

**Living History Farms Foundation
Urbandale, Iowa**

FINANCIAL REPORT

December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Living History Farms Foundation
Urbandale, Iowa

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Living History Farms 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Living History Farms 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 Living History Farms 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 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.

Supplementary Information

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


Denman CPA LLP

West Des Moines, Iowa
March 8, 2026

**Living History Farms Foundation
STATEMENTS OF FINANCIAL POSITION**

		December 31	
		2025	2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$	610,540	\$ 864,392
Accounts receivable		2,258	1,100
Grants and contributions receivable		153,579	132,484
Inventories		6,657	924
Prepaid expenses		44,100	38,051
Total current assets		817,134	1,036,951
NONCURRENT ASSETS			
Cash and cash equivalents restricted for long-term purposes		–	668,116
Investments		10,870,736	10,325,902
Contributions receivable, restricted for long-term purposes		692,782	1,332,274
Property and equipment, net of accumulated depreciation		9,929,638	8,220,852
Total noncurrent assets		21,493,156	20,547,144
Totals		\$ 22,310,290	\$ 21,584,095
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Lines of credit	\$	597,827	\$ –
Accounts payable and accrued expenses		89,623	84,851
Accounts payable, construction		151,386	1,499,321
Deferred revenue		115,875	22,885
Total current liabilities		954,711	1,607,057
NOTE PAYABLE			
Total liabilities		330,000	–
		1,284,711	1,607,057
NET ASSETS			
Net assets without donor restrictions		17,969,536	13,587,057
Net assets with donor restrictions			
Time and purpose restrictions		1,444,169	4,778,515
Held in perpetuity		1,611,874	1,611,466
Total net assets with donor restrictions		3,056,043	6,389,981
Total net assets		21,025,579	19,977,038
Totals		\$ 22,310,290	\$ 21,584,095

See Notes to Financial Statements.

Living History Farms Foundation
STATEMENTS OF ACTIVITIES

	<u>Year ended December 31, 2025</u>			<u>Year ended December 31, 2024</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUE						
Public support	\$ 308,295	\$ 1,250,022	\$ 1,558,317	\$ 236,824	\$ 2,132,559	\$ 2,369,383
Contributed nonfinancial assets	192,725	-	192,725	207,320	-	207,320
Net assets released from restriction	<u>4,836,708</u>	<u>(4,836,708)</u>	<u>-</u>	<u>647,449</u>	<u>(647,449)</u>	<u>-</u>
Total public support	<u>5,337,728</u>	<u>(3,586,686)</u>	<u>1,751,042</u>	<u>1,091,593</u>	<u>1,485,110</u>	<u>2,576,703</u>
Program service revenue						
Admissions and memberships	411,039	-	411,039	484,152	-	484,152
Educational programs	284,509	-	284,509	280,705	-	280,705
Retail and rental	172,631	-	172,631	172,904	-	172,904
Historic food-ways	92,759	-	92,759	100,391	-	100,391
Special events	61,302	-	61,302	65,292	-	65,292
Other	62,801	-	62,801	97,426	-	97,426
Total program service revenue	<u>1,085,041</u>	<u>-</u>	<u>1,085,041</u>	<u>1,200,870</u>	<u>-</u>	<u>1,200,870</u>
Investment return	<u>1,017,254</u>	<u>252,748</u>	<u>1,270,002</u>	<u>528,628</u>	<u>140,824</u>	<u>669,452</u>
Total revenue	<u>7,440,023</u>	<u>(3,333,938)</u>	<u>4,106,085</u>	<u>2,821,091</u>	<u>1,625,934</u>	<u>4,447,025</u>
OPERATING EXPENSES						
Program services	<u>1,770,737</u>	<u>-</u>	<u>1,770,737</u>	<u>1,800,159</u>	<u>-</u>	<u>1,800,159</u>
Supporting services						
Management and general	434,192	-	434,192	422,712	-	422,712
Development	175,279	-	175,279	286,388	-	286,388
Marketing	<u>224,653</u>	<u>-</u>	<u>224,653</u>	<u>221,455</u>	<u>-</u>	<u>221,455</u>
Total supporting services	<u>834,124</u>	<u>-</u>	<u>834,124</u>	<u>930,555</u>	<u>-</u>	<u>930,555</u>
Total operating expenses	<u>2,604,861</u>	<u>-</u>	<u>2,604,861</u>	<u>2,730,714</u>	<u>-</u>	<u>2,730,714</u>
Change in net assets before nonoperating income (expenses)	4,835,162	(3,333,938)	1,501,224	90,377	1,625,934	1,716,311
NONOPERATING INCOME (EXPENSES)						
Gain on sale of property and equipment	-	-	-	276,647	-	276,647
Interest	(35,883)	-	(35,883)	(7,303)	-	(7,303)
Depreciation	<u>(416,800)</u>	<u>-</u>	<u>(416,800)</u>	<u>(265,708)</u>	<u>-</u>	<u>(265,708)</u>
Total nonoperating income (expenses)	<u>(452,683)</u>	<u>-</u>	<u>(452,683)</u>	<u>3,636</u>	<u>-</u>	<u>3,636</u>
CHANGE IN NET ASSETS	4,382,479	(3,333,938)	1,048,541	94,013	1,625,934	1,719,947
NET ASSETS, beginning	<u>13,587,057</u>	<u>6,389,981</u>	<u>19,977,038</u>	<u>13,493,044</u>	<u>4,764,047</u>	<u>18,257,091</u>
NET ASSETS, ending	<u>\$17,969,536</u>	<u>\$ 3,056,043</u>	<u>\$21,025,579</u>	<u>\$13,587,057</u>	<u>\$ 6,389,981</u>	<u>\$19,977,038</u>

