

FORT CAMPBELL HISTORICAL
FOUNDATION, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2025

FORT CAMPBELL HISTORICAL FOUNDATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fort Campbell Historical Foundation, Inc.
32 Screaming Eagle Blvd
Fort Campbell, KY 42223-5380

Opinion

We have audited the accompanying financial statements of the Fort Campbell Historical Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related 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 the Fort Campbell Historical Foundation, Inc. as of December 31, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fort Campbell Historical Foundation, Inc. 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.

Responsibility 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; this includes 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 Fort Campbell Historical Foundation, Inc.'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 Fort Campbell Historical Foundation, Inc.'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 Fort Campbell Historical Foundation, Inc.'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.

One Source Accounting & Tax

Clarksville, Tennessee

April 6, 2026

FORT CAMPBELL HISTORICAL FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 2,248,359
Cash - Restricted	2,939,469
Inventory	21,039
Grants Receivable - Current Portion	970,870
Pledges Receivable - Current Portion	31,553
Investments	624,641
Total Current Assets	6,835,931

PROPERTY AND EQUIPMENT, NET

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NON-CURRENT ASSETS

Grants Receivable, Long-Term	2,746,230
Pledges Receivable, Long-Term	59,238
Total Non-Current Assets	2,805,468

Total Assets	\$ 9,641,399
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 769,945
Retainage Payable	508,562
Due to Center of Military History	16,886
Total Current Liabilities	1,295,393

NET ASSETS

Without Donor Restrictions	2,619,326
With Donor Restrictions	5,726,680
Total Net Assets	8,346,006

Total Liabilities and Net Assets	\$ 9,641,399
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See accompanying notes and independent auditor's report.

FORT CAMPBELL HISTORICAL FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Restrictions	With Donor Restrictions	Totals
<u>REVENUES, GAINS AND OTHER SUPPORT</u>			
Contributions and Grants	\$ 2,065,880	\$ -	\$ 2,065,880
Contributions - In-Kind	10,050		10,050
Merchandise Sales	20	-	20
Grant Revenues	-	18,564,519	18,564,519
Interest Income	-	497,223	497,223
Unrealized Gain on Investments	29,641		29,641
Net Assets Released from Restrictions	15,778,761	(15,778,761)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	17,884,352	3,282,981	21,167,333
 <u>EXPENSES</u>			
Program Services:			
Museum Support	32,727,145	-	32,727,145
Gift Shop Operations	2,482	-	2,482
Support Services:			
Management and General	554,488	-	554,488
Fundraising	33,750	-	33,750
TOTAL EXPENSES	33,317,865	-	33,317,865
CHANGE IN NET ASSETS	(15,433,513)	3,282,981	(12,150,532)
NET ASSETS BEGINNING OF YEAR	18,052,839	2,443,699	20,496,538
NET ASSETS END OF YEAR	\$ 2,619,326	\$ 5,726,680	\$ 8,346,006

See accompanying notes and independent auditor's report.

FORT CAMPBELL HISTORICAL FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Change in Net Assets	\$ (12,150,532)
Adjustments to Reconcile Change in Net Assets to Net Cash used by Operating Activities:	
In-Kind Donation - Museum Building	19,958,631
In-Kind Donation - Museum Exhibits	12,768,514
Net Changes in:	
Grants Receivable	(3,717,100)
Pledges Receivable	925,876
Accounts Payable	(424,468)
Retainage Payable	354,133
Deferred Grant Revenue	<u>(13,802,419)</u>
Net Cash Provided by Operating Activities	<u>3,912,635</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of Investments	(624,641)
Additions to Construction in Progress	<u>(15,850,110)</u>
Net Cash Used in Investing Activities	<u>(16,474,751)</u>
 <u>NET DECREASE IN CASH AND CASH EQUIVALENTS</u>	 (12,562,116)
 <u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	 <u>17,749,944</u>
 <u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	 <u>\$ 5,187,828</u>

See accompanying notes and independent auditor's report.

