



KNOX COUNTY FOUNDATION

INDEPENDENT AUDITOR'S REPORT &
FINANCIAL STATEMENTS

DECEMBER 31, 2024 & 2023

Knox County Foundation

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Knox County Foundation
Mt. Vernon, Ohio

Opinion

We have audited the financial statements of Knox County Foundation (the Foundation), which comprise the statements of assets, liabilities and net assets – modified cash basis as of December 31, 2024 and 2023, the related statements of activities – modified cash basis, and functional expenses – modified cash basis 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 the Foundation as of December 31, 2024 and 2023, and the changes in its net assets for the years then ended in accordance with the modified cash basis of accounting described in Note 2.

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 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements were prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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.

Supplementary Information

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Millersburg, Ohio
June 24, 2025

Knox County Foundation
Statements of Assets, Liabilities and Net Assets - Modified Cash Basis
December 31, 2024 and 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 2,230,142	\$ 4,941,656
Investments, at fair value		
Marketable equity securities	63,686,201	55,820,292
Mutual funds, index funds & ETFs	18,324,733	15,719,796
Marketable debt securities	25,381,591	20,891,098
Marketable certificates of deposit	1,338,177	1,352,832
Investment in Commonfund partnership	4,267,839	3,142,737
Total current investments	112,998,541	96,926,755
Total current assets	115,228,683	101,868,411
Noncurrent Assets		
Net real estate & structures	828,527	828,527
Noncurrent Investments		
Investment in Commonfund partnerships	159,534	248,208
Total noncurrent investments	159,534	248,208
Total noncurrent assets	988,061	1,076,735
Total Assets	\$ 116,216,744	\$ 102,945,146
 <u>LIABILITIES & NET ASSETS</u>		
Liabilities		
Assets held as agency funds	\$ 21,397,034	\$ 17,954,059
Total Liabilities	21,397,034	17,954,059
Net Assets		
Without donor restrictions	30,835,158	28,129,409
With donor restrictions	63,984,552	56,861,678
Total Net Assets	94,819,710	84,991,087
Total Liabilities & Net Assets	\$ 116,216,744	\$ 102,945,146

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

Knox County Foundation
Statement of Activities - Modified Cash Basis
For the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues, Gains and Other Support		
Contributions & grants		
Endowed	\$ 1,803,606	\$ 3,472,903
Non-endowed	<u>1,312,068</u>	<u>1,568,975</u>
Total contributions & grants	3,115,674	5,041,878
Investment income		
Dividends & interest	1,977,316	1,737,074
Realized & unrealized gains	<u>11,033,194</u>	<u>9,135,979</u>
Net investment income	13,010,510	10,873,053
Administrative fee charged to agency funds	161,786	131,733
Miscellaneous revenues	<u>-</u>	<u>160</u>
Total Revenues, Gains & Other Support	\$ 16,287,970	\$ 16,046,824
Expenses:		
Program services - grants & scholarships	\$ 4,929,081	\$ 3,714,914
Program services - other	937,292	747,545
Management & general	373,866	359,658
Fundraising	<u>219,108</u>	<u>179,484</u>
Total Expenses	<u>6,459,347</u>	<u>5,001,601</u>
Change in net assets	9,828,623	11,045,223
Net assets, beginning of year	<u>84,991,087</u>	<u>73,945,864</u>
Net assets, end of year	<u>\$ 94,819,710</u>	<u>\$ 84,991,087</u>

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

Knox County Foundation
Statement of Functional Expenses - Modified Cash Basis
For the year ended December 31, 2024

	Program Services		Management & General	Fundraising	Total
	Grants	Other			
Grants, Scholarships & Initiatives					
Grants awarded - Donor directed	\$ 2,395,977	\$ -	\$ -	\$ -	\$ 2,395,977
Grants awarded - Foundation directed	1,250,344	-	-	-	1,250,344
Scholarships awarded	1,165,157	-	-	-	1,165,157
Revitalization & development programs	-	676,801	-	-	676,801
Economic initiative programs	-	133,433	-	-	133,433
Other program expenses	-	33,521	-	-	33,521
Total	4,811,478	843,755	-	-	5,655,233
Operating Expenses					
Salaries	89,578	78,335	115,075	96,950	379,938
Employee taxes & benefits	16,287	14,243	20,923	17,627	69,080
Investment advisory fees	-	-	138,915	-	138,915
Software & information systems	11,738	-	32,743	9,768	54,249
Donor & development events	-	-	-	94,763	94,763
Professional fees	-	-	18,489	-	18,489
Other admin costs	-	959	47,721	-	48,680
Total	117,603	93,537	373,866	219,108	804,114
Total Expenses	\$ 4,929,081	\$ 937,292	\$ 373,866	\$ 219,108	\$ 6,459,347

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

Knox County Foundation
Statement of Functional Expenses - Modified Cash Basis
For the year ended December 31, 2023

	Program Services		Management & General	Fundraising	Total
	Grants	Other			
Grants, Scholarships & Initiatives					
Grants awarded - Donor directed	\$ 1,748,232	\$ -	\$ -	\$ -	\$ 1,748,232
Grants awarded - Foundation directed	795,451	-	-	-	795,451
Scholarships awarded	1,070,773	-	-	-	1,070,773
Revitalization & development programs	-	543,569	-	-	543,569
Economic initiative programs	-	101,223	-	-	101,223
Other program expenses	-	3,923	-	-	3,923
Total	3,614,456	648,715	-	-	4,263,171
Operating Expenses					
Salaries	71,200	79,043	101,351	89,386	340,980
Employee taxes & benefits	16,112	17,887	22,936	20,228	77,163
Investment advisory fees	-	-	141,821	-	141,821
Software & information systems	13,146	-	36,901	11,482	61,529
Donor & development events	-	-	-	58,388	58,388
Professional fees	-	2	17,071	-	17,073
Other admin costs	-	1,898	39,578	-	41,476
Total	100,458	98,830	359,658	179,484	738,430
Total Expenses	\$ 3,714,914	\$ 747,545	\$ 359,658	\$ 179,484	\$ 5,001,601

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

Knox County Foundation
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023

NOTE 1 – DESCRIPTION OF THE FOUNDATION

The Knox County Foundation (the “Foundation”) is a publicly supported, nonprofit organization established to enhance the quality of life in Knox County through its responsible stewardship of individual philanthropic funds. The Foundation offers several types of funds that enable donors to identify funding opportunities aligned with their values and charitable interests including:

Donor Advised Funds: Donor Advised funds allow donors to recommend grant recipients, subject to the Foundation’s approval, to target issues the donor cares about most.

Designated Funds: Designated funds allow donors to establish a designated fund to support the charitable work of a specific non-profit organization. Also considered designated funds, field of interest funds allow donors to address needs in an important area of community life including arts & humanities, community improvement, education, health & wellness, human & social services, and youth enrichment.

Scholarship Funds: Scholarship funds allow donors to invest in the community’s future by assisting postgraduate students with their financial needs.

Community Impact & Field of Interest Funds: Unrestricted funds allow the Foundation to act strategically to improve the community by responding to the most pressing needs, today and tomorrow. Field of interest funds allow donors to identify an area of interest while allowing the Foundation to determine the most effective manner of distributing funds.

Organizational Funds: Non-profit organizations can establish an agency endowment fund and designate themselves the beneficiary of the fund to establish a future stream of income, in addition to principal, from investments managed by the Foundation’s professional advisors. Organizational funds provide non-profit organizations with a flexible option that allows for a more diversified portfolio that balances market risk and return.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting principles and practices of the Foundation are set forth to facilitate the understanding of data presented in the financial statements.

Basis of Presentation

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. GAAP. The Foundation records revenue when received and expenses when paid. Fixed assets are capitalized when purchased or donated, but depreciation is not recorded while the asset is held by the Foundation. The original cost is written off when the asset is sold or disposed of by the Foundation. In addition, supporting organizations, as defined per U.S. GAAP where the Foundation maintains effective control of the organization, are not consolidated with the Foundation’s audited financial statements.

Use of Estimates

The preparation of the financial statements in conformity with the modified cash basis method of accounting requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash & Cash Equivalents

Cash consists of short-term, highly liquid investments which are readily convertible into cash within ninety days of purchase. At various times during the year, amounts on deposit at financial institutions may be in excess of federally insured limits. The Foundation does not believe it is exposed to any significant credit risk on uninsured amounts.

Building, Leasehold Improvements & Equipment

Purchased property and equity are stated at cost. Property and equipment received as donations and bequests are stated at estimated fair values at the date of receipt by the Foundation. Property and equipment are not depreciated; however, such assets are written off when they are no longer used by, or of no further value to, the Foundation. The Foundation capitalized all fixed asset purchases over \$10,000.

Knox County Foundation
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

All contributions are recorded as received, not when pledged by the donor. Contributions received are recorded as with or without restrictions, depending on the existence and/or nature of any donor restrictions and variance power per the transfer agreement. Noncash contributions are recorded at the fair market value at date of receipt. Real estate and nonmarketable securities contributed to the Foundation are recorded at appraised value on the date of the gift.

Concentrations – Credit Risk

The Foundation invests in various investment securities, including U.S. government securities, corporate debt instruments, corporate stocks, mutual and index funds and various alternative investments. Investment securities, in general, are subject to various risks such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements. The Foundation has established guidelines relative to diversification and maturities that target certain safety and liquidity risk levels. The guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates.

Concentration - Major Contributors

For the years ended December 31, 2024 and 2023, 34% and 68% of contributions received by the Foundation, excluding contributions to agency endowment funds, were received from the three largest donors, respectively. Significant donors will vary depending upon estate and other non-recurring gifts received annually.

Assets Held for Agency Funds

The Foundation's method of accounting conforms with the provisions of FASB ASC 958-605-50 *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This provision establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both to another entity that is specified by the donor. Under this provision, if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency funds.

The Foundation maintains variance power and legal ownership of agency funds and as such continues to report the funds as assets of the Foundation. However, in conformity with FASB ASC 958-605-50, a liability has been established for the fair value of the funds.

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Foundation's investment and spending policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective varies by investment pool.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments (approximately 70%) to achieve its long-term return objectives within prudent risk parameters. Actual rates of return may vary from the long-term return objective.

The spending policy determines the amount of money annually distributed from the Foundation's various endowed funds for grant making and administration. On an annual basis, the Board of Directors reviews and approves the spending policy rate. The spending policy is to distribute an amount equal to 5.5% of the fund's market value based on a rolling average from the trailing twelve quarters for 2024 and 2023. Included in the calculation for available distributions is an assessed support fee to endowed funds of 1% to allocate operational and investment expenses. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

Knox County Foundation
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Per a determination letter dated May 6, 2019, the Foundation and its supporting organizations are exempt from federal income tax under IRC Section 501 (c)(3) except to the extent of unrelated business taxable income. Accordingly, no provision for federal income taxes has been made in the financial statements.

The Foundation is required to file information tax returns with the Internal Revenue Service.

Date of Management Review

The Foundation has evaluated subsequent events through June 24, 2025, the date which the financial statements were available to be issued. Management is not aware of any events that have occurred subsequent to the Statement of Assets, Liabilities, and Net Assets – Modified cash basis date that would require adjustment to, or disclosure in, the financial statements.

NOTE 3 – INVESTMENTS & FAIR VALUE DISCLOSURES

The Foundation maintains investment pool accounts for its funds. Realized and unrealized gains, investment income and related expenses, and administrative expenses are allocated monthly to the individual funds based on the relationship of the market value of the fund to the total market value of the investment pool accounts.

Investments are classified in the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis based upon liquidity of the investments and the Foundation's intentions regarding holding period. Certificates of deposit with the intent to hold to maturity are recorded at cost. Marketable certificates of deposit held for investment purposes are valued at fair market value.

Commonfund investments are classified as current or noncurrent assets based upon restrictions imposed by the investment manager. Investment in the Commonfund Multi-Strategy Equity Investors LLC, a limited liability company that invests in a broad spectrum of equity strategies, is reported as a current asset. Investments in the Commonfund Private Equity Partners, which invests in private equity strategies, are recorded as noncurrent assets due to restrictions in the redemption of partnership interests.

The Foundation's method of accounting for investments conforms with the provisions of FASB ASC 820-10-50-2 for financial assets measured at fair value on a recurring basis. This standard clarifies the definition of fair value for financial reporting, establishes a hierarchical disclosure framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. The standard prioritizes the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

Level 1 – Valuation is based on observable inputs using quoted prices in active markets for identical assets that are accessible at the measurement date.