See Notes to Financial Statements.

Living History Farms Foundation
STATEMENTS OF FUNCTIONAL EXPENSES

	Year ended December 31, 2025					
	Supporting services					
	Program services	Management and general	Development	Marketing	Total	Total expenses
Salaries	\$ 773,561	\$ 286,579	\$ 96,790	\$ 145,385	\$ 528,754	\$ 1,302,315
Payroll taxes	63,372	22,721	7,756	11,538	42,015	105,387
Employee benefits	61,318	12,783	4,280	15,146	32,209	93,527
	<u>898,251</u>	<u>322,083</u>	<u>108,826</u>	<u>172,069</u>	<u>602,978</u>	<u>1,501,229</u>
Advertising and promotion	-	-	19,518	20,404	39,922	39,922
Bank processing fees	36,304	1,549	-	1,000	2,549	38,853
Cost of retail goods sold	20,079	-	-	-	-	20,079
Dues and subscriptions	-	6,268	-	-	6,268	6,268
Information technology	45,631	16,362	5,528	8,741	30,631	76,262
Insurance	75,622	27,115	9,162	14,486	50,763	126,385
Maintenance	496,859	-	-	-	-	496,859
Other	-	6,778	-	-	6,778	6,778
Postage and printing	993	1,468	-	7,953	9,421	10,414
Professional fees	-	50,939	-	-	50,939	50,939
Program supplies	107,747	-	32,245	-	32,245	139,992
Travel	-	1,630	-	-	1,630	1,630
Utilities	89,251	-	-	-	-	89,251
Depreciation	416,800	-	-	-	-	416,800
Interest	35,883	-	-	-	-	35,883
Total functional expenses	<u>2,223,420</u>	<u>434,192</u>	<u>175,279</u>	<u>224,653</u>	<u>834,124</u>	<u>3,057,544</u>
Less expenses not functionally reported on statements of activities	<u>(452,683)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(452,683)</u>
Totals	<u>\$1,770,737</u>	<u>\$ 434,192</u>	<u>\$ 175,279</u>	<u>\$ 224,653</u>	<u>\$ 834,124</u>	<u>\$2,604,861</u>

See Notes to Financial Statements.

Living History Farms Foundation
STATEMENTS OF FUNCTIONAL EXPENSES (continued)

