

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

**Consolidated Financial Statements
as of December 31, 2025
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

June 3, 2026

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

Opinion

We have audited the accompanying consolidated financial statements of Community Foundation for Greater Buffalo, Inc., (a New York not-for-profit corporation) (the Foundation), which comprise the consolidated balance sheet as of December 31, 2025, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025, and the changes in their 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 6, 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 consolidated financial statements from which it has been derived.

Bonadio & Co. LLP

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2025

(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 43,366,290	\$ 34,072,500
Investments	947,553,175	808,257,189
Receivables	45,344,595	51,638,154
Beneficial interest in trusts	53,356,984	47,907,691
Operating lease right-of-use asset, net	674,649	875,728
Property and equipment, net	454,832	448,097
Other assets	<u>997,800</u>	<u>846,616</u>
Total assets	<u>\$ 1,091,748,325</u>	<u>\$ 944,045,975</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,368,720	\$ 1,537,705
Grants payable	2,121,787	941,927
Operating lease right-of-use liability	675,203	882,925
Amounts held in custody for others	215,637,142	184,669,836
Grant advances	<u>29,326,403</u>	<u>25,325,563</u>
Total liabilities	<u>249,129,255</u>	<u>213,357,956</u>
NET ASSETS:		
Without donor restrictions	<u>214,166,521</u>	<u>184,646,906</u>
With donor restrictions:		
Restricted for charitable purposes	363,459,233	342,209,601
Restricted in perpetuity - endowment	211,636,332	155,923,821
Restricted for the passage of time	<u>53,356,984</u>	<u>47,907,691</u>
Total with donor restrictions	<u>628,452,549</u>	<u>546,041,113</u>
Total net assets	<u>842,619,070</u>	<u>730,688,019</u>
Total liabilities and net assets	<u>\$ 1,091,748,325</u>	<u>\$ 944,045,975</u>

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
Revenue and Support:				
Contributions	\$ 27,668,255	\$ 6,285,088	\$ 33,953,343	\$ 27,716,188
Bequests	1,143,844	15,749,947	16,893,791	23,496,917
Investment earnings, net	64,926,186	82,003,740	146,929,926	56,152,589
Grants received to support community leadership	843,410	2,402,774	3,246,184	2,963,387
Change in value of beneficial interest in trusts	-	5,449,293	5,449,293	3,703,899
Other	1,099,223	-	1,099,223	969,296
Net assets released from restrictions	29,479,406	(29,479,406)	-	-
	<u>125,160,324</u>	<u>82,411,436</u>	<u>207,571,760</u>	<u>115,002,276</u>
Less: Amounts related to assets held in custody:				
Contributions	(8,715,448)	-	(8,715,448)	(17,912,210)
Investment earnings, net	(36,662,402)	-	(36,662,402)	(12,982,619)
Leadership initiatives	(843,410)	-	(843,410)	(754,333)
Total amounts related to assets held in custody	<u>(46,221,260)</u>	<u>-</u>	<u>(46,221,260)</u>	<u>(31,649,162)</u>
Total revenue and support	<u>78,939,064</u>	<u>82,411,436</u>	<u>161,350,500</u>	<u>83,353,114</u>
Expenses:				
Program Activity:				
Grants and scholarships awarded	51,804,726	-	51,804,726	52,656,799
Grant making services and fund stewardship	1,762,368	-	1,762,368	1,549,633
	<u>53,567,094</u>	<u>-</u>	<u>53,567,094</u>	<u>54,206,432</u>
External community leadership grants	1,692,439	-	1,692,439	1,750,951
Foundation community leadership initiatives	1,661,238	-	1,661,238	1,360,001
Total program activity	<u>56,920,771</u>	<u>-</u>	<u>56,920,771</u>	<u>57,317,384</u>
Supporting Services:				
Management and general	4,140,647	-	4,140,647	4,162,500
Development	309,550	-	309,550	296,678
Total supporting services	<u>4,450,197</u>	<u>-</u>	<u>4,450,197</u>	<u>4,459,178</u>
Less: Amounts related to assets held in custody:				
Grants approved	(11,136,629)	-	(11,136,629)	(14,420,733)
External leadership grants	(814,890)	-	(814,890)	(740,289)
Total amounts related to assets held in custody	<u>(11,951,519)</u>	<u>-</u>	<u>(11,951,519)</u>	<u>(15,161,022)</u>
Total expenses	<u>49,419,449</u>	<u>-</u>	<u>49,419,449</u>	<u>46,615,540</u>
CHANGE IN NET ASSETS	29,519,615	82,411,436	111,931,051	36,737,574
NET ASSETS - beginning of year	<u>184,646,906</u>	<u>546,041,113</u>	<u>730,688,019</u>	<u>693,950,445</u>
NET ASSETS - end of year	<u>\$ 214,166,521</u>	<u>\$ 628,452,549</u>	<u>\$ 842,619,070</u>	<u>\$ 730,688,019</u>

