

**CATTARAUGUS REGION
COMMUNITY FOUNDATION**

**REPORT ON AUDITED
FINANCIAL STATEMENTS**

**YEARS ENDED
DECEMBER 31, 2024 AND 2023**

CATTARAUGUS REGION COMMUNITY FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cattaraugus Region Community Foundation
Olean, New York

Opinion

We have audited the accompanying financial statements of **Cattaraugus Region Community Foundation**, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Cattaraugus Region Community Foundation** 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Cattaraugus Region Community 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 **Cattaraugus Region Community 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, including omissions, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 **Cattaraugus Region Community 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 **Cattaraugus Region Community 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.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
May 13, 2025**

**CATTARAUGUS REGION COMMUNITY FOUNDATION
STATEMENTS OF FINANCIAL POSITION**

<i>As of December 31,</i>	2024	2023
Assets		
Current		
Cash and cash equivalents	\$ 792,195	\$ 465,166
Prepaid expenses	10,116	9,335
Total current assets	802,311	474,501
Investments	32,718,986	30,078,261
Right of use asset, net	26,314	44,153
	\$ 33,547,611	\$ 30,596,915
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 17,453	\$ 14,835
Current maturities of lease obligation	18,445	17,839
Total current liabilities	35,898	32,674
Lease obligation, net of current portion	7,869	26,314
Funds held for Agencies	4,294,369	4,876,998
Total liabilities	4,338,136	4,935,986
Net assets without donor restrictions		
Endowment	25,400,911	22,495,249
Non-endowed	2,294,757	1,766,640
Operations/administration	1,513,807	1,399,040
Total net assets without donor restrictions	29,209,475	25,660,929
	\$ 33,547,611	\$ 30,596,915

CATTARAUGUS REGION COMMUNITY FOUNDATION
STATEMENTS OF ACTIVITIES

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Years ended December 31,	2024	2023
Support and Revenue		
Gifts, donations and other revenue	\$ 2,618,614	\$ 1,929,741
Unrealized gains	1,442,995	2,877,333
Realized gains (losses) on sale of investments	711,727	(46,185)
Interest and dividends, net of fees	418,713	396,598
Administrative fees	51,212	57,552
Transfer from agency fund	257,362	--
Total support and revenue	5,500,623	5,215,039
Expenses		
Program service	1,548,495	1,772,242
Management and general	352,623	348,527
Fundraising	50,959	53,418
Total expenses	1,952,077	2,174,187
Change in net assets without donor restrictions	3,548,546	3,040,852
Net assets without donor restrictions, at beginning of year	25,660,929	22,620,077
Net assets without donor restrictions, at end of year	\$ 29,209,475	\$ 25,660,929

See accompanying independent auditor's report and notes to financial statements.

CATTARAUGUS REGION COMMUNITY FOUNDATION
STATEMENTS OF CASH FLOWS

Years ended December 31,	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 3,548,546	\$ 3,040,852
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	--	74
Unrealized gains on investments	(1,442,995)	(2,877,333)
Realized (gains) losses on investments	(711,727)	46,185
(Increase) decrease in:		
Prepaid expenses	(781)	(2,789)
Increase (decrease) in:		
Funds held for Agencies	(582,629)	555,797
Accounts payable and accrued expenses	2,618	213
Net cash provided by operating activities	813,032	762,999
Cash flows from investing activities		
Sale of investments	6,272,888	3,231,135
Purchase of investments, including reinvested dividends	(6,758,891)	(3,975,628)
Net cash used in investing activities	(486,003)	(744,493)
Net change in cash	327,029	18,506
Cash and cash equivalents, at beginning of year	465,166	446,660
Cash and cash equivalents, at end of year	\$ 792,195	\$ 465,166

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Nature of Operations

Cattaraugus Region Community Foundation (the Foundation), an affiliated organization of the Greater Olean Area Chamber of Commerce, was formed on September 20, 1994. The Foundation was formed to solicit, receive, and maintain endowment funds for the benefit of charitable endeavors in the greater Olean, New York area. In addition, the organization is exempt from New York State income tax. On March 1, 2006, the Foundation filed an Assumed Name Certificate and began conducting business as **Cattaraugus Region Community Foundation**.

