

**ALLEN COUNTY – FORT WAYNE  
HISTORICAL SOCIETY, INC.  
AND ITS SUBSIDIARY**

**FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2025 with  
Summarized Information for June 30, 2024**

## TABLE OF CONTENTS

	<b>PAGE NO.</b>
INDEPENDENT AUDITORS' REPORT .....	1
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities.....	4
Consolidated Statement of Functional Expenses .....	5
Consolidated Statement of Cash Flows.....	6
Notes to Consolidated Financial Statements.....	7



**Dulin, Ward & DeWald, Inc.**  
CPAs & ADVISORS

9921 Dupont Circle Drive West, Suite 300  
Fort Wayne, IN 46825  
260.423.2414  
800.232.8913  
Fax 260.423.2419  
www.dwdcpa.com

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Offices Located in Ft. Wayne and Marion Indiana

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Allen County - Fort Wayne Historical Society, Inc.  
and its subsidiary  
Fort Wayne, Indiana

### Opinion

We have audited the accompanying consolidated financial statements of Allen County - Fort Wayne Historical Society, Inc. and its subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen County - Fort Wayne Historical Society, Inc. and its subsidiary as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Allen County - Fort Wayne Historical Society, Inc. and its subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Allen County - Fort Wayne Historical Society, Inc. and its subsidiary'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Allen County - Fort Wayne Historical Society, Inc. and its subsidiary'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 Allen County - Fort Wayne Historical Society, Inc. and its subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited Allen County - Fort Wayne Historical Society, Inc. and its subsidiary's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



Fort Wayne, Indiana  
December 5, 2025

**ALLEN COUNTY - FORT WAYNE HISTORICAL SOCIETY, INC.  
AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2025 with Summarized Information for June 30, 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 109,316	\$ 413,656
Contributions receivable - net	499,200	38,000
Accounts receivable	19,078	8,907
Inventories	19,916	18,091
Prepaid expenses	4,300	4,452
Investments	1,164,986	858,604
Cash restricted for long-term purposes	75,000	-
Beneficial interest	228,898	122,649
Operating lease right-of-use assets	2,930	3,980
Land, building and equipment - net	4,690,607	4,773,830
Historical collections	-	-
	-	-
<b>Total Assets</b>	<b>\$ 6,814,231</b>	<b>\$ 6,242,169</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 19,072	\$ 4,829
Accrued expenses	10,745	8,353
Deferred revenue	16,289	16,289
Refundable advance	-	12,303
Operating lease liabilities	2,930	3,980
	2,930	3,980
<b>Total Liabilities</b>	49,036	45,754
Net assets:		
Without donor restriction	5,571,004	5,574,543
With donor restriction	1,194,191	621,872
	6,765,195	6,196,415
<b>Total Net Assets</b>	<b>6,765,195</b>	<b>6,196,415</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,814,231</b>	<b>\$ 6,242,169</b>

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

**ALLEN COUNTY - FORT WAYNE HISTORICAL SOCIETY, INC.  
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

Year Ended June 30, 2025 with Summarized  
Information for the Year Ended June 30, 2024