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Totals for 2024)

	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			2025	2024
Grants awarded	\$ 46,038,470	\$ 814,890	\$ -	\$ 46,853,360	\$ -	\$ -	\$ -	\$ 46,853,360	\$ 11,951,519	\$ 34,901,841	\$ 32,472,999
Scholarships awarded	5,766,256	-	-	5,766,256	-	-	-	5,766,256	-	5,766,256	5,763,067
	<u>51,804,726</u>	<u>814,890</u>	<u>-</u>	<u>52,619,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,619,616</u>	<u>11,951,519</u>	<u>40,668,097</u>	<u>38,236,066</u>
Salaries and wages	1,260,117	296,138	1,038,793	2,595,048	2,067,221	160,070	2,227,291	4,822,339	-	4,822,339	4,628,606
Employee benefits	178,868	36,653	137,529	353,050	296,807	24,047	320,854	673,904	-	673,904	582,157
Payroll taxes	97,765	22,527	70,353	190,645	157,378	11,502	168,880	359,525	-	359,525	333,633
Consultants/professional services	43,743	309,276	241,273	594,292	633,953	71,321	705,274	1,299,566	-	1,299,566	1,427,572
Information technology	57,274	6,867	35,162	99,303	295,745	6,792	302,537	401,840	-	401,840	312,107
Occupancy	64,701	10,182	50,471	125,354	190,262	9,530	199,792	325,146	-	325,146	321,371
Advertising and promotion	9,098	91,987	18,127	119,212	103,207	18,087	121,294	240,506	-	240,506	190,688
Office expenses	24,494	62,401	20,798	107,693	125,944	3,563	129,507	237,200	-	237,200	160,542
Professional development	2,195	20,423	36,153	58,771	94,770	697	95,467	154,238	-	154,238	215,897
Depreciation	-	-	-	-	113,849	-	113,849	113,849	-	113,849	102,508
Insurance	4,906	-	3,024	7,930	40,097	577	40,674	48,604	-	48,604	17,512
Community engagement	4,735	13,614	9,064	27,413	4,112	3,364	7,476	34,889	-	34,889	49,487
Other	14,472	7,481	491	22,444	17,302	-	17,302	39,746	-	39,746	37,394
	<u>1,762,368</u>	<u>877,549</u>	<u>1,661,238</u>	<u>4,301,155</u>	<u>4,140,647</u>	<u>309,550</u>	<u>4,450,197</u>	<u>8,751,352</u>	<u>-</u>	<u>8,751,352</u>	<u>8,379,474</u>
	53,567,094	1,692,439	1,661,238	56,920,771	4,140,647	309,550	4,450,197	61,370,968	11,951,519	49,419,449	46,615,540
Less: Expenses from Funds Held in Custody	(11,136,629)	(814,890)	-	(11,951,519)	-	-	-	(11,951,519)	(11,951,519)	-	-
	<u>\$ 42,430,465</u>	<u>\$ 877,549</u>	<u>\$ 1,661,238</u>	<u>\$ 44,969,252</u>	<u>\$ 4,140,647</u>	<u>\$ 309,550</u>	<u>\$ 4,450,197</u>	<u>\$ 49,419,449</u>	<u>\$ -</u>	<u>\$ 49,419,449</u>	<u>\$ 46,615,540</u>

