

**GREATER ROCHESTER
HEALTH FOUNDATION**

**Financial Statements as of
December 31, 2024
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

August 4, 2025

To the Board of Directors of
Greater Rochester Health Foundation:

Opinion

We have audited the accompanying financial statements of Greater Rochester Health Foundation, which comprise of the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2024, and the related statements of activities and change in net assets - modified cash basis, functional expenses - modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Greater Rochester Health Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

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 Greater Rochester Health 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.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

171 Sully's Trail
Pittsford, NY 14534
p (585) 381-1000
f (585) 381-3131

www.bonadio.com

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INDEPENDENT AUDITOR'S REPORT

(Continued)

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

GREATER ROCHESTER HEALTH FOUNDATION

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS DECEMBER 31, 2024

ASSETS

Investments:		
Cash and cash equivalents	\$	489,029
Domestic equity		112,230,490
International equity		50,442,986
Fixed income		38,076,157
Private credit		21,426,459
Private equity		34,041,972
Real assets		<u>16,432,775</u>
Total investments		273,139,868
Cash and cash equivalents		<u>666,399</u>
Total assets	\$	<u><u>273,806,267</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES	\$	-
NET ASSETS WITHOUT DONOR RESTRICTION		<u>273,806,267</u>
Total liabilities and net assets	\$	<u><u>273,806,267</u></u>

The accompanying notes are an integral part of these statements.

GREATER ROCHESTER HEALTH FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS - MODIFIED CASH BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

INVESTMENT RETURN:

Interest	\$	57,774
Dividends		4,515,735
Unrealized gain on investments, net		14,824,711
Realized gain on investments, net		9,183,894
Investment management fees		(2,403,842)
Excise taxes		(241,708)

Total investment return 25,936,564

OPERATING EXPENSES:

Program:

Program grants:

Healthy and equitable futures	3,594,990
Responsive Partnership	3,100,732
Racial health equity	908,301
Neighborhood health status	875,000
Matching	390,000
	134,075
Total program grants	<u>9,003,098</u>

Direct program:

Healthy and equitable futures	424,843
Racial health equity	228,000
Neighborhood health status	190,078
Total direct program	<u>842,921</u>

Program administrative 1,618,367

Total program 11,464,386

General and administrative 1,149,584

Total operating expenses 12,613,970

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS 13,322,594

NET ASSETS WITHOUT DONOR RESTRICTIONS - beginning of year 260,483,673

NET ASSETS WITHOUT DONOR RESTRICTIONS - end of year \$ 273,806,267

The accompanying notes are an integral part of these statements.

GREATER ROCHESTER HEALTH FOUNDATION

**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program			Total	General and Administrative	Total
	Grants	Direct Program	Program Administrative			
Grants and direct program:						
Healthy and equitable futures	\$ 3,594,990	\$ 424,843	\$ -	\$ 4,019,833	\$ -	\$ 4,019,833
Responsive	3,100,732	-	-	3,100,732	-	3,100,732
Racial health equity	875,000	228,000	-	1,103,000	-	1,103,000
Partnership	908,301	-	-	908,301	-	908,301
Neighborhood health status	390,000	190,078	-	580,078	-	580,078
Matching	134,075	-	-	134,075	-	134,075
Wages	-	-	1,046,003	1,046,003	632,613	1,678,616
Payroll taxes and employee benefits	-	-	290,857	290,857	250,387	541,244
Professional services	-	-	90,659	90,659	99,990	190,649
Occupancy	-	-	57,747	57,747	41,459	99,206
Dues and subscriptions	-	-	31,783	31,783	28,149	59,932
Meetings and seminars	-	-	30,185	30,185	26,464	56,649
License fees	-	-	25,444	25,444	18,268	43,712
Travel	-	-	17,208	17,208	17,898	35,106
Insurance	-	-	8,415	8,415	19,828	28,243
Telephone	-	-	9,061	9,061	6,506	15,567
Forms and supplies	-	-	5,909	5,909	4,339	10,248
Equipment rental	-	-	1,575	1,575	1,130	2,705
Repairs and maintenance	-	-	1,529	1,529	1,098	2,627
Miscellaneous	-	-	1,992	1,992	1,455	3,447
	<u>\$ 9,003,098</u>	<u>\$ 842,921</u>	<u>\$ 1,618,367</u>	<u>\$ 11,464,386</u>	<u>\$ 1,149,584</u>	<u>\$ 12,613,970</u>

The accompanying notes are an integral part of these statements.