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>2025 Total</b>	<b>2024 Total</b>
<b>CHANGES IN NET ASSETS</b>				
<b>Support, Revenues and Gains</b>				
Contributions and grants	\$ 453,133	\$ 38,000	\$ 491,133	\$ 531,652
Government grants	49,267	541,200	590,467	62,760
Special events:				
Proceeds	65,766	4,350	70,116	74,614
Less direct benefit to donors	(5,282)	-	(5,282)	(8,540)
Memberships	24,970	-	24,970	20,592
Admissions	13,900	-	13,900	14,204
Gift shop sales - net of cost of goods sold of \$2,928 (2025) and \$5,383 (2024)	2,111	-	2,111	(1,268)
Rent income	65,005	-	65,005	63,093
Other income	2,515	-	2,515	1,715
Investment income - net	30,130	8,577	38,707	24,784
Gain on investments	34	33,702	33,736	32,027
Gain on beneficial interest	10,330	1,840	12,170	9,851
<b>Net Assets Released From Restrictions</b>	<b>55,350</b>	<b>(55,350)</b>	<b>-</b>	<b>-</b>
<b>Total Support, Revenues and Gains</b>	<b>767,229</b>	<b>572,319</b>	<b>1,339,548</b>	<b>825,484</b>
<b>Expenses:</b>				
Museum	540,684	-	540,684	556,199
Gift shop	13,224	-	13,224	29,769
Management and general	169,593	-	169,593	173,719
Fundraising	47,267	-	47,267	50,052
<b>Total Expenses</b>	<b>770,768</b>	<b>-</b>	<b>770,768</b>	<b>809,739</b>
<b>CHANGE IN NET ASSETS</b>	<b>(3,539)</b>	<b>572,319</b>	<b>568,780</b>	<b>15,745</b>
<b>NET ASSETS - beginning of year</b>	<b>5,574,543</b>	<b>621,872</b>	<b>6,196,415</b>	<b>6,180,670</b>
<b>NET ASSETS - end of year</b>	<b>\$ 5,571,004</b>	<b>\$ 1,194,191</b>	<b>\$ 6,765,195</b>	<b>\$ 6,196,415</b>

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

**ALLEN COUNTY - FORT WAYNE HISTORICAL SOCIETY, INC.  
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2025 with Summarized  
Information for the Year Ended June 30, 2024

	Museum	Gift Shop	Management and General
Salaries	\$ 216,242	\$ 11,043	\$ 56,269
Employee benefits	25,747	-	4,483
Payroll taxes	15,665	845	3,912
<b>Total Salaries and Related Expenses</b>	257,654	11,888	64,664
Occupancy	124,382	-	24,809
Insurance	21,246	84	8,007
Legal and accounting	-	-	21,800
Printing and publications	17,454	-	853
Supplies	-	-	5,901
Advertising and promotion	4,396	-	-
Telephone and internet	2,106	-	4,661
Equipment rent and maintenance	-	-	5,452
Other expenses	-	-	4,620
Postage and shipping	3,323	-	823
Educational programs	3,885	-	-
Exhibits	3,844	-	-
Payroll service fees	-	-	2,529
Credit card fees	-	1,252	-
Contracted labor	1,525	-	-
Dues and subscriptions	229	-	707
Conferences, conventions and meetings	-	-	408
Bank and filing fees	-	-	381
Travel and entertainment	-	-	47
<b>Total Expenses Before Depreciation</b>	440,044	13,224	145,662
Depreciation	100,640	-	23,931
<b>Statement of Activities Functional Expenses</b>	540,684	13,224	169,593
Expenses included in support and revenue:			
Direct benefit to donors	-	-	-
Cost of goods sold	-	2,928	-
<b>Total Functional Expenses</b>	<u>\$ 540,684</u>	<u>\$ 16,152</u>	<u>\$ 169,593</u>

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

<b>Fundraising</b>	<b>2025 Total</b>	<b>2024 Total</b>
\$ 29,241	\$ 312,795	\$ 292,134
1,494	31,724	31,954
2,115	22,537	21,153
<hr/>	<hr/>	<hr/>
32,850	367,056	345,241
-	149,191	144,695
221	29,558	25,732
-	21,800	19,370
2,399	20,706	29,632
6,834	12,735	12,829
2,440	6,836	7,818
-	6,767	7,334
-	5,452	5,458
815	5,435	5,112
427	4,573	6,277
-	3,885	5,315
-	3,844	6,485
-	2,529	1,967
1,181	2,433	3,108
100	1,625	2,275
-	936	1,558
-	408	77
-	381	313
-	47	287
<hr/>	<hr/>	<hr/>
47,267	646,197	630,883
<hr/>	<hr/>	<hr/>
-	124,571	178,856
<hr/>	<hr/>	<hr/>
47,267	770,768	809,739
5,282	5,282	8,540
-	2,928	5,383
<hr/>	<hr/>	<hr/>
<u>\$ 52,549</u>	<u>\$ 778,978</u>	<u>\$ 823,662</u>