	Year ended December 31, 2024					
	Supporting services					
	Program services	Management and general	Development	Marketing	Total	Total expenses
Salaries	\$ 795,408	\$ 279,861	\$ 186,285	\$ 144,821	\$ 610,967	\$ 1,406,375
Payroll taxes	68,165	22,780	15,550	12,032	50,362	118,527
Employee benefits	43,591	10,620	7,246	14,102	31,968	75,559
	907,164	313,261	209,081	170,955	693,297	1,600,461
Advertising and promotion	-	-	36,932	18,711	55,643	55,643
Bank processing fees	46,453	1,412	-	999	2,411	48,864
Cost of retail goods sold	29,853	-	-	-	-	29,853
Dues and subscriptions	-	3,815	-	-	3,815	3,815
Information technology	38,442	13,275	8,860	7,245	29,380	67,822
Insurance	69,978	24,165	16,128	13,188	53,481	123,459
Maintenance	524,280	-	-	-	-	524,280
Other	-	7,809	-	-	7,809	7,809
Postage and printing	2,332	2,289	-	10,011	12,300	14,632
Professional fees	-	55,945	-	-	55,945	55,945
Program supplies	112,085	-	15,387	-	15,387	127,472
Travel	-	741	-	346	1,087	1,087
Utilities	69,572	-	-	-	-	69,572
Depreciation	265,708	-	-	-	-	265,708
Interest	7,303	-	-	-	-	7,303
Total functional expenses	2,073,170	422,712	286,388	221,455	930,555	3,003,725
Less expenses not functionally reported on statements of activities	(273,011)	-	-	-	-	(273,011)
Totals	\$1,800,159	\$ 422,712	\$ 286,388	\$ 221,455	\$ 930,555	\$2,730,714

See Notes to Financial Statements.

**Living History Farms Foundation
STATEMENTS OF CASH FLOWS**

	Year ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,048,541	\$ 1,719,947
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	416,800	265,708
Contributions restricted for long-term purposes	(930,135)	(1,859,442)
Change in unrealized and realized (gains) on investments	(714,491)	(183,834)
Reinvested dividends	(555,511)	(485,618)
Gain on sale of property and equipment	-	(276,647)
Change in assets and liabilities		
Accounts and other receivables	(22,253)	(34,020)
Inventories	(5,733)	2,516
Prepaid expenses	(6,049)	(12,047)
Accounts payable and accrued expenses, net of property and equipment	4,772	6,227
Deferred revenue	92,990	(31,087)
Net cash flows from operating activities	(671,069)	(888,297)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,473,521)	(2,173,360)
Proceeds from sale of property and equipment	-	276,647
Proceeds from sales of investments	725,576	734,513
Purchase of investments	(408)	(31,630)
Net cash flows from investing activities	(2,748,353)	(1,193,830)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on lines of credit	597,827	-
Proceeds from issuance of note payable	330,000	-
Proceeds from contributions restricted for long-term purposes	1,569,627	1,831,969
Principal payments on notes payable	-	(204,000)
Net cash flows from financing activities	2,497,454	1,627,969
NET CHANGE IN CASH	(921,968)	(454,158)
CASH		
Beginning	1,532,508	1,986,666
Ending	\$ 610,540	\$ 1,532,508
RECONCILIATION OF CASH PER STATEMENTS OF CASH FLOWS TO THE STATEMENTS OF FINANCIAL POSITION		
Cash	\$ 610,540	\$ 864,392
Cash restricted for long-term purposes	-	668,116
Total per statement of financial position	\$ 610,540	\$ 1,532,508
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 35,883	\$ 7,303

See Notes to Financial Statements.

Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Living History Farms Foundation (the Foundation) is a nonprofit corporation organized under the laws of the state of Iowa for the purpose of establishing farms of the past and future to be used for education, historical and scientific purposes in central Iowa.

Basis of Presentation

As required by the Not-for-Profit Entities Topic of the *FASB Accounting Standards Codification*, the Foundation reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions are those assets that have no donor-imposed stipulations. The Foundation's governing board may earmark portions of its net assets without donor restrictions as board-designated for various purposes.

Net assets with donor restrictions represent contributions or other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations. As donor-imposed stipulations expire, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

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 disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consists of deposits held in checking and savings accounts and certificates of deposit with initial terms of less than twelve months. Money market funds held in brokerage accounts are classified as investments.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventory consists of gift shop items.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities. Realized gains and investment income limited by restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as when recognized.

Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Pooled Investments

Pooled investments consist of assets held at the Community Foundation of Greater Des Moines (Community Foundation) under designated agency agreements and are carried at fair value, with gains and losses resulting from market fluctuations recognized in the period in which the fluctuations occur. The Foundation holds a share of the pooled funds and not direct ownership of the underlying investments. The funds are subject to policies and governing documents of the Community Foundation, including control over investment and asset management. Investment income is reported as an increase or decrease in net assets without donor restrictions, unless the use of the assets is restricted by the donor and the restrictions have not been met in the reporting period in which the income was recognized.

Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost using a capitalization threshold of \$3,500. Donated equipment is capitalized at fair value at the date of the gift. Assets are being depreciated primarily by the straight-line method over their estimated useful lives ranging from 3 to 39 years.

Collections

Collections consist primarily of 17th, 18th, and 19th century rural Midwest agricultural artifacts and buildings, acquired through purchase and contributions since the Foundation's inception. Through the leadership of its Board of Directors and staff, the Foundation strives to preserve, protect, and maintain the collection in perpetuity.

Purchases of collection items are recorded as decreases in net assets in the year in which the items are acquired. Proceeds from deaccession are used exclusively to acquire other items for the collection and are reflected as increases in the appropriate net asset class.

Recreations and renovations of historical property are capitalized and depreciated over the estimated useful lives of the assets.

Deferred Revenues

Deferred revenues consist primarily of membership dues collected in advance of the membership period and deposits on facility rental agreements.

Revenue Recognition

Membership dues are based upon annualized rates and are paid by the member at the beginning of each membership term. Revenue is recognized in equal monthly amounts over the membership term. Performance obligations are satisfied equally over the membership term. Amounts collected in advance of the membership period are recorded as deferred revenues until the period of performance.

Admissions and rental revenue is recorded as of the date of admission or the event. Performance obligations are satisfied at a point-in-time when admission or the event occur. Amounts collected in advance are recorded as deferred revenues until the period of performance.

Revenues from educational programs are recorded as of the date the programs are performed. Performance obligations are satisfied for these revenue streams at a point in time. Payment is generally due upon the date of service. Payments in advance of the service date are recorded as deferred revenue until the period of performance.

**Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Revenue is based on the billed amounts less allowances for credit losses. Accounts receivable are carried at the amount the Foundation expects to collect on balances outstanding at year end. An allowance for credit losses is recorded when accounts are determined to be uncollectible. As of December 31, 2025 and 2024, the Foundation considers all balances collectible, therefore, an allowance for credit losses has not been recorded.

The Foundation's revenues do not include significant financing components as performance obligations are satisfied within a year of receipt or payment. In addition, the Foundation's revenues do not include a significant amount of variable consideration.

Public Support

Contributions and grants received are recorded as without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions and grants are reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions are recognized as revenue when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Conditional promises to give are not recognized as revenue until the donor's conditions are substantially met. An allowance for doubtful accounts is provided based upon management's judgment, including such factors as prior collection history and nature of the contribution.

Unconditional contributions that are expected to be collected within one year are recorded at their net realizable value. Unconditional contributions that are expected to be collected in future years are recorded at fair value using present value techniques. Amortization of the discount is included in contribution revenue.

Contributed Nonfinancial Assets

Contributed nonfinancial assets are recorded in the financial statements at their estimated fair values at the date of receipt. The Foundation estimates the fair value of donated equipment at applicable lease rates for similar equipment. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. Donated support for the years ended December 31, 2025 and 2024 is as follows:

	Year ended December 31	
	2025	2024
Donated leased equipment	\$ 185,000	\$ 185,000
Supplies, special events	7,725	22,320
	\$ 192,725	\$ 207,320

Many individuals volunteer time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as donated services.

**Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Credit Risk

The Foundation at various times throughout the year has amounts on deposit with financial institutions in excess of FDIC limits.

Functional Expenses

The statement of functional expenses reports certain categories which are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. A majority of expenses are recorded to the applicable program or supporting function through the direct identification method. Insurance and information technology expenses are allocated based on the proportionate share of salaries and benefits.

Gift Cards

The Foundation previously sold gift cards. The Foundation does not charge administrative fees on unused gift cards and the gift cards do not have an expiration date. Revenue is recognized from gift cards when a) gift card is redeemed by the user or b) likelihood of the gift card being redeemed by the user is remote (gift card breakage) and the Foundation has determined there is no legal obligation to remit the value of the unredeemed gift cards to the relevant jurisdictions.