GREATER ROCHESTER HEALTH FOUNDATION

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOW FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 13,322,594
Adjustments to reconcile change in net assets to net cash flow from operating activities:	
Realized and unrealized gains on investments, net	<u>(24,008,605)</u>
Net cash flow from operating activities	<u>(10,686,011)</u>
CASH FLOW FROM INVESTING ACTIVITIES:	
Proceeds from sale of investments	55,955,943
Purchases of investments	<u>(44,772,613)</u>
Net cash flow from investing activities	<u>11,183,330</u>
CHANGE IN CASH AND CASH EQUIVALENTS	497,319
CASH AND CASH EQUIVALENTS - beginning of year	<u>169,080</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 666,399</u>

The accompanying notes are an integral part of these statements.

GREATER ROCHESTER HEALTH FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

1. THE FOUNDATION

The Greater Rochester Health Foundation (the Foundation) was created in 2006 when the not-for-profit MVP Health Plan (MVP) acquired the not-for-profit HMO Preferred Care (Preferred Care). The value of Preferred Care was returned to the community through MVP's purchase price of \$232 million to create a foundation dedicated to improving the health of the Greater Rochester community, inclusive of Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming, and Yates counties in New York State. Since its inception, the Foundation has acted as an independent foundation governed by a community-based Board of Directors (the Board) and managed by a professional staff.

The mission of the Foundation is to pursue and invest in solutions that build a healthier region where all people can thrive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation prepares its financial statements on the modified cash basis of accounting. Consequently, these statements are not intended to present financial information in conformity with accounting principles generally accepted in the United States of America (GAAP).

The modified cash basis of accounting differs from GAAP in the following significant respects:

- **Expense Recognition**
Operating expenses, including grants and taxes, are recorded when paid.
- **Property and Equipment and Depreciation**
Property and equipment expenditures are charged to expense as paid. Therefore, property and equipment is not capitalized and there is no depreciation expense.
- **Leases**
Lease payments are recognized as expense when paid; lease right-of-use assets and lease liabilities are not recognized.
- **Contingencies**
The Foundation considers a loss contingency if it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Such contingencies are recorded when a loss amount is paid. At December 31, 2024, no loss contingencies have been recognized.
- **Uncertain Tax Positions**
The Foundation recognizes and measures uncertain tax positions when amounts related to such positions are paid for income tax purposes. No such circumstances arose during 2024.

The Foundation accounts for investment activity such as dividend and interest income and unrealized gains and losses on the accrual method to reflect the fair value of the investment portfolio at the measurement date. This is consistent with GAAP accounting for investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

The Foundation adopted the modified cash basis of accounting effective January 1, 2024. Prior to that date, the Foundation reported its financial statements in accordance with GAAP. The Foundation's modified cash basis total net assets as of January 1, 2024 are \$136,883 more than its total net assets reported in accordance with GAAP as of December 31, 2023 due to the effect of the change in basis of accounting.

Net Assets

Net assets, investment return, and operating expenses are classified based on the existence or absence of donor-imposed restrictions. All of the Foundation's net assets are without donor restrictions and are generally available for support of the Foundation's activities.

Cash and Cash Equivalents

All highly liquid instruments purchased with an original maturity of three months or less are considered to be cash equivalents. The Foundation maintains cash and cash equivalents at financial institutions which periodically may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

The Foundation maintains a balance of cash and cash equivalents within its investment portfolio as part of overall portfolio and liquidity management. Cash and cash equivalents maintained within the investment portfolio is classified with investments.

Investments

Investments are stated at fair value or net asset value and purchases and sales are recorded on a trade or contract date basis.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the risks associated with investment securities, the uncertainty related to changes in the fair value of investment securities, and changes to liquidity positions, it is at least reasonably possible that changes in fair value could occur in the near term and that such changes could materially affect the net assets of the Foundation.

