

**CENTRAL NEW YORK COMMUNITY
FOUNDATION, INC. AND SUBSIDIARY**

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

INDEPENDENT AUDITOR'S REPORT

June 4, 2025

To the Board of Directors of
Central New York Community Foundation, Inc. and Subsidiary:

Opinion

We have audited the accompanying consolidated financial statements of Central New York Community Foundation, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of March 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 Central New York Community Foundation, Inc. and Subsidiary as of March 31, 2025, and the changes in their net assets and their 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 Central New York Community Foundation, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Central New York Community Foundation, Inc. and Subsidiary'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 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 Central New York Community Foundation, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central New York Community Foundation, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Central New York Community Foundation, Inc. and Subsidiary's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2025

(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 6,426,964	\$ 1,410,139
Accounts receivable	7,533,104	5,566,807
Pledges receivable	160,393	206,325
Investments	430,037,259	404,756,384
Impact investments	4,345,439	3,121,789
Split-interest agreements	13,524,044	13,378,340
Perpetual trust held by third party	1,392,573	1,386,116
Cash surrender value of life insurance	296,307	409,553
Property and equipment, net	3,664,283	3,657,124
Other assets	<u>145,420</u>	<u>126,610</u>
Total assets	<u>\$ 467,525,786</u>	<u>\$ 434,019,187</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 214,296	\$ 263,645
Split-interest agreements	6,530,216	6,534,420
Deferred compensation	28,875	-
Deferred revenue	82,549	85,049
Grants payable	2,326,962	2,454,798
Endowments held for other not-for-profit organizations	31,386,507	29,231,705
Note payable	<u>-</u>	<u>611,240</u>
Total liabilities	<u>40,569,405</u>	<u>39,180,857</u>
NET ASSETS:		
Without donor restrictions -		
Designated by the governing board for long-term investment	67,644,763	66,667,036
Designated for donor advisement	186,372,866	164,667,223
Other net assets without donor restrictions	<u>83,909,267</u>	<u>76,936,749</u>
Total without donor restrictions	337,926,896	308,271,008
With donor restrictions	<u>89,029,485</u>	<u>86,567,322</u>
Total net assets	<u>426,956,381</u>	<u>394,838,330</u>
Total liabilities and net assets	<u>\$ 467,525,786</u>	<u>\$ 434,019,187</u>

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2025

(With Comparative Totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT AND REVENUE:				
Public support -				
Contributions	\$ 36,991,684	\$ 2,718,158	\$ 39,709,842	\$ 25,067,042
Change in value of split-interest agreements	(107,450)	257,359	149,909	3,048,860
Revenue -				
Investment income, net	2,585,206	580,313	3,165,519	2,950,386
Net gain / (loss) on investments	15,863,663	3,787,964	19,651,627	34,428,632
Loss on real estate interest	-	-	-	(340,000)
Administrative management income on endowments held for other not-for-profit organizations	191,509	-	191,509	170,238
Other	266,274	-	266,274	336,094
	55,790,886	7,343,794	63,134,680	65,661,252
Net assets released from restrictions	4,881,631	(4,881,631)	-	-
Total public support and revenue	60,672,517	2,462,163	63,134,680	65,661,252
EXPENSES:				
Program services	27,758,372	-	27,758,372	25,706,488
Supporting services	3,258,257	-	3,258,257	2,815,183
Total expenses	31,016,629	-	31,016,629	28,521,671
CHANGE IN NET ASSETS	29,655,888	2,462,163	32,118,051	37,139,581
NET ASSETS - beginning of year	308,271,008	86,567,322	394,838,330	357,698,749
NET ASSETS - end of year	\$ 337,926,896	\$ 89,029,485	\$ 426,956,381	\$ 394,838,330

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2025

(With Comparative Totals for 2024)