**ALLEN COUNTY - FORT WAYNE HISTORICAL SOCIETY, INC.**  
**AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year Ended June 30, 2025 with Summarized  
Information for the Year Ended June 30, 2024

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 568,780	\$ 15,745
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Contributions restricted for long term purposes	(546,200)	(50,000)
Increase (decrease) in present value discount	33,800	(1,500)
Reinvested interest - net	(32,812)	(21,665)
Reinvested interest in beneficial interest - net	(5,886)	(3,111)
(Gain) loss on investments	(33,736)	(32,027)
(Gain) loss on beneficial interest	(12,170)	(9,851)
Depreciation	124,571	178,856
Change in assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	38,000	60,000
Accounts receivable	(10,171)	3,103
Inventories	(1,825)	(470)
Prepaid expenses	152	1,652
Increase (decrease) in:		
Accounts payable	14,243	(27,487)
Accrued expenses	2,392	(580)
Deferred memberships	-	2,913
Refundable advance	(12,303)	(11,097)
<b>Cash Flows From Operating Activities</b>	126,835	104,481
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(255,000)	(50,000)
Distributions from investments	15,166	15,192
Purchase of beneficial interest	(95,650)	-
Distributions from beneficial interest	7,457	4,990
Purchase of land, building and equipment	(41,348)	(101,165)
<b>Cash Flows From Investing Activities</b>	(369,375)	(130,983)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for long term purposes	546,200	50,000
Contributions receivable for long term purposes	(533,000)	-
<b>Cash Flows From Financing Activities</b>	13,200	50,000
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(229,340)	23,498
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - beginning of year</b>	413,656	390,158
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - end of year</b>	\$ 184,316	\$ 413,656

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

**ALLEN COUNTY - FORT WAYNE HISTORICAL SOCIETY, INC.  
AND ITS SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2025 and 2024**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Allen County - Fort Wayne Historical Society, Inc. (Society) promotes and augments the teaching of history as well as educates the public in history, especially in and of Allen County, Fort Wayne and the State of Indiana. The activities of the Society consist principally of the operation of a public museum of historic and prehistoric relics and natural and/or curiosities and specimens of art, nature, industry and commerce.

History Center Hayden Street Annex, LLC is a single member LLC owned by the Society. The LLC was created in 2011 to hold land on which a cell phone tower stands.

The consolidated financial statements include the accounts of the Allen County – Fort Wayne Historical Society, Inc. and its wholly-owned subsidiary, History Center Hayden Street Annex, LLC. All intercompany accounts and transactions have been eliminated in consolidation.

**Income Taxes**

The Society is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

**Recent Accounting Guidance**

During 2024, the Society adopted ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326). The ASU and its related amendments replace the previous expected credit loss methodology with a new incurred loss methodology. The new standard applies to financial instruments including, but not limited to, trade receivables. Under the new standard, organizations must consider historical information, current conditions and a reasonable forecast period when estimating credit loss. The adoption of the standard had no material impact on the Society's financial statements.

**Estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(continued)

## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Society considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

### **Contributions Receivable**

The Organization recognizes pledges as public support in the year that a firm pledge is made, and if necessary provides an allowance for uncollectible contributions receivable equal to the estimated collection losses that will be incurred in collection of all pledges. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing receivables.

### **Accounts Receivable**

Accounts receivable are stated at the amount of consideration from customers, of which the Society has an unconditional right to receive. Based on management's assessment of the credit history with payees having outstanding balances and current relationships with them, it has been concluded that credit losses on balances outstanding at year-end will be immaterial.

### **Inventories**

Gift shop inventories for sale to the public are carried at the lower of first-in, first-out cost or market.

### **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. These investments are initially recorded at cost if they were purchased or at their fair market value on the date of the gift if they were received as a donation. Unrealized gains and losses are included in the statement of activities change in net assets.

