

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

**Financial Statements
as of December 31, 2022
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

June 7, 2023

To the Board of Directors of
Community Foundation for Greater Buffalo, Inc.:

Opinion

We have audited the accompanying financial statements of Community Foundation for Greater Buffalo, Inc., (a New York not-for-profit corporation) (the Foundation), which comprise the balance sheet as of December 31, 2022, and the related statements of activities and change 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 Foundation as of December 31, 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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.

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INDEPENDENT AUDITOR'S REPORT

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Summarized Comparative Information

We have previously audited the Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

BALANCE SHEET

DECEMBER 31, 2022

(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 40,850,577	\$ 29,201,485
Investments	629,721,485	719,465,674
Receivables	61,704,852	76,205,948
Beneficial interest in trusts	39,317,215	48,489,096
Property and equipment, net	527,309	486,541
Other assets	<u>516,815</u>	<u>531,561</u>
Total assets	<u>\$ 772,638,253</u>	<u>\$ 874,380,305</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,243,563	\$ 1,316,763
Grants payable	1,551,647	2,702,095
Amounts held in custody for others	135,530,027	151,893,705
Deferred revenue	<u>14,426,793</u>	<u>13,052,927</u>
Total liabilities	<u>152,752,030</u>	<u>168,965,490</u>
NET ASSETS:		
Without donor restrictions	<u>168,295,976</u>	<u>196,437,432</u>
With donor restrictions:		
Restricted for charitable purposes	321,827,594	364,568,864
Restricted in perpetuity - endowment	90,445,437	95,919,423
Restricted for the passage of time	<u>39,317,216</u>	<u>48,489,096</u>
Total with donor restrictions	<u>451,590,247</u>	<u>508,977,383</u>
Total net assets	<u>619,886,223</u>	<u>705,414,815</u>
Total liabilities and net assets	<u>\$ 772,638,253</u>	<u>\$ 874,380,305</u>

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**
(With Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Revenue and Support:				
Contributions	\$ 23,377,140	\$ 6,609,890	\$ 29,987,030	\$ 137,133,762
Bequests	6,121,050	11,983,760	18,104,810	14,513,334
Investment earnings (loss), net	(39,653,084)	(46,147,354)	(85,800,438)	98,137,801
Grants received to support community leadership	1,544,065	3,188,150	4,732,215	3,303,620
Change in value of beneficial interest in trusts	-	(9,171,880)	(9,171,880)	7,457,501
Other	899,894	-	899,894	903,799
Net assets released from restrictions	23,849,702	(23,849,702)	-	-
	<u>16,138,767</u>	<u>(57,387,136)</u>	<u>(41,248,369)</u>	<u>261,449,817</u>
Less: Amounts related to assets held in custody:				
Contributions	(7,509,616)	-	(7,509,616)	(6,542,112)
Investment loss (earnings), net	19,825,567	-	19,825,567	(23,318,875)
Leadership initiatives	(1,544,065)	-	(1,544,065)	(774,751)
Total amounts related to assets held in custody	<u>10,771,886</u>	<u>-</u>	<u>10,771,886</u>	<u>(30,635,738)</u>
Total revenue and support	<u>26,910,653</u>	<u>(57,387,136)</u>	<u>(30,476,483)</u>	<u>230,814,079</u>
Expenses:				
Program Activity:				
Grants and scholarships awarded	49,371,303	-	49,371,303	48,711,292
Grant making services and fund stewardship	1,209,750	-	1,209,750	1,250,237
	<u>50,581,053</u>	<u>-</u>	<u>50,581,053</u>	<u>49,961,529</u>
External community leadership grants	3,325,722	-	3,325,722	2,158,561
Foundation community leadership initiatives	1,608,558	-	1,608,558	1,180,439
Total program activity	<u>55,515,333</u>	<u>-</u>	<u>55,515,333</u>	<u>53,300,529</u>
Supporting Services:				
Management and general	2,983,745	-	2,983,745	2,650,175
Development	189,115	-	189,115	288,677
Total supporting services	<u>3,172,860</u>	<u>-</u>	<u>3,172,860</u>	<u>2,938,852</u>
Less: Amounts related to assets held in custody:				
Grants approved	(2,115,772)	-	(2,115,772)	(7,725,328)
External leadership grants	(1,520,312)	-	(1,520,312)	(774,751)
Total amounts related to assets held in custody	<u>(3,636,084)</u>	<u>-</u>	<u>(3,636,084)</u>	<u>(8,500,079)</u>
Total expenses	<u>55,052,109</u>	<u>-</u>	<u>55,052,109</u>	<u>47,739,302</u>
CHANGE IN NET ASSETS	(28,141,456)	(57,387,136)	(85,528,592)	183,074,777
NET ASSETS - beginning of year	<u>196,437,432</u>	<u>508,977,383</u>	<u>705,414,815</u>	<u>522,340,038</u>
NET ASSETS - end of year	<u>\$ 168,295,976</u>	<u>\$ 451,590,247</u>	<u>\$ 619,886,223</u>	<u>\$ 705,414,815</u>

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Totals for 2021)