Basis of Accounting

The financial statements of **Cattaraugus Region Community Foundation** have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Topic 958, *Not-for-Profit Entities*. Under this topic, the Foundation is required to report 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. The Foundation does not have any assets that would be considered net assets with donor restrictions.

Variance Power

Generally accepted accounting principles provide that if the governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The bylaws of the Foundation include a variance power provision giving the Board of Directors the power to vary the use of funds if the stated purpose of a contribution becomes no longer applicable and therefore, incapable of fulfillment. Based on this provision, all contributions received by the Foundation, except for contributions to Agency Funds as described in Note 4, are reported as revenues without donor restrictions. Accordingly, the Foundation's financial statements classify substantially all funds, including the corpus of endowment funds, as net assets without donor restrictions, but segregate for internal management and endowment record keeping the portion that is held as endowment from the funds that are currently available for grants.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current presentation.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES
(CONTINUED)

Fund Accounting

In order to account for assets, liabilities, revenues, and expenditures directly related to certain activities, separate funds are used by the Foundation.

Contributions

Gifts of cash and other assets received are reported as revenue and net assets without donor restrictions. All unconditional contributions are recorded at fair value when the Foundation becomes aware of them. It is the Foundation's policy to liquidate gifts of stocks and securities as soon as possible. Any gain or loss on liquidation is allocated to the fund that received the donation.

Gifts of land, buildings, equipment and other long-lived assets are also reported as revenues and net assets without donor restrictions. They are reported at estimated fair value and capitalized, with depreciation being taken over their estimated useful lives.

Donated Services

Donated services are recognized as contributions in accordance with Financial Accounting Standards Board Topic 958-605, *Not-for-Profit Entities – Revenue Recognition - Contributed Services*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation does not recognize any donated services, but many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs and various committee assignments.

Grants

Grants are recorded as expenses of net assets without donor restrictions when approved by the Board of Directors.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all cash in operating bank accounts, cash on hand and cash in money market accounts and certificates of deposit to be cash and cash equivalents.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$7,698 and \$7,859 for the years ended December 31, 2024 and 2023, respectively.

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Net Assets Without Donor Restrictions

Net assets without donor restrictions of the Foundation are segregated based on the type of fund the donor agrees to and are defined below as:

Endowed Fund – An endowed fund is expected to last in perpetuity. The Foundation requires a deposit of \$5,000 within three years of the start of the fund and it must have a balance of at least \$5,000 in order to issue grants.

Non-Endowed Fund – A non-endowed fund is not expected to last in perpetuity and is created with the intent of distributing the entire balance in a relatively short period of time.

Operations/administration – Net assets for the operation/administration of the Foundation which includes the Board restricted operating endowment. The Board can remove the restriction on this endowment fund at any time.

NOTE 2 – PROPERTY AND EQUIPMENT

During the year ended December 31, 2023, the Foundation wrote off fully depreciated office equipment and furnishings in the amount of \$41,022. There are no fixed assets recorded as of December 31, 2024.

Depreciation expense amounted to \$- and \$74 for the years ended December 31, 2024 and 2023, respectively.

NOTE 3 - INVESTMENTS

The Foundation maintains its investments in one Financial Institution located in Olean, New York. Investments are presented in the financial statements in the aggregate at fair market value.

As of December 31:

	2024	2023
Morgan Stanley Wealth Management Portfolio	\$ 32,718,986	\$ 30,078,261

NOTE 3 – INVESTMENTS (CONTINUED)

Sales of investments resulted in net realized gains (losses) of \$711,727 and (\$46,185) for the years ended December 31, 2024 and 2023, respectively. For purposes of determining the gain or loss on a sale, the cost of securities sold is based on the first in first out (FIFO) cost method for mutual funds and the specific identification method for all other investments. The fair values for investments are based primarily on quoted market prices.

Return on investments is as follows for the years ended:

