

COMMUNITY FOUNDATION OF
TOMPKINS COUNTY, INC.

Financial Statements
and Supplementary Information

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Community Foundation of Tompkins County, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Foundation of Tompkins County, Inc. (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Tompkins County, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

EFPR Group, CPAs, PLLC

Williamsville, New York
April 15, 2025

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
Statements of Financial Position
December 31, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Assets:		
Cash and equivalents	\$ 719,279	1,280,139
Grants receivable	38,993	49,791
Unconditional promises to give	240,059	500,257
Cash value of life insurance	270,206	277,797
Prepaid expenses	6,164	5,572
Furniture and equipment, net	2,223	5,556
Right-of-use assets	95,251	-
Investments	<u>26,389,170</u>	<u>24,052,050</u>
Total assets	<u>\$ 27,761,345</u>	<u>26,171,162</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	10,551	15,895
Salaries and benefits payable	19,730	13,408
Accrued compensated absences	127,151	84,577
Lease liabilities	95,251	-
Agency funds	<u>1,311,496</u>	<u>1,232,605</u>
Total liabilities	<u>1,564,179</u>	<u>1,346,485</u>
Net assets:		
Without donor restrictions	7,672,358	7,502,142
With donor restrictions	<u>18,524,808</u>	<u>17,322,535</u>
Total net assets	<u>26,197,166</u>	<u>24,824,677</u>
Total liabilities and net assets	<u>\$ 27,761,345</u>	<u>26,171,162</u>

See accompanying notes to financial statements.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Statement of Activities

Year ended December 31, 2024
with comparative totals for 2023

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Totals</u> <u>2024</u>	<u>2023</u>
Operating revenue:				
Contributions	\$ 5,570,624	385,546	5,956,170	3,215,807
Interest and dividends, net	272,252	709,807	982,059	624,969
Investment income	205,466	694,424	899,890	2,049,749
Other revenue	43,567	-	43,567	66,978
Net assets released from restrictions	<u>587,504</u>	<u>(587,504)</u>	<u>-</u>	<u>-</u>
Total operating revenue	<u>6,679,413</u>	<u>1,202,273</u>	<u>7,881,686</u>	<u>5,957,503</u>
Expenses:				
Program expenses:				
Grants and grant service	6,327,120	-	6,327,120	3,285,068
Philanthropic service	<u>45,519</u>	<u>-</u>	<u>45,519</u>	<u>40,694</u>
Total program expenses	<u>6,372,639</u>	<u>-</u>	<u>6,372,639</u>	<u>3,325,762</u>
Supporting expenses:				
Administration	81,933	-	81,933	73,250
Development	<u>54,625</u>	<u>-</u>	<u>54,625</u>	<u>48,833</u>
Total supporting services	<u>136,558</u>	<u>-</u>	<u>136,558</u>	<u>122,083</u>
Total expenses	<u>6,509,197</u>	<u>-</u>	<u>6,509,197</u>	<u>3,447,845</u>
Change in net assets	170,216	1,202,273	1,372,489	2,509,658
Net assets at beginning of year	<u>7,502,142</u>	<u>17,322,535</u>	<u>24,824,677</u>	<u>22,315,019</u>
Net assets at end of year	<u>\$ 7,672,358</u>	<u>18,524,808</u>	<u>26,197,166</u>	<u>24,824,677</u>

See accompanying notes to financial statements.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Statement of Activities

Year ended December 31, 2023

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Totals</u>
Operating revenue:			
Contributions	\$ 2,067,012	1,148,795	3,215,807
Interest and dividends, net	182,943	442,026	624,969
Investment income	451,605	1,598,144	2,049,749
Other revenue	66,978	-	66,978
Net assets released from restrictions	<u>546,918</u>	<u>(546,918)</u>	<u>-</u>
Total operating revenue	<u>3,315,456</u>	<u>2,642,047</u>	<u>5,957,503</u>
Expenses:			
Program expenses:			
Grants and grant service	3,285,068	-	3,285,068
Philanthropic service	<u>40,694</u>	<u>-</u>	<u>40,694</u>
Total program expenses	<u>3,325,762</u>	<u>-</u>	<u>3,325,762</u>
Supporting expenses:			
Administration	73,250	-	73,250
Development	<u>48,833</u>	<u>-</u>	<u>48,833</u>
Total supporting services	<u>122,083</u>	<u>-</u>	<u>122,083</u>
Total expenses	<u>3,447,845</u>	<u>-</u>	<u>3,447,845</u>
Change in net assets	(132,389)	2,642,047	2,509,658
Net assets at beginning of year	<u>7,634,531</u>	<u>14,680,488</u>	<u>22,315,019</u>
Net assets at end of year	<u>\$ 7,502,142</u>	<u>17,322,535</u>	<u>24,824,677</u>