	Program Activity				Supporting Services			Expenses Before Elimination of Funds Held In Custody	Less: Expenses From Funds Held in Custody	Total	
	Grant Making and Fund Stewardship	External Community Leadership Grants	Community Leadership Initiatives	Total	Management and General	Development	Total			2022	2021
Grants awarded	\$ 42,950,418	\$ 1,520,312	\$ -	\$ 44,470,730	\$ -	\$ -	\$ -	\$ 44,470,730	\$ 3,636,084	\$ 40,834,646	\$ 34,426,733
Scholarships awarded	6,420,885	-	-	6,420,885	-	-	-	6,420,885	-	6,420,885	6,559,231
	<u>49,371,303</u>	<u>1,520,312</u>	<u>-</u>	<u>50,891,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,891,615</u>	<u>3,636,084</u>	<u>47,255,531</u>	<u>40,985,964</u>
Salaries and wages	837,931	398,152	898,343	2,134,426	1,502,703	62,971	1,565,674	3,700,100	-	3,700,100	3,764,432
Employee benefits	96,758	39,695	105,119	241,572	164,320	7,396	171,716	413,288	-	413,288	458,388
Payroll taxes	63,502	28,948	58,135	150,585	106,150	4,319	110,469	261,054	-	261,054	262,963
Consultants/professional services	37,998	1,072,422	432,199	1,542,619	473,055	88,453	561,508	2,104,127	-	2,104,127	1,196,995
Occupancy	87,831	27,976	57,882	173,689	138,899	3,541	142,440	316,129	-	316,129	300,226
Information technology	22,656	5,887	371	28,914	179,401	-	179,401	208,315	-	208,315	167,984
Advertising and promotion	20,972	48,792	2,188	71,952	102,834	17,874	120,708	192,660	-	192,660	196,053
Professional development	1,742	102,472	19,127	123,341	64,808	170	64,978	188,319	-	188,319	55,815
Office expenses	19,305	25,584	15,588	60,477	74,490	3,590	78,080	138,557	-	138,557	131,453
Depreciation	-	-	-	-	119,239	-	119,239	119,239	-	119,239	133,789
Insurance	18,951	5,139	10,458	34,548	35,286	686	35,972	70,520	-	70,520	46,901
Other	2,104	50,343	9,148	61,595	22,560	115	22,675	84,270	-	84,270	38,339
	<u>1,209,750</u>	<u>1,805,410</u>	<u>1,608,558</u>	<u>4,623,718</u>	<u>2,983,745</u>	<u>189,115</u>	<u>3,172,860</u>	<u>7,796,578</u>	<u>-</u>	<u>7,796,578</u>	<u>6,753,338</u>
	<u>50,581,053</u>	<u>3,325,722</u>	<u>1,608,558</u>	<u>55,515,333</u>	<u>2,983,745</u>	<u>189,115</u>	<u>3,172,860</u>	<u>58,688,193</u>	<u>3,636,084</u>	<u>55,052,109</u>	<u>47,739,302</u>
Less: Expenses from Funds Held in Custody	(2,115,772)	(1,520,312)	-	(3,636,084)	-	-	-	(3,636,084)	(3,636,084)	-	-
	<u>\$ 48,465,281</u>	<u>\$ 1,805,410</u>	<u>\$ 1,608,558</u>	<u>\$ 51,879,249</u>	<u>\$ 2,983,745</u>	<u>\$ 189,115</u>	<u>\$ 3,172,860</u>	<u>\$ 55,052,109</u>	<u>\$ -</u>	<u>\$ 55,052,109</u>	<u>\$ 47,739,302</u>

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**
(With Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (85,528,592)	\$ 183,074,777
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Net realized and unrealized losses (gains) on investments	90,802,379	(94,648,471)
Change in beneficial interest in trusts	9,171,880	(7,457,501)
Depreciation	119,239	133,789
Contributions restricted for investment in endowments	(16,355,058)	(55,316,891)
Changes in other operating assets and liabilities:		
Receivables	14,501,096	(74,249,409)
Other assets	14,746	(129,587)
Accounts payable and accrued expenses	(73,201)	(304,838)
Grants payable	(1,150,448)	324,171
Amounts held in custody for others	(16,363,678)	22,258,789
Deferred revenue	<u>1,373,866</u>	<u>356,140</u>
Net cash flow from operating activities	<u>(3,487,771)</u>	<u>(25,959,031)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(44,248,741)	(72,614,585)
Proceeds from sales of investments	43,190,553	35,979,314
Purchase of property and equipment	<u>(160,007)</u>	<u>(51,049)</u>
Net cash flow from investing activities	<u>(1,218,195)</u>	<u>(36,686,320)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Contributions restricted for investment in endowments	<u>16,355,058</u>	<u>55,316,891</u>
Net cash flow from financing activities	<u>16,355,058</u>	<u>55,316,891</u>
CHANGE IN CASH	11,649,092	(7,328,460)
CASH - beginning of year	<u>29,201,485</u>	<u>36,529,945</u>
CASH - end of year	<u>\$ 40,850,577</u>	<u>\$ 29,201,485</u>

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

1. THE ORGANIZATION

Community Foundation for Greater Buffalo, Inc. (Foundation) is a not-for-profit organization dedicated to connecting people, ideas and resources to improve lives in Western New York State. Since its establishment in 1919, the Foundation has been committed to helping individuals, families, and organizations make their charitable goals a reality. The Foundation is also devoted to providing leadership to help address critical community issues and needs. The administration of the Foundation and the approval of its grants and annual operating budget are the responsibility of the Foundation's Board of Directors (Board).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Under US GAAP, not-for-profit organizations are required to report their financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets available from charitable assets received that are not subject to donor restrictions and are held in funds consisting of the following types:

Non-Endowed Advised Funds: Balances in advised non-endowed funds and the amounts remaining from the annual spendable appropriation from endowed advised funds that are available for distribution to charitable organizations or causes upon recommendations from the fund establisher or their designated fund advisor(s). These funds allow advisors to identify funding opportunities aligned with their values and charitable interests and recommend grants that are subject to the Foundation's due diligence and approval.

Designated by the Board for Endowment to Support the Changing Needs of the Community: Charitable assets received are held in funds without donor restrictions designated by the Board to provide perpetual support for the changing needs of the community over time and are used for: community grant-making, community leadership activities and other Foundation operating activities.

The Board prioritizes its community grant-making and leadership activities using four community goals developed through a comprehensive strategic planning process. These community goals address the following critical community issues and needs: 1) achieve racial/ethnic equity, 2) promote economic mobility through educational achievement, workforce readiness and access to family sustaining jobs for residents living in low-income households, 3) steward significant environmental resources in the context of climate resilience, and 4) promote regional vibrancy through architecture, arts, and culture.