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Totals for 2024)**

	<u>2025</u>	<u>2024</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 111,931,051	\$ 36,737,574
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Net realized and unrealized gains on investments	(139,271,238)	(48,506,015)
Change in beneficial interest in trusts	(5,449,293)	(3,703,899)
Noncash lease expense	201,079	192,967
Depreciation	113,849	102,508
Contributions restricted for investment in endowments	(14,845,639)	(9,968,677)
Changes in other operating assets and liabilities:		
Receivables	6,293,559	10,873,129
Other assets	(151,184)	(188,474)
Accounts payable and accrued expenses	(168,985)	326,642
Grants payable	1,179,860	(183,679)
Operating lease right-of-use liability	(207,722)	(199,611)
Amounts held in custody for others	30,967,306	18,141,473
Grant advances	4,000,840	9,091,242
Net cash flow from operating activities	<u>(5,406,517)</u>	<u>12,715,180</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(49,510,379)	(69,024,751)
Proceeds from sales of investments	49,485,631	44,148,647
Purchases of property and equipment	<u>(120,584)</u>	<u>(91,541)</u>
Net cash flow from investing activities	<u>(145,332)</u>	<u>(24,967,645)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Contributions restricted for investment in endowments	<u>14,845,639</u>	<u>9,968,677</u>
Net cash flow from financing activities	<u>14,845,639</u>	<u>9,968,677</u>
CHANGE IN CASH	9,293,790	(2,283,788)
CASH - beginning of year	<u>34,072,500</u>	<u>36,356,288</u>
CASH - end of year	<u>\$ 43,366,290</u>	<u>\$ 34,072,500</u>

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION FOR GREATER BUFFALO, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2025

1. THE ORGANIZATIONS

Community Foundation for Greater Buffalo, Inc. (the 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).

Community Foundation for Greater Buffalo Initiatives, Inc., (an affiliate organization), was established in 2024 under Section 509(a)(3) of the Internal Revenue Code (IRC) to receive Federal grant opportunities to advance our community goals. The Foundation is the sole corporate member of the affiliate organization and effectively controls all operational aspects of the affiliate organization. For the fiscal years ended December 31, 2025 and 2024, there has been no activity in the affiliate organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Foundation and the affiliate organization. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Financial Reporting

The consolidated 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 without donor restrictions result 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

Net Assets Without Donor Restrictions (Continued)

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 has the right to decide at any time to expend the principal of these funds.

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 10). 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

Net Assets With Donor Restrictions (Continued)

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.

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 income 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 net assets released 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. US GAAP establish a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs, as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these items does not entail a significant degree of judgment.
- Level 2 - Valuations based on significant inputs that are observable, directly or indirectly; or based on quoted prices in markets that are not active.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

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.

The preceding methods described may produce a fair value calculation that is 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 at the reporting date.

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 for irrevocable contributions not yet received by the Foundation 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, using 3.0% discount rate. The difference between the outstanding pledge balances and their net present value is recorded as a reduction to pledges receivable and is recognized as contribution revenue over the term of the related pledges. 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. There was no allowance for doubtful accounts considered necessary at December 31, 2025 and 2024. Recoveries of amounts previously written off are recorded as revenue and support at the time such amounts are collected.

Leases

The Foundation leases office space for its operations. The Foundation determines if an arrangement is a lease at inception. Right-of-use (ROU) assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Foundation is reasonably certain to exercise these options.