### **Right-of-Use Leased Assets and Liabilities**

The Society determines if an arrangement is a lease at the inception of the contract. The right-of-use assets represent the Society's right to use the underlying assets for the lease term and the lease liabilities represent the Society's obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease term includes any option to extend the lease when it is reasonably certain that the Society will exercise that option. Absent an implicit rate, the Society will use a risk-free rate in determining the present value of lease payments. Lease expense for payments on these leases is recognized on a straight-line basis over the terms of the leases and are reflected in the consolidated statement of functional expenses.

(continued)

## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

The Society elected the package of practical expedients and to not separate lease and non-lease components for all leases. The Society has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

### **Land, Building and Equipment**

Land, building and equipment with a cost or donated value of \$1,000 or more and a useful life in excess of one year are capitalized. The Society follows the policy of providing depreciation (except for the museum and the Richardville House, which are historical landmarks) on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets.

### **Historical Collections**

The collections, which were acquired through purchases and contributions since the Society's inception, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded as decreases in net assets without donor restriction in the year in which the items are acquired or as net assets with donor restriction if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset classes.

### **Deferred Revenue**

Deferred revenue consist of payments for membership fees and rent income received in advance for future periods.

### **Net Assets**

Net assets without donor restrictions are available for use at the discretion of the Society's management and the board of directors. From time to time the board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Society reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(continued)

## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

### **Revenue and Revenue Recognition**

The Society recognizes contributions and grants as public support when cash, other assets or an unconditional promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Government grants are recognized as revenue when the unconditional promise is received or when the measurable performance or other barrier and right of return no longer exist.

Contributed nonfinancial assets are recognized as revenue and expense or capital assets and are recorded at market value on the date received. The Society also receives substantial contributions of nonprofessional services. The fair market value of the donated nonprofessional services is not reflected in the financial statements because it does not meet the recognition criteria set forth in FASB ASC 958-605.

The Society records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Memberships represent an exchange transaction and are recognized over the one-year membership period. The Society recognizes revenue from admissions when services are provided. Gift shop sales are recognized at the time of purchase. With the exception of goods and services provided in connection with memberships, which are transferred over the period of membership, all services are transferred at a point in time.

The Society receives rental income from nonrecurring use of its building space. Rental income is recognized as revenue at the time building space is provided.

Other income is recognized as revenue when received.

### **Functional Allocation of Expense**

The costs of providing the Society's programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses allocated based on time and effort include salaries and related expenses, occupancy, insurance, and contracted labor. Depreciation is allocated based on capital asset category.

(continued)

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(continued)

**Other Matters**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

**Reclassifications**

Certain reclassifications have been made to conform prior year's financial statement to current presentation. The reclassifications have no effect on the previously reported operational results.

**Subsequent Events**

Management has evaluated subsequent events through December 5, 2025 the date which the financial statements were available for issue.

2. **CONTRIBUTIONS RECEIVABLE**

Contributions receivable consists of the following:

	<b>2025</b>	<b>2024</b>
Contributions receivable	\$ 533,000	\$ 38,000
Less unamortized present value discount (3.61%)	<u>33,800</u>	<u>-</u>
Net contributions receivable	<u>\$ 499,200</u>	<u>\$ 38,000</u>
Amounts due in:		
Less than one year	\$ 158,000	\$ 38,000
One to five years	375,000	-
More than five years	<u>-</u>	<u>-</u>
	<u>\$ 533,000</u>	<u>\$ 38,000</u>

The Society has received notification of a conditional grant in the amount of up to \$500,000 for window replacement, roof repair and Barr Street Market repair. The expected funding is to be received on a reimbursement basis and has not been recorded as an asset of the Society as of June 30, 2025. Total reimbursements as of June 30, 2025 were \$489,084.

### 3. BENEFICIAL INTEREST

The beneficial interest of \$228,898 at June 30, 2025 and \$122,649 at June 30, 2024 consists of funds held by the Community Foundation of Greater Fort Wayne (Foundation) which are the result of an agreement whereby the Society has transferred assets to the Foundation and has specified itself as the beneficiary of the assets. The Society may draw up to a certain percent of the value of the assets each year but may only obtain a return of the full value of the asset upon consent of the Foundation.

