Community Foundation of Greater New Britain

Independent Auditors' Report
Financial Statements

December 31, 2025 and 2024

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COMMUNITY FOUNDATION OF GREATER NEW BRITAIN

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December 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Foundation of Greater New Britain

Opinion

We have audited the accompanying financial statements of Community Foundation of Greater New Britain (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 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. Our responsibilities under those standards are further described in the Auditors' 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 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.

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.

Auditors' 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 auditors' 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 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.

Whittlesey PC

Hartford, Connecticut
June 10, 2026

COMMUNITY FOUNDATION OF GREATER NEW BRITAIN

Statements of Financial Position

December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 830,690	$ 1,874,762
Prepaid expenses	50,488	26,926
Total current assets	881,178	1,901,688
Other assets:		
Investments	89,854,733	70,204,489
Split-interest agreements	766	2,091
Total investments	89,855,499	70,206,580
Property, plant and equipment, net	280,885	315,854
Total other assets	90,136,384	70,522,434
Total assets	$ 91,017,562	$ 72,424,122
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 79,640	$ 53,085
Grants payable	53,148	49,225
Total current liabilities	132,788	102,310
Long-term liabilities:		
Agency endowments	8,986,776	8,075,291
Total long-term liabilities	8,986,776	8,075,291
Total liabilities	9,119,564	8,177,601
Net assets:		
Without donor restrictions	81,847,238	64,203,718
With donor restrictions	50,760	42,803
Total net assets	81,897,998	64,246,521
Total liabilities and net assets	$ 91,017,562	$ 72,424,122

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

Community Foundation of Greater New Britain

Statements of Activities and Changes in Net Assets

For the years ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues						
Support:						
Gifts and contributions	$ 12,084,742	$ 148,920	$ 12,233,662	$ 13,536,546	$ 86,125	$ 13,622,671
Less: agency endowment gifts	(106,025)	-	(106,025)	(17,496)	-	(17,496)
Total gifts and contributions	11,978,717	148,920	12,127,637	13,519,050	86,125	13,605,175
Revenues:						
Realized and unrealized gains on investments	8,052,609	-	8,052,609	4,193,095	-	4,193,095
Interest and dividends, net of investment fees	1,153,998	-	1,153,998	843,506	-	843,506
Change in value of split-interest agreements	-	(1,325)	(1,325)	-	(1,353)	(1,353)
Miscellaneous revenue	84,462	-	84,462	75,385	-	75,385
Rent revenue	43,391	-	43,391	43,430	-	43,430
Total revenues	9,334,460	(1,325)	9,333,135	5,155,416	(1,353)	5,154,063
Net assets released from restrictions	139,638	(139,638)	-	103,702	(103,702)	-
Total support and revenues	21,452,815	7,957	21,460,772	18,778,168	(18,930)	18,759,238
Operating Expenses						
Program	3,001,543	-	3,001,543	2,456,725	-	2,456,725
Management and general	733,291	-	733,291	658,685	-	658,685
Development	74,461	-	74,461	76,618	-	76,618
Total operating expenses	3,809,295	-	3,809,295	3,192,028	-	3,192,028
Change in net assets	17,643,520	7,957	17,651,477	15,586,140	(18,930)	15,567,210
Net assets, beginning of year	64,203,718	42,803	64,246,521	48,617,578	61,733	48,679,311
Net assets, end of year	$ 81,847,238	$ 50,760	$ 81,897,998	$ 64,203,718	$ 42,803	$ 64,246,521