Level 2- Valuation is based on inputs from sources other than quoted prices in active markets that are either directly or indirectly observable as of the reporting date. This may include quoted prices for similar assets in an active market, quoted prices for similar assets in a market that is not as active; or valuation methods using modes, interest rates and yield curves as observable inputs.

Level 3 – Valuation is based on unobservable inputs for the asset where there is little or no market activity for the investment and significant judgment or estimates are required.

Level 1 investments include marketable securities, exchange traded funds and cash equivalents that are carried at fair value based on observable quoted market prices in active markets; and mutual funds that are valued based on the net asset value per share computed by the fund manager and validated by a sufficient level of observable activity.

Level 2 investments include bank issued certificates of deposit that are fully FDIC insured and valued using maturity and interest rates as observable inputs, bonds other than U.S. Treasury securities (including U.S. agencies, corporate, municipal and foreign) that are valued using matrix pricing or market corroborated pricing and inputs such as yield curves and indices.

Knox County Foundation
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023

NOTE 3 – INVESTMENTS & FAIR VALUE DISCLOSURES (CONTINUED)

Level 3 investments include nonmarketable investments in privately-held securities that are illiquid. Also included are investments in partnerships where valuation is determined through consideration of information provided by the Commonfund investment managers. Factors included in the determination of fair market value of these partnerships include estimates of fair market value assets held and corresponding liabilities and estimates of liquidation value.

The following table presents the investments carried at fair value on the Statement of Financial Position as of December 31, 2024:

Fair Value Measurement Input	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Investments				
Certificates of deposit	-0-	1,338,177	-0-	1,338,177
U.S. & foreign equities	63,686,201	-0-	-0-	63,686,201
Mutual/index funds & EFTs	18,324,733	-0-	-0-	18,324,733
Corporate & govt. bonds	-0-	25,381,591	-0-	25,381,591
Alternative investments				
Commonfund partnerships	-0-	-0-	4,427,373	4,427,373
Total Assets	\$ 82,010,934	\$ 26,719,768	\$ 4,427,373	\$ 113,158,075

The following table presents the investments carried at fair value on the Statement of Financial Position as of December 31, 2023:

Fair Value Measurement Input	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Investments				
Certificates of deposit	-0-	1,352,832	-0-	1,352,832
U.S. & foreign equities	55,820,292	-0-	-0-	55,820,292
Mutual/index funds & EFTs	15,719,796	-0-	-0-	15,719,796
Corporate & govt. bonds	-0-	20,891,098	-0-	20,891,098
Alternative investments				
Commonfund partnerships	-0-	-0-	3,390,945	3,390,945
Total Assets	\$ 71,540,088	\$ 22,243,930	\$ 3,390,945	\$ 97,174,963

The following table includes a roll-forward of the amounts in the Statement of Financial Position for the year ended December 31, 2024 (including the change in fair value) for investments classified within Level 3 of the fair value hierarchy:

Commonfund partnerships:

Balance at January 1, 2023	\$ 3,318,357
Net redemptions	(42,516)
Unrealized gains	115,104
Balance at December 31, 2023	\$ 3,390,945
Net redemptions	(63,834)
Unrealized gains	1,100,262
Balance at December 31, 2024	\$ 4,427,373

Knox County Foundation
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023

NOTE 4 – INVESTMENTS IN ENTITIES THAT CALCULATE NET ASSET VALUE PER SHARE

The following table presents information about significant unobservable inputs related to material categories of Level 3 financial assets at December 31, 2024:

	Fair Value	Valuation Techniques	Unobservable Inputs	Range
Commonfund partnerships:		Estimated	Comparable	
Institutional Multi-Strategy Equity	\$ 4,267,839	valuation of	Transactions;	N/A
Private Equity Partners VII, LP	\$ 159,534	underlying assets	Cash flows	Undetermined

The following table presents the unfunded commitments and redemption requirements for investments in entities that calculate fair value using net asset value per share or its equivalent:

	Note	Fair Value	Unfunded Commitments	Redemption Notice
<u>Alternative Investments</u>				
Commonfund				
Institutional Multi-Strategy Equity Investors, LLC	(A)	\$ 4,267,839	\$ -0-	Monthly
Private Equity Partners VII, LP	(B)	159,534	66,000	Illiquid
Total		<u>\$ 4,427,373</u>	<u>\$ 66,000</u>	

(A) Institutional Multi-Strategy Equity Investors, LLC – This investment seeks exposure to global equity markets with a primary focus in the U.S. equity market. The Foundation may redeem its investments monthly with five business days’ notice.

(B) Private Equity Partners VII, LP – This investment focuses primarily in private limited partnerships that include holdings of securities, warrants and other options that are generally not actively traded. Due to the nature of the underlying investments within the limited partnerships, redemptions or transfers are strictly limited and the investment is considered illiquid.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation’s financial assets as of the statement of financial position date, reduced by amounts not available for general use with one year as of December 31, 2024 and 2023 because of contractual or donor-imposed restrictions or internal designations. Amounts not available include assets set aside by the Foundation for growth and sustainability of the Foundation that could be drawn upon if the Board of Directors approves the action. The Foundation’s financial assets within one year of the statement of financial position date for general expenditure are as follows:

Financial assets:	2024	2023
Cash & cash equivalents	2,230,142	4,941,656
Investments, at fair value	112,998,541	96,926,755
Non-current investments	159,534	248,208
	<u>\$ 115,388,217</u>	<u>\$ 102,116,619</u>
Less those unavailable for general expenditures with one year, due to:	2024	2023
Assets held for the benefit of others – agency funds	21,397,034	17,954,059
Restrictions by donor for purpose or period of time	75,524,676	68,201,747
Board designated endowment funds	14,727,695	12,339,376
	<u>111,649,405</u>	<u>98,495,182</u>
Financial assets available for general expenditures within one year	<u>\$ 3,738,812</u>	<u>\$ 3,621,437</u>

As part of the Foundation’s liquidity management, it has a policy to structure its financial assets to be available as its grants, general expenditures, liabilities and other obligations become due. The Foundation invests cash in excess of short-term requirements in cash equivalents, money market funds and other liquid investments.

Knox County Foundation
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023

NOTE 6 – REAL ESTATE

During 2019 and 2020, the Foundation was gifted two parking lots on Gay Street located in the Mount Vernon downtown district area. Per the gift agreement, the parking lots must be held by the Foundation for a period of at least 25 years and suitably maintained for public parking. As part of the gift, the donor also created two funds to be held at the Foundation to provide support for operational costs and major repair and replacement costs for the donated parking lots.

During 2020, the Foundation was gifted two retail spaces in the Mount Vernon downtown district area. The retail spaces, located on the first floor at the Lofts of Mount Vernon on 212 and 214 South Main Street, were renovated by the Foundation and leased for purposes to promote the downtown Mount Vernon area. At the time of the gift the two units were valued at \$129,750 and \$126,000. Subsequent renovations costs of \$333,104 were capitalized for the two units.

During 2021, the Foundation purchased three retail spaces in the Lofts of Mount Vernon located in the Mount Vernon downtown district area. Similar to the gifted retail spaces, these units located at 206 and 210 Main Street as well as 12 E. Gambier Street were renovated by the Foundation and leased for purposes to promote the downtown Mount Vernon Area.

	2024	2023
Parking Lots – Downtown Mount Vernon	99,770	99,770
Retail Buildings – Lofts of Mount Vernon	728,757	728,757
Net real estate & structures, end of year	\$ 828,527	\$ 828,527

NOTE 7 – ASSETS HELD AS AGENCY FUNDS

As of December 31, 2024, the Foundation held 75 agency endowment funds with a combined fair market value of \$21,397,034. All activity associated with income and expenses for these funds is excluded from the audited financials and the fair market value of assets associated with the agency endowment funds have been classified as an agency fund liability on the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis. The following table summarizes the financial activity in such funds.

	2024	2023
Agency Fund balances, beginning of year	\$ 17,954,059	\$ 14,984,025
Amounts raised in contributions or transferred in	2,176,230	2,517,667
Amounts contributed from other Foundation funds	50,000	65,000
Investment income including unrealized gains	2,828,062	2,246,067
Grants distributed to agency or beneficiary	(1,447,179)	(1,696,003)
Expenses allocated	(164,138)	(162,697)
Agency Fund balances, end of year	\$ 21,397,034	\$ 17,954,059

NOTE 8 – RETIREMENT PLAN

In 2016, the Foundation created a Section 401(k) defined contribution retirement plan where employer contributions are based upon specified percentages of salary for all eligible employees. Contributions by the Foundation to the Section 401(k) plan were \$22,796 and \$20,381 in 2024 and 2023, respectively.

NOTE 9 – SUPPORTING ORGANIZATIONS

The Foundation has multiple supporting organizations whose financial activity is not combined with the audited financial statements of the Knox County Foundation. The Foundation appoints a majority of the members of the governing board of these non-profit entities and maintains effective control of the supporting organizations. Under the modified basis of accounting these organizations are not required to be consolidated within the Foundation's financial statements. While these non-profit organizations qualify as supporting organizations under Section 509(a)(3) of the Internal Revenue Code, they are distinct entities from the Foundation separately incorporated and having received an IRS tax exempt letter of determination specific to its own operations and purpose.

Knox County Foundation
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023

NOTE 9 – SUPPORTING ORGANIZATIONS (CONTINUED)

Schnormeier Gardens Foundation

The Schnormeier Gardens Foundation was established to support the operations and maintenance of the Schnormeier Gardens. The Schnormeier Gardens comprise 75 acres of Asian-inspired curated trees, flowers, water features and structures. During 2024 and 2023, the Foundation provided no direct financial support to the supporting organization.

Camp Cornish Foundation

The Camp Cornish Foundation was established to support the operations and maintenance of Camp Cornish. Camp Cornish includes 15 acres of forested land, Cornish Lodge, a river and a primitive camping area. The grounds are available to local troops of the Girl Scouts and Boy Scouts. During 2024 and 2023, the Foundation provided \$-0- of direct financial support, respectively, to the supporting organization.

Mount Vernon Arts Consortium, Inc.

Mount Vernon Arts Consortium was established to provide arts and entertainment opportunities in Mount Vernon focusing at three primary locations, Ariel-Foundation Park, Knox Memorial and The Woodward Opera House. The Consortium provides operating support for the three venues as well as attracting entertainment options for the residents of Knox County and its tourists. During 2024 and 2023, the Foundation provided \$-0- and \$1,000 of direct financial support, respectively, to the supporting organization.

Knox Development Partnership, Inc.

Knox Development Partnership was established to assist the Foundation in the acquisition and development of critical economic and culturally significant properties and projects within Knox County, Ohio. The Foundation, along with other non-profit organizations and governmental entities, provides financial support for the purchase and renovation of identified projects to stimulate economic development in key corridors of the community. During 2024 and 2023, the Foundation provided \$500,000 and \$525,000 of direct financial support, respectively, to the supporting organization.

NOTE 10 – SPLIT INTEREST GIFTS

In 2014, the Foundation received an irrevocable remainder beneficiary interest in a charitable remainder trust whose maturity is based on the life expectancy of the income beneficiaries. As of 2024 and 2023, the fair market value of the assets held in trust total \$1,539,373 and \$1,471,844, respectively. The funds are not recorded on the Foundation's statement of assets, liabilities and net assets – modified cash basis until death of the beneficiary. During 2024 and 2023, the Foundation received \$-0- in assessed fees to cover investment and operational costs, respectively.

Knox County Foundation
Statement of Activities - By Fund Type (Modified Cash Basis)
For the year ended December 31, 2024