The Foundation's Board has a general policy to designate for endowment the charitable assets that are received without restrictions or advisement rights and those received with a purpose restriction that were not endowed by the donor. These funds are spent at the direction of the Board when they are appropriated for spending by the Board using the annual spending policy adopted by the Board. However, the Board would have the right to decide at any time to expend the principal of these funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

Net Assets Without Donor Restrictions (Continued)

Designated by the Board for Operating Reserves: Cash reserves designated to support future community leadership activities and other Foundation operating activities.

Designated by the Board for Property and Equipment: Investments in or funds reserved for property and equipment, net of accumulated depreciation.

Net Assets With Donor Restrictions: Net assets that result from charitable assets received and endowment investment earnings that are subject to stipulations imposed by donors, clients or other fund establishers that restrict the use or distributions of these funds. Some donor-imposed restrictions are temporary in nature that may or will be met either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained as endowed funds (see Note 11). Net assets with donor restrictions consist of charitable assets received that established the following fund types:

Funds Restricted for Charitable Purposes:

Field of Interest: A specific category of charitable interest (for example: arts, education, environment, racial equity, improving mental health), geographic area or population group (children, aging adults).

Designated Entity: A specific charitable organization(s) designated by the contributor.

Scholarships: Funds established for the purpose of providing scholarships to support the educational expenses of students. These scholarships are usually provided to the educational institutions that the students receiving the scholarships attend.

External Community Leadership Grants: The Foundation receives community leadership grants and contributions from external funders that are directed towards facilitating and supporting community change, addressing community needs and delivering significant leveraged community impact. External funders of community leadership grants include local and national foundations and governmental entities (local, state and federal). Such community leadership grants, contracts and contributions have purpose restrictions and are recorded with donor restrictions until the purpose restrictions are met.

Funds Restricted in Perpetuity - Endowment:

Endowment Funds Without a Restricted Purpose: Charitable assets received where the contributor has stated such funds should be endowed and held in perpetuity to provide perpetual support to the community but have no other donor defined restricted purpose. These funds are designated by the Board to provide perpetual support for the changing needs of the community over time and are used for community grant-making, community leadership activities and other Foundation operating activities.

These funds are spent at the direction of the Board and are released from restriction when they are appropriated for spending by the Board using either the spending policy specified by the contributor or the annual spending policy adopted by the Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

Net Assets With Donor Restrictions (Continued)

Endowed Advised Funds: Balances in advised funds received where the contributor has stated that such funds are to be held in endowment. Earnings on advised funds are released from restriction when they are appropriated for spending by the Board using either the spending policy specified by the contributor or the annual spending policy adopted by the Board. The appropriated spending is available for distribution to charitable organizations or causes upon recommendations from the fund establisher or their designated fund advisor(s). These funds allow advisors to identify funding opportunities aligned with their values and charitable interest and recommend grants that are subject to the Foundation's due diligence and approval.

Funds Restricted for the Passage of Time:

Beneficial Interests in Trusts: Consist of the Foundation's beneficial interest in perpetual trusts and other split-interest agreements (charitable remainder trusts, gift annuities, life insurance policies and other charitable gift instruments). The Foundation has a right to receive distributions from, or the remainder of, the perpetual trusts and other split-interest agreements that named the Foundation as beneficiary when they were established.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor-imposed restrictions. Gains and losses on investments and other liabilities are reported as increases or decreases in net assets without donor-imposed restrictions unless their use is restricted by implicit donor restriction or law. Expiration of donor-imposed restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as releases from restrictions in the Statement of Activities and Change in Net Assets.

Funds held at the Foundation, including those with donor-imposed restrictions, are subject to a variance provision established in the Foundation's governing documents and as documented in fund agreements. The variance provision provides the Foundation's Board with the ability to modify the restrictions or conditions on the distribution of funds when specified for a particular charitable purpose or organization if, in the sole judgment of the Board, such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable purpose that the contributor established the fund to address. In the rare instance when the variance provision is required, the Board follows the practice of respecting the fund contributor's charitable intent regarding grantmaking preferences, as stated in their wills or fund agreements, and in making grants seeks the most closely aligned purposes or organizations.

Recently Adopted Accounting Guidance – Leases

The Financial Accounting Standards Board (FASB) issued Accounting Standards Updates (ASUs) codified as Accounting Standards Codification (ASC) 842, *Leases* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Guidance – Leases (Continued)

The Foundation adopted the standard effective January 1, 2022 using the modified retrospective approach and comparative financial information has not been restated. The standard had no material impact on the Foundation's December 31, 2022 financial statements as the Foundation's current lease for its office space expired on December 31, 2022. Beginning January 1, 2023, the Foundation renewed their existing lease through 2028.

Recently Adopted Accounting Guidance – Nonfinancial Assets

During the year ended December 31, 2022, the Foundation adopted ASU 2020-07 *Not-for Profit Entities (Topic 958): Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*, which changed the presentation and disclosures regarding contributed nonfinancial assets. The Foundation records contributed services if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A number of unpaid volunteers, who serve in the capacity of board members and various other volunteers, have made significant contributions of their time in the furtherance of the Foundation's mission. The value of this contributed time is not reflected in these financial statements since it does not meet the recognition criteria and as such, the adoption of this guidance had no effect on total net assets or change in net assets.

Cash

Cash in financial institutions may exceed federally insured limits at various times during the year and may subject the Foundation to concentrations of credit risk. The Foundation has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash.

Investments

Investments are stated at fair value. Fair value represents the price that would be received upon the sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants as of the measurement date. Level 1 investments are those whose fair value is based on quoted prices in active markets for identical assets that the Foundation has the ability to access. Since valuations are based on quoted market prices that are readily and regularly available in an active market, valuation does not entail a significant degree of judgment.

The Foundation also uses net asset value (NAV) per share (or its equivalent) as a practical expedient to determine the fair value of investments that (i) do not have a readily determinable fair value predicated upon quoted prices in active markets, and (ii) have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company.

