THE PORTAGE FOUNDATION

AUDITED FINANCIAL STATEMENTS

YEARS ENDED
DECEMBER 31, 2025 AND 2024

THE PORTAGE FOUNDATION

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Barnes Wendling CPAs Since 1946

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Portage Foundation
Kent, Ohio

Opinion

We have audited the accompanying financial statements of The Portage Foundation, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Portage Foundation (Foundation) as of December 31, 2025, and the changes in 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited The Portage Foundation's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Barnes Wendling CPAs

Sheffield Village, Ohio
September 17, 2026

THE PORTAGE FOUNDATION

Statements of Financial Position

	December 31, 2025	December 31, 2024
ASSETS		
Cash	$ 87,334	$ 58,557
Furniture and fixtures, net	7,091	8,249
Investments	8,845,160	7,723,231
	$ 8,939,585	**$ 7,790,037**
LIABILITIES AND NET ASSETS		
Liabilities		
Agency funds	$ 1,669,032	$ 1,536,232
Net Assets		
Without donor restrictions	120,819	64,739
With donor restrictions	7,149,734	6,189,066
	7,270,553	6,253,805
	$ 8,939,585	**$ 7,790,037**

See Notes to Financial Statements

THE PORTAGE FOUNDATION

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025 with Summarized Financial Information for the Year Ended December 31, 2024

	Without Donor Restriction	With Donor Restriction	2025 Total	2024 Total
Revenue and Support				
Public support	$ 55,148	$ 367,070	$ 422,218	$ 162,303
Investment income, net	39,087	911,292	950,379	675,161
In-kind contributions	19,571	-	19,571	19,710
Endowment appropriation	222,342	(222,342)	-	-
Net assets released from restriction	95,352	(95,352)	-	-
	431,500	960,668	1,392,168	857,174
Expenses				
Program services	(248,176)	-	(248,176)	(182,099)
General and administrative	(72,005)	-	(72,005)	(82,152)
Fundraising	(55,239)	-	(55,239)	(50,707)
Total expenses	(375,420)	-	(375,420)	(314,958)
Changes in net assets	56,080	960,668	1,016,748	542,216
Net assets, beginning of year	64,739	6,189,066	6,253,805	5,711,589
NET ASSETS, end of year	**$ 120,819**	**$ 7,149,734**	**$ 7,270,553**	**$ 6,253,805**

See Notes to Financial Statements

THE PORTAGE FOUNDATION

Statement of Functional Expenses
Year Ended December 31, 2025 with Summarized Financial Information for the Year Ended December 31, 2024

	Program Services	General and Administrative	Fundraising	2025 Total	2024 Total
Grants and scholarships	$ 164,583	$ -	$ -	$ 164,583	$ 135,789
Compensation, benefits, and taxes	69,526	39,332	37,584	146,442	110,625
Office	1,086	3,361	4,250	8,697	13,518
Professional fees	-	13,307	-	13,307	13,766
Occupancy	12,981	16,005	13,405	42,391	41,260
	$ 248,176	$ 72,005	$ 55,239	$ 375,420	$ 314,958

See Notes to Financial Statements

THE PORTAGE FOUNDATION

Statements of Cash Flows

	Years Ended December 31,	
	2025	2024
Cash Flows From Operating Activities		
Changes in net assets	$ 1,016,748	$ 542,216
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,158	1,158
Net realized and unrealized gain on investments	(807,029)	(487,756)
Net cash provided by operating activities	210,877	55,618
Cash Flows From Investing Activities		
Purchases of investments	(512,464)	(551,095)
Proceeds from sales of investments	330,364	185,345
Net cash used in investing activities	(182,100)	(365,750)
Net increase (decrease) in cash	28,777	(310,132)
Cash at beginning of year	58,557	368,689
Cash at end of year	**$ 87,334**	**$ 58,557**

See Notes to Financial Statements

NOTE A - NATURE OF OPERATIONS

The Portage Foundation (the Foundation) is a not-for-profit organization which was established to, through the development of organized philanthropy, perform as a responsible solicitor and prudent manager of philanthropic assets created by charitable gifts and bequests which will enrich the life of the community through funding of health, education, the arts, environment and conservation, and social and community services.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Foundation have been prepared utilizing the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Furthermore, the accounting policies adhered to by the Foundation are generally consistent with the *Audit and Accounting Guide for Not-For-Profit Entities* issued by the American Institute of Certified Public Accountants.

Basis of Presentation
Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its accounting standards for *Not-for-Profit Entities*. Under these standards, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets without Donor Restrictions
Net assets available for use in general operations and not subject to donor-imposed restrictions. Includes board designated endowment funds further described in Note F.

Net Assets with Donor Restrictions
Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity.