See accompanying notes to financial statements.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
Statement of Functional Expenses
Year ended December 31, 2024
with comparative totals for 2023

	<u>Program services</u>		<u>Support services</u>		<u>Total</u>	
	<u>Grants and grant services</u>	<u>Philanthropic services</u>	<u>Administration</u>	<u>Development</u>	<u>2024</u>	<u>2023</u>
Payroll and related expenses:						
Payroll and employee benefits	\$ 527,959	32,997	59,395	39,597	659,948	587,082
Payroll taxes and insurance	<u>32,220</u>	<u>2,013</u>	<u>3,624</u>	<u>2,416</u>	<u>40,273</u>	<u>39,831</u>
Total payroll and related expenses	560,179	35,010	63,019	42,013	700,221	626,913
Grants	5,598,820	-	-	-	5,598,820	2,633,957
Rent and parking	31,964	1,997	3,596	2,398	39,955	34,854
Office expenses	55,289	3,455	6,220	4,146	69,110	72,526
Insurance	2,952	184	332	221	3,689	4,716
Consulting fee	25,106	1,570	2,825	1,883	31,384	12,926
Professional fees	21,668	1,355	2,437	1,625	27,085	18,480
Advertising and promotion	1,463	92	165	110	1,830	5,660
Conferences and events	14,517	907	1,633	1,089	18,146	11,161
Travel	3,584	224	403	270	4,481	4,993
Dues and subscriptions	6,464	404	728	485	8,081	5,832
Depreciation	2,664	168	300	201	3,333	3,333
Miscellaneous	<u>2,450</u>	<u>153</u>	<u>275</u>	<u>184</u>	<u>3,062</u>	<u>12,494</u>
Total expenses	<u>\$ 6,327,120</u>	<u>45,519</u>	<u>81,933</u>	<u>54,625</u>	<u>6,509,197</u>	<u>3,447,845</u>

See accompanying notes to financial statements.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
Statement of Functional Expenses
Year ended December 31, 2023

	<u>Program services</u>		<u>Support services</u>		
	<u>Grants and</u>	<u>Philanthropic</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
	<u>grant services</u>	<u>services</u>			
Payroll and related expenses:					
Payroll and employee benefits	\$ 469,666	29,354	52,837	35,225	587,082
Payroll taxes and insurance	<u>31,864</u>	<u>1,992</u>	<u>3,585</u>	<u>2,390</u>	<u>39,831</u>
Total payroll and related expenses	501,530	31,346	56,422	37,615	626,913
Grants	2,633,957	-	-	-	2,633,957
Rent and parking	27,883	1,743	3,137	2,091	34,854
Office expenses	58,021	3,626	6,527	4,352	72,526
Insurance	3,773	236	424	283	4,716
Consulting fee	10,341	646	1,163	776	12,926
Professional fees	14,784	924	1,663	1,109	18,480
Advertising and promotion	4,528	283	509	340	5,660
Conferences and events	8,929	558	1,004	670	11,161
Travel	3,994	250	449	300	4,993
Dues and subscriptions	4,665	292	525	350	5,832
Depreciation	2,666	167	300	200	3,333
Miscellaneous	<u>9,997</u>	<u>623</u>	<u>1,127</u>	<u>747</u>	<u>12,494</u>
Total expenses	<u>\$ 3,285,068</u>	<u>40,694</u>	<u>73,250</u>	<u>48,833</u>	<u>3,447,845</u>

See accompanying notes to financial statements.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Statements of Cash Flows

Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,372,489	2,509,658
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,333	3,333
Donated stocks	(2,239,144)	(1,348,108)
Realized and unrealized gains on investments	(899,890)	(2,049,749)
Changes in:		
Grants receivable	10,798	12,874
Unconditional promises to give	260,198	(443,780)
Cash value of life insurance	7,591	-
Prepaid expenses	(592)	2,716
Accounts payable	(5,344)	(10,507)
Salaries and benefits payable	6,322	(2,821)
Accrued compensated absences	42,574	-
Agency funds	<u>78,891</u>	<u>(224,513)</u>
Net cash used in operating activities	<u>(1,362,774)</u>	<u>(1,550,897)</u>
Cash flows from investing activities:		
Purchases of investments	(1,062,151)	(833,584)
Proceeds from sale of investments	<u>1,864,065</u>	<u>1,583,464</u>
Net cash provided by investing activities	<u>801,914</u>	<u>749,880</u>
Net change in cash and cash equivalents	(560,860)	(801,017)
Cash and cash equivalents at beginning of year	<u>1,280,139</u>	<u>2,081,156</u>
Cash and cash equivalents at end of year	<u><u>\$ 719,279</u></u>	<u><u>1,280,139</u></u>
Supplemental schedule of cash flow information - lease assets obtained in exchange for lease liabilities - operating leases	<u><u>\$ 95,251</u></u>	<u><u>-</u></u>