FORT CAMPBELL HISTORICAL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Support Services</u>		<u>Program Services</u>		Total
	Management and General	Fund Raising	Museum Support	Gift Shop Operations	Functional Expenses
Accounting and Professional Fees	\$ 13,372	\$ -	\$ -	\$ -	\$ 13,372
Bank and Credit Card Charges	27	-	-	139	166
Benches and Donor Wall	43,350	-	-	-	43,350
Donor Recognition Gifts	12,203	-	-	-	12,203
Dues and Subscriptions	344	-	-	-	344
Fundraising	-	33,750	-	-	33,750
In-Kind Donation - Museum Building	-	-	19,958,631	-	19,958,631
In-Kind Donation - Museum Exhibits	-	-	12,768,514	-	12,768,514
Insurance	6,832	-	-	-	6,832
IT Support	7,594	-	-	-	7,594
Merchandise Sold Costs	-	-	-	5	5
Meals and Entertainment	2,443	-	-	-	2,443
Miscellaneous	213	-	-	236	449
Office Expense	5,975	-	-	-	5,975
Payroll	387,534	-	-	1,947	389,481
Payroll Taxes	24,818	-	-	149	24,967
Postage	526	-	-	6	532
Printing and Publication	1,137	-	-	-	1,137
Repairs and	2,755	-	-	-	2,755
Software Fees	8,928	-	-	-	8,928
Telephone	3,539	-	-	-	3,539
Travel	14,987	-	-	-	14,987
Utilities	4,973	-	-	-	4,973
Website and Social Media	12,938	-	-	-	12,938
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>\$ 554,488</u>	<u>\$ 33,750</u>	<u>\$ 32,727,145</u>	<u>\$ 2,482</u>	<u>\$ 33,317,865</u>

See accompanying notes and independent auditor's report.

FORT CAMPBELL HISTORICAL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foundation - The Fort Campbell Historical Foundation, Inc. (the Foundation) is a not-for-profit organization. The primary purpose of the Fort Campbell Historical Foundation is to conduct marketing and fundraising to garner the required resources and ultimately build and support operations of the Tennessee Wings of Liberty Museum. The Foundation is chartered in the state of Tennessee and recognized by the Internal Revenue Service as a 501(c)(3) not-for-profit organization.

The Foundation is governed by a President/CEO and a Board of Trustees. The Board of Trustees is a management board whose members are fiduciaries of the Foundation and whose primary purpose is to develop policy, direct and approve actions of the Foundation Officers and serve as the legal governing board of the Foundation as required by the State of Tennessee. The Trustees are highly respected civic leaders with a range of business, banking, legal, political, and nonprofit governance experience. They are nominated, vetted, and established as a Management Board through a process established by the Foundation President and CEO. The Trustees serve an initial three (3) year period with a maximum of two (2) one (1) year extensions for a total of five (5) years. The Board of Trustees will have at least seven (7) and not to exceed eleven (11) Trustees. The Trustees are active members of the Foundation and actively support the Foundation financially. Trustees may not be currently members of the U.S. Military or national/State Government. The Board of Trustees will meet in person or by virtual means, as determined by the Chairman a minimum of once a quarter.

The Foundation also has an advisory board whose primary purpose is to stimulate membership in the Foundation and provide counsel to the Board of Trustees and President/CEO on veteran perspectives with regards to the Foundation and the Tennessee Wings of Liberty Museum. The Advisors are distinguished former members of the U.S. Armed Forces and/or local/state or national civic leaders and active members of the Foundation. The advisory board will be led by a Chairman and a standing Steering Committee of up to ten (10) members selected by the Chairman of the advisory board. The advisory board has no limit on total membership. All former Commanders of the 101st Airborne Division (AASLT), 5th SFG (A), 160th SOAR (A), and Fort Campbell Garrison, as well as former and current Mayors of the surrounding communities will be offered membership as Advisors. All other members of the advisory board will meet eligibility criteria determined by the Steering Committee.

Nature of Activities - The Foundation's programs and services are as follows:

Museum Support - The Don F. Pratt Museum is owned and operated by Fort Campbell. The Foundation supports the operations of the museum through donated funds and proceeds from the gift shop.

Tennessee Wings of Liberty Museum - The Foundation is charged with overseeing the fundraising for and construction of the Tennessee Wings of Liberty Museum. The Tennessee Wings of Liberty Museum is a multi-million dollar project to replace the Don F. Pratt Museum with a state of the art, interactive museum and educational facility to honor the

units, Soldiers and families assigned at Fort Campbell with particular emphasis on the 101st Airborne Division (Air Assault), the 5th Special Forces Group (Airborne) and the 160th Special Operations Aviation Regiment (Airborne). The Museum building and exhibits, totaling \$19,958,631 and \$12,768,514, respectively, were donated to the U.S. Army on November 2, 2025.

Projects and Awards - The Foundation receives donations for and provides support for historical projects related to the museum. The Foundation also receives donations for and provides support for units and soldiers located on Fort Campbell or associated with units assigned at Fort Campbell.