	Supporting Services					
	Program <u>Services</u>	Management <u>and General</u>	<u>Fundraising</u>	Total Supporting <u>Services</u>	2025 <u>Total</u>	2024 <u>Total</u>
Grant expenses	\$ 25,199,053	\$ -	\$ -	\$ -	\$ 25,199,053	\$ 23,362,106
Salaries	1,362,775	1,045,399	716,686	1,762,085	3,124,860	2,777,161
Payroll taxes	98,288	74,041	50,486	124,527	222,815	196,321
Employee benefits	238,039	176,579	108,266	284,845	522,884	358,661
Marketing	873	187	366,490	366,677	367,550	298,969
Building expenses	125,536	61,734	44,056	105,790	231,326	180,845
Professional fees	204,680	124,050	37,562	161,612	366,292	519,015
Depreciation	172,597	85,814	60,871	146,685	319,282	294,361
Conferences and meetings	66,777	30,039	21,829	51,868	118,645	85,668
Equipment maintenance and IT expense	121,436	94,178	58,715	152,893	274,329	140,544
General insurance	18,089	13,037	8,153	21,190	39,279	45,299
Interest	6,455	2,894	2,138	5,032	11,487	30,251
Postage and supplies	27,337	18,779	21,093	39,872	67,209	57,213
Miscellaneous	116,437	20,280	14,901	35,181	151,618	175,257
Total expenses	<u>\$ 27,758,372</u>	<u>\$ 1,747,011</u>	<u>\$ 1,511,246</u>	<u>\$ 3,258,257</u>	<u>\$ 31,016,629</u>	<u>\$ 28,521,671</u>

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 32,118,051	\$ 37,139,581
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	319,282	294,361
Net (gain) / loss on investments	(19,651,627)	(34,428,632)
Change in value of split-interest agreements	(145,704)	(5,786,296)
Change in value of perpetual trust held by third party	(6,457)	(129,882)
Change in cash surrender value of life insurance	113,246	229,309
Loss on real estate interest	-	340,000
Changes in:		
Accounts receivable	(1,966,297)	(1,688,438)
Pledges receivable	45,932	(2,227)
Other assets	(18,810)	(28,478)
Accounts payable and accrued expenses	(49,349)	66,274
Liabilities under split-interest agreements	(4,204)	2,737,436
Deferred compensation	28,875	(389,498)
Deferred revenue	(2,500)	(10,327)
Grants payable	(127,836)	(73,481)
Endowments held for other not-for-profit organizations	<u>2,154,802</u>	<u>2,638,213</u>
Net cash flow from operating activities	<u>12,807,404</u>	<u>907,915</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of investments	(24,111,048)	(22,570,208)
Proceeds from sales and maturities of investments	18,481,800	22,848,743
Change in impact investments	(1,223,650)	(2,368,509)
Purchase of property and equipment	<u>(326,441)</u>	<u>(147,662)</u>
Net cash flow from investing activities	<u>(7,179,339)</u>	<u>(2,237,636)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on note payable	<u>(611,240)</u>	<u>(593,135)</u>
Net cash flow from financing activities	<u>(611,240)</u>	<u>(593,135)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	5,016,825	(1,922,856)
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,410,139</u>	<u>3,332,995</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 6,426,964</u>	<u>\$ 1,410,139</u>

The accompanying notes are an integral part of these statements.

CENTRAL NEW YORK COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

1. THE ORGANIZATION

Central New York Community Foundation, Inc. is a not-for-profit, autonomous, publicly supported, philanthropic institution organized and operated primarily as a collection of charitable funds for the long-term benefit of the Central New York area. Central New York Community Foundation, Inc.'s primary service is to receive, manage and disburse charitable funds.

CNY Philanthropy Center, LLC was incorporated in New York State to hold real property located at 431 E. Fayette Street in Syracuse, New York. This property is the home of Central New York Community Foundation, Inc., and a center for philanthropy.

Central New York Community Foundation, Inc. and CNY Philanthropy Center, LLC share certain common Board members and management.

In 2025, the Central New York Innovation and Growth Initiative, Inc., a charitable corporation as set forth in the Not-for-Profit Corporation Law of New York State (currently waiting on 501(c)(3) approval), was formed with the intent to carry out effective grant making utilizing governmental and other strategic partners. As no activity has occurred as of March 31, 2025, this entity is not yet consolidated into the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Central New York Community Foundation, Inc. and CNY Philanthropy Center, LLC (collectively the Community Foundation). In accordance with generally accepted accounting principles (GAAP), all significant intercompany transactions and balances have been eliminated in consolidation.

Financial Reporting

The Community Foundation reports its activities and the related net assets using the following categories:

- **Net Assets Without Donor Restrictions**

Net assets without donor restrictions are those over which the Board of Directors of the Community Foundation retains control to use in achieving its institutional mission.

- **Net Assets With Donor Restrictions**

Net assets with donor restrictions are those whose use by the Community Foundation is limited by donor-imposed stipulations that do not expire, donor-imposed stipulations that expire by the passage of time, or donor-imposed stipulations that can be fulfilled or removed by actions of the Community Foundation pursuant to those stipulations. In the case where the donor-imposed stipulation does not expire, the Community Foundation uses all or part of the investment return in accordance with donor wishes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts and money market funds, which, at times, may exceed federally insured limits. The Community Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to its cash and cash equivalents. The Community Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable mainly consist of amounts outstanding under the terms of several wills. If collection becomes doubtful, an allowance will be established or the accounts will be charged to expense when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received. Management reviews the collectability of accounts receivable annually. The Community Foundation considers accounts receivable to be fully collectible.

