989	-
International emerging markets	4,928,016	-	4,928,016	-
High yield	4,778,097	-	4,778,097	-
Securitized debt instruments	18,241,282	-	18,241,282	-
Commingled funds	26,169,736	-	-	26,169,736
Mutual funds:				
Domestic equity	36,563,330	36,563,330	-	-
International developed	24,251,913	24,251,913	-	-
Total	<u>\$ 344,826,413</u>	<u>\$ 248,929,647</u>	<u>\$ 69,727,030</u>	<u>\$ 26,169,736</u>

IRVING S. GILMORE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 5 — FAIR VALUE MEASUREMENTS (Continued)

The following is a schedule of the changes in the Foundation’s Level 3 investment for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Beginning of year	\$ 26,169,736	\$ 27,243,731
Sales	-	(750,000)
Purchase at cost	36,296,179	-
Total gains (losses) for the period included in change in net assets	<u>8,672,323</u>	<u>(323,995)</u>
Total	<u>\$ 71,138,238</u>	<u>\$ 26,169,736</u>

NOTE 6 — GRANTS

Grants payable are summarized as follows at December 31:

	<u>2025</u>	<u>2024</u>
Payable in less than one year	\$ 2,645,500	\$ 1,935,375
Payable in one to two years	-	1,000,000
Total grants payable	<u>\$ 2,645,500</u>	<u>\$ 2,935,375</u>

The Foundation periodically makes conditional grants to grantees (i.e., matching and challenge grants). These grants are not recorded as a liability until all grant conditions have been met by the grantee. Conditional grants approved were \$64,000 and \$199,000 at December 31, 2025 and 2024, respectively.

Cash paid for grants totaled \$15,497,271 in 2025 and \$13,677,147 in 2024.

NOTE 7 — OPERATING LEASE

The Foundation leases its office facility from a third party under a noncancelable operating lease that expires in September 2031. Monthly payments are approximately \$6,500. Operating lease expense totaled \$80,562 and \$80,862 in 2025 and 2024, respectively.

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NOTE 7 — OPERATING LEASE (Continued)

Future minimum lease payments under the noncancelable operating lease for the office space are as follows:

Year ending December 31,	Amount
2026	\$ 79,524
2027	81,910
2028	84,369
2029	86,897
2030	89,504
Thereafter	68,627
Total undiscounted cash flows	490,831
Less: present value discount	(21,100)
Total lease liability	<u>\$ 469,731</u>

The remaining lease term of the operating lease as of December 31, 2025 was 5.75 years.

The discount rate of the operating lease as of December 31, 2025 was 1.52%.

NOTE 8 — RETIREMENT PLAN

The Foundation sponsors a non-contributory, qualified defined contribution retirement plan that covers substantially all employees. Each year, the Foundation contributes an amount equal to at least 5% of participants' compensation, as defined in the plan document. Total contributions to the plan were \$60,578 in 2025 and \$58,766 in 2024.

NOTE 9 — EXCISE TAXES

The Foundation is exempt from federal income taxes and is classified as a private foundation under Section 501 of the Internal Revenue Code (IRC). It is subject to a federal excise tax of 1.39% on net investment income, including realized gains, as defined by the IRC. Excise tax expense was \$604,500 in 2025 and \$370,318 in 2024.

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NOTE 10 — RISKS AND UNCERTAINTIES

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, 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 investment balances and the amounts reported in the statement of financial position.

NOTE 11 — LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 5,367,632	\$ 6,965,806
Investment income receivable	406,031	567,320
Investments	<u>361,171,745</u>	<u>344,826,413</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 366,945,408</u>	<u>\$ 352,359,539</u>

NOTE 12 — SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for operating leases was \$77,311 in 2025 and \$75,363 in 2024.

Cash paid for excise tax totaled \$521,501 in 2025 and \$330,142 in 2024.