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

COMMUNITY FOUNDATION OF GREATER NEW BRITAIN

Statements of Functional Expenses

For the years ended December 31, 2025 and 2024

	2025				2024			
	Program	Management and General	Development	Total	Program	Management and General	Development	Total
Grants awarded	$ 2,098,088	$ -	$ -	$ 2,098,088	$ 2,074,244	$ -	$ -	$ 2,074,244
Less: agency endowments	(288,957)	-	-	(288,957)	(615,090)	-	-	(615,090)
Net grants awarded	1,809,131	-	-	1,809,131	1,459,154	-	-	1,459,154
Scholarships awarded	391,562	-	-	391,562	349,963	-	-	349,963
Total grants and scholarships	2,200,693	-	-	2,200,693	1,809,117	-	-	1,809,117
Other expenses:								
Salaries and wages	365,083	398,523	45,767	809,373	336,115	342,287	50,185	728,587
Employee benefits	63,470	73,665	4,128	141,263	56,663	79,958	4,332	140,953
Consulting	73,100	-	-	73,100	67,804	-	-	67,804
Building-related costs	24,359	38,641	1,549	64,549	11,549	36,795	1,724	50,068
Payroll taxes	27,379	29,763	3,391	60,533	24,978	25,562	3,700	54,240
Program expense	103,570	-	-	103,570	75,582	-	-	75,582
Legal, accounting and professional fees	18,230	34,925	-	53,155	2,943	29,000	-	31,943
Miscellaneous	39,563	7,466	-	47,029	7,652	4,463	-	12,115
Printing and publications	7,241	24,882	5,895	38,018	10,408	17,494	3,450	31,352
Conferences, conventions and meetings	20,434	28,742	719	49,895	9,612	20,903	1,012	31,527
Depreciation	20,597	22,484	2,582	45,663	7,714	38,205	1,152	47,071
Computer software and support	20,508	41,697	8,283	70,488	19,145	33,848	8,862	61,855
Office expense	6,768	16,989	1,894	25,651	5,704	16,330	1,757	23,791
Travel	2,968	3,772	253	6,993	1,914	2,271	329	4,514
Insurance	1,895	7,963	-	9,858	1,325	7,716	-	9,041
Membership dues and subscriptions	5,345	2,960	-	8,305	5,345	3,029	-	8,374
Website	340	819	-	1,159	3,155	824	115	4,094
Total other expenses	800,850	733,291	74,461	1,608,602	647,608	658,685	76,618	1,382,911
Total expenses	$ 3,001,543	$ 733,291	$ 74,461	$ 3,809,295	$ 2,456,725	$ 658,685	$ 76,618	$ 3,192,028

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

COMMUNITY FOUNDATION OF GREATER NEW BRITAIN

Statements of Cash Flows

December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets:	$ 17,651,477	$ 15,567,210
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	45,663	47,071
Realized gains on investments	(525,757)	(53,130)
Unrealized gains on investments	(7,526,852)	(4,139,965)
(Increase)/decrease in assets:		
Contributions receivable	-	100
Prepaid expenses	(23,562)	(7,981)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses	26,555	(19,066)
Grants payable	3,923	1,250
Agency endowments	911,485	135,041
Net change in cash from operating activities	10,562,932	11,530,530
Cash flows from investing activities:		
Proceeds from sale of investments	18,522,866	14,576,307
Purchases of investments	(30,119,176)	(25,492,571)
Purchases of property and equipment	(10,694)	(17,790)
Net change in cash from investing activities	(11,607,004)	(10,934,054)
Net change in cash and cash equivalents	(1,044,072)	596,476
Cash and cash equivalents, beginning of year	1,874,762	1,278,286
Cash and cash equivalents, end of year	$ 830,690	$ 1,874,762

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

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Community Foundation of Greater New Britain (the "Foundation") is a community foundation serving Berlin, New Britain, Plainville and Southington, Connecticut. The Foundation's mission is to improve the quality of life in the communities it serves by addressing community needs with strategic grant-making, initiatives and partnerships, developing and managing permanent endowments and gifts, and promoting informed philanthropy by providing donors convenient, cost-effective ways to improve their communities.

Basis of Accounting and Presentation – The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

The Foundation records its net assets according to the following two classifications:

> *Without donor restrictions* – These net assets are defined as assets that are free of donor-imposed stipulations and include all investment income and appreciation not subject to donor-imposed stipulations.
>
> *With donor restrictions* – These net assets include contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Board of Directors.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, either when a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Variance Power – Accounting principles generally accepted in the United States of America provide that, if the governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The Board of Directors of the Foundation has that ability known as variance power. The Board of Directors has adopted a policy describing the criteria and limited circumstances under which the Foundation would exercise this power. Accordingly, the Foundation's financial statements classify substantially all funds, including the corpus of endowment funds, as net assets without donor restrictions, but segregate for internal management and endowment recordkeeping the portion that is held as endowment from the funds that are currently available for grant administration.

Cash and Cash Equivalents – Cash equivalents include all highly liquid instruments with an original maturity of three months or less.