See accompanying notes to financial statements.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Notes to Financial Statements

December 31, 2024 and 2023

(1) Organization

Community Foundation of Tompkins County, Inc. (the Foundation) is a charitable organization located in Ithaca, New York. The Foundation's mission is to bring people and resources together to build a more equitable Tompkins County by inspiring diverse philanthropy, catalyzing collaborations and championing inclusion and justice. Its major sources of revenue are bequests, gifts and investment earnings. The main beneficiaries of the Foundation's operations are voluntary community service agencies located in the greater Ithaca, New York area.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets without donor restrictions represent resources that are available for general support of the Foundation's activities, with certain limitations, as follows:

- Certain accumulated net investment gains earned on net assets with donor restrictions are included within net assets without donor restrictions.
- In accordance with New York State law as interpreted by the Foundation, the appropriation of such gains, absent donor directives, is subject to a standard of prudence, as more fully discussed under the accounting policy note on investments.
- The Board of Directors has designated portions of the Foundation's net assets without donor restrictions to be held for long-term investment purposes as part of a Board Designated Endowment.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

Net assets with donor restrictions - The Foundation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit their use of the donated assets. When a donor 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 and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions also result from donors who stipulate that their donated resources be maintained permanently. The Foundation is permitted to use up or expend part or all of the income and gains derived from donated assets restricted only by the donor's stipulations.

(c) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts. Accordingly, actual results could differ from those estimates.

(d) Cash and Equivalents

For purposes of reporting cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and equivalents. Cash and equivalents held in the investment portfolio as part of the Foundation's long-term investment strategy, is not considered a cash equivalent for the purposes of the statements of cash flows.

(e) Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash accounts in financial institutions. The Foundation maintains financial instruments at financial institutions which periodically may exceed federally insured limits. At December 31, 2024 and 2023, the Foundation had \$450,052 and \$671,807, respectively, in excess of the federally insured limits.

(f) Grants Receivable and Allowance for Uncollectible Accounts

Management determines whether an allowance for uncollectible accounts should be provided for. Such estimates are based on management's assessment of the aged basis of its grants receivable, historical collections information and review of payments recorded subsequent to year end. Grants receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(g) Unconditional Promises to Give

Promises to give (pledges) are recognized as revenue in the period the pledges are received. Pledges receivable expected to be collected within one year are recorded at net realizable value. Pledges receivable expected to be collected in future years are recorded at fair value, which is measured as the present value of their estimated future cash flows. The discounts on these amounts are computed using the risk-adjusted interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution income in the statements of activities. The Foundation records uncollectable pledges using the direct write-off method.

(h) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements in excess of \$1,000 are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

(i) Investments

Investments are reported at fair value. The Foundation has interpreted New York State law to allow the spending of income and gains on investments of net assets with donor restrictions, absent explicit donor stipulations that all or a portion of such income or gains be maintained in perpetuity. State law allows the Foundation to appropriate and spend such income and gains as is prudent, considering such factors as the Foundation's long and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends and general economic conditions.

Accordingly, such realized and unrealized gains, as well as gains and losses on net assets with donor restrictions and net assets without donor restrictions, are reported as net assets with or without donor restrictions, based upon the presence or absence of donor stipulations as to their use.

(j) Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(j) Fair Value Measurements, Continued

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs

There were no changes to the valuation techniques during the years ended December 31, 2024 and 2023.

(k) Agency Funds

Agency funds are held by the Foundation in a custodial or fiscal agent capacity for the benefit of various organizations and are not considered funds of the Foundation.

(l) Revenue Recognition

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

(m) Advertising

The Foundation expenses advertising as incurred. Advertising expenses for the years ended December 31, 2024 and 2023 amounted to \$1,830 and \$5,660, respectively.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(n) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs that benefit more than one function have been allocated among the programs and supporting services based on estimates of time and effort.

Personnel, fringe benefits, equipment and occupancy expenses have been allocated to each function based on estimates of usage within each function of the Foundation. All other natural expense categories have been allocated based on direct expenditures incurred.