Pledges Receivable

Pledges receivable represent amounts due to the Community Foundation under the terms of unconditional promises to give. The Community Foundation provides an allowance for doubtful pledges based upon management's review of outstanding pledges. No allowance for doubtful pledges was considered necessary at March 31, 2025 or 2024.

The difference between the carrying amount and present value of the pledges receivable is not considered material to the accompanying consolidated financial statements and has not been recorded by management.

Investments

Investments in marketable equity and debt securities with readily determinable market values are recorded at fair value based on quoted market prices. The fair value of other investments for which readily determinable market values do not exist, including hedge funds and funds of funds, limited partnerships, and pooled investment funds are recorded at fair value as determined by the Community Foundation with the assistance of external investment managers using methods and significant assumptions the Community Foundation considers appropriate based on its understanding of the underlying characteristics of the investments. Investment income, net (including interest, and dividends, net of investment fees) and net gain/(loss) on investments (consistent of realized and unrealized gains and losses on investments), are included in revenue without donor restrictions unless restricted by donor or law.

The Community Foundation maintains an investment pool for its charitable funds. Realized and unrealized gains and losses from investments are allocated monthly to the individual funds based on the relationship of the fair value of each fund to the total fair value of the investment pool, as adjusted for additions to or deductions from the pool.

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 in the consolidated statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact Investments

The Community Foundation's impact investing program provides sustainable long-term benefit to the community while preserving capital and attaining a modest financial return. Local impact investments align to the Community Foundation's mission and grantmaking priorities and enable the community and local partners to move forward projects that would not otherwise happen without the Community Foundation's investment. The Community Foundation records impact investments at cost, which approximates fair value, and evaluates for impairment annually.

Split-Interest Agreements

The Community Foundation is a beneficiary of various trusts and other split-interest agreements. The Community Foundation's beneficial interest is measured at the discounted value of its expected future cash flows and is reported as net assets with donor restrictions. Liabilities are recorded at the present value of future cash flows, using discount rates ranging from 5% to 7%, and are expected to be paid to the designated beneficiary or beneficiaries. At the end of the trust and other split-interest agreements, the remaining assets will become available for the Community Foundation's use.

Perpetual Trust Held by Third Party

The assets held under this agreement are recorded at fair value based on quoted market prices of the underlying investments. Contribution revenue is recognized as support with donor restrictions at the present value of the estimated future cash receipts from the trust's assets. Under the terms of the trust, the Community Foundation has the irrevocable right to receive the income earned on the trust's assets in perpetuity; however, the Community Foundation will not receive the assets held in trust.

Fair Value Measurement

GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Community Foundation. Unobservable inputs are inputs that reflect the Community Foundation's assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the Community 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 products does not entail a significant degree of judgment.
- *Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following valuation techniques were used to measure fair value of assets as of March 31, 2025 and 2024:

- *Common stocks* - Fair value of common stocks is based on the closing price reported in the active market in which the individual securities are traded and utilizes level 1 inputs.
- *Equity and bond mutual funds* - Fair value of mutual funds is based on quoted market prices utilizing level 1 inputs.
- *Limited partnerships* - Fair value of the Community Foundation's partnership interests are valued based on the underlying investments within each partnership and the Community Foundation's percentage ownership in each partnership. Limited partnerships utilize level 3 inputs.
- *U.S. Treasury and governmental agency obligations* - Fair value of U.S. Treasury and governmental agency obligations is based on quoted market prices utilizing level 1 inputs.
- *Corporate bonds* - Fair value of corporate bonds is determined by entering standard inputs into a pricing model. These inputs, listed in order of priority, include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data and industry and economic events. Corporate bonds utilize level 2 inputs.
- *Split-interest agreements (Charitable remainder unitrusts, charitable remainder annuity trusts, and charitable gift annuities)* - Fair value of the split-interest agreements are derived using the present value of expected future cash flows of the Community Foundation's interest in charitable remainder unitrusts, charitable remainder annuity trusts and charitable gift annuities using prevailing market rates and IRS published mortality rates. Split-interest agreements utilize level 1 and 3 inputs.
- *Pooled life income fund* - Fair value of the pooled life income fund is based on the Community Foundation's percent ownership of the fund's assets. The fund's assets are valued based on quoted market prices for identical securities utilizing level 1 inputs. These assets are included in split-interest agreements in the accompanying consolidated statements of financial position.
- *Perpetual trust held by third party* - Fair value of the perpetual trust held by third party is based on quoted market prices of the underlying investments utilizing level 1 inputs.