Comparative Financial Information
The financial statements include certain prior year summarized comparative financial information in total but not by net asset class and functional allocation of expenses. Such information does not include sufficient detail of prior year activity to constitute a complete presentation. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash
The Foundation considers temporary cash investments with an original maturity of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents exclude any cash or cash equivalents maintained in a professional investment account. The Foundation's cash balances may exceed the insured limits from time to time.

Furniture and Fixtures
Furniture and fixtures are stated at cost. Expenditures for maintenance and repairs are charged to expense when incurred. Furniture and fixtures are depreciated using a straight-line method over a period of 10 years. The cost of furniture and fixtures at December 31, 2025 and 2024 was $11,896. Accumulated depreciation was $4,805 and $3,647 as of December 31, 2025 and 2024. Depreciation expense was $1,158 for the years ended December 31, 2025 and 2024.

Investments
Investments are reported at fair value with realized and unrealized gains and losses reported in the statements of activities and changes in net assets. Investment income is recognized as revenue in the period it is earned, and gains and losses are recognized as changes in net assets with or without donor restriction in the accounting period in which they occur.

Revenue Recognition
The Foundation recognizes contributions of cash, securities, other assets, or unconditional promises to give when received. Contributions with donor-imposed restrictions met in the same period are reported as contributions without donor restriction. Conditional promises to give, 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. There were no conditional promises to give at December 31, 2025 and 2024.

The Organization recognizes contributed nonfinancial assets within revenue. Contributed nonfinancial assets recognized within the statements of activities and changes in net assets include in-kind rent, valued using fair market value rental rates. See Note G. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Agency Funds
The Foundation acts as a fiduciary agent for various not-for-profit organizations or third parties needing assistance in transferring funds to beneficiaries. These funds are revocable by the donor and as such are recorded as an investment and equal liability. For funds invested, the Foundation does not include the change in investments and related liability in the statement of activities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses
The financial statements report certain categories of expenses attributed to program service accomplishments and supporting functions. Expenses identified with a specific program or supporting function are recorded directly according to their natural expense classification. Certain expenses relate to more than one function and are allocated on the basis of estimates of time and effort.

Income Taxes
The Foundation complies with the requirements of Internal Revenue Service for exemption from income tax Code Section 501(c)(3). However, the Internal Revenue Service does require a tax be paid on certain lobbying expenditures and unrelated business income tax.

The Foundation evaluates at each statement of financial position date uncertain tax positions taken, if any, to determine the need to record liabilities for taxes, penalties, and interest. Management evaluated and concluded there were no material uncertain tax positions requiring recognition or disclosure in the financial statements.

Subsequent Events
The Foundation has evaluated subsequent events through September 17, 2026, the date which the financial statements were available to be issued.

NOTE C - LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors the availability of resources required to meet its operating needs while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing programs and support services to be general expenditures.

The Foundation's board designated endowment funds as presented in Note F are subject to an annual spending rate of 5.5%. Although it is not the board's intention to spend from the board designated endowment (other than amounts appropriated as part of the spending policy), these amounts could be made available if necessary.

NOTE C - LIQUIDITY AND AVAILABILITY (CONTINUED)

The following table shows financial assets held by the Foundation which could readily be made available within one year of:

	December 31, 2025	December 31, 2024
Cash	$ 19,366	$ 23,737
Investments	311,109	233,179
Financial assets available to meet the cash needs for general expenditures within one year	$ 330,475	$ 256,916

NOTE D - FAIR MARKET VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The three levels of the fair value hierarchy, which are based upon the inputs used to measure fair value, are described below:

Level 1 - Inputs to the methodology are unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities (for example, exchange quoted prices).

Level 2 - Inputs to the methodology are observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets not sufficiently active to qualify as Level 1, other observable inputs, or inputs corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs to the valuation methodology are significant to the fair value measurement and unobservable (for example, supported by little or no market activity).

Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The Foundation’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

NOTE D - FAIR MARKET VALUE (CONTINUED)

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in valuation techniques in determining the fair value of investments during the years ended December 31, 2025 and 2024.

Cash and cash equivalents, fixed income and equities are valued at quoted market prices.

The common/collective fund is valued based on the net asset value per share of the underlying investments. The underlying investments are valued at the fair value based on commercial quotation services.

The methods described above may produce a fair value calculation not indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement as of the reporting date.