(o) Contributed Nonfinancial Assets

Noncash donations of goods and other services are recorded as contributions at their estimated fair value as of the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

In addition, many individuals have donated significant amounts of their time for program services and fundraising campaigns. No amounts have been reflected in the financial statements for these volunteer services since they did not meet the criteria for recognition.

(p) Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Foundation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Foundation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Foundation has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Form 990 filed by the Foundation is subject to examination by taxing authorities.

(q) Subsequent Events

The Foundation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(3) Liquidity

The Foundation has \$758,272 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$719,279 of cash and equivalents and \$38,993 of grants receivable. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2024 statement of financial position date. As more fully described in note 9, the Foundation has a line of credit in the amount of \$100,000, which it could draw upon in the event of an unanticipated liquidity need.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
Notes to Financial Statements, Continued

(4) Unconditional Promises to Give

The Foundation records promises to give that are expected to be collected within one year at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which promises are to be received and averaged 5% for 2024 and 2023. Discounted amortization is included contribution income in the statement of activities. Unconditional promises to give at December 31, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 236,200	274,750
Receivable in one to five years	<u>5,000</u>	<u>262,500</u>
Total	241,200	537,250
Less discount to present value	(618)	(36,470)
Less allowance for doubtful accounts	<u>(523)</u>	<u>(523)</u>
Net unconditional promises to give	\$ <u>240,059</u>	<u>500,257</u>

(5) Cash Surrender Value of Life Insurance

The Foundation is the named owner and beneficiary of a \$350,000 whole life insurance policy which requires annual premiums of \$7,057. The cash surrender value of the policy was \$270,206 and \$277,797 at December 31, 2024 and 2023, respectively.

(6) Furniture and Equipment

Furniture and equipment consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 28,258	28,258
Less accumulated depreciation	<u>(26,035)</u>	<u>(22,702)</u>
Furniture and equipment, net	\$ <u>2,223</u>	<u>5,556</u>

Depreciation expense amounted to \$3,333 for the years ended December 31, 2024 and 2023, respectively.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Notes to Financial Statements, Continued

(7) Investments

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value at December 31, 2024 and 2023:

		2024			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents	\$	784,561	-	-	784,561
Certificate of deposit		-	1,121,557	-	1,121,557
Equity funds		5,623,043	-	-	5,623,043
Fixed income		2,031,983	-	-	2,031,983
Mutual funds		16,776,226	-	-	16,776,226
Real estate		51,800	-	-	51,800
Total investments	\$	<u>25,267,613</u>	<u>1,121,557</u>	<u>-</u>	<u>26,389,170</u>

		2023			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and equivalents	\$	790,158	-	-	790,158
Certificate of deposit		-	1,113,787	-	1,113,787
Equity funds		5,386,083	-	-	5,386,083
Fixed income		1,962,786	-	-	1,962,786
Mutual funds		14,747,258	-	-	14,747,258
Real estate		51,978	-	-	51,978
Total investments	\$	<u>22,938,263</u>	<u>1,113,787</u>	<u>-</u>	<u>24,052,050</u>

(8) Agency Funds

The Foundation maintains Agency Funds for twenty-one different organizations. Under the terms of the agreements with these organizations, the Foundation agrees to hold and administer funds for the payment of grants. The organizations cannot terminate these agreements unless by mutual agreement with the Foundation or by expiration of all renewal terms of the agreements. The Foundation also has variance power over these funds, which gives the Foundation the right to distribute the investment income to another not-for-profit entity of its choice if the Board of Directors of the Foundation votes that support of the organizations are no longer necessary, or consistent with the needs of the Foundation. At December 31, 2024 and 2023, the balance of the Agency Funds amounted to \$1,311,496 and \$1,232,605, respectively. The Agency funds are included with the Foundation's investments and as a liability on the accompanying statements of financial position.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Notes to Financial Statements, Continued

(9) Line of Credit

The Foundation has a line of credit agreement with its bank in the amount of \$100,000 secured by certificates of deposit. Any borrowings under the agreement are subject to a variable interest rate of the prime lending rate (7.50% at December 31, 2024). At December 31, 2024 and 2023, the line of credit had no outstanding balance.

(10) Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2024 and 2023 are available for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
Time and purpose restricted	\$ 366,411	349,476
Endowment assets	<u>18,158,397</u>	<u>16,973,059</u>
	<u>\$ 18,524,808</u>	<u>17,322,535</u>

During the years ended December 31, 2024 and 2023, net assets with donor restrictions were released by incurring expenditures for their intended purposes, or through the passage of time. Net assets released from restrictions for the years ended December 31, 2024 and 2023 amounted to \$587,504 and \$546,918, respectively.