Gift Shop Operations - In accordance with the Memorandum of Agreement with the U.S. Army Center of Military History, the Foundation is authorized to operate a gift shop at the Don F. Pratt Museum.

Basis of Accounting - The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Accounting 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation - The financial statements of the Foundation have been prepared on the accrual basis in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958.

Net Assets - The net assets of the Foundation are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the fund be maintained in perpetuity.

Contributions - Contributions and grants are reported as without or with donor restrictions, depending on the existence or nature of any restrictions, or both. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, the net assets are reclassified to net assets without donor restrictions. Noncash contributions are recorded at their fair market value at the date of contribution.

Donated Facilities - Fort Campbell allows the Foundation to use facilities on post for its operations. The facilities are not available for rent by the general public. As such, no amounts have been reflected in the accompanying financial statements for the rental value.

Donated Property and Equipment - Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment must be reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Cash and Cash Equivalents - Cash and cash equivalents consist of short-term investments with an original maturity of three months or less, cash on deposit, money market funds and certificates of deposit.

Financial Instruments - The Foundation's significant financial instrument are cash and investments. Carrying values approximate fair value and are classified as Level 1 assets.

Inventory - Inventory, consisting of gift shop merchandise and print inventory, is stated at the lower of cost or market value determined on a first-in, first-out basis.

Grants Receivable - Grants receivable represent amounts due from grantors based on unconditional promises to give. Management evaluates the collectability of grants receivable and records an allowance for doubtful accounts when necessary based on historical experience and current economic conditions. Conditional grants are not recognized as revenue or receivables until the conditions on which they depend have been substantially met. An allowance was not considered necessary at December 31, 2025.

Pledges Receivable - Legally enforceable pledges and contributions, less an allowance for uncollectible amounts, are recorded as pledges and revenue in year made unless the pledge or contribution contains a donor-imposed condition. Conditional pledges and contributions are recognized when the conditions upon which they depend are substantially met. An allowance was not considered necessary at December 31, 2025.

Property and Equipment - Property and equipment are generally carried at cost. Depreciation is computed using the straight-line method. Donated assets are recorded at their fair market value at the date of donation. The Foundation's policy is to capitalize assets with a useful life of over one year costing \$2,000 or more. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized for the period. The cost of repairs and maintenance is charged to expense as incurred.

In accordance with ASC 360-10, *Property, Plant and Equipment*, the Organization periodically reviews the carrying value of long-lived assets held and used, and assets to be disposed of, for possible impairment when events and circumstances warrant such a review. Through December 31, 2025, the Organization had not experienced impairment losses on its long-lived assets.

Advertising - The Foundation uses advertising to promote its programs among the audience it serves. Advertising costs are expenses as incurred. During 2025, advertising costs totaled \$-0-.

Income Tax Status - The Foundation is a nonprofit corporation classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) and as a public charity under Section 170(b)(1)(A)(vi) of the Internal Revenue Code. A provision for income taxes is not required.

Revenue Recognition - Revenue related to exchange transactions is recognized in accordance with the provisions of the FASB’s ASC Topic 606, Revenue from Contracts with Customers. The Organization operates a gift shop in the museum in Clarksville, Tennessee where customers can purchase items. Revenue is recognized when the single performance obligation is met, the point in time at which control of the purchased merchandise is transferred to the customer which is at the time of sale.

Date of Management’s Review - Subsequent events have been evaluated through April 6, 2026 which is the date the financial statements were available to be issued.

2. PLEDGES RECEIVABLE

The amount of pledges receivable by year and the discounted amount of pledges receivable at December 31, 2025 are as follows:

<u>Pledge Year</u>	<u>Gross Amount</u>	<u>3% Rate of Discount</u>	<u>Discounted Amount</u>
2026	\$ 32,500	\$ 947	\$ 31,553
2027	20,000	1,148	18,852
2028	20,000	1,697	18,303
2029	20,000	2,230	17,770
2030	<u>5,000</u>	<u>687</u>	<u>4,313</u>
Total	<u>\$ 97,500</u>	<u>\$ 6,709</u>	<u>\$ 90,791</u>

Pledges receivable are included in the financial statements at the discounted amount of \$90,791.