The Foundation's investments reported at fair value as of December 31, 2025 are summarized below:

	Level 1	Level 2	Total
Cash and cash equivalents	$ 651,122	$ -	$ 651,122
Common/collective funds	-	1,613,776	1,613,776
Fixed income	1,834,311	-	1,834,311
Equities	4,745,951	-	4,745,951
	$7,231,384	$1,613,776	$8,845,160

The Foundation's investments reported at fair value as of December 31, 2024 are summarized below:

	Level 1	Level 2	Total
Cash and cash equivalents	$ 573,371	$ -	$ 573,371
Common/collective funds	-	1,263,871	1,263,871
Fixed income	1,785,299	-	1,785,299
Equities	4,100,690	-	4,100,690
	$6,459,360	$1,263,871	$7,723,231

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following:

	December 31, 2025	December 31, 2024
Endowment funds	$ 6,994,754	$ 5,959,867
Purpose restricted:		
Scholarship	20,532	24,229
Health and human service	19,669	65,318
Education	8,003	3,630
Animal	65,631	87,900
Economic development	1,123	1,789
Children	34,036	42,758
Environment	5,986	3,575
	154,980	229,199
	$ 7,149,734	$ 6,189,066

NOTE F - ENDOWMENT

Interpretation of Relevant Law

The Foundation 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 Foundation classifies as net assets with donor restriction in perpetuity (a) the original value of the 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 applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction in perpetuity is classified as net assets with donor restriction having purpose restriction until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE F - ENDOWMENT (CONTINUED)

In accordance with UPMIFA, it is the Foundation's policy to consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) Need of the endowment to make distributions and preserve capital
(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 Foundation
(7) The possible effect of inflation or deflation
(8) Assets of special relationship or special value to the charitable purpose
(9) The investment policies of the Foundation

Return Objectives and Risk Parameters
The Foundation has adopted investment and spending policies for endowment assets to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include assets of donor-restricted funds the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Foundation, the endowment assets are invested in a manner intended to grow at the spending policy rate plus the rate of inflation over a market cycle, while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives
To satisfy its long-term rate of return objectives, the Foundation 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 Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The annual spending rule is an amount up to 5.5% of the average market value of the endowment funds for the three most recent fiscal years. 4% of the spending rule will be transferred to a spending account for distribution in accordance with donor intent and 1.5% will be transferred to the Foundation operating account as an administrative fee to assist in funding daily operations. In establishing this policy, the Foundation considered the long-term expected return on its endowment.

NOTE F - ENDOWMENT (CONTINUED)

Endowment net asset composition by type of fund as of December 31, 2025:

	Without Donor Restriction	With Donor Restriction	Total
Board designated	$ 78,293	$ -	$ 78,293
Donor restricted	-	6,994,754	6,994,754
	$ 78,293	$ 6,994,754	$ 7,073,047

Changes in endowment net assets for the year ended December 31, 2025:

	Without Donor Restriction	With Donor Restriction	Total
Beginning of year	$ 53,821	$ 5,959,867	$ 6,013,688
Investment income, net	7,803	909,903	917,706
Contributions	20,156	347,326	367,482
Appropriations	(3,487)	(222,342)	(225,829)
End of year	$ 78,293	$ 6,994,754	$ 7,073,047

Endowment net asset composition by type of fund as of December 31, 2024:

	Without Donor Restriction	With Donor Restriction	Total
Board designated	$ 53,821	$ -	$ 53,821
Donor restricted	-	5,959,867	5,959,867
	$ 53,821	$ 5,959,867	$ 6,013,688

NOTE F - ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended December 31, 2024:

	Without Donor Restriction	With Donor Restriction	Total
Beginning of year	$ 53,526	$ 4,991,144	$ 5,044,670
Investment income, net	5,545	633,693	639,238
Contributions	100	118,234	118,334
Donor reclassifications	-	439,616	439,616
Appropriations	(5,350)	(222,820)	(228,170)
End of year	$ 53,821	$ 5,959,867	$ 6,013,688

Endowment Funds with Deficiencies

From time to time, the value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. The original gift amount of such endowments was $153,725 and $150,364 as of December 31, 2025 and 2024, respectively, and the fair value of the endowments was $107,439 and $95,237. In accordance with GAAP, deficiencies of this nature reported in net assets with donor restrictions, totaled ($46,286) and ($55,127) as of December 31, 2025 and 2024, respectively. These deficiencies resulted from unfavorable market fluctuations occurring after the investment of net assets with donor restrictions which included, restricted contributions and continued appropriation for certain purposes deemed prudent by the Board of Directors. Appropriation policies for endowment funds with deficiencies are not adjusted based on their deficient nature.

NOTE G - LEASES

The Organization is party to a month-to-month lease agreement with a former member of the board of directors for the use of office space. The individual served on the board through December 31, 2024 and was no longer a board member as of January 1, 2025. Rent is $608 per month and covers electricity, gas, water, and waste removal. There is no charge for rental of the space and the value of the donated use of the space is reported as in-kind contributions and expense in the statement of activities and changes in net assets. Total rent expense for the year ended December 31, 2025 was $25,296, of which $18,000 represents in-kind rent expense.