The Foundation has determined its gift card breakage rate based upon historical redemption patterns. Gift card breakage income is included in revenue in the statement of activities. Gift card breakage income was approximately \$575 in 2025 and \$2,600 in 2024.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Cash	\$ 610,540	\$ 864,392
Accounts receivable	2,258	1,100
Grants and contributions receivable	<u>153,579</u>	<u>132,484</u>
	<u>\$ 766,377</u>	<u>\$ 997,976</u>

The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation may invest cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments. A cash flow line of credit of up to \$500,000 is available to draw upon in the event of an unanticipated liquidity need.

Additionally, the Foundation has an unrestricted, board-designated endowment of approximately \$8,721,000. Although the Foundation does not intend to spend from its board-designated endowment other than the amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. As described in Note 10, the endowment policy has an allowable annual distribution equal to approximately five percent of the average market value. Under the endowment policy approximately \$530,000 of appropriations from the endowment will be available within the next 12 months.

**Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of unconditional grants and contributions in support of the Foundation's programs and capital campaign. The future collections of grants and contributions receivable are as follows:

	December 31, 2025			December 31, 2024		
	Program	Capital and endowment	Total	Program	Capital and endowment	Total
Due within one year	\$ 153,579	\$ 373,224	\$ 526,803	\$ 132,484	\$ 602,769	\$ 735,253
Due in two to five years	—	359,319	359,319	—	817,000	817,000
Total grants and contributions receivable	153,579	732,543	886,122	132,484	1,419,769	1,552,253
Less:						
Allowance for uncollectible accounts	—	(10,000)	(10,000)	—	—	—
Present value discount	—	(29,761)	(29,761)	—	(87,495)	(87,495)
Net grants and contributions receivable	<u>\$ 153,579</u>	<u>\$ 692,782</u>	<u>\$ 846,361</u>	<u>\$ 132,484</u>	<u>\$ 1,332,274</u>	<u>\$ 1,464,758</u>
Reconciliation to statements of financial position						
Grants and contributions receivable			\$ 153,579			\$ 132,484
Contributions receivable, restricted for long-term purposes			<u>692,782</u>			<u>1,332,274</u>
Totals			<u>\$ 846,361</u>			<u>\$ 1,464,758</u>

Grants and contributions receivable are reduced to the present value of estimated cash flows using discount rates ranging from 6.75% to 8.5%.

NOTE 4 INVESTMENTS AND INVESTMENT RETURN

Investments held at December 31, 2025 and 2024 are as follows:

	2025			2024		
	Fair value	Cost	Unrealized appreciation	Fair value	Cost	Unrealized appreciation
Money market funds	\$ 10,692	\$ 10,692	\$ —	\$ 97,226	\$ 97,226	\$ —
Pooled investments	250,435	227,461	22,974	234,166	209,727	24,439
Mutual funds	7,386,024	6,783,119	602,905	8,552,021	8,053,509	498,512
Exchange traded funds	3,223,585	2,901,791	321,794	1,442,489	1,436,554	5,935
Totals	<u>\$10,870,736</u>	<u>\$ 9,923,063</u>	<u>\$ 947,673</u>	<u>\$10,325,902</u>	<u>\$ 9,797,016</u>	<u>\$ 528,886</u>

Investment return for the years ended December 31, 2025 and 2024 is summarized as follows:

	Year ended December 31	
	2025	2024
Change in unrealized gains on investments	\$ 418,796	\$ 465,032
Realized gains (losses)	295,695	(281,198)
Interest and dividend income	587,436	519,487
Investment fees	(31,925)	(33,869)
Totals	<u>\$ 1,270,002</u>	<u>\$ 669,452</u>

**Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Foundation follows the Fair Value Measurements and Disclosures Topic of the *FASB Accounting Standards Codification*, which establishes a framework for measuring fair value and expands disclosures about fair value measurement. Fair value is defined as 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. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities, Level 1, and the lowest priority to unobservable inputs, Level 3. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are generally available indirect information, such as quoted prices for identical or similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active. Level 3 inputs are the most subjective, are generally based on management's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances. The Foundation had no Level 2 or 3 investments at December 31, 2025 and 2024.

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

Mutual funds and exchange-traded funds – These securities are valued at the daily closing price as reported by the fund. These funds are deemed to be actively traded.

Money market funds – Money market funds are valued at their cost basis plus accrued interest.