The Foundation maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash equivalents.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

Investments – Investments in marketable debt securities, equity securities, money market funds and mutual funds with readily determinable fair values are stated at fair value in the statements of financial position. Investments in hedge funds and private equity funds are valued at fair values that are not readily determinable. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

The Foundation follows an investment policy to meet its primary investment goals of preserving the long-term purchasing power of Foundation assets for future generations, while providing the maximum funding possible for current community needs. The long-term investment return objective for the Foundation's endowed assets is to earn 5.5% above the rate of inflation as measured by the Urban Consumer Price Index, at a moderate level of risk. This target rate of return is based on a diversified asset allocation model that incorporates investments in domestic and international equities, fixed income, hedge funds, and private equity investments. The investment portfolio is overseen by the Foundation's Finance and Investments Committee, under direction of the Board of Directors. The Committee meets regularly with the Foundation's investment managers to review investment policy, asset selection and allocation, and to monitor performance of the portfolios. The Foundation complies with the current Uniform Prudent Management of Institutional Funds Act ("UPMIFA") regulations in Connecticut.

Investment Pools – The Foundation maintains master investment accounts for endowments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investment accounts, as adjusted for additions to or withdrawals from those accounts.

Fair Value Measurements – The Foundation follows the Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification, (FASB ASC 820) which defines fair value and establishes a framework for measuring fair value in generally accepted accounting principles. The topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The topic also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Three levels of inputs may be used to measure fair values:

Level 1 — Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs that reflect the Foundation's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time, they are susceptible to material near-term changes.

Split-Interest Agreements – Split-interest agreements consist of assets donated for the benefit of the Foundation and other beneficiaries. Revocable split-interest agreements are not recorded as contributions unless enforceable by law. Irrevocable split-interest agreements are recorded as contributions at fair value when the assets are received or when the Foundation is notified of the existence of the agreement. The accounting treatment varies depending upon the type of agreement created and whether the Foundation or a third party is the trustee.

Spending Policy – The Foundation utilizes a spending policy based upon the total return concept, which emphasizes total investment return, consisting of investment income and realized and unrealized gains and losses. Under the spending policy, a distribution of investment return is independent of the cash yield and appreciation of investments in that year. This spending formula is designed specifically to stabilize annual spending levels and to preserve the real value of the fund portfolio over time. The Foundation's spending policy is generally 5.5% of the previous 20 quarters' average market values, subject to a floor of 4.0% and ceiling of 6.0% based on the market value at September 30. For 2025, the Foundation in some instances limited spending to a range of 2.2% to 4.0% depending on an evaluation of a fund’s historic gift value compared to its fair market value at September 30, 2024. This calculation is used to protect funds from declines in real value during down markets. The amount available for spending was approximately $3,927,000 and $3,322,000 for the years ended December 31, 2025 and 2024, respectively. These amounts are available for grant making and administrative expenses to support the operation of the Foundation for that respective year. For the years ending December 31, 2025 and 2024, total expenses for the Foundation amounted to $3,809,295 and $3,192,028, respectively. Expenses in excess of spending policy limitations were funded by other revenue sources that were to be used towards the Foundation’s operations.

Property, Plant and Equipment – Property, plant and equipment acquisitions and improvements thereon that exceed $1,000 are capitalized at cost, or if donated, at the approximate fair value on the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets ranging from 3 to 30 years. Repairs and maintenance are charged to expense as incurred.

Donated Assets – Donated marketable securities and other assets are recorded as contributions at their fair values as of the date of donation.

Scholarships – Multi-year scholarship awards are considered conditional grants payable. The financial statements do not reflect the amount of scholarships payable due to their nature, contingency and inability to determine the reasonableness that conditions will be met in the future. The unrecorded scholarships payable are not material to the financial statements.

Income Taxes – The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation. Accordingly, no provision has been made in the accompanying financial statements for federal or state income taxes.

Functional Expenses – The statements of activities and changes in net assets present expenses by functional classification. The Foundation summarizes its expenses by functional and natural classification in the statements of functional expenses.