There were no changes to the valuation techniques during 2025 or 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Surrender Value of Life Insurance

The Community Foundation receives various donations of life insurance policies, in which the Community Foundation is both the owner and the beneficiary of the policies. Life insurance is recorded at the cash surrender value as provided to the Community Foundation by the insurer. Annual premiums on the policies paid by the donors to the Community Foundation are recorded as donations without donor restrictions.

The face value of the donated life insurance policies was approximately \$2,838,000 and \$3,163,000 at March 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment is recorded at fair value at date of donation or at cost if purchased. The Community Foundation capitalizes property and equipment in excess of \$5,000 with a useful life greater than two years. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets which range from three to forty years.

Revenue Recognition

Contributions are recognized as revenue in the year an unconditional promise to give is received and are recorded at fair value. Contributions are recorded as support without donor restrictions or with donor restrictions, depending on the nature of the donor-imposed restrictions. When a donor-imposed restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Donor-imposed restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying consolidated financial statements.

Endowments Held for Other Not-For-Profit Organizations

The Community Foundation accepts funds from, and holds certain assets for the benefit of, other not-for-profit organizations. These funds are not considered assets of the Community Foundation and therefore are shown as endowments held for other not-for-profit organizations in the consolidated statements of financial position.

Funds Designated for Donor Advisement

The Community Foundation maintains certain funds that are "designated for donor advisement" as noted on the consolidated statements of financial position within net assets without donor restrictions (see Note 13). The Community Foundation charges these funds a management fee, which is transferred to the operating fund within other net assets without donor restrictions. These transfers amounted to \$919,143 and \$799,394 in 2025 and 2024, respectively.

Donor Restrictions

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (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 consolidated statements of activities and change in net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gifts-In-Kind

Gifts of real property and donations other than cash are recognized at their fair value in the period received. It is the Community Foundation's policy to sell gifts of real property and investments immediately. The Community Foundation did not receive any gifts-in-kind in 2025 or 2024.

Contributed Services

A substantial number of volunteers have made significant contributions of their time to the Community Foundation. The value of this contributed time is not reflected in the consolidated financial statements as it does not meet the criteria for revenue recognition.

Grants

Grants are recorded as an expense of the Community Foundation when they are approved by the Board of Directors.

Allocation of Certain Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Those expenses include salaries, payroll taxes, employee benefits, depreciation, and occupancy related costs. Salaries, payroll taxes, and employee benefits are allocated based on time spent on program activities and time spent on supporting activities. Depreciation and occupancy related expenses are allocated based on square footage used.

Investment Fees

Net investment returns include certain fees paid by the various investment funds to their affiliated investment advisor, transfer agents and others as described in each fund prospectus or other published documents. These fees are deducted prior to allocation of the Community Foundation's investment earnings activity and thus not separately identifiable as an expense.

Income Taxes

The Community Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a) of the Code.

CNY Philanthropy Center, LLC is a single member limited liability company and as such, is a disregarded entity for federal and state income tax purposes.

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain amounts reported at March 31, 2024 have been reclassified to reflect the current year presentation. These reclassifications had no effect on change in net assets or net assets as originally reported.

Comparative Information and Reclassification

The consolidated 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 accordance with GAAP. Accordingly, such information should be read in conjunction with the Community Foundation's consolidated financial statements for the year ended March 31, 2024, from which the summarized information was derived.

3. LIQUIDITY

The following reflects the Community Foundation's financial assets available to meet cash needs for general expenditures within one year as of March 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 6,426,964	\$ 1,410,139
Accounts receivable	7,533,104	5,566,807
Pledges receivable	160,393	206,325
Investments	430,037,259	404,756,384
Split-interest agreements	13,524,044	13,378,340
Perpetual trust held by third party	1,392,573	1,386,116
Cash surrender value of life insurance	<u>296,307</u>	<u>409,553</u>
Financial assets at year end	<u>459,370,644</u>	<u>427,113,664</u>
Less those unavailable for general expenditures within one year due to:		
Investments with limits on liquidation	3,677,421	4,443,825
Board designations (quasi-endowment)	67,644,763	66,667,036
Designated for donor advisement	186,372,866	164,667,223
Restricted by donors with time restrictions	7,077,099	6,932,986
Restricted by donors with purpose restrictions	74,327,456	72,015,863
Restricted by donors in perpetuity	7,624,930	7,618,473
Endowments held for other not-for-profit organizations	<u>31,386,507</u>	<u>29,231,705</u>
Total amounts unavailable for general expenditures within one year	<u>378,111,042</u>	<u>351,577,111</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 81,259,602</u>	<u>\$ 75,536,553</u>

3. LIQUIDITY (Continued)

The Community Foundation has a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Community Foundation's financial assets as of March 31, 2025 and 2024 are reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or quasi-endowment for general expenditure within one year of the consolidated statement of financial position date have not been subtracted as unavailable.