Pooled investments – Pooled investments consist of assets held by the Community Foundation of Greater Des Moines. The Foundation holds a share of the pooled funds and not direct ownership of the underlying investments. Although the pooled funds include investments in equity, fixed income, real assets, and other marketable securities, the pool itself is not a publicly traded instrument. Management estimates the fair value of its pooled investments at the statement of financial position date based on its relative ownership investment in the pool. All funds held at the Community Foundation of Greater Des Moines are measured at fair value using the net asset value per share, or its equivalent, practical expedient. At December 31, 2025 and 2024, the investment allocation of the pooled funds held by the Community Foundation was as follows:

	December 31	
	2025	2024
Cash	6 %	1 %
Fixed income	59	66
Domestic equity	22	21
International equity	13	12
Total	100 %	100 %

**Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following schedules provide information regarding the fair value hierarchy of the Foundation's investments at December 31, 2025 and 2024.

<u>December 31, 2025</u>	<u>Fair value</u>	<u>Fair Value Measurements Using:</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 10,692	\$ 10,692	\$ —	\$ —
Mutual funds				
Alternative	1,259,881	1,259,881	—	—
Blend	1,199,699	1,199,699	—	—
Value	364,572	364,572	—	—
International	912,987	912,987	—	—
Bond	2,641,630	2,641,630	—	—
Growth	1,007,255	1,007,255	—	—
Total mutual funds	<u>7,386,024</u>	<u>7,386,024</u>	<u>—</u>	<u>—</u>
Exchange traded funds				
Blend	332,187	332,187	—	—
Value	806,742	806,742	—	—
International	582,047	582,047	—	—
Growth	1,502,609	1,502,609	—	—
Total exchange traded funds	<u>3,223,585</u>	<u>3,223,585</u>	<u>—</u>	<u>—</u>
Total investments in the fair value hierarchy	10,620,301	<u>\$ 10,620,301</u>	<u>\$ —</u>	<u>\$ —</u>
Investments measured at net asset value (1)	<u>250,435</u>			
Investments, at fair value	<u>\$ 10,870,736</u>			

<u>December 31, 2024</u>	<u>Fair value</u>	<u>Fair Value Measurements Using:</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 97,226	\$ 97,226	\$ —	\$ —
Mutual funds				
Alternative	567,056	567,056	—	—
Blend	530,250	530,250	—	—
Value	1,354,811	1,354,811	—	—
International	1,055,119	1,055,119	—	—
Bond	3,374,290	3,374,290	—	—
Growth	1,670,495	1,670,495	—	—
Total mutual funds	<u>8,552,021</u>	<u>8,552,021</u>	<u>—</u>	<u>—</u>
Exchange traded funds				
Blend	300,770	300,770	—	—
Value	349,943	349,943	—	—
International	543,460	543,460	—	—
Growth	248,316	248,316	—	—
Total exchange traded funds	<u>1,442,489</u>	<u>1,442,489</u>	<u>—</u>	<u>—</u>
Total investments in the fair value hierarchy	10,091,736	<u>\$ 10,091,736</u>	<u>\$ —</u>	<u>\$ —</u>
Investments measured at net asset value (1)	<u>234,166</u>			
Investments, at fair value	<u>\$ 10,325,902</u>			

**Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

(1) Certain investments that were measured at net asset value per share, or its equivalent, have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

Investments Measured Using the Net Asset per Share Practical Expedient

	Fair value as of December 31		Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
	2025	2024			
Pooled investments	\$ 250,435	\$ 234,166	None	Daily	None

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	December 31	
	2025	2024
Land	\$ 1,793,033	\$ 1,793,033
Buildings	11,043,113	7,157,472
Improvements to historical property	1,512,777	1,512,777
Improvements to buildings and equipment	3,403,282	2,969,078
Equipment	1,689,513	579,358
Construction in progress	441,671	3,746,085
	<u>19,883,389</u>	<u>17,757,803</u>
Less accumulated depreciation	9,953,751	9,536,951
Property and equipment, net	<u>\$ 9,929,638</u>	<u>\$ 8,220,852</u>

Construction in progress at December 31, 2025 includes design and construction costs related to renovations to the Learning Center. The project is funded through contributions from the public, grants, and debt financing.