Fair Value Measurement

The Foundation employs the fair value hierarchy for valuation inputs established under generally accepted accounting principles. That hierarchy 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, other than Level 1 inputs, including those based on quoted prices in markets that are not active, those based on quoted prices for similar assets or liabilities in active markets, those that are observable but not reflective of quoted prices, and those derived from or corroborated by observable market data.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement (Continued)

An asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Certain alternative funds are reported at fair value utilizing Level 3 inputs. The Foundation estimates fair value of these investments based on information received from the investment custodian and the fund itself. The valuations that result from these inputs do not necessarily reflect net results obtainable in the event of actual liquidation.

Certain alternative funds are not measured at fair value on a recurring basis; these are excluded from the fair value classification hierarchy. The Foundation utilizes the net asset value reported by each of the funds as a practical expedient for determining the fair value of these investments. The Foundation values its interest in the fund, utilizing the net asset valuations provided by the fund managers, without any further adjustments, which reflect the Foundation's share of the net assets of the funds. These investments are redeemable at net asset value under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements.

Due to the nature of the investments held by these funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the Foundation's interests in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the Foundation's interest in the funds.

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 assets categorized in Level 3.

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.

Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Natural expenses attributable to more than one functional expense category are allocated based on cost allocation techniques deemed appropriate for the expense incurred. Wages and payroll taxes and employee benefits are allocated to functional categories based primarily on estimated time spent by personnel on activities in each functional area. Other expenses that are specifically related to a functional category are charged directly to the applicable functional category, while those not specifically related to a specific functional category are allocated to functional categories based on the Foundation's employee headcount primarily involved in each function.

Contributed Services

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Excise and Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code). As a private foundation, the Foundation is subject to excise tax at 1.39% on its net investment income. In addition, some of the Foundation's alternative investments pass-through unrelated business taxable income to the Foundation. The Foundation pays income tax on these pass-through amounts at federal and New York State corporate income tax rates.

Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of investment return and expenses during the reporting period. Actual results could differ from those estimates.

3. LIQUIDITY

The Foundation's financial assets at December 31, 2024 consisted of cash and cash equivalents and investments. Financial assets available to meet cash needs for general expenditures within one year are:

Financial assets at December 31, 2024	\$ 273,806,267
Less: Financial assets unavailable for general expenditures within one year, due to:	
Alternative investments with contractual liquidity restrictions	<u>(71,901,206)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 201,905,061</u>

The Foundation's alternative investments are subject to liquidity provisions that allow periodic scheduled distributions as well as unscheduled distributions under certain circumstances. The agreements related to these investments include provisions whereby the general partner does not allow or may, at the general partners' sole discretion, limit or disallow requested distributions. While the Foundation's withdrawals from these investments have not been subject to such limitations in the past, the Foundation considers these invested balances to be not available to meet cash needs for general expenditures within one year because of the possibility that liquidation of these funds could be limited by these provisions in the future.

The Foundation structures its investment policy such that liquidity is adequate to fund planned expenditures.

4. INVESTMENTS

The Foundation's investment objective is to maximize the total return of the investment portfolio, consistent with the standards of the prudent investor. The investment goal is to outperform benchmarks defined within the Foundation's investment policy statement over a time horizon greater than five years. Assets of the investment portfolio are invested with the goal that unspent principal be preserved and enhanced over time. Capital preservation will be achieved through diversification of the investment portfolio.

4. INVESTMENTS (Continued)

The spending policy of the Foundation is to expend 5% of the average fair market value of the preceding year's investment assets as qualifying distributions under the Code. Domestic and international equity investments are held in separate accounts and commingled funds. These funds are invested (directly or indirectly) in publicly traded equity securities which are listed on public exchanges.

Fixed income funds are held in commingled funds. These funds are invested (directly or indirectly) in investment grade corporate or government securities for which active trading markets exist.

The Foundation's private credit, private equity, and real asset investments are held in commingled funds, partnerships, or other alternative structures. These investments are not traded on an active exchange and engage in a variety of investment strategies. These investments may invest in companies that are not immediately liquid, such as venture capital and real estate limited partnerships or private real estate investment trusts.