4. PLEDGES RECEIVABLE

Pledges receivable are due as follows for the years ending March 31:

2026	\$	150,302
2027		5,416
2028		3,516
2029		516
Thereafter		<u>643</u>
	\$	<u>160,393</u>

5. INVESTMENTS

Investments consisted of the following at March 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 11,761,383	\$ 13,350,800
Common stocks	6,460,860	8,137,083
Equity mutual funds	92,259,548	89,676,453
Bond mutual funds	23,135,843	23,726,947
Limited partnerships	32,344,415	32,820,191
U.S. Treasury and governmental agency obligations	9,068,325	5,719,633
Corporate bonds	11,290,809	7,551,230
Hedge funds and funds of funds	97,536,192	81,640,628
Pooled investment funds	<u>146,179,884</u>	<u>142,133,419</u>
	<u>\$ 430,037,259</u>	<u>\$ 404,756,384</u>

Investment management fees were approximately \$3,043,000 and \$2,631,000 for the years ended March 31, 2025 and 2024, respectively. These fees have been included in "investment income, net" in the accompanying consolidated statements of activities and change in net assets.

6. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis at March 31, 2025:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 6,460,860	\$ -	\$ -	\$ 6,460,860
Equity mutual funds	92,259,548	-	-	92,259,548
Bond mutual funds	23,135,843	-	-	23,135,843
Limited partnerships	-	-	32,344,415	32,344,415
U.S. Treasury and governmental agency obligations	9,068,325	-	-	9,068,325
Corporate bonds	-	11,290,809	-	11,290,809
Total investments, at fair value	<u>130,924,576</u>	<u>11,290,809</u>	<u>32,344,415</u>	<u>174,559,800</u>
Investments measured at net asset value (NAV)				<u>243,716,076</u>
Total investments				<u>418,275,876</u>
Perpetual trust held by third party	1,392,573	-	-	1,392,573
Split-interest agreements:				
Beneficial interest in split-interest agreements	-	-	3,428,162	3,428,162
Assets in split-interest agreements -				
Equity mutual funds	5,983,372	-	-	5,983,372
Bond mutual funds	<u>4,112,510</u>	<u>-</u>	<u>-</u>	<u>4,112,510</u>
	<u>11,488,455</u>	<u>-</u>	<u>3,428,162</u>	<u>14,916,617</u>
Total	<u>\$ 142,413,031</u>	<u>\$ 11,290,809</u>	<u>\$ 35,772,577</u>	<u>\$ 433,192,493</u>

The following are measured at fair value on a recurring basis at March 31, 2024:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 8,137,083	\$ -	\$ -	\$ 8,137,083
Equity mutual funds	89,676,453	-	-	89,676,453
Bond mutual funds	23,726,947	-	-	23,726,947
Limited partnerships	-	-	32,820,191	32,820,191
U.S. Treasury and governmental agency obligations	5,719,633	-	-	5,719,633
Corporate bonds	-	7,551,230	-	7,551,230
Total investments, at fair value	<u>127,260,116</u>	<u>7,551,230</u>	<u>32,820,191</u>	<u>167,631,537</u>
Investments measured at net asset value (NAV)				<u>223,774,047</u>
Total investments				<u>391,405,584</u>
Perpetual trust held by third party	1,386,116	-	-	1,386,116
Split-interest agreements:				
Beneficial interest in split-interest agreements	-	-	3,617,203	3,617,203
Assets in split-interest agreements -				
Equity mutual funds	5,784,026	-	-	5,784,026
Bond mutual funds	<u>3,977,111</u>	<u>-</u>	<u>-</u>	<u>3,977,111</u>
	<u>11,147,253</u>	<u>-</u>	<u>3,617,203</u>	<u>14,764,456</u>
Total	<u>\$ 138,407,369</u>	<u>\$ 7,551,230</u>	<u>\$ 36,437,394</u>	<u>\$ 406,170,040</u>

6. FAIR VALUE MEASUREMENTS (Continued)

Level 3 Measurements

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring measurements. The Community Foundation's Board of Directors assesses and approves these policies and procedures. At least annually, management determines if the current valuation techniques used in fair value measurements are still appropriate, and evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