For all underlying classes of assets, the Foundation has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Foundation is reasonably certain to exercise. The Foundation recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Foundation elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable and to not separate the lease and non-lease components of a contract and to account for as a single lease component.

In evaluating contracts to determine if they qualify as a lease, the Foundation considers factors such as if the Foundation obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

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 grant or scholarship. Amounts not paid at year-end are presented as grants payable on the consolidated balance sheets. Grants payable due in the year ending December 31, 2026 and 2027 totaled \$1,689,275 and \$432,512, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grant Advances

Grant advances arise from grants and conditional gifts received for specific purposes for which related expenditures have not been made or barriers to contribution revenue recognition have not been met.

Contributions

Contributions, including unconditional promises to give, 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. Unconditional 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 statement 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 and earnings.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Funds Management Policy (Continued)

Spending Policy (Continued)

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, 2025 and 2024, in order to achieve its overall financial objective, the Board approved policy allowed annual spending of 5.25% of the trailing 20-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 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.

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. Information technology costs are allocated based on the number of users. Other indirect expenses, including occupancy, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses (Continued)

Program Activity (Continued)

Grant Making and Fund Stewardship Services

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.

Income Taxes

The Foundation is a 501(c)(3) corporation and the affiliate organization is a 509(a)(3) corporation, both exempt from income taxes under Section 501(a) of the Internal Revenue Code. The Foundation and affiliate organization have also been classified by the Internal Revenue Service as entities that are not private foundations within the meaning of Section 509(a) and qualify 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 as of and for the year ended December 31, 2024, from which the summarized information was derived.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform with the current year presentation.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that are without donor or other restrictions limiting their use and not intended for granting, within one year of the balance sheet dates, consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 5,488,642	\$ 5,229,402
Receivables	547,343	411,639
Investments	<u>7,967,032</u>	<u>7,261,186</u>
	<u>\$ 14,003,017</u>	<u>\$ 12,902,227</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 10, 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.

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 expenditures.

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.

3. LIQUIDITY AND AVAILABILITY (Continued)

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

	<u>2025</u>	<u>2024</u>
Appropriations from endowment funds without a restricted purpose:		
Board designated	\$ 1,493,224	\$ 1,251,619
Donor endowed	3,022,089	2,728,204
Administrative fees from endowment funds	5,266,948	4,868,401
Board designated reserves	<u>3,575,053</u>	<u>3,050,128</u>
	<u>\$ 13,357,314</u>	<u>\$ 11,898,352</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 \$16,867,995 and \$17,137,972 at December 31, 2025 and 2024, respectively.

Financial assets available for general expenditure do not include \$202,745,569 and \$183,192,928 in advised funds at December 31, 2025 and 2024, 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.

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 discussed in Note 13, 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, by investment strategy, consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
U.S. equities	\$ 321,200,338	\$ 267,408,427
International equities	282,989,665	233,049,351
Bonds and fixed income funds	102,189,825	80,960,423
Multi-strategy funds	23,734,261	32,024,866
Long/short equity funds	51,683,121	47,465,197
Private equity funds	107,889,649	94,628,244
Public and private real asset funds	25,103,500	26,402,395
Cash and money market funds	<u>32,762,816</u>	<u>26,318,286</u>
	<u>\$ 947,553,175</u>	<u>\$ 808,257,189</u>

Investments, by underlying holdings, consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Mutual funds	\$ 160,394,733	\$ 139,586,765
Investments at net asset value	754,395,626	642,352,138
Cash and money market funds	<u>32,762,816</u>	<u>26,318,286</u>
	<u>\$ 947,553,175</u>	<u>\$ 808,257,189</u>

Investment earnings consisted of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 12,248,630	\$ 11,734,668
Net realized and unrealized gains	139,271,238	48,506,015
Investment expenses	<u>(4,589,942)</u>	<u>(4,088,094)</u>
	<u>\$ 146,929,926</u>	<u>\$ 56,152,589</u>