Additional information regarding the Foundation's private credit, private equity, and real asset investment funds was as follows at December 31, 2024:

<u>Investment</u>	<u>Strategy</u>	<u>Fair Value</u>	<u>Future Commitments</u>
Private credit:			
RCP Fund I Feeder, L.P.	Private Credit	\$ 468,411	\$ 257,147
Perella Weinberg Partners ABV Opportunity Offshore Fund III B	Private Credit	854,123	57,911
Apollo European Fund II	Private Credit	91,764	757,292
OHA Strategic Credit Fund II (Offshore), L.P.	Private Credit	1,421,916	1,400,000
AG Direct Lending Fund IV	Private Credit	7,646,430	-
Barings European Private Loan Fund III	Private Credit	6,489,891	1,400,000
MDCF II	Private Credit	1,655,410	2,487,769
Varde Fund XIV, L.P.	Private Credit	2,798,514	1,590,000
Total private credit		<u>21,426,459</u>	<u>7,950,119</u>
Private Equity:			
Private Advisors Small Company Buyout Fund V, L.P.	Private Equity	39,823	651,184
Secondary Opportunities Fund III, L.P.	Private Equity	617,359	578,366
Warburg Pincus Private Equity XI	Private Equity	933,319	-
Highbar Partners III, L.P.	Private Equity	2,241,312	-
Private Advisors Small Company Coinvestment Fund, L.P.	Private Equity	4,864,383	951,626
Industry Ventures Secondary Fund VII, L.P.	Private Equity	662,628	219,000
Industry Ventures Fund VIII, L.P.	Private Equity	1,831,828	297,000
Industry Ventures Fund VI, L.P.	Private Equity	44,551	240,000
Siguler Guff Distressed Opportunities Fund IV, L.P.	Private Equity	133,322	212,500
Monomoy Capital Partners III, L.P.	Private Equity	3,342,258	1,230,410
Newstone Capital Partners II, L.P.	Private Equity	97,584	207,959
Siguler Guff Distressed Opportunities Fund III, L.P.	Private Equity	224,967	120,000
Amberbrook V, LLC	Private Equity	7,603	-
BlackRock Private Opportunities Fund IV, L.P.	Private Equity	8,615,662	1,510,898
BlackRock Private Equity Primaries 2021 (Lux) SCSp	Private Equity	3,392,874	4,629,492
BlackRock Private Opportunities Fund V, L.P.	Private Equity	1,501,324	4,808,312
ASP (Feeder) Global Secondary Fund 7 L.P.	Private Equity	4,972,006	1,950,000
ICG SE V	Private Equity	519,169	6,000,000
Total private equity		<u>34,041,972</u>	<u>23,606,747</u>

4. INVESTMENTS (Continued)

Real Assets:			
CBRE Global Spec Sit FD SCSP	Real Assets	6,235,775	1,932,555
Aether Real Assets III, L.P.	Real Assets	2,904,605	154,315
Siguler Guff Distressed Real Estate Opportunities Fund II, L.P.	Real Assets	1,703,026	642,500
Global Infrastructure Partners V-B Feeder Fund, L.P.	Real Assets	620,899	6,513,145
Aether Real Assets II, L.P.	Real Assets	1,313,360	510,062
First Reserve XII-A Parallel Vehicle L.P.	Real Assets	27,458	-
AG Realty Fund VIII, L.P.	Real Assets	289,595	385,447
Carlyle Realty Partners Fund VI, L.P.	Real Assets	173,241	106,838
JPM Infrastructure IIF	Real Assets	<u>3,164,816</u>	<u>-</u>
Total real assets		<u>16,432,775</u>	<u>10,244,862</u>
		<u>\$ 71,901,206</u>	<u>\$ 41,801,728</u>

For the year ended December 31, 2024, the Foundation funded capital contributions of \$14,224,580. The remaining total commitments noted above will be funded periodically by the Foundation when capital calls are required at the discretion of the respective investment funds. The Foundation is prepared to fund these capital requirements as they are required to be paid to the respective investment funds.

Subsequent to December 31, 2024, the Foundation entered into a new subscription agreement with a total commitment of \$20,000,000 of future investment in the Adams Street 2025 Global Fund.