Limited Partnerships

At March 31, 2025, the Community Foundation had investments in 12 limited partnerships that invest in equity securities, debt and debt-like securities (both privately and publicly traded), secured and unsecured loans, and real estate partnerships. Interests in limited partnerships are based on valuations per share provided by the general partners of the respective partnerships as of March 31, 2025, adjusted for cash receipts, cash disbursements, and securities distributions through March 31, 2025. Investments in this category for which there is no readily determinable fair value are classified as level 3 as the valuation is based on significant unobservable inputs. Limited partnerships, valued at \$14,143,320 at March 31, 2025, are ineligible for redemptions until such time and in such amounts as determined by the General Partners. When the underlying assets are sold, the proceeds, less any incentives due to the General Partners, will be distributed to the Limited Partners. There are no other known circumstances under which these investments might be unredeemable. At March 31, 2025, there are unfunded commitments on limited partnerships totaling \$3,801,623.

The Community Foundation had purchases and sales of its level 3 limited partnerships totaling \$1,090,460 and \$840,201, respectively for the year ended March 31, 2025. The Community Foundation had purchases and sales of its level 3 limited partnerships totaling \$8,823,775 and \$578,492, respectively for the year ended March 31, 2024.

Beneficial Interest in Split-Interest Agreements

The Community Foundation invests in seven split-interest agreements that invest in equity securities of companies operating within charitable remainder unitrust investment funds in which the Community Foundation is not the trustee. Investments in this category are classified as level 3 due to the illiquidity of the funds as redemptions are not permitted during the life of the funds.

The Community Foundation had no purchases or sales of its level 3 beneficial interest in split-interest agreements for the year ended March 31, 2025. The Community Foundation had purchases of \$77,525 and no sales of its level 3 beneficial interest in split-interest agreements for the year ended March 31, 2024.

6. FAIR VALUE MEASUREMENTS (Continued)

Net Asset Value

The Community Foundation had the following investments that are valued using net asset value at March 31, 2025:

<u>Description</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge funds and funds of funds:				
Liquid	\$ 76,448,920	\$ -	Monthly - Annual	30 - 180 days
Illiquid	21,087,272	9,500,398	-	-
Pooled investment funds:				
Equities - liquid	79,147,399	-	Monthly - Quarterly	10 - 90 days
Fixed income - liquid	15,148,401	-	Monthly	5 days
Emerging/ global equities - liquid	<u>51,884,084</u>	<u>-</u>	Monthly - Annual	30 - 180 days
Total	<u>\$ 243,716,076</u>	<u>\$ 9,500,398</u>		

The Community Foundation had the following investments that are valued using net asset value at March 31, 2024:

<u>Description</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Hedge funds and funds of funds:				
Liquid	\$ 61,458,274	\$ -	Monthly - Annual	30 - 180 days
Illiquid	20,182,354	8,635,446	-	-
Pooled investment funds:				
Equities - liquid	76,827,583	-	Monthly - Quarterly	30 - 90 days
Fixed income - liquid	14,947,683	-	Bi-Monthly	5 days
Emerging/ global equities - liquid	<u>50,358,153</u>	<u>-</u>	Monthly - Annual	30 - 180 days
Total	<u>\$ 223,774,047</u>	<u>\$ 8,635,446</u>		

Hedge Funds and Funds of Funds

At March 31, 2025, the Community Foundation has investments in 31 hedge funds and funds of funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the fund managers. These funds invest in private, primarily via pooled vehicles, offered by professional investment managers. Eight of these investments are subject to an initial lock-up period that prohibits redemption for the first two to three years after purchase. Redemptions can be made quarterly or annually after the initial lock-up period has lapsed, at which time redemptions are allowed with 30 to 180 days' notice. There are no unfunded commitments for these funds at March 31, 2025. For the remaining 23 investments, redemptions may not be made until the unfunded commitments have been satisfied. There were unfunded commitments for these funds of \$9,500,398 at March 31, 2025.

6. FAIR VALUE MEASUREMENTS (Continued)

Pooled Investment Funds

Pooled investment funds consist of the Community Foundation's investments in limited liability companies and limited partnerships for the purpose of long-term growth. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the fund managers. At March 31, 2025, all pooled investment funds are available for redemption within one year of the balance sheet date. Redemptions can be made monthly, bi-monthly or quarterly with 5 to 180 days' notice. There are no unfunded commitments for these funds.