5. RECEIVABLES

Receivables consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Bequests	\$ 4,689,747	\$ 3,420,664
Foundation pledges	40,164,003	47,744,178
Grants	33,488	8,479
Other grants and program related investments	<u>457,357</u>	<u>464,833</u>
	<u>\$ 45,344,595</u>	<u>\$ 51,638,154</u>

5. RECEIVABLES (Continued)

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

Less than one year	\$ 12,208,006
One through five years	31,750,553
Greater than five years	<u>1,386,036</u>
	<u>\$ 45,344,595</u>

Foundation pledges receivable are expected to be collected, as follows, in the years ending December 31:

2026	\$ 8,750,000
2027	8,750,000
2028	8,750,000
2029	8,750,000
2030	<u>7,500,000</u>
Gross Foundation pledges receivable	42,500,000
Less: Unamortized pledge discount	<u>(2,335,997)</u>
Foundation pledges receivable, net	<u>\$ 40,164,003</u>

6. BENEFICIAL INTEREST IN 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. Upon receipt of any distributions, the Foundation will issue annual grants to organizations designated by the donor.

During the years ended December 31, 2025 and 2024, the Foundation received distributions from the trusts totaling \$1,105,257 and \$987,897, respectively, which are included in investment earnings, net on the statements of activities and change in net assets.

The Foundation is the beneficiary to 9 and 10 additional trusts, respectively at December 31, 2025 and 2024, administered by unrelated third parties. At the time of the donor's death, the trust are to terminate, and remaining trust assets are to be distributed to the Foundation. The Foundation estimates the present value of its expected future cash inflows, based on applicable mortality tables and current market conditions. The Foundation's interest in the additional trusts totaled \$4,919,828 and \$4,755,098, respectively, at December 31, 2025 and 2024.

7. SHORT-TERM BORROWINGS

The Foundation has a \$15,000,000 unsecured bank demand line of credit. Amounts borrowed bear interest at the Daily Simple Secured Overnight Financing Rate (SOFR), plus 1.5% (5.37% and 5.99% at December 31, 2025 and 2024, respectively). 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, 2025 and 2024.

8. AMOUNTS HELD IN CUSTODY FOR OTHERS

Assets held in custody for others are comprised of "Organization Funds" and "Agency Grants" and are included in the asset categories of cash, contribution receivables and investments on the balance sheets. "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:

	2025			2024
	Organization Funds	Agency Grants	Total	Total
Investment earnings, net	\$ 33,016,336	\$ -	\$ 33,016,336	\$ 12,039,853
Contributions received	8,715,448	-	8,715,448	17,912,210
Distributions and grants	(9,212,219)	-	(9,212,219)	(12,621,586)
Administrative fees and expenses	(858,848)	-	(858,848)	(786,167)
Other activity	-	(693,411)	(693,411)	1,597,163
Net change	31,660,717	(693,411)	30,967,306	18,141,473
Balance, beginning of year	<u>181,396,619</u>	<u>3,273,217</u>	<u>184,669,836</u>	<u>166,528,363</u>
Balance, end of year	<u>\$ 213,057,336</u>	<u>\$ 2,579,806</u>	<u>\$ 215,637,142</u>	<u>\$ 184,669,836</u>