	Foundation Directed Funds		Donor Directed Funds				
	Community Impact	Field of Interest	Donor Advised	Designated	Scholarship	Operating	Total
Contributions, Gains and Other Support							
Contributions & grants							
Endowed	\$ 124,900	25,155	60,600	606,946	986,005	-	\$ 1,803,606
Non-endowed	65,584	239,850	754,214	210,270	42,100	50	1,312,068
	190,484	265,005	814,814	817,216	1,028,105	50	3,115,674
Investment income							
Dividends & interest	424,043	200,984	311,393	391,757	645,247	3,892	1,977,316
Realized & unrealized gains (losses)	2,463,495	1,130,410	1,556,386	2,064,910	3,793,801	24,192	11,033,194
Net investment income	2,887,538	1,331,394	1,867,779	2,456,667	4,439,048	28,084	13,010,510
Administrative fee charged to agency funds & trusts						161,786	161,786
Miscellaneous revenues	-	-	-	-	-	-	-
Total Revenues, Gains & Other Support	3,078,022	1,596,399	2,682,593	3,273,883	5,467,153	189,920	16,287,970
Grants, Scholarships & Initiatives							
Grants awarded - Donor directed	-	6,100	1,765,374	624,503	-	-	2,395,977
Grants awarded - Foundation directed	940,183	286,326	-	2,656	-	21,179	1,250,344
Scholarships awarded	11,600	-	11,000	750	1,141,807	-	1,165,157
Revitalization & development programs	125,000	93,737	-	72,706	-	385,358	676,801
Economic initiative programs	-	133,433	-	-	-	-	133,433
Other program expenses	8,256	-	2,103	22,375	-	787	33,521
Total	1,085,039	519,596	1,778,477	722,990	1,141,807	407,324	5,655,233
Operating Expenses							
Salaries	-	-	-	-	-	379,938	379,938
Employee taxes & benefits	-	-	-	-	-	69,080	69,080
Investment advisory fees	31,760	12,597	21,543	25,542	47,164	309	138,915
Software & information systems	-	-	-	-	-	54,249	54,249
Donor & development events	-	-	-	-	-	94,763	94,763
Professional fees	-	-	-	-	-	18,489	18,489
Other admin costs	39	27	109	228	556	47,721	48,680
Total	31,799	12,624	21,652	25,770	47,720	664,549	804,114
Total Expenses	1,116,838	532,220	1,800,129	748,760	1,189,527	1,071,873	6,459,347
Revenues in excess/(deficit) of expenses	1,961,184	1,064,179	882,464	2,525,123	4,277,626	(881,953)	9,828,623
Interfund Activity:							
Administrative fee charged to funds	(155,637)	(77,532)	(107,923)	(144,094)	(273,718)	758,904	-
Foundation Forward matching	50,000	-	(70,240)	10,120	10,120	-	-
Donor fund reclassification	-	-	-	-	-	-	-
Other internal transfers & grants	38,872	(52,268)	(135,237)	121,109	27,524	-	-
Net interfund activity	(66,765)	(129,800)	(313,400)	(12,865)	(236,074)	758,904	-
Change in fund balances	1,894,419	934,379	569,064	2,512,258	4,041,552	(123,049)	9,828,623
Beginning fund balances							
Permanently endowed funds	7,092,208	4,247,861	7,143,866	14,379,320	13,070,893	-	45,934,148
Temporarily restricted donor funds	-	-	5,688,590	1,909,410	14,669,599	-	22,267,599
Unrestricted Foundation funds	11,148,881	5,309,649	-	-	-	330,810	16,789,340
	18,241,089	9,557,510	12,832,456	16,288,730	27,740,492	330,810	84,991,087
Change in fund balances							
Permanently endowed contributions & transfers	174,900	25,155	136,019	617,066	996,125	-	1,949,265
Temporarily restricted donor funds	-	-	433,045	1,895,192	3,045,427	-	5,373,664
Unrestricted Foundation funds	1,719,519	909,224	-	-	-	(123,049)	2,505,694
	1,894,419	934,379	569,064	2,512,258	4,041,552	(123,049)	9,828,623
Ending fund balances							
Permanently endowed funds	7,267,108	4,273,016	7,279,885	14,996,386	14,067,018	-	47,883,413
Temporarily restricted donor funds	-	-	6,121,635	3,804,602	17,715,026	-	27,641,263
Unrestricted Foundation funds	12,868,400	6,218,873	-	-	-	207,761	19,295,034
	\$ 20,135,508	10,491,889	13,401,520	18,800,988	31,782,044	207,761	\$ 94,819,710

Knox County Foundation
Statement of Activities - by Fund Type (Modified Cash Basis)
For the year ended December 31, 2023