7. SPLIT-INTEREST AGREEMENTS

Split-interest agreements consisted of the following at March 31:

	<u>2025</u>		<u>2024</u>	
	<u>Asset</u>	<u>Liability</u>	<u>Asset</u>	<u>Liability</u>
Charitable remainder trusts	\$ 12,547,730	\$ 5,934,719	\$ 12,417,784	\$ 6,059,088
Pooled life income fund	370,787	203,007	363,279	198,542
Charitable gift annuities	<u>605,527</u>	<u>392,490</u>	<u>597,277</u>	<u>276,790</u>
	<u>\$ 13,524,044</u>	<u>\$ 6,530,216</u>	<u>\$ 13,378,340</u>	<u>\$ 6,534,420</u>

8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31:

	<u>2025</u>	<u>2024</u>
Land	\$ 253,775	\$ 253,775
Land improvements	55,856	55,856
Furniture and fixtures	1,328,526	1,141,105
Buildings and improvements	<u>6,157,008</u>	<u>6,017,988</u>
	7,795,165	7,468,724
Less: Accumulated depreciation	<u>(4,130,882)</u>	<u>(3,811,600)</u>
Property and equipment, net	<u>\$ 3,664,283</u>	<u>\$ 3,657,124</u>

Depreciation expense amounted to \$319,282 and \$294,361 in 2025 and 2024, respectively.

9. DEFERRED COMPENSATION

The Community Foundation sponsors a deferred compensation plan for key employees. The assets of the deferred compensation plans will be distributed at the earlier of termination of employment, attainment of age 67 years, or death. The liability for deferred compensation plans amounted to \$28,875 at March 31, 2025.

10. GRANTS PAYABLE

Grants payable consisted of unconditional promises to give to other organizations, which had not been paid as of March 31, 2025. These amounts are payable as follows in the years ending March 31:

2026	\$ 1,254,353
2027	663,528
2028	304,328
2029	54,753
2030	<u>50,000</u>
	<u>\$ 2,326,962</u>

11. ENDOWMENTS HELD FOR OTHER NOT-FOR-PROFIT ORGANIZATIONS

The Community Foundation accepts funds from, and holds funds for the benefit of, other not-for-profit organizations. These funds are not considered assets of the Community Foundation and therefore are shown as "Endowments held for other not-for-profit organizations" in the accompanying consolidated statement of financial position.

Total endowments held for other not-for-profit organizations activity consisted of the following for the years ended March 31:

	<u>2025</u>	<u>2024</u>
Contributions	\$ 2,573,342	\$ 3,679,143
Investment activity	1,766,823	2,558,302
Grants	<u>(2,185,363)</u>	<u>(3,599,232)</u>
Net change in endowments held for other not-for-profit organizations	2,154,802	2,638,213
Endowments held for other not-for-profit organizations - beginning of year	<u>29,231,705</u>	<u>26,593,492</u>
Endowments held for other not-for-profit organizations - end of year	<u>\$ 31,386,507</u>	<u>\$ 29,231,705</u>

12. NOTE PAYABLE

The CNY Philanthropy Center, LLC had a note payable with a bank. The note required quarterly payments of \$155,846, including interest at 3.03%, through January 2025 and was fully repaid in 2025.

Supplemental Cash Flow Information

Interest paid and expensed during 2025 and 2024 on the note payable was \$11,487 and \$30,251, respectively.

13. NET ASSETS

Included in net assets without donor restrictions is \$186,372,866 and \$164,667,223 of donor advised funds at March 31, 2025 and 2024, respectively. Grant recommendations are accepted from the donors or other advisors of these funds, although the Community Foundation retains variance power; therefore, the ultimate discretion of the use of these funds lies with the Board of Directors of the Community Foundation. Thus, such funds represent net assets without donor restrictions of the Community Foundation.

The Community Foundation's Board of Directors has designated \$67,644,763 and \$66,667,036 of net assets without donor restrictions as Board designated endowment at March 31, 2025 and 2024, respectively.

Net assets with donor restrictions consisted of the following at March 31:

	<u>2025</u>	<u>2024</u>
Charitable remainder trusts - time restriction	\$ 6,613,012	\$ 6,358,696
Pooled life income fund - time restriction	167,780	164,737
Cash surrender value of life insurance - time restriction	296,307	409,553
Scholarships - purpose restrictions	57,990,125	55,882,106
Field of interest - purpose restrictions	7,962,150	7,857,762
Perpetual	7,624,930	7,618,473
Other - purpose restrictions	<u>8,375,181</u>	<u>8,275,995</u>
	<u>\$ 89,029,485</u>	<u>\$ 86,567,322</u>

During 2025 and 2024, approximately \$4,882,000 and \$4,522,000, respectively, was released from restriction through the passage of time and satisfaction of donor restrictions.