9. NET ASSETS

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

	<u>2025</u>	<u>2024</u>
<u>Net Assets Without Donor Restrictions:</u>		
Non-Endowed Advised Funds	\$ 185,810,131	\$ 159,680,997
Designated by the Board for Endowment	26,487,104	22,909,318
Designated for Operating Reserves	<u>1,869,286</u>	<u>2,056,591</u>
Total Net Assets Without Donor Restrictions	<u>214,166,521</u>	<u>184,646,906</u>
<u>Net Assets With Donor Restrictions:</u>		
<u>Restricted for Charitable Purpose:</u>		
Designated Entity	217,527,994	217,394,141
Scholarships	77,687,844	63,929,146
Field of Interest	<u>68,243,395</u>	<u>60,886,314</u>
Total Funds Restricted as to Charitable Purpose	<u>363,459,233</u>	<u>342,209,601</u>
<u>Restricted in Perpetuity - Endowment:</u>		
Endowed Advised Funds	155,101,428	106,665,691
Endowment Funds Without a Restricted Purpose	<u>56,534,904</u>	<u>49,258,130</u>
Total Endowment Funds	<u>211,636,332</u>	<u>155,923,821</u>
<u>Restricted for the Passage of Time:</u>		
Perpetual Trusts	47,790,554	42,569,148
Other Split-Interest Agreements	<u>5,566,430</u>	<u>5,338,543</u>
Total Other Funds	<u>53,356,984</u>	<u>47,907,691</u>
Total Net Assets With Donor Restrictions	<u>628,452,549</u>	<u>546,041,113</u>
Total Net Assets	<u>\$ 842,619,070</u>	<u>\$ 730,688,019</u>

Net assets released from restrictions for charitable purposes identified by donors totaled \$29,479,406 and \$23,592,551 at December 31, 2025 and 2024, respectively.

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 \$588,637,124 and \$489,330,284 at December 31, 2025 and 2024, respectively, which represent approximately 70% and 67% of the Foundation's total net assets, respectively.

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 \$27,718,846 and \$24,499,500 at December 31, 2025 and 2024, 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, 2025 and 2024:

Year Ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions			Total
	Board Designated Endowed	Board Designated Endowed	Donor Endowed	Total with Donor Restrictions	
Beginning endowed assets	\$ 18,274,271	\$ 6,225,229	\$ 464,830,784	\$ 471,056,013	\$ 489,330,284
Investment earnings, net	3,053,665	1,107,361	75,672,524	76,779,885	79,833,550
Contributions	1,417	-	14,845,639	14,845,639	14,847,056
Appropriation for expenditure	-	-	(20,182,521)	(20,182,521)	(20,182,521)
Other changes:					
Administrative fees / expenses	(137,270)	(56,531)	(3,144,948)	(3,201,479)	(3,338,749)
Transfers (to) from other funds	(430,075)	(96,085)	28,896,800	28,800,715	28,370,640
Distributions - spending policy	<u>(81,840)</u>	<u>(141,296)</u>	<u>-</u>	<u>(141,296)</u>	<u>(223,136)</u>
Ending endowed assets	<u>\$ 20,680,168</u>	<u>\$ 7,038,678</u>	<u>\$ 560,918,278</u>	<u>\$ 567,956,956</u>	<u>\$ 588,637,124</u>

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions			Total
	Board Designated Endowed	Board Designated Endowed	Donor Endowed	Total with Donor Restrictions	
Beginning endowed assets	\$16,903,360	\$ 6,115,237	\$ 457,174,183	\$ 463,289,420	\$ 480,192,780
Investment earnings, net	1,126,455	423,296	27,730,252	28,153,548	29,280,003
Contributions	262,806	-	9,968,677	9,968,677	10,231,483
Appropriation for expenditure	-	-	(16,796,218)	(16,796,218)	(16,796,218)
Other changes:					
Administrative fees / expenses	(129,570)	(54,913)	(2,880,361)	(2,935,274)	(3,064,844)
Transfers (to) from other funds	531,924	(54,779)	(10,365,749)	(10,420,528)	(9,888,604)
Distributions - spending policy	<u>(420,704)</u>	<u>(203,612)</u>	<u>-</u>	<u>(203,612)</u>	<u>(624,316)</u>
Ending endowed assets	<u>\$18,274,271</u>	<u>\$ 6,225,229</u>	<u>\$ 464,830,784</u>	<u>\$ 471,056,013</u>	<u>\$ 489,330,284</u>

At December 31, 2025 and 2024, underwater endowments totaling \$121,647 and \$283,781, respectively, were reported in net assets with donor restrictions.

	<u>2025</u>	<u>2024</u>
Fair value of underwater endowment funds	\$ 786,853	\$ 12,614,871
Original endowment gift amount	<u>(908,500)</u>	<u>(12,898,652)</u>
Amount of underwater endowments	<u>\$ (121,647)</u>	<u>\$ (283,781)</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, 2025 and 2024 totaled \$312,271 and \$258,136, respectively.

12. COMMITMENTS

Leases

The Foundation entered into a long-term lease for office space for operations under an operating lease that expires in 2028. The components of total lease cost for the year ended December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ <u>207,722</u>	\$ <u>213,158</u>

Supplemental cash flow information related to the operating leases were as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of operating lease liabilities	\$ <u>239,180</u>	\$ <u>239,180</u>

Other information related to operating leases were as follows as of December 31:

	<u>2025</u>	<u>2024</u>
Remaining lease term	3 years	4 years
Discount rate for operating leases	3.99%	3.99%

Maturities of operating lease liabilities are as follows for the years ending December 31:

2026	\$ 239,180
2027	239,180
2028	<u>239,180</u>
Total lease payments	717,540
Less: Interest	<u>(42,337)</u>
Total present value of lease liabilities	<u>\$ 675,203</u>

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, 2025 and 2024, 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 investments, by investment strategy, were as follows as of December 31, 2025:

	<u>Level 1</u>	<u>NAV</u>	<u>Total</u>
U.S. equities	\$ 87,408,822	\$ 233,791,516	\$ 321,200,338
International equities	36,075,951	246,913,714	282,989,665
Bonds and fixed income funds	36,909,960	65,279,865	102,189,825
Multi-strategy funds	-	23,734,261	23,734,261
Long/short equity funds	-	51,683,121	51,683,121
Private equity funds	-	107,889,649	107,889,649
Public and private real asset funds	-	25,103,500	25,103,500
Cash and money market funds	<u>32,762,816</u>	<u>-</u>	<u>32,762,816</u>
	<u>\$ 193,157,549</u>	<u>\$ 754,395,626</u>	<u>\$ 947,553,175</u>

The fair value of investments were as follows as of December 31, 2024:

	<u>Level 1</u>	<u>NAV</u>	<u>Total</u>
U.S. equities	\$ 69,315,122	\$ 198,093,305	\$ 267,408,427
International equities	34,368,393	198,680,958	233,049,351
Bonds and fixed income funds	35,903,250	45,057,173	80,960,423
Multi-strategy funds	-	32,024,866	32,024,866
Long/short equity funds	-	47,465,197	47,465,197
Private equity funds	-	94,628,244	94,628,244
Public and private real asset funds	-	26,402,395	26,402,395
Cash and money market funds	<u>26,318,286</u>	<u>-</u>	<u>26,318,286</u>
	<u>\$ 165,905,051</u>	<u>\$ 642,352,138</u>	<u>\$ 808,257,189</u>

13. FAIR VALUE MEASUREMENTS (Continued)

Fair Value Measurements of Investments (Continued)

The fair value of investments, by underlying holdings, were as follows as of December 31:

<u>2025</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Total</u>
<u>Investments</u>				
Mutual funds	\$ 160,394,733	\$ -	\$ -	\$ 160,394,733
Cash and money market funds	<u>32,762,816</u>	<u>-</u>	<u>-</u>	<u>32,762,816</u>
	<u>\$ 193,157,549</u>	<u>\$ -</u>	<u>\$ -</u>	193,157,549
Investments, at net asset value as a practical expedient				<u>754,395,626</u>
Total investments, at fair value				<u>\$ 947,553,175</u>
Beneficial interest in perpetual trusts	<u>\$ -</u>	<u>\$ 47,790,554</u>	<u>\$ -</u>	<u>\$ 47,790,554</u>
<u>2024</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Total</u>
<u>Investments</u>				
Mutual funds	\$ 139,586,765	\$ -	\$ -	\$ 139,586,765
Cash and money market funds	<u>26,318,286</u>	<u>-</u>	<u>-</u>	<u>26,318,286</u>
	<u>\$ 165,905,051</u>	<u>\$ -</u>	<u>\$ -</u>	165,905,051
Investments, at net asset value as a practical expedient				<u>642,352,138</u>
Total investments, at fair value				<u>\$ 808,257,189</u>
Beneficial interest in perpetual trusts	<u>\$ -</u>	<u>\$ 42,569,148</u>	<u>\$ -</u>	<u>\$ 42,569,148</u>