	Foundation Directed Funds		Donor Directed Funds			Operating	Total
	Community Impact	Field of Interest	Donor Advised	Designated	Scholarship		
Contributions, Gains and Other Support							
Contributions & grants							
Endowed	\$ 246,850	127,765	1,281,752	1,478,862	337,674	-	\$ 3,472,903
Non-endowed	30,819	62,211	1,418,923	6,404	50,608	10	1,568,975
	277,669	189,976	2,700,675	1,485,266	388,282	10	5,041,878
Investment income							
Dividends & interest	386,093	184,680	247,545	322,362	585,581	10,813	1,737,074
Realized & unrealized gains (losses)	2,088,898	875,273	1,253,663	1,698,111	3,164,843	55,191	9,135,979
Net investment income	2,474,991	1,059,953	1,501,208	2,020,473	3,750,424	66,004	10,873,053
Administrative fee charged to agency funds & trusts						131,733	131,733
Miscellaneous revenues	-	-	-	160	-	-	160
Total Revenues, Gains & Other Support	2,752,660	1,249,929	4,201,883	3,505,899	4,138,706	197,747	16,046,824
Grants, Scholarships & Initiatives							
Grants awarded - Donor directed	-	-	1,141,120	606,362	750	-	1,748,232
Grants awarded - Foundation directed	463,979	313,540	-	-	-	17,932	795,451
Scholarships awarded	23,250	-	13,000	-	1,034,523	-	1,070,773
Revitalization & development programs	-	14,986	-	794	-	527,789	543,569
Economic initiative programs	-	101,223	-	-	-	-	101,223
Other program expenses	-	-	1,885	1,375	-	663	3,923
Total	487,229	429,749	1,156,005	608,531	1,035,273	546,384	4,263,171
Operating Expenses							
Salaries	-	1,300	-	-	-	339,680	340,980
Employee taxes & benefits	-	99	-	-	-	77,064	77,163
Investment advisory fees	32,361	12,717	21,200	26,121	48,521	901	141,821
Software & information systems	-	-	-	-	-	61,529	61,529
Donor & development events	-	-	-	-	-	58,388	58,388
Professional fees	-	2	-	-	-	17,071	17,073
Other admin costs	21	20	14	31	613	40,777	41,476
Total	32,382	14,138	21,214	26,152	49,134	595,410	738,430
Total Expenses	519,611	443,887	1,177,219	634,683	1,084,407	1,141,794	5,001,601
Revenues in excess/(deficit) of expenses	2,233,049	806,042	3,024,664	2,871,216	3,054,299	(944,047)	11,045,223
Interfund Activity:							
Administrative fee charged to funds	(132,327)	(67,234)	(86,245)	(113,857)	(213,879)	613,542	-
New Philanthropy matching	185,000	122,500	(574,683)	177,837	89,346	-	-
Donor fund reclassification	-	-	-	-	-	-	-
Other internal transfers & grants	(134,490)	166,450	(19,579)	(1,030)	(11,351)	-	-
Net interfund activity	(81,817)	221,716	(680,507)	62,950	(135,884)	613,542	-
Change in fund balances	2,151,232	1,027,758	2,344,157	2,934,166	2,918,415	(330,505)	11,045,223
Beginning fund balances							
Permanently endowed funds	6,660,358	3,997,596	5,640,034	12,722,621	12,643,873	-	41,664,482
Temporarily restricted donor funds	-	-	4,848,265	631,943	12,178,204	-	17,658,412
Unrestricted Foundation funds	9,429,499	4,532,156	-	-	-	661,315	14,622,970
	16,089,857	8,529,752	10,488,299	13,354,564	24,822,077	661,315	73,945,864
Change in fund balances							
Permanently endowed contributions & transfers	431,850	250,265	1,503,832	1,656,699	427,020	-	4,269,666
Temporarily restricted donor funds	-	-	840,325	1,277,467	2,491,395	-	4,609,187
Unrestricted Foundation funds	1,719,382	777,493	-	-	-	(330,505)	2,166,370
	2,151,232	1,027,758	2,344,157	2,934,166	2,918,415	(330,505)	11,045,223
Ending fund balances							
Permanently endowed funds	7,092,208	4,247,861	7,143,866	14,379,320	13,070,893	-	45,934,148
Temporarily restricted donor funds	-	-	5,688,590	1,909,410	14,669,599	-	22,267,599
Unrestricted Foundation funds	11,148,881	5,309,649	-	-	-	330,810	16,789,340
	\$ 18,241,089	9,557,510	12,832,456	16,288,730	27,740,492	330,810	\$ 84,991,087