Additionally, the Foundation holds other investment assets, with a value of \$72,386 at June 30, 2025 and \$58,068 at June 30, 2024, for the benefit of the Society for which it has retained variance power. These assets are not recorded as assets of the Society.

### 4. INVESTMENTS

Investments at June 30 are summarized as follows:

	2025	2024
Investments		
Equities:		
Exchange traded funds	\$ 231,989	\$ 171,152
Mutual funds	56,603	91,763
Fixed income:		
Certificates of deposit	690,000	413,932
Mutual funds	151,371	126,767
Exchange traded funds	<u>32,195</u>	<u>42,739</u>
	1,162,158	846,353
Cash and cash equivalents	<u>2,828</u>	<u>12,251</u>
	<u>\$ 1,164,986</u>	<u>\$ 858,604</u>

### 5. FAIR VALUE MEASUREMENT

Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

(continued)

**5. FAIR VALUE MEASUREMENT (continued)**

*Level 1.* Unadjusted quoted prices in active markets for identical assets and liabilities.

*Level 2.* Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets or liabilities in inactive markets.

*Level 3.* Unobservable inputs reflecting management’s own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

*Investments.* Value determined by reference to quoted market prices and other relevant information generated by market transactions.

*Beneficial Interest.* Value based upon the Society’s proportionate share of the Community Foundation of Greater Fort Wayne’s pooled investment portfolio.

Fair value of assets and liabilities measured on a recurring basis at June 30, 2025 are as follows:

	<b>Level 1</b>	<b>Level 3</b>
Investments		
Equities:		
Exchange traded funds	\$ 231,989	\$ -
Mutual funds	56,603	-
Fixed income:		
Certificates of deposit	690,000	-
Mutual funds	151,371	-
Exchange traded funds	32,195	-
Beneficial interest	<u>-</u>	<u>228,898</u>
	<u>\$ 1,162,158</u>	<u>\$ 228,898</u>

(continued)

**5. FAIR VALUE MEASUREMENT (continued)**

Fair value of assets and liabilities measured on a recurring basis at June 30, 2024 are as follows:

	<b>Level 1</b>	<b>Level 3</b>
Investments		
Equities:		
Exchange traded funds	\$ 171,152	\$ -
Mutual funds	91,763	-
Fixed income:		
Certificates of deposit	413,932	-
Exchange traded funds	126,767	-
Mutual funds	42,739	-
Beneficial interest	<u>-</u>	<u>122,649</u>
	<u>\$ 846,353</u>	<u>\$ 122,649</u>

Following is a reconciliation of activity for assets and liabilities measured at fair value based on significant unobservable inputs (Level 3) for the year ending June 30:

	<b>2025</b>	<b>2024</b>
Beginning balance – beginning of year	\$ 122,649	\$ 114,677
Total gains and losses included in change in net assets:		
Interest and dividends	6,825	3,709
Unrealized gain (loss)	10,914	5,894
Realized gain (loss)	1,256	3,957
Contributions	95,650	-
Investment fees	(939)	(598)
Distributions	<u>(7,457)</u>	<u>(4,990)</u>
Ending balance – end of year	<u>\$ 228,898</u>	<u>\$ 122,649</u>

## 6. OPERATING LEASES – RIGHT-OF-USE ASSETS AND LIABILITIES

The following leases related assets and liabilities are recorded on the statement of financial position as of June 30.

	2025	2024
Assets:		
Operating lease right-of-use assets	<u>\$ 2,930</u>	<u>\$ 3,980</u>
Liabilities:		
Operating lease liabilities	<u>\$ 2,930</u>	<u>\$ 3,980</u>

The Society leases equipment under an operating lease expiring in fiscal year 2028. Total rental expense under these leases was \$1,200 for 2025 and \$1,200 for 2024.