NOTE 7 LINES OF CREDIT

The Foundation has entered into a line of credit agreement with a bank to borrow up to \$500,000. Interest is computed based upon the Wall Street Journal U.S. prime rate which was 6.75% at December 31, 2025. The line of credit matures on December 5, 2027. As of December 31, 2025 the outstanding balance on the line of credit was \$55,000.

The Foundation has entered into a construction line of credit agreement with a bank to borrow up to \$1,300,000. Interest is computed based upon the Wall Street Journal U.S. prime rate plus 0.5% which was 7.25% at December 31, 2025. The line of credit matures on January 10, 2027. As of December 31, 2025 the outstanding balance on the line of credit was \$542,827.

NOTE 8 LONG-TERM DEBT

The Foundation entered into a fixed rate term construction loan agreement with a bank for the renovation of the Learning Center. The loan matures on November 24, 2036 and requires annual principal payments of \$82,700 through 2036. The loan requires interest only payments until November 2027. Interest accrues on the note at a rate of 5.94% through November 2031, at which time the rate will be adjusted to 2.15% above the 5 year Constant Maturity Treasury Rate Index. The loan is secured by investment assets. As of December 31, 2025, the Foundation has drawn \$330,000 of the available \$827,000 on the note.

**Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 LONG-TERM DEBT (continued)

Future maturities on the note are as follows:

Year ending December 31

2026	\$	-
2027		82,700
2028		82,700
2029		82,700
2030		<u>81,900</u>
Total	<u>\$</u>	<u>330,000</u>

NOTE 9 NET ASSETS

The Foundation's net asset restrictions are as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Net assets without donor restrictions		
Board designated endowment	\$ 8,721,126	\$ 8,271,359
Undesignated	<u>9,248,410</u>	<u>5,315,698</u>
Total net assets without donor restrictions	<u>17,969,536</u>	<u>13,587,057</u>
Net assets with donor restrictions		
Subject to expenditure for specific purpose		
Day Camp scholarships	12,224	6,443
Future events and programs	201,437	159,621
Site improvements and maintenance	82,738	76,451
Capital campaign expenditures	692,782	4,168,734
Endowment income	200,726	163,202
W.T. and Edna M. Dahl Endowment Fund for Tangen & Implement Dealer	<u>254,262</u>	<u>204,064</u>
	<u>1,444,169</u>	<u>4,778,515</u>
Held in perpetuity		
Day Camp scholarship endowment	5,000	5,000
Employee support and recognition endowment	20,000	20,000
General endowment	643,125	642,717
Internship program	70,000	70,000
Site maintenance endowments	213,749	213,749
W.T. and Edna M. Dahl Endowment Fund for Tangen & Implement Dealer	<u>660,000</u>	<u>660,000</u>
	<u>1,611,874</u>	<u>1,611,466</u>
Total net assets with donor restrictions	<u>3,056,043</u>	<u>6,389,981</u>
Total net assets	<u>\$ 21,025,579</u>	<u>\$ 19,977,038</u>

Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS

NOTE 9 NET ASSETS (continued)

Net assets during the years ended December 31, 2025 and 2024, were released from donor restrictions by incurring expenses satisfying the restricted purposes.

	Year ended December 31	
	2025	2024
Purpose and time restrictions accomplished and reclassifications made		
Day Camp scholarships	\$ 8,869	\$ 9,478
Endowment earnings appropriated for expenditure	97,315	239,206
Events and programs	263,664	228,410
Capital campaign expenditures	4,406,087	139,527
Site improvements and maintenance	4,704	21,668
W.T. and Edna M. Dahl Endowment Fund for Tangen & Implement Dealer	56,069	9,160
Totals	\$ 4,836,708	\$ 647,449

NOTE 10 ENDOWMENT FUNDS

The Foundation's endowment funds consist of board designated endowment net assets, donor restricted net assets which are available for scholarships and improvements to various sites, and donor restricted net assets to be held in perpetuity which provide that the principal be invested in perpetuity and the income only be used. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation follows the endowment fund disclosure requirements as required by the Not-For-Profit Entities Topic of *FASB Accounting Standards Codification* as well as the Uniform Prudent Management of Institutional Funds Act (Act) which was adopted as law in the State of Iowa. The Board of Directors of the Foundation has adopted the practice of preserving the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets held in perpetuity (a) original value of gifts donated to the permanent endowment, (b) original value of subsequent gifts to the permanent endowment, and (c) to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds. The remaining portion of the donor-restricted endowment funds that is not classified as net assets held in perpetuity is classified as term endowments until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by the Act. In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

In addition to the endowment funds described above, the Foundation's Board of Directors has designated net assets without donor restrictions as endowment funds.