(11) Right of Use Assets - Lease Liabilities

The Foundation leases space for office and program services in Ithaca, New York under an operating lease and has elected the practical expedient not to separate lease and nonlease components for all lease transactions. The Foundation also has certain leases that contain variable lease payments and leases with terms less than 12 months. The Foundation has elected to recognize the lease expense on the straight-line basis or when incurred. The lease provides for monthly payments of various amounts through December 2027. The lease asset and liability were calculated using the risk-free discount rate at the later of lease inception or period of adoption, unless explicitly stated, in accordance with the Foundation's accounting policies. Additional information about the Foundation's lease is as follows for the year ended December 31, 2024:

Weighted averages:

Remaining lease term - operating leases	3 years
Discount rate - operating leases	4.38%

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
Notes to Financial Statements, Continued

(11) Right of Use Assets - Lease Liabilities, Continued

The aggregate maturity of lease payments under ASC 842 for the three years following December 31, 2024 is as follows:

<u>Year ending</u>	<u>Operating</u>
2025	\$ 33,940
2026	33,940
2027	<u>33,940</u>
	101,820
Less unamortized discount	<u>(6,569)</u>
Total lease liabilities	\$ <u>95,251</u>

(12) Retirement Plan

The Foundation has a simplified employee pension plan (SEP) which substantially covers all eligible employees. Annual contributions are at the discretion of the Board of Directors but may not exceed the maximum amount allowable by the Internal Revenue Service. Pension expense was \$14,864 and \$12,494 for the years ended December 31, 2024 and 2023, respectively.

(13) Endowment Funds

The Foundation classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purpose of the Foundation and donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, (7) the Foundation's investment policies and (8) where appropriate, alternatives to spending from the donor-restricted endowment funds and the possible effects of those alternatives on the Foundation.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.

Notes to Financial Statements, Continued

(13) Endowment Funds, Continued

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the 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 Foundation targets a diversified assets allocation that places an emphasis on fixed income investments to achieve its long-term return objectives within prudent risk parameters.

As a result of the Board of Directors' interpretation of the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), the Foundation classifies as net assets with donor restrictions (time restricted in perpetuity) the original value of gifts donated to the donor restricted endowment, the original value of subsequent gifts to the donor restricted endowment, and accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The accumulated investment return of the donor restricted endowment fund is classified as net assets with donor purpose restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the purpose restriction.

The Foundation seeks to generate earnings to enrich the Foundation by funding activities that cannot be provided by public appropriations, contracts and grants, or other income. It also desires to provide absolute real growth of endowment assets after annual disbursements and management fees. To maintain the safety of principal and emphasize long-term growth of principal while avoiding excessive risk, short-term volatility will be tolerated inasmuch as it is consistent with the volatility of a comparable market index. Investment asset allocation of the Foundation is designed to give balance to the overall structure of the Foundation's investment program over a long-time horizon. The endowment is managed by investment managers in a manner satisfactory to the Board of Directors of the Foundation.

The spending policy allows for allocation of income equivalent to a percentage of the moving average market value of the endowment portfolio. For 2024 and 2023, this percentage was 4%. Average market value is computed using the previous three complete fiscal years of portfolio activity. Income earned in excess of the spending rate may be reinvested in endowment principal.

COMMUNITY FOUNDATION OF TOMPKINS COUNTY, INC.
Notes to Financial Statements, Continued

(13) Endowment Funds, Continued

For the years ended December 31, 2024 and 2023, the Foundation had the following endowment related activity:

	<u>2024</u>	<u>2023</u>
Balance at beginning of year	\$ 16,973,059	14,333,349
Interest and dividends	730,254	467,285
Realized and unrealized gain	675,826	1,562,962
Investment and administrative fees	<u>(32,831)</u>	<u>(33,835)</u>
Total investment gain	1,373,249	1,996,412
Contributions	371,535	1,181,946
Grants paid	(558,901)	(538,102)
Other expenses	<u>(545)</u>	<u>(546)</u>
Net change	<u>1,185,338</u>	<u>2,639,710</u>
Balance at end of year	\$ <u>18,158,397</u>	<u>16,973,059</u>

The cumulative value of gifts donated to the permanent endowment at December 31, 2024 and 2023 amounted to \$13,696,796 and \$13,325,261, respectively. Amounts received restricted in perpetuity amounted to \$371,535 and \$1,181,946 for the years ended December 31, 2024 and 2023, respectively.