13. FAIR VALUE MEASUREMENTS (Continued)

Fair Value Measurements of Investments (Continued)

The Foundation had the following investments that are valued using net asset value at December 31, 2025 and 2024 presented along with the related redemption notice periods and unfunded portions of capital and investment commitments:

December 31, 2025:

Redemption Notice Period	Description	NAV	Unfunded Commitments
Redeemable with up to 180 days notice:			
	U.S. equities	\$ 117,158,900	\$ -
	International equities	176,919,274	-
	Bond and fixed income funds	65,279,865	-
	Multi-strategy funds	7,510,879	-
	Long/short equity funds	6,724,708	-
	Public and private real asset funds	<u>3,972,254</u>	<u>-</u>
		<u>377,565,880</u>	<u>-</u>
Redeemable with up to 365 days notice after lock-up periods of 1-5 years:			
	U.S. equities	116,632,616	-
	International equities	69,994,440	-
	Multi-strategy funds	16,223,382	-
	Private equity funds	3,515,731	-
	Long/short equity	44,958,413	-
	Public and private real asset funds	<u>530,106</u>	<u>-</u>
		<u>251,854,688</u>	<u>-</u>
Illiquid with return of capital beginning 3 to 4 years from purchase date:			
	Private equity funds	104,373,918	40,282,112
	Public and private real asset funds	<u>20,601,140</u>	<u>9,250,867</u>
		<u>124,975,058</u>	<u>49,532,979</u>
		<u>\$ 754,395,626</u>	<u>\$ 49,532,979</u>

December 31, 2024:

Redemption Notice Period	Description	NAV	Unfunded Commitments
Redeemable with up to 180 days notice:			
	U.S. equities	\$ 109,553,888	\$ -
	International equities	134,540,721	-
	Bond and fixed income funds	45,057,173	-
	Multi-strategy funds	16,816,647	-
	Long/short equity funds	<u>6,299,465</u>	<u>-</u>
		<u>312,267,894</u>	<u>-</u>
Redeemable with up to 365 days notice after lock-up periods of 1-5 years:			
	U.S. equities	88,539,417	-
	International equities	64,140,237	-
	Multi-strategy funds	15,208,219	-
	Private equity funds	4,080,708	-
	Long/short equity	41,165,732	-
	Public and private real asset funds	<u>589,431</u>	<u>-</u>
		<u>213,723,744</u>	<u>-</u>
Illiquid with return of capital beginning 3 to 4 years from purchase date:			
	Private equity funds	90,547,536	34,568,578
	Public and private real asset funds	<u>25,812,964</u>	<u>8,928,762</u>
		<u>116,360,500</u>	<u>43,497,340</u>
		<u>\$ 642,352,138</u>	<u>\$ 43,497,340</u>

13. FAIR VALUE MEASUREMENTS (Continued)

Fair Value Measurements of Investments (Continued)

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, investments redeemable on a monthly basis by the Foundation represented approximately 43% of the Foundation's investment balance at December 31, 2025 and investments redeemable on a monthly and quarterly basis represented approximately 60% of the Foundation's investment balance at December 31, 2025.

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 previously summarized. 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 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 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.

Private Equity Funds

The Foundation invests in multiple private equity 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 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 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.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 3, 2026, which is the date the financial statements were available to be issued.