Salaries, wages and benefits are charged directly to the program or supporting service for which work has been done based on management estimates. Overhead is based on staff allocation to functional areas. Building-related costs and depreciation are allocated based on square footage.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

Use of Estimates – The Foundation uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

Subsequent Events – The Foundation monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended December 31, 2025 through June 10, 2026, the date on which the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available for general expenditure within twelve months of December 31, are as follows:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 830,690	$ 1,874,762
Investments	89,854,733	70,204,489
Total financial assets	90,685,423	72,079,251
Less: Amounts unavailable for general expenditure within twelve months:		
Restricted by donors with purpose restrictions	(50,760)	(42,803)
Agency endowments	(8,986,776)	(8,075,291)
Quasi-endowment	(80,867,957)	(62,129,198)
Total amounts unavailable for general expenditure within twelve months	(89,905,493)	(70,247,292)
	779,930	1,831,959
Spending policy amount expected to be available for use	3,927,140	3,321,640
Total financial assets available to management for general expenditure within twelve months	$ 4,707,070	$ 5,153,599

The Foundation has net assets without donor restrictions totaling $26,813,330 that could be made available by a vote of the board of directors.

NOTE 3 – INVESTMENTS

The following table presents the investments measured at fair value as of December 31, 2025:

	Level 1	Level 2	Level 3	Fair Value
Short-term investments	$ 5,041,083	$ -	$ -	$ 5,041,083
Mutual funds	60,943,052	12,483,344	-	73,426,396
Private equity fund	-	-	7,129,708	7,129,708
Total investments, at fair value	65,984,135	12,483,344	7,129,708	85,597,187
Hedge funds valued at NAV	-	-	-	4,258,312
Total investments	$ 65,984,135	$ 12,483,344	$ 7,129,708	$ 89,855,499

The following table presents the investments measured at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Fair Value
Short-term investments	$ 2,831,753	$ -	$ -	$ 2,831,753
Mutual funds	44,771,522	10,196,346	-	54,967,868
Private equity fund	-	-	6,176,370	6,176,370
Total investments, at fair value	47,603,275	10,196,346	6,176,370	63,975,991
Hedge funds valued at NAV	-	-	-	6,230,589
Total investments	$ 47,603,275	$ 10,196,346	$ 6,176,370	$ 70,206,580

The Foundation invests in private equity funds. As of December 31, 2025 and 2024, the unfunded capital commitment for the funds was $3,791,284 and $2,833,784, respectively.

The following is a description of valuation methodologies used for assets measured at fair value:

Short term investments – Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Private equity fund – Valued based upon an appraisal. This appraisal was based upon a combination of the market and income valuation techniques.

Hedge funds – Valued as of the close of business at the end of each month in accordance with the valuation principles set forth below or as may be determined from time to time pursuant to policies established by the Board. The NAV is used as a practical expedient to estimate fair value and is based on the fair value of the underlying investments held by the fund less its liability.

There have been no changes in the valuation methodologies used for assets measured at fair value at December 31, 2025 and 2024.

NOTE 3 – INVESTMENTS (*CONTINUED*)

The following table sets forth a summary of changes in the fair value of the Foundation's level 3 assets:

	Private Equity Funds
Balance, January 1, 2024	$ 5,188,053
Unrealized/realized gains	472,908
Transfers	581,144
Administrative fees	(56,087)
Distributions	(9,648)
Balance, December 31, 2024	6,176,370
Unrealized/realized gains	585,017
Transfers	378,321
Administrative fees	(10,000)
Balance, December 31, 2025	$ 7,129,708

NOTE 4 – ENDOWMENT

The Foundation follows the Not-for-Profit Entities topic of the FASB Accounting Standards Codification (FASB ASC 958), which describes the information that needs to be disclosed regarding its endowment funds. The topic requires certain minimum disclosures comprised of the description of the Foundation's spending policy, as well as its endowment investment policies. It also requires the following disclosures regarding the composition of the Foundation's endowment by net asset class and a reconciliation of the beginning and ending balance of the Foundation's endowment.

The Foundation's endowment is comprised of investments and split-interest agreements. The reconciliation of the Foundation's endowment by net asset category is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance as of January 1, 2024	$ 55,093,777	$ 3,444	$ 55,097,221
Interest and dividends, net of investment fees	800,450	-	800,450
Net appreciation	4,193,095	-	4,193,095
Additions	13,605,175	-	13,605,175
Amounts appropriated for expenditure	(3,623,049)	-	(3,623,049)
Change in agency endowment	135,041	-	135,041
Change in split-interest agreements	-	(1,353)	(1,353)
Balance as of December 31, 2024	70,204,489	2,091	70,206,580
Interest and dividends, net of investment fees	1,122,234	-	1,122,234
Net appreciation	8,052,609	-	8,052,609
Additions	12,127,637	-	12,127,637
Amounts appropriated for expenditure	(2,563,721)	-	(2,563,721)
Change in agency endowment	911,485	-	911,485
Change in split-interest agreements	-	(1,325)	(1,325)
Balance as of December 31, 2025	$ 89,854,733	$ 766	$ 89,855,499