Minimum future lease payments under noncancelable leases having initial or remaining terms of one year or more as of June 30, 2025 for each of the next five years and in the aggregate are:

2026	\$ 1,200
2027	1,200
2028	700
2029	-
2030	-
2031 and thereafter	<u>-</u>
	3,100
Less imputed interest	<u>170</u>
Operating lease liabilities	<u>\$ 2,930</u>
Weighted average remaining lease term	2.58 years
Weighted average discount rate	4.52%

## 7. LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at June 30:

	2025	2024
Building improvements	\$ 3,785,357	\$ 3,744,009
Building - offsite storage	311,781	311,781
Furniture and equipment	166,475	166,475
Website	<u>7,860</u>	<u>7,860</u>
	4,271,473	4,230,125
Less accumulated depreciation	<u>2,757,062</u>	<u>2,632,491</u>
	1,514,411	1,597,634
Land - Museum, Richardville House and Barr Street Market	186,080	186,080
Land - offsite storage	5,000	5,000
Building - Museum and Richardville House	<u>2,985,116</u>	<u>2,985,116</u>
	<u>\$ 4,690,607</u>	<u>\$ 4,773,830</u>

The City of Fort Wayne has a reversionary interest on the Society's Museum and Barr Street Market properties. If the Museum property ceases to be used for historical society purposes or the Barr Street Market property ceases to be used for market purposes, the properties will revert back to the City of Fort Wayne.

## 8. LINE OF CREDIT

The Society has entered into an unsecured line of credit agreement with PNC Bank. The agreement provides for maximum borrowing of \$50,000 with interest at 9.50% at June 30, 2025. No amount was outstanding on the line at June 30, 2025 or June 30, 2024.

## 9. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Society receives membership fees from customers that are recognized over the membership period. Advance payment of other fees are recognized when the goods or services are provided. Membership fees paid in advance for future periods are nonrefundable and recorded in deferred revenue at June 30. The following table provides information about significant changes in deferred revenue for the year ended June 30:

(continued)

**9. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)**

	<b>2025</b>	<b>2024</b>
Deferred revenue – beginning of year	\$ 16,289	\$ 13,376
Revenue recognized during the year for performance obligations satisfied in the year	(16,289)	(13,376)
Cash received for future performance obligations	<u>16,289</u>	<u>16,289</u>
Deferred revenue – end of year	<u>\$ 16,289</u>	<u>\$ 16,289</u>

**10. REFUNDABLE ADVANCE**

During 2023, the Society was awarded a grant from the City of Fort Wayne for the State and Local Fiscal Recovery Funds (ARPA) totaling \$46,800. As of June 30, 2024, a portion of the grant had been received but expenses have not been incurred, as such the amount received and not expended of \$12,303 has been recorded as a refundable advance on the statement of financial position at June 30, 2024. The balance of \$12,303 was expended during fiscal year 2025.

**11. NET ASSETS**

Net assets with donor restrictions are restricted for the following at June 30:

	<b>2025</b>	<b>2024</b>
Time:		
Future periods – due in one year	\$ 33,000	\$ 38,000
Specific purpose:		
Exhibits and interpretive enhancements	541,200	-
Exhibits	109,692	110,557
2025 Festival of Gingerbread	4,350	-
School transportation fund	4,254	4,430

(continued)

**11. NET ASSETS (continued)**

	<b>2025</b>	<b>2024</b>
Endowment:		
Permanent endowment	\$ 375,285	\$ 370,285
90 <sup>th</sup> anniversary endowment fund	19,008	19,008
Unappropriated endowment earnings	<u>107,402</u>	<u>79,592</u>
	<u>501,695</u>	<u>468,885</u>
	<u>\$ 1,194,191</u>	<u>\$ 621,872</u>

Net assets were released from donor restrictions as follows for the periods ending June 30:

	<b>2025</b>	<b>2024</b>
Satisfaction of time restrictions:		
Future periods	\$ 38,000	\$ 58,000
Satisfaction of purpose restrictions:		
Exhibits	865	71,750
School transportation fund	176	393
Appropriation of endowment earnings - operations	<u>16,309</u>	<u>16,286</u>
	<u>\$ 55,350</u>	<u>\$ 146,429</u>