14. ENDOWMENT FUNDS

The Community Foundation's endowment net assets consist of the following at March 31, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 67,644,763	\$ -	\$ 67,644,763
Donor-restricted endowment funds	<u>-</u>	<u>11,843,718</u>	<u>11,843,718</u>
Total endowment funds	<u>\$ 67,644,763</u>	<u>\$ 11,843,718</u>	<u>\$ 79,488,481</u>

The Community Foundation's endowment net asset funds consist of the following at March 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board designated endowment funds	\$ 66,667,036	\$ -	\$ 66,667,036
Donor-restricted endowment funds	<u>-</u>	<u>11,799,363</u>	<u>11,799,363</u>
Total endowment funds	<u>\$ 66,667,036</u>	<u>\$ 11,799,363</u>	<u>\$ 78,466,399</u>

14. ENDOWMENT FUND (Continued)

Changes in endowment net assets were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - April 1, 2023:	\$ 63,299,229	\$ 11,475,586	\$ 74,774,815
Contributions	842,990	-	842,990
Change in value of perpetual trust held by third party	-	129,882	129,882
Investment income, net of fees	579,740	35,024	614,764
Realized/unrealized gains	6,965,333	410,400	7,375,733
Other income	192,807	-	192,807
Grants paid	(996,821)	(128,600)	(1,125,421)
Appropriations/transfers	(2,242,087)	(76,900)	(2,318,987)
Other expenses	(4,199,090)	-	(4,199,090)
Support fees	2,224,935	(46,029)	2,178,906
Endowment net assets - March 31, 2024:	\$ 66,667,036	\$ 11,799,363	\$ 78,466,399
Contributions	667,683	-	667,683
Change in value of perpetual trust held by third party	-	6,457	6,457
Investment income, net of fees	661,096	38,904	700,000
Realized/unrealized gains	4,564,471	253,718	4,818,189
Other income	139,386	-	139,386
Grants paid	(524,361)	(205,197)	(729,558)
Appropriations/transfers	(2,396,677)	-	(2,396,677)
Other expenses	(4,730,298)	-	(4,730,298)
Support fees	2,596,427	(49,527)	2,546,900
Endowment net assets - March 31, 2025	\$ 67,644,763	\$ 11,843,718	\$ 79,488,481

Interpretation of Relevant Law

New York Not-for-Profit Corporation Law includes an article known as the “Prudent Management of Institutional Funds Act.” The Community Foundation’s Board of Directors has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on endowment gifts, beyond the original gift amount, follows the donor’s restrictions on the use of the related income.

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires the Community Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no deficiencies reported at March 31, 2025 or 2024.

Return Objectives and Risk Parameters

The Community Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include donor-restricted funds that the Community Foundation must hold in perpetuity or for a donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve capital, considering the impact of inflation, strive for consistent annual total returns, achieve long-term total returns which meet or exceed inflation, plus spending for operations and grants and earn the highest possible return given the risk tolerance established by the Community Foundation. The Community Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7.6% annually. Actual returns in any given year may vary from this amount.

14. ENDOWMENT FUND (Continued)

Strategies Employed for Achieving Objectives

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

Endowment Spending Policy and Investment Objectives

The Community Foundation uses the total return strategy for endowment fund income. Under this concept, endowment income to be distributed was established at 5.4%, based upon the average of the market value of the endowment asset accounts. If the total return amount exceeds the actual earnings of the endowment funds in any one year, then the amount needed to fund such excess will first be taken from the accumulated excess earnings from prior years, then from the accumulated net capital gains of endowment funds and, conversely, any undistributed income after the allocation of the total return distribution is added back to the endowment fund balance.

15. RETIREMENT PLAN

The Community Foundation sponsors a 401(k) defined contribution retirement plan (the Plan). The Plan is a safe-harbor plan whereby the Community Foundation matches 100% of employee contributions up to 5% for all eligible employees as defined by the Plan. The Community Foundation's contributions amounted to \$304,959 and \$217,687 in the years ended March 31, 2025 and 2024, respectively.

16. LOAN GUARANTEE

In March 2020, the Community Foundation entered into a guaranty agreement on a pool of mortgage loans held by an unrelated party, which is a Syracuse-based Community Development Financial Institution. The Community Foundation guarantees the payment obligations of the unrelated party up to a maximum of \$500,000. The Community Foundation has determined that no liability is necessary for this loan as of March 31, 2025.

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 4, 2025, which is the date the consolidated financial statements were available to be issued.