3. GRANTS RECEIVABLE

The amount of grants receivable by year and the discounted amount of grants receivable at December 31, 2025 are as follows:

<u>Pledge Year</u>	<u>Gross Amount</u>	<u>3% Rate of Discount</u>	<u>Discounted Amount</u>
2026	\$ 1,000,000	\$ 29,130	\$ 970,870
2027	1,000,000	57,400	942,600
2028	1,000,000	84,860	915,140
2030	<u>1,000,000</u>	<u>111,510</u>	<u>888,490</u>
Total	<u>\$ 4,000,000</u>	<u>\$ 282,900</u>	<u>\$ 3,717,100</u>

Grants receivable are included in the financial statements at the discounted amount of \$3,717,100.

4. INVESTMENTS

Investments are carried at fair value based on quoted prices in active markets (all Level 1 Measurements) and consist of the following at December 31, 2025:

Cash and Cash Equivalents	\$ 391
Treasury Bills	<u>624,250</u>
Total Investments	<u>\$ 624,641</u>

5. PROPERTY AND EQUIPMENT

Changes in Property and Equipment were as follows:

	<u>Balance 12/31/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/25</u>
<u>Nondepreciable:</u>				
Construction in Progress	\$ 16,877,035	\$ 15,850,110	\$ 32,727,145	\$ -
<u>Depreciable:</u>				
Equipment	3,050	-	-	3,050
Less: Accumulated Depreciation	<u>3,050</u>	<u>-</u>	<u>-</u>	<u>3,050</u>
Net Property and Equipment	<u>\$ 16,877,035</u>	<u>\$ 15,850,110</u>	<u>\$ 32,727,145</u>	<u>\$ -</u>

Construction in progress consisted of pre-construction and exhibit costs associated with the Tennessee Wings of Liberty Museum project.

The Foundation utilizes office space with the Department of the Army which is no longer under license and is considered at will. The Foundation has a license with the Department of the Army for approximately 33 acres of land to be used for the Tennessee Wings of Liberty Museum. The license was renewed in October 2024, with an effective date of July 1, 2024, and expires June 30, 2029. The value of these contracts is not included in these financial statements.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include donations and grants received by the Foundation for a specific purpose. Donations are maintained in cash accounts until the restrictions have been satisfied.

The following summarizes net assets with donor restrictions at December 31, 2025:

Tennessee Wings of Liberty Museum - Project	\$ 1,668,547
Pritzker Military Foundation Technology Grant	3,998,667
Pritzker Military Foundaton Fundraiser Grant	11,250
Education Outreach	14,313
Disaster Relief Funds	<u>33,903</u>
Total Net Assets with Donor Restrictions	<u>\$ 5,726,680</u>

7. GIFT SHOP OPERATIONS

In accordance with the Memorandum of Agreement with the U.S. Army Center of Military History, the Foundation is authorized to operate a gift shop at the Don F. Pratt Museum. The gift shop sells memorabilia of the 101st Airborne Division and other units operating on Fort Campbell. The gift shop was closed in 2025 and will re-open when the Tennessee Wings of Liberty Museum opens in May 2026. Income and expenses for the gift shop for the year ended December 31, 2025 were as follows:

Sales	\$ 20
Cost of Sales	<u>(5)</u>
Gross Profit	15
Operating Expenses	<u>(2,477)</u>
Net Margin	<u>\$ (2,462)</u>

Sales revenue and costs of sales are reported net of discounts, estimated returns and sales taxes.

8. CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The grant money received from the State of Tennessee was placed in an IntraFi Account and is deposited by the Foundation's bank at other banks not to exceed the FDIC limit. As of December 31, 2025, there was \$2,567,566 of uninsured balances.

The Foundation's credit risk is inherent principally in its investments. Adverse economic conditions either nationwide or internationally may result in a reduction of the investments' carrying value. As of December 31, 2025, the Foundation's investments exceed the maximum limit of \$500,000 insured by the Securities Investor Protection Corporation by \$124,641.

9. RESTRICTED CASH

At December 31, 2025, restricted cash consisted of approximately \$2,939,469 in grants, interest earnings and retainage. The balance is restricted to construction of the Tennessee Wings of Liberty Museum. The funds received from the State of Tennessee are required to be kept in separate accounts.

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$3,896,462 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$2,248,359, inventory of \$21,039, grants receivable of \$970,870, pledges receivable of \$31,553 and short-term investments of \$624,641.

11. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through April 6, 2026, the date the financial statements were available to be issued, in accordance with ASC 855 *Subsequent Events*.

In January 2026, the Foundation received a contribution of \$2,000,000. This contribution was not pledged or committed as of year-end and, accordingly, is not recognized in the accompanying financial statements.

The contribution is restricted for the Tennessee Wings of Liberty Museum project.