Net assets without donor restrictions are as follows:

	<b>2025</b>	<b>2024</b>
Board designated – improvement fund	\$ 309,328	\$ 276,134
Board designated – unexpected expenses	264,000	234,500
Board designated – collections fund	4,498	4,678
Board designated – endowment	<u>99,030</u>	<u>-</u>
	676,856	515,312
Undesignated	<u>4,894,148</u>	<u>5,059,231</u>
	<u>\$ 5,571,004</u>	<u>\$ 5,574,543</u>

## 12. ENDOWMENT

Allen County-Fort Wayne Historical Society, Inc. has currently invested its donor-restricted endowment funds in investment accounts with a mixture of equities, fixed income, alternative investments and cash and cash equivalents. The endowments have been established for operating the Society and the Heritage Education Fund program expenses. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

### **Interpretation of Relevant Law**

The Board of Directors of Allen County-Fort Wayne Historical Society, Inc. has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of 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 Society retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations 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 fund. The remaining portion of the donor-restricted endowment fund not retained in perpetuity are subject to appropriation for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Society and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Society
- (7) The investment policies of the Society.

(continued)

12. **ENDOWMENT** (continued)

**Endowment Net Asset Composition by Type of Fund as of June 30:**

	2025	2024
Endowment net assets with donor restrictions:		
Original donor restricted gift amount required to be maintained in perpetuity by donor	\$ 394,293	\$ 389,293
Unappropriated earnings	<u>107,402</u>	<u>79,592</u>
Total endowment funds with donor restrictions	501,695	468,885
Board designated endowment	<u>99,030</u>	<u>-</u>
 Total funds	 <u>\$ 600,725</u>	 <u>\$ 468,885</u>

**Changes in Endowment Net Assets for the Year Ended June 30, 2025:**

	<b>Board Designated</b>	<b>Donor Restricted</b>	<b>Total</b>
Endowment net assets - beginning of year	\$ -	\$ 468,885	\$ 468,885
Contributions	95,650	5,000	100,650
Investment return:			
Investment income	2,126	14,091	16,217
Unrealized gain (loss)	3,469	18,479	21,948
Realized gain (loss)	303	17,063	17,366
Fees	<u>(277)</u>	<u>(5,514)</u>	<u>(5,791)</u>
Total investment return	5,621	44,119	49,740
Appropriation of endowment assets for expenditure	<u>(2,241)</u>	<u>(16,309)</u>	<u>(18,550)</u>
Endowment net assets – end of year	<u>\$ 99,030</u>	<u>\$ 501,695</u>	<u>\$ 600,725</u>

(continued)

## 12. ENDOWMENT (continued)

### Changes in Endowment Net Assets for the Year Ended June 30, 2024:

	<b>Donor Restricted</b>	<b>Total</b>
Endowment net assets - beginning of year	\$ 395,470	\$ 395,470
Contributions	50,000	50,000
Investment return:		
Investment income	11,604	11,604
Unrealized gain (loss)	44,391	44,391
Realized gain (loss)	(11,645)	(11,645)
Fees	<u>(4,649)</u>	<u>(4,649)</u>
Total investment return	39,701	39,701
Appropriation of endowment assets for expenditure	<u>(16,286)</u>	<u>(16,286)</u>
Endowment net assets – end of year	<u>\$ 468,885</u>	<u>\$ 468,885</u>

### Return Objectives and Risk Parameters

The Society has adopted investment and spending policies for endowment assets that attempt to preserve the principal in terms of its purchasing power so the fund will be able to serve the Society's needs over the long term; produce sufficient income to meet the needs of the Society; and provide long-term growth in assets as may be fairly balanced by the need for reasonable income and investment risk. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve satisfactory investment returns while gaining the risk control of diversification.

### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(continued)

**12. ENDOWMENT (continued)**

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Society has a policy of appropriating for distribution each year 4% of its endowment fund's average prior three-year portfolio value. In establishing this policy, the Society considered the long-term expected return on its endowment.