Per the Foundation's statement of investment policy and objectives, the assets of the endowment fund are to be invested with the objective of preserving the purchasing power of the assets while simultaneously providing program support. Accordingly, the investment process seeks to achieve a net return of 7%, annualized, in order to keep the corpus whole with inflation after spending. Endowment assets are invested in a well-diversified asset mix that is intended to result in a tolerable level of asset risk.

Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS

NOTE 10 ENDOWMENT FUNDS (continued)

Allowable annual distributions from the endowment will be equal to five percent of the average market value of the assets, as determined using a three year trailing average. An additional one percent distribution may be approved by the board of directors annually for the purpose of funding capital expenditures beyond the scope of the annual operating budget.

Endowment net asset composition by type of fund as of December 31, 2025 and 2024 is as follows:

	<u>2025</u>			<u>2024</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 8,721,126	\$ —	\$ 8,721,126	\$ 8,271,359	\$ —	\$ 8,271,359
Donor-restricted endowment funds						
Original donor-restricted gift amounts required to be held in perpetuity	—	1,611,874	1,611,874	—	1,611,466	1,611,466
Accumulated investments gains	—	454,988	454,988	—	367,266	367,266
Term endowments	—	82,748	82,748	—	75,810	75,810
Total endowment funds	<u>\$ 8,721,126</u>	<u>\$ 2,149,610</u>	<u>\$10,870,736</u>	<u>\$ 8,271,359</u>	<u>\$ 2,054,542</u>	<u>\$10,325,901</u>

The changes in endowment funds for the years ended December 31, 2025 and 2024 are as follows:

	<u>2025</u>			<u>2024</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Balance, beginning of year	\$ 8,271,359	\$ 2,054,542	\$10,325,901	\$ 8,176,381	\$ 2,182,952	\$10,359,333
Contributions	—	408	408	24,498	310	24,808
Investment return, net	1,017,254	252,748	1,270,002	528,628	140,824	669,452
Appropriated for expenditure	<u>(567,487)</u>	<u>(158,088)</u>	<u>(725,575)</u>	<u>(458,148)</u>	<u>(269,544)</u>	<u>(727,692)</u>
Balance, end of year	<u>\$ 8,721,126</u>	<u>\$ 2,149,610</u>	<u>\$10,870,736</u>	<u>\$ 8,271,359</u>	<u>\$ 2,054,542</u>	<u>\$10,325,901</u>

NOTE 11 EMPLOYEE BENEFIT PLAN

The Foundation has a 401(k) plan for the benefit of eligible employees. The plan allows eligible employees to defer a portion of their annual compensation, pursuant to Section 401(k) of the Internal Revenue Code. Foundation contributions are determined as a percentage of compensation and totaled \$42,139 in 2025 and \$33,235 in 2024.

NOTE 12 INCOME TAXES

The Foundation is a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and does not pay income tax on exempt-purpose income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) for an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated their material tax positions and determined there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosures in the financial statements. The Foundation is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. Management believes the Foundation is no longer subject to income tax examinations for years ended prior to December 31, 2022.

**Living History Farms Foundation
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through March 8, 2026, the date which the financial statements were available to be issued. There were no subsequent events required to be accrued or disclosed.

SUPPLEMENTARY INFORMATION

**Living History Farms Foundation
BRAVO ALLOCATIONS**

	<u>Year ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Contributions received from Bravo Greater Des Moines	<u>\$ 113,025</u>	<u>\$ 93,000</u>

Bravo Greater Des Moines works to strengthen arts, culture and heritage organizations across central Iowa using an accountable, regional and collaborative model to provide funding and support. Using funds contributed by local government partners, Bravo invests in arts, culture and heritage organizations that contribute to and enhance the quality of life in Greater Des Moines for residents and visitors. The following local governments provide this critical financial support through 28E agreements with Bravo: Altoona, Ankeny, Bondurant, Carlisle, Clive, Des Moines, Grimes, Indianola, Johnston, Norwalk, Pleasant Hill, Polk City, Polk County, Urbandale, Waukee, Windsor Heights, and West Des Moines.