Investment managers follow investment guidelines described in the Foundation's "Statement of Investment Objectives and Policies," which also specifies a policy for the strategic allocation of Foundation investments. The investment managers are permitted to invest in bonds and notes issued by the United States government or its agencies, mortgage-backed securities, corporate bonds issued in the United States, international bonds, asset backed securities, equity investments of domestic and international corporations, hedge funds, real estate, private equity, commodities, and derivatives. While the investment managers have discretionary investment authority, portfolios are reviewed by the Foundation, in detail, on a regular basis to determine compliance with the Foundation's investment policies.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables are recorded in the year made at the original amount less an estimate made for uncollectible pledges and an unamortized discount for the time value of money. Management evaluates if the receivables are collectible on a periodic basis based upon the Foundation's review of current receivables, historical collection experience, and management's evaluation and adjusts for uncollectible amounts through an allowance for doubtful pledges. Receivables are written off when deemed uncollectible and there was no allowance for doubtful accounts considered necessary at December 31, 2022 and 2021. Recoveries of amounts previously written off are recorded as revenue at the time such amounts are collected.

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. The Foundation capitalizes all additions in excess of \$2,000 with a useful life greater than one year. Depreciation is provided using the straight-line method over the estimated useful lives of the assets that range from 5 to 10 years.

Grants Payable

Grants are recorded as an expense when approved and after satisfaction by the recipients of any conditions associated with the payment.

Deferred Revenue

Deferred revenue arises from grants and conditional gifts received for specific purposes for which related expenditures have not been made.

Contributions

Contributions, including unconditional promises, are reported at fair value at the date the contribution is made. The Foundation attempts to meet the donor's intent expressed at the time of contribution. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of charitable assets other than cash, which are primarily donated investment securities, are recorded at their estimated fair value at the date of donation.

Such instruments as charitable remainder trusts, gift annuities and life insurance policies that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on estimated future cash flow amounts are computed using an appropriate interest rate applicable to the year in which the promise is received. Amortization of the discount is included in the change in value of beneficial interest in trusts in the accompanying statements of activities and change in net assets.

Endowment Funds Management Policy

The Foundation holds charitable gifts in funds that may be created by individuals, families, and organizations as endowed or non-endowed. An endowment fund generally stipulates that the gift be invested in perpetuity while the investment earnings may be distributed to support the charitable purpose or intent for which the endowment fund was established. A non-endowed fund may also be invested with a long-term horizon, but without any restrictions on distributions of fund principal.

Interpretation of Relevant Law

The Foundation manages the endowment funds in accordance with the New York Prudent Management of Institutional Funds Act (NYPMIFA), New York's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation's Board has interpreted the applicable provisions of NYPMIFA to mean that the classification of appreciation on endowment gifts, beyond the original gift amount, follows the fund establisher's restrictions on the use of the related income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Funds Management Policy (Continued)

Return Objectives and Risk Parameters

In accordance with the concept of the prudent investor, the Foundation's Board has adopted investment policies that apply a flexible, balanced and diversified long-term asset allocation approach to yield an appropriate return while controlling the risk that is inherent in any investment program. The primary investment objective of the Foundation is to attain an average total return (net of investment management fees) of at least 5.25% adjusted for inflation by the Consumer Price Index over the long term.

Spending Policy

Subject to the charitable intent expressed in gift instruments, the Foundation will appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established.

When making a determination to appropriate or accumulate endowment funds, the Foundation's Board considers the following, if relevant: the duration and preservation of the endowment fund; the purpose of the endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Foundation; and the investment policy of the Foundation. For specific endowment funds, the Foundation will also consider, where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Foundation and the specific endowment fund.

The Foundation's Board annually adopts a spending policy for endowed funds in which specific spending policy is not specially stated in the establishing fund agreement or documents. For the years ended December 31, 2022 and 2021, in order to achieve its overall financial objective, the Board approved policy allowed annual spending of 5.25% of the trailing twenty-quarter average market value of the portfolio calculated as of September 30th. Investment income above this spending policy is returned to the endowment fund for inflation protection and long-term preservation of purchasing power.

From time to time the fair value of an endowment fund may fall below the original gift amount, commonly known as an endowment being "underwater". The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. The Foundation has interpreted NYPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Foundation's policy on spending from underwater endowments is to limit the annual spending to an amount that preserves the balance of the fund at 90% of the original gift amount.

Functional Expenses

The costs of providing the Foundation's various program activities and other services have been summarized on a functional basis in the accompanying Statement of Activities and change in net assets and statement of functional expenses. Whenever possible expenses are directly charged to the appropriate program activities or supporting services that benefited from the incurred expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses (Continued)

Expenses that are not directly charged are allocated among the various program activities or supporting services that benefited from the incurred expense using a reasonable basis that is consistently applied. Payroll and benefits costs are directly charged to the applicable program activity or supporting service based on the actual time spent as reported by employees. Occupancy costs are allocated based on square footage used by the employees conducting the various functional activities. Information technology costs are allocated based on the number of users. Other indirect expenses, including telephone, office supplies, equipment leases, postage and insurance, have been allocated based on actual time spent on each program activity as reported by employees.

Program Activity

Grant Making and Fund Stewardship Services

The Foundation approves and awards grants to honor donor intent that address: the changing needs of the community over time; certain fields of interest identified by the donor; specific charitable organizations as defined and recommended by the donor or fund advisor; and scholarships for students.

Activities incurred to oversee and direct the granting and scholarship process including, but not limited to, the following: working with clients/donors to support granting from funds currently in existence at the Foundation where there is an active client/donor advisor, evaluating applicants, processing all grants and scholarships awarded, evaluating the impact of grants made and assessing the ongoing needs of the community all while honoring donor intent and offering educational opportunities for clients/donors to learn more about the needs of the community.

External Community Leadership Grants

Grants received from external funders that are directed towards facilitating and supporting community change, addressing needs and delivering significant leveraged impact. External funders of community leadership grants include local and national foundations and governmental entities (local, state and federal).

Community Leadership Initiatives

Program activities in leading collaborative initiatives for the benefit of the community, including soliciting and administering “External Community Leadership Grants” as defined above. The Foundation works to convene partners and develop collaborative solutions to address critical regional issues and needs within the following four focused community goals: 1) achieve racial/ethnic equity, 2) promote economic mobility through educational achievement, workforce readiness and access to family sustaining jobs for residents living in low-income households, 3) steward significant environmental resources in the context of climate resilience, and 4) promote regional vibrancy through architecture, arts, and culture.

Supporting Services

Management and General

Expenses incurred that are not identifiable with any of the above categories but are indispensable to conducting the above activities and to the Foundation’s overall existence.

Development

Development and cultivation activities undertaken with current and prospective clients/donors to understand their philanthropic needs and provide them with current giving strategies and planned giving opportunities that will maximize their charitable assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is a 501(c)(3) corporation exempt from income taxes under Section 501(a) of the Internal Revenue Code. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Comparative Information

The financial statements include certain prior-year summarized information in total, but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and such differences may be significant.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that are without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at December 31:

	<u>2022</u>	<u>2021</u>
Cash	\$ 3,240,209	\$ 2,301,442
Receivables	845,238	795,932
Investments	<u>6,743,399</u>	<u>6,071,958</u>
	<u>\$ 10,828,846</u>	<u>\$ 9,169,332</u>

The Foundation administers various charitable funds established by individuals, families, and organizations. These funds include endowment funds that consist of: donor endowed with a restricted purpose; donor endowed without a restricted purpose; and board designated endowments. Income and appreciation from donor-restricted endowments which are restricted for specific purposes and amounts held in custody are not available for general expenditure. As described in Note 11, the Foundation's endowment funds without a restricted purpose and Board designated endowments without a restricted purpose that are subject to an annual spending rate and the amounts that have been appropriated for spending in the subsequent annual year would be available for general expenditure within the next year.

The majority of funds are managed as a pool of assets and are charged an annual administrative fee based on a percentage of the average fair value of the assets of the fund. For endowed funds, these fees are calculated on an annual basis and assessed quarterly. These administrative fees are recognized in the year in which they occur and are used to cover the operating expenses of the Foundation and support the Foundation's community leadership efforts and initiatives. Based on the nature of these funds, the administrative fees that will be charged in the subsequent annual year would be available for general expenditure within the next year.

3. LIQUIDITY AND AVAILABILITY (Continued)

For non-endowed funds, the administrative fees are calculated at the close of each calendar quarter. Given the timing of this methodology, the administrative fees on these funds are recognized each quarter and would only be available for general expenditure once the calculation has been completed and as a result, these have not been included in financial assets available for general expenditure.

Occasionally, the Board will designate for reserve a portion of any annual operating surplus and unspent portions of the distributions received from a perpetual trust to its operating and other identified special purpose reserves. These reserves are available for general expenditure within the next year at the discretion of the Board.

Based on the above, the amounts available for general expenditure within the next year are comprised of the following at December 31:

	<u>2022</u>	<u>2021</u>
Appropriations from endowment funds without a restricted purpose:		
Board designated	\$ 646,371	\$ 702,304
Donor endowed	880,859	1,197,478
Administrative fees from endowment funds	5,216,170	3,830,183
Board designated reserves	<u>3,112,364</u>	<u>2,467,743</u>
	<u>\$ 9,855,764</u>	<u>\$ 8,197,708</u>

Generally, these amounts would be used, at the discretion of the Board, to support community grant making, community leadership activities, and other Foundation operating activities.

Although the Foundation does not intend to spend from its Board designated endowment (other than amounts appropriated per the Board's annual spending rate approval), amounts could be made available, if the Board deemed necessary, totaling \$14,314,599 and \$16,802,195 at December 31, 2022 and 2021, respectively.

Financial assets available for general expenditure do not include \$149,393,748 and \$176,003,622 in advised funds at December 31, 2022 and 2021, respectively, that would be available for granting within one year. The Foundation does not consider these available for general expenditure since these funds are available for distribution to charitable organizations or causes based upon recommendations from the fund establisher or their designated fund advisor(s).

The Foundation manages its cash available to meet general expenditures, liabilities, and other obligations with the following guiding principles:

- Operate within a prudent range of financial soundness and stability,
- Maintain adequate liquid assets to meet current and projected cash needs,
- Maintain sufficient reserves and investment practices to provide reasonable assurance that long-term grant commitments, obligations under endowments with donor restrictions and Board designated endowments will be available to support current mission fulfillment needs, while at the same time ensuring the future sustainability of the Foundation.

3. LIQUIDITY AND AVAILABILITY (Continued)

In managing liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. This is done generally using a 90-day time frame where amounts appropriated for current year spending are moved from long-term investments to short-term investments on a quarterly basis so that the next 90 days of anticipated cash requirements are consistently available. The Foundation invests cash in excess of daily requirements in short-term investments and money market funds. As detailed in Note 14, the Foundation has the ability to redeem certain investments as necessary to meet its obligations and additionally as detailed in Note 7 the Foundation has a \$15,000,000 unsecured bank demand line of credit that can be used to address temporary liquidity needs.

4. INVESTMENTS

Investments as of December 31 consisted of:

	<u>2022</u>	<u>2021</u>
U.S. equities	\$ 184,135,030	\$ 228,016,113
International equities	181,459,050	214,054,268
Bonds and fixed income funds	64,836,658	73,223,355
Multi-strategy funds	20,685,079	25,095,985
Long/short equity funds	45,176,855	54,227,563
Private equity funds	92,670,795	90,750,045
Public and private real asset funds	24,234,903	22,117,977
Cash and money market funds	<u>16,523,115</u>	<u>11,980,368</u>
	<u>\$ 629,721,485</u>	<u>\$ 719,465,674</u>

Investment earnings for the years ended December 31 consisted of:

	<u>2022</u>	<u>2021</u>
Dividends and interest	\$ 7,155,425	\$ 6,291,670
Net realized and unrealized gains (losses)	(89,779,799)	94,648,471
Investment expenses	<u>(3,176,064)</u>	<u>(2,802,340)</u>
Total investment earnings, net of expenses	<u>\$ (85,800,438)</u>	<u>\$ 98,137,801</u>

5. RECEIVABLES

Receivables consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Bequests	\$ 61,411,974	\$ 75,909,382
Pledges	19,070	29,055
Grants	13,374	267,511
Other grants and program related investments	<u>260,434</u>	<u>-</u>
	<u>\$ 61,704,852</u>	<u>\$ 76,205,948</u>

5. RECEIVABLES (Continued)

Amounts are expected to be received over the periods shown below:

Less than one year	\$ 7,840,510
One through five years	40,438,168
Greater than five years	<u>13,426,174</u>
	<u>\$ 61,704,852</u>

6. BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Foundation is the beneficiary of two perpetual trusts. The first trust was created in 1928 and makes annual distributions pursuant to a 1978 Massachusetts Superior Judicial Court judgment. The Foundation and two other entities are the recipients of these annual distributions. Additionally, the Foundation alone will receive 50% of the value of the trust corpus in 2029. The remaining corpus will continue to accumulate for another 50 years, at which time 50% of the trust corpus will be distributed to the Foundation alone. This process will continue every 50 years in perpetuity.

The second trust was established upon the death of the donor in 2019. The Foundation is the sole beneficiary of the trust which did not make an annual distribution during the years ended December 31, 2022 and 2021. Upon receipt of any distributions, the Foundation will issue annual grants to organizations designated by the donor.

During the years ended December 31, 2022 and 2021, the Foundation received distributions from the trusts totaling \$1,652,317 and \$753,675, respectively, which are included in investment earnings, net on the statement of activities and change in net assets.

7. SHORT-TERM BORROWINGS

The Foundation has a \$15,000,000 unsecured bank demand line of credit. Amounts borrowed after April 14, 2022, bear interest at the greater of the Daily Simple Secured Overnight Financing Rate (SOFR), plus 1.5%. Amounts borrowed prior to April 14, 2022 bore interest payable at LIBOR plus 1.5%. The line of credit is intended to be used only on a temporary basis to address, among other things, the liquidity needs of larger funds while fulfilling the fiduciary responsibility of preserving the integrity of the investment pool and its strategic asset allocation. The line is subject to the usual terms and conditions applied by the bank and is annually reviewed and renewed. There were no amounts outstanding on the line at December 31, 2022 and 2021.

8. AMOUNTS HELD IN CUSTODY FOR OTHERS

Assets held in custody are comprised of “Organization Funds” and “Agency Grants” and are included in the asset categories of cash, contribution receivables and investments on the balance sheet. “Organization Funds” are held in custody for other nonprofit organizations that choose to invest long-term assets at the Foundation. “Agency Grants” are grants received from charitable organizations or governmental entities where the Foundation does not have the ability to choose the ultimate beneficiary of such funds and the Foundation is therefore acting as an agent in assisting these organizations with the charitable activities of these grants.

Assets relating to Organization Funds and Agency Grants are offset by a corresponding liability. Accordingly, the activity of the Organization Funds and Agency Grants has been excluded from the statements of activities and change in net assets and therefore is not a component of net assets.

Total Organization Funds and Agency Grants activity consisted of the following for the years ended December 31:

	2022			2021
	Organization Funds	Agency Grants	Total	
Investment (losses) earnings, net	\$ (19,825,567)	\$ -	\$ (19,825,567)	\$ 23,318,875
Contributions recognized	7,509,616	-	7,509,616	6,542,112
Distributions and grants	(2,115,772)	-	(2,115,772)	(7,725,328)
Administrative fees and expenses	(690,762)	-	(690,762)	(623,700)
Other expenses	-	(1,273,129)	(1,273,129)	(526,595)
Net change	(15,122,485)	(1,273,129)	(16,395,614)	20,985,364
Balance, beginning of year	149,300,741	2,592,964	151,893,705	129,634,916
Agency grants not yet disbursed	-	31,936	31,936	1,273,425
Balance, end of year	<u>\$ 134,178,256</u>	<u>\$ 1,351,771</u>	<u>\$ 135,530,027</u>	<u>\$ 151,893,705</u>

9. NET ASSETS

The net assets of the Foundation consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
<u>Net Assets Without Donor Restrictions:</u>		
Non-Endowed Advised Funds	\$ 148,004,400	\$ 175,454,756
Designated by the Board for Endowment	18,889,852	19,972,241
Designated for Operating Reserves	874,417	523,894
Designated for Property and Equipment	<u>527,307</u>	<u>486,541</u>
Total Net Assets Without Donor Restrictions	<u>168,295,976</u>	<u>196,437,432</u>
<u>Net Assets With Donor Restrictions:</u>		
<u>Restricted for Charitable Purpose:</u>		
Designated Entity	184,461,339	200,345,363
Scholarships	56,420,648	70,214,597
Field of Interest	<u>80,945,607</u>	<u>94,008,904</u>
Total Funds Restricted as to Charitable Purpose	<u>321,827,594</u>	<u>364,568,864</u>
<u>Restricted in Perpetuity - Endowment:</u>		
Endowed Advised Funds	50,052,715	60,471,750
Endowment Funds Without a Restricted Purpose	<u>40,392,722</u>	<u>35,447,673</u>
Total Endowment Funds	<u>90,445,437</u>	<u>95,919,423</u>
<u>Restricted for the Passage of Time:</u>		
Perpetual Trust	34,546,848	43,814,734
Other Split-Interest Agreements	<u>4,770,368</u>	<u>4,674,362</u>
Total Other Funds	<u>39,317,216</u>	<u>48,489,096</u>
Total Net Assets With Donor Restrictions	<u>451,590,247</u>	<u>508,977,383</u>
Total Net Assets	<u>\$ 619,886,223</u>	<u>\$ 705,414,815</u>

10. ENDOWMENT ASSETS

The net assets of the Foundation include endowment assets which consist of both donor-restricted endowments and Board designated endowments. Endowment assets totaled \$418,184,840 and \$473,529,081 at December 31, 2022 and 2021, respectively, which represent approximately 67% of the Foundation's total net assets.