Substantially all of the private credit, private equity, and real asset funds held by the Foundation do not allow investor-initiated redemptions or withdrawals. The funds generally call for invested balances and appreciation thereon to be returned to investors when the fund concludes. These conclusion dates are not specified but are generally expected to be more than twelve months after December 31, 2024. Some funds make periodic distributions to investors at the discretion of the fund manager.

Investments were classified by valuation input level at December 31, 2024 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 489,029	\$ -	\$ -	\$ 489,029
Domestic equity	96,851,074	-	-	96,851,074
International equity	50,442,986	-	-	50,442,986
Fixed income	29,639,182	-	-	29,639,182
Private credit	-	-	21,426,459	21,426,459
Private equity	-	-	34,041,972	34,041,972
Real assets	<u>-</u>	<u>-</u>	<u>16,432,775</u>	<u>16,432,775</u>
	<u>\$177,422,271</u>	<u>\$ -</u>	<u>\$ 71,901,206</u>	<u>249,323,477</u>

Investments, measured using net asset value as practical expedient:

Domestic equity	15,379,416
Fixed income	<u>8,436,975</u>
	<u>23,816,391</u>
Total investments	<u>\$273,139,868</u>

4. INVESTMENTS (Continued)

The fair value of Level 1 assets, including cash and cash equivalents, domestic and international equity and fixed income, were obtained from the closing prices reported in active markets on which the individual securities are traded at the measurement date.

The tables above reflect the reporting of investments which are measured using the NAV as a practical expedient. The Foundation has no unfunded commitments related to any of these investments. In addition, these investments have redemption restrictions varying from daily with no notice period to annually with notice of 180 days. The NAV practical expedient is included to permit reconciliation between the fair value tables and the statement of financial position.

The fair value of certain investments, including private credit, private equity and real assets, has been determined using Level 3 inputs. Some of these investment vehicles do not provide a NAV of shares held or audited financial statements as of the measurement date. The Level 3 inputs reflect management's estimate of the value of the investment based on the valuation as provided by the investment manager as of December 31, 2024. Certain of these investments are not immediately redeemable by the Foundation and may require additional capital contributions as described in the table earlier in this Note.

5. EXCISE AND INCOME TAXES

The Foundation paid federal private foundation excise totaling \$241,708 in 2024. No payments were made for federal or New York State unrelated business income taxes.

6. DEFERRED COMPENSATION PLAN

The Foundation maintains a deferred compensation plan, under Section 457 of the Code, for the purpose of allowing eligible employees to defer a portion of their compensation until retirement, death, or financial hardship. The Foundation made no contributions to this deferred compensation plan during the year ended December 31, 2024.

7. RETIREMENT PLAN

The Foundation maintains a defined contribution retirement plan (the "Plan") covering substantially all of its employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. The Plan allows employees to defer a percentage of their compensation up to the maximum amount allowable, as set annually by The Internal Revenue Service under the Internal Revenue Code.

The Plan provides an employer contribution of 7% of the employee's gross wages plus an additional matching contribution of up to 3% of the employee's gross wages. The Foundation's contributions to the Plan totaled \$164,209 for the year ended December 31, 2024.

8. COMMITMENTS

Potential Future Grant and Contract Commitments

The Foundation has authorized potential future grant payments totaling \$14,182,331 as of December 31, 2024. These payments will be disbursed and expensed over the next three years on the condition that the grantees satisfy all requirements as detailed in the grant agreements. The Foundation reserves the authority to terminate grants with 45 days' notice to grantees.

In addition, the Foundation has entered into contracts with third parties providing services to support its program initiatives over the next two years. The payments to third parties under these contracts are based on performance requirements specified under the contractual agreements. The Foundation and third parties have the authority to terminate the contracts with 30 days' note. The Foundation has committed \$128,177 under these contracts as of December 31, 2024.

Lease Commitment

The Foundation leases office space from an unrelated third party under the terms of an agreement that extends through February 2030. The lease requires future payments as follows for the years ending December 31:

2025	\$	97,080
2026		97,080
2027		97,080
2028		97,080
2029		97,080
2030		<u>16,180</u>
	\$	<u>501,580</u>

9. SUBSEQUENT EVENTS

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