**13. GOVERNMENT GRANTS**

The Society received support from the following government programs for the year ended June 30:

	<b>2025</b>	<b>2024</b>
U.S. Department of the Treasury: Passed through the City of Fort Wayne: Coronavirus State and Local Fiscal Recovery Funds Assistance Listing # 21.027	\$ 12,303	\$ 34,497
Board of Commissioners of the County of Allen	541,200	-
City of Fort Wayne, Indiana	<u>36,964</u>	<u>28,263</u>
	<u>\$ 590,467</u>	<u>\$ 62,760</u>

**14. RENT INCOME**

The Society leases a portion of its building on Hayden Street to two other organizations under operating leases that expire in January 2026 and January 2027. The Society recognized rent income from these leases of \$31,104 in 2025 and \$31,104 in 2024.

The Society also recognized reimbursement of utility payments from the two lessees of \$2,123 in 2025 and \$2,590 in 2024.

(continued)

**14. RENT INCOME (continued)**

Minimum future rental income to be received on the noncancelable operating leases as of June 30, 2025 for each of the next five years and in the aggregate are:

Fiscal years ending June 30	
2026	\$ 24,624
2027	9,072
2028 and thereafter	<u>-</u>
Total	<u>\$ 33,696</u>

The Society also leases portions of the museum to the public throughout the year for various events. Revenue under these cancelable leases totaled \$31,778 in 2025 and \$29,399 in 2024.

**15. RETIREMENT PLAN**

The Society sponsors a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) under Section 408(p) of the Internal Revenue Code. The plan covers all employees who receive at least \$5,000 in compensation per year. The Society matches an amount equal to an employee's salary reduction contributions up to a limit of 3% of the employee's compensation. Expense recognized under the plan was \$4,683 for 2025 and \$4,447 for 2024.

**16. ADVERTISING COSTS**

Advertising costs are charged to operations as incurred and totaled \$6,836 for 2025 and \$7,818 for 2024.

**17. RISKS AND UNCERTAINTIES**

Investments are exposed to various risks and rewards, such as interest rate, market, and credit risks. Due to these risks and rewards associated with certain investments, it is possible that changes in the values of investments may occur and that such changes could affect the amounts reported on the statement of financial position.

## 18. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

The following provides a reconciliation of cash, cash equivalents, and restricted cash reported in the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	2025	2024
Cash and cash equivalents	\$ 109,316	\$ 413,656
Cash restricted for long-term purposes	<u>75,000</u>	<u>-</u>
	<u>\$ 184,316</u>	<u>\$ 413,656</u>

Amounts included in restricted cash represent those required to be set aside due to donor-imposed restrictions for exhibits and interpretive enhancements.

## 19. AVAILABILITY AND LIQUIDITY

The following represents Allen County - Fort Wayne Historical Society, Inc.'s financial assets:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 109,316	\$ 413,656
Contributions receivable	499,200	38,000
Accounts receivables	19,078	8,907
Investments	1,164,986	858,604
Cash restricted for long term purposes	75,000	-
Beneficial interest	<u>228,898</u>	<u>122,649</u>
Total financial assets	2,096,478	1,441,816
Less net assets not available within one year:		
Net assets with donor restrictions:		
Specific purpose	(659,496)	(114,987)
Permanent endowment	(394,293)	(389,293)
Unappropriated endowment earnings	(107,402)	(79,592)
Board designated	<u>(676,856)</u>	<u>(515,312)</u>
Total assets not available within one year	<u>(1,838,047)</u>	<u>(1,099,184)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 258,431</u>	<u>\$ 342,632</u>

(continued)

**19. AVAILABILITY AND LIQUIDITY (continued)**

In addition to financial assets available to meet general expenditures over the next year, the Society receives admission fees throughout the year that support its general operations. The Society also has a \$50,000 line of credit that may be utilized as needed.

Additionally, the Society has net assets without donor restrictions that have been designated by the board. While the board does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.