The Foundation's Board has a general policy to designate for endowment the charitable assets that are received without restrictions or advisement rights and those received with a purpose restriction that were not endowed by the donor. Board endowment assets totaled \$20,577,803 and \$24,240,265 at December 31, 2022 and 2021, respectively.

Endowment assets do not include endowment amounts held in custody for others as these are not a component of net assets.

10. ENDOWMENT ASSETS (Continued)

Endowment assets of the Foundation consisted of the following at December 31, 2022 and 2021:

Year Ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions			Total
		Board Designated Endowed	Board Designated Endowed	Donor Endowed	
Beginning endowed net assets	\$ 17,504,499	\$ 6,735,766	\$449,288,816	\$ 456,024,582	\$ 473,529,081
Investment earnings, net	(2,022,465)	(815,986)	(46,791,809)	(47,607,795)	(49,630,260)
Contributions	273,700	-	16,355,058	16,355,058	16,628,758
Appropriation for expenditure	-	-	(14,357,779)	(14,357,779)	(14,357,779)
Other changes:					
Administrative fees & expenses	(119,104)	(54,069)	(2,558,593)	(2,612,662)	(2,731,766)
Transfers from other funds	(160,246)	-	(4,328,656)	(4,328,656)	(4,488,902)
Distributions - spending policy	<u>(515,414)</u>	<u>(248,878)</u>	<u>-</u>	<u>(248,878)</u>	<u>(764,292)</u>
Ending endowed net assets	<u>\$ 14,960,970</u>	<u>\$ 5,616,833</u>	<u>\$397,607,037</u>	<u>\$ 403,223,870</u>	<u>\$ 418,184,840</u>

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions			Total
		Board Designated Endowed	Board Designated Endowed	Donor Endowed	
Beginning endowed net assets	\$15,553,727	\$ 6,006,543	\$ 308,444,041	\$ 314,450,584	\$ 330,004,311
Investment losses, net	2,410,412	1,002,078	50,805,783	51,807,861	54,218,273
Contributions	99,987	-	102,391,432	102,391,432	102,491,419
Appropriation for expenditure	-	-	(10,779,693)	(10,779,693)	(10,779,693)
Other changes:					
Administrative fees & expenses	(110,385)	(59,750)	(2,222,160)	(2,281,910)	(2,392,295)
Transfers from other funds	-	-	649,413	649,413	649,413
Distributions - spending policy	<u>(449,242)</u>	<u>(213,105)</u>	<u>-</u>	<u>(213,105)</u>	<u>(662,347)</u>
Ending endowed net assets	<u>\$17,504,499</u>	<u>\$ 6,735,766</u>	<u>\$ 449,288,816</u>	<u>\$ 456,024,582</u>	<u>\$ 473,529,081</u>

At December 31, 2022 and 2021, underwater endowments totaling \$3,271,586 and \$131,246, respectively were reported in net assets with donor restrictions.

	<u>2022</u>	<u>2021</u>
Fair value of underwater endowment funds	\$ 46,299,438	\$ 168,754
Original endowment gift amount	<u>(49,571,024)</u>	<u>(300,000)</u>
Amount of underwater endowments	<u>\$ (3,271,586)</u>	<u>\$ (131,246)</u>

11. RETIREMENT PLAN

The Foundation maintains a 401(k) retirement plan for essentially all full-time employees. Contributions are made based on 8% of salaries for employees meeting certain service requirements. Contributions for the years ended December 31, 2022 and 2021 totaled \$218,851 and \$229,765, respectively.

12. COMMITMENTS

Leases

The Foundation rented office space under a long-term lease that expired in 2022. The Foundation also rents other items on a monthly basis. Future annual minimum lease payments due under the lease were \$239,180 for 2022.

Rent expense amounted to \$316,130 and \$300,226 for the years ended December 31, 2022 and 2021, respectively.

13. FAIR VALUE MEASUREMENTS

Fair Value Measurements of Investments

As described in Note 2, the Foundation's investments are stated at fair value. The fair value of marketable securities is determined by quoted prices in active markets (Level 1) as well as by the use of net asset value (NAV) per share (or its equivalent) as a practical expedient to determine the fair value of investments.

A majority of the Foundation's investments are in entities that are limited liability companies and limited partnerships where the Foundation's investment represents a percentage ownership of each entity. In the case of these entities, the Foundation estimates fair value using NAV as reported by the fund manager and/or independent third parties as a practical expedient, unless it is probable that the investment will be sold for an amount different from NAV. As of December 31, 2022 and 2021, the Foundation has no plans or intentions to sell investments at amounts different from NAV. Because of the inherent uncertainties in valuation assumptions, the estimated fair value for investments may differ significantly from values that would have been used had a ready market existed. Such valuations are generally determined by using variables such as quoted market prices for portfolio holdings within these entities, operating results, earnings of the underlying holdings, projected cash flows, recent sales prices and other pertinent information.