NOTE 4 – ENDOWMENT (*CONTINUED*)

The interest and dividends, net of investment expenses, above, does not include interest on unendowed funds. Interest on unendowed funds were $31,764 and $43,056 for the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024 there were 2 and 15 funds, respectively, with market values that were less than their historic gift amount. Historic gift amounts for the funds totaled $13,500 and market value totaled $13,089 as of December 31, 2025. Historic gift amounts for underwater funds as of December 31, 2024 totaled $6,461,223 and market value totaled $6,356,822.

NOTE 5 – SPLIT-INTEREST AGREEMENTS

Charitable Gift Annuities – The Board of Directors of the Foundation has established a Charitable Gift Annuity program. Under the terms of the program, contributions are received from donors in exchange for a promise by the Foundation to pay a fixed amount for a specified period of time to a donor or individuals designated by the donor. Annuity contracts may be established for either one or two lives and provide that fixed payments be made to the annuitants for the remainder of their lives. Upon maturity of the annuity contract, any remaining assets revert back to the Foundation for purposes as specified in the Charitable Gift Annuity contract. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. There were no annuity contracts that matured in 2025 and 2024; therefore, no assets reverted to the Foundation.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

The cost and accumulated depreciation of property, plant, and equipment are as follows as of December 31, 2025:

	Cost	Accumulated Depreciation	Net Book Value
Land and building	$ 840,134	$ 571,784	$ 268,350
Furniture and equipment	141,589	129,054	12,535
Total	$ 981,723	$ 700,838	$ 280,885

The cost and accumulated depreciation of property, plant, and equipment are as follows as of December 31, 2024:

	Cost	Accumulated Depreciation	Net Book Value
Land and building	$ 834,573	$ 538,262	$ 296,311
Furniture and equipment	137,987	118,444	19,543
Total	$ 972,560	$ 656,706	$ 315,854

NOTE 7 – AGENCY ENDOWMENTS

The Foundation accepts contributions from donors and agrees to transfer those assets, the return on investments on those assets, or both, to another entity on the donors' behalf. Accounting standards require that if an independent nonprofit organization establishes a component fund at a community foundation with its own resources and specifies itself or its affiliate as the beneficiary of those resources the community foundation must record the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments. The Foundation maintains variance power and legal ownership of these endowment funds managed for others and, as such, reports the funds as assets of the Foundation with a corresponding liability. The agency endowment balances as of December 31, 2025 and 2024 were $8,986,776 and $8,075,291, respectively.

NOTE 8 – NET ASSETS

Net assets without donor restrictions represent contributions, gifts, management fees and income from investments that can be used for the general purpose of the Foundation. Designations of net assets without donor restrictions by the Board of Directors are recorded as net assets without donor restrictions because such designations can be changed by a vote of the Board.

Net assets without donor restrictions are comprised as follows at December 31,:

	2025	2024
Board designated discretionary funds	$ 26,814,886	$ 24,651,970
Field of interest funds	5,007,311	4,574,557
Donor advised funds	13,474,311	11,283,377
Scholarship funds	26,720,537	15,037,767
Donor designated funds	9,830,193	8,656,047
Total net assets without donor restrictions	$ 81,847,238	$ 64,203,718

Net assets with donor restrictions represent contributions, gifts and income from investments that can be used for the purposes specified by the donor.

Net assets with donor restrictions are comprised as follows at December 31,:

	2025			
	Beginning	Additions/ Deductions	Release	Ending
Related program activities	$ 40,712	$ 148,920	$ (139,638)	$ 49,994
Charitable gift annuities	2,091	(1,325)	-	766
Total	$ 42,803	$ 147,595	$ (139,638)	$ 50,760

NOTE 8 – NET ASSETS (*CONTINUED*)

	2024			
	Beginning	Additions/ Deductions	Release	Ending
Related program activities	$ 58,289	$ 86,125	$ (103,702)	$ 40,712
Charitable gift annuities	3,444	(1,353)	-	2,091
Total	$ 61,733	$ 84,772	$ (103,702)	$ 42,803

NOTE 9 – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

Supporting services include management and general expenses. These functions are necessary to maintain and ensure an adequate working environment, to provide coordination and articulation of the Foundation's program mission, ensure proper administrative functioning of the Board of Directors and management of the financial and budgetary responsibilities of the Foundation. Also included in these expenses are development expenses, which provide the structure necessary to encourage and secure financial support from individuals, businesses and foundations.

The following program services are included in the accompanying financial statements:

Grants

The Foundation distributes grants from discretionary, donor advised, designated and field of interest funds to organizations and projects that benefit the communities of New Britain, Berlin, Plainville and Southington. The Foundation's grant-making strategy is intended to strengthen the capacity of the organizations and the community as a whole. Grants are awarded across a broad range of fields focusing on four areas of priority. The areas of priority are youth development, leadership development, education from early childhood to adulthood, and creating a greater awareness of the area's strengths and assets. These priorities are achieved through a range of programs including arts and culture, community and economic development, civic affairs, education, health, the environment and social services.

Scholarships

The Foundation distributes scholarship awards from managed scholarship funds according to the criteria established by the donors. The Foundation distributes scholarship awards from its own discretionary funds by committee. Recipients are primarily students from Berlin, New Britain, Plainville and Southington graduating from high school and planning to further their education.

Program Expenses

These expenses reflect staff costs and other expenses directly associated with administering the grants, scholarships, community meetings and activities relating to the program area of the Foundation's mission.

Related Program Activities Administered by the Foundation

The Early Childhood Collaborative of Southington is a related program administered by the Foundation. As of December 31, 2025 and 2024, net assets of this fund totaled $49,994 and $40,712, respectively. Contributions recognized on behalf of this organization were $148,920 and $86,125 for the years ended December 31, 2025 and 2024, respectively, which includes contributions made from the Foundation of $2,000 and $-0-, for the years ended December 31, 2025 and 2024, respectively. Expenses recognized on behalf of the organization were $139,638 and $103,702.

NOTE 10 – SUPPORTING ORGANIZATIONS

The Foundation entered into a Supporting Organization Agreement with the Community Chest of New Britain and Berlin, Inc. ("CCNBB"), a related party. CCNBB is a separate nonprofit organization, exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. IRS regulations require that the Foundation nominate a majority of all CCNBB Directors. However, CCNBB retains its ability to unilaterally act to make grants without oversight or approval by the Foundation; to adopt its own asset allocation strategy for CCNBB investments; and to adopt its own annual spending policy. The Supporting Organization Agreement outlines a broad set of services which CCNBB will receive from the Foundation and the fees to be charged for those services. CCNBB's total assets as of December 31, 2025 and 2024, respectively, were $8,214,159 and $7,463,232, of which $7,224,866 and $6,565,643 as of December 31, 2025 and 2024, respectively, are in the name of the Foundation. As of December 31, 2025 and 2024, there were no amounts available to be requested by CCNBB as all funds were transferred to the Foundation to be held as designated funds.

During 2020, the Foundation became the fiduciary of the Harriett Russell Stanley Trust, Georgia K. Thomson Charitable Remainder Annuity Trust, and the Mary S. Whittlesey Trust, totaling $1,666,025, all of which are for the benefit of CCNBB and are recorded in component funds. As of December 31, 2025 and 2024, the trusts were valued at $1,997,421 and $1,811,049, respectively.

The Foundation appoints "one-half plus one" members of the CCNBB Board of Directors. This group is referred to as the "CFGNB class" of the CCNBB's Board of Directors. Some members of the Foundation's Board of Directors are also part of this "CFGNB class." The Foundation received management fees from CCNBB of $55,860 and $51,120 for the years ended December 31, 2025 and 2024 respectively.

NOTE 11 – EMPLOYEE BENEFIT PLAN

The Foundation maintains a tax-deferred retirement plan qualified under Internal Revenue Code Section 403(b). The plan covers all eligible employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Foundation contributed 7% of gross wages for all eligible employees. Foundation contributions totaled $51,680 and $47,738 for the years ended December 31, 2025 and 2024, respectively.

NOTE 12 – COMMITMENTS

Rental Income

The Foundation has various real estate operating leases for different portions of the building that expire through 2030. The future minimum rental income payments under the leases are as follows for the years ending December 31,:

2026	$ 40,372
2027	24,294
2028	23,977
2029	25,777
2030	22,085
Total	$ 136,505

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