The fair value of investment assets are as follows as of December 31, 2022:

	<u>Level 1</u>	<u>NAV</u>	<u>Total</u>
U.S. equities	\$ 49,227,765	\$ 134,907,265	\$ 184,135,030
International equities	26,248,907	155,210,143	181,459,050
Bonds and fixed income funds	44,404,904	20,431,754	64,836,658
Multi-strategy funds	-	20,685,079	20,685,079
Long/short equity funds	-	45,176,855	45,176,855
Private equity funds	-	92,670,795	92,670,795
Public and private real asset funds	-	24,234,903	24,234,903
Cash and money market funds	<u>16,523,115</u>	<u>-</u>	<u>16,523,115</u>
Total investments	<u>\$ 136,404,691</u>	<u>\$ 493,316,794</u>	<u>\$ 629,721,485</u>

13. FAIR VALUE MEASUREMENTS (Continued)

Fair Value Measurements of Investments (Continued)

The fair value of investment assets are as follows as of December 31, 2021:

	<u>Level 1</u>	<u>NAV</u>	<u>Total</u>
U.S. equities	\$ 46,627,149	\$ 181,388,964	\$ 228,016,113
International equities	30,382,106	183,672,162	214,054,268
Bonds and fixed income funds	54,366,382	18,856,973	73,223,355
Multi-strategy funds	-	25,095,985	25,095,985
Long/short equity funds	-	54,227,563	54,227,563
Private equity funds	-	90,750,045	90,750,045
Public and private real asset funds	-	22,117,977	22,117,977
Cash and money market funds	<u>11,980,368</u>	<u>-</u>	<u>11,980,368</u>
Total investments	<u>\$ 143,356,005</u>	<u>\$ 576,109,669</u>	<u>\$ 719,465,674</u>

The Foundation had the following investments that are valued using net asset value at December 31, 2022 and 2021 presented along with the related redemption notice periods and unfunded portions of capital and investment commitments:

December 31, 2022:

<u>Redemption Notice Period</u>	<u>Description</u>	<u>NAV</u>	<u>Unfunded Commitments</u>
Redeemable with up to 180 days notice:			
	U.S. equities	\$ 94,853,671	\$ -
	International equities	115,005,730	-
	Bond and fixed income funds	20,431,754	-
	Multi-strategy funds	20,685,079	-
	Long/short equity funds	<u>4,872,882</u>	<u>-</u>
		<u>255,849,116</u>	<u>-</u>
Redeemable with up to 180 days notice after lock-up periods of 1-5 years:			
	U.S. equities	40,053,601	-
	International equities	40,204,414	-
	Private equity funds	4,080,708	-
	Long/short equity	40,303,973	-
	Public and private real asset funds	<u>558,457</u>	<u>-</u>
		<u>125,201,153</u>	<u>-</u>
Illiquid with return of capital beginning 3 to 4 years from purchase date:			
	Private equity funds	88,590,087	45,040,783
	Public and private real asset funds	<u>23,676,446</u>	<u>4,839,063</u>
		<u>112,266,533</u>	<u>49,879,846</u>
Total		<u>\$ 493,316,802</u>	<u>\$ 49,879,846</u>

13. FAIR VALUE MEASUREMENTS (Continued)

December 31, 2021:

Redemption Notice Period	Description	NAV	Unfunded Commitments
Redeemable with up to 180 days notice:			
	U.S. equities	\$ 132,480,495	\$ -
	International equities	140,990,006	-
	Bond and fixed income funds	18,856,973	-
	Multi-strategy funds	25,095,985	-
	Long/short equity funds	<u>5,654,697</u>	<u>-</u>
		<u>323,078,156</u>	<u>-</u>
Redeemable with up to 180 days notice after lock-up periods of 1-5 years:			
	U.S. equities	48,908,470	-
	International equities	42,682,156	-
	Private equity funds	3,895,381	-
	Long/short equity	48,572,866	-
	Public and private real asset funds	<u>687,637</u>	<u>-</u>
		<u>144,746,510</u>	<u>-</u>
Illiquid with return of capital beginning 3 to 4 years from purchase date:			
	Private equity funds	86,854,664	21,486,979
	Public and private real asset funds	<u>21,430,340</u>	<u>8,269,146</u>
		<u>108,285,004</u>	<u>29,756,125</u>
Total		<u>\$ 576,109,670</u>	<u>\$ 29,756,125</u>

The Foundation evaluates the liquidity of all investments on a quarterly basis to ensure that it has access to sufficient resources necessary for its current and future operational activities. Overall, at December 31, 2022, the Foundation has access to approximately 41% of the fair value of the investments on a monthly basis, and approximately 58% of the fair value of the investments on a quarterly basis.

The Foundation invests in limited liability companies and limited partnerships for the purpose of long-term growth. These investments have various liquidity requirements and redemption policies as summarized in the table above. Following is a detail of investment strategies of the respective investment classes:

U.S. and International Equities

U.S. and international equities are held by various different managers and investment vehicles. The primary objective of these equity investments is outperforming various market benchmark indicators depending upon the objectives of the fund manager.

Bonds and Fixed Income Funds

Bonds and Fixed income funds are held by various different managers and investment vehicles. The primary objective of these fixed income investments is outperforming various market benchmark indicators depending upon the objectives of the fund manager.

Multi-Strategy and Long/ Short Equity Hedge Funds

The Foundation invests in a variety of hedge funds that pursue multiple strategies to diversify risks and reduce total portfolio volatility. These funds holdings include various publicly traded credit and equity positions across U.S. and international markets.

13. FAIR VALUE MEASUREMENTS (Continued)

Private Equity Funds

The Foundation invests in multiple private equity funds (24 funds), which includes various U.S. and international companies that are not publicly traded. When the underlying assets are sold the proceeds, less any incentives due to the fund sponsor, will be distributed to the investor.

Public and Private Real Asset Funds

The Foundation invests in one public and multiple private real estate trusts, partnerships or capital funds (14 funds) which invest in U.S and international real asset holdings. When the underlying assets are sold the proceeds, less any incentives due to the fund sponsor, will be distributed to the investor.

Fair Value Measurements of Other Financial Items

The carrying amounts of receivables approximates fair value based on the discounted values of estimates to be received or the underlying value of the trustee assets. The carrying amounts of grants payable approximates fair value based on the discounted values of amounts to be paid.

The Foundation recognizes its rights in the beneficial interest in perpetual trusts on the balance sheet as a single amount at fair value. The Trusts' assets consist primarily of marketable equities and fixed income securities valued based on quoted prices in active markets. The Foundation's asset is considered a Level 2 asset in the fair value hierarchy.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 7, 2023, which is the date the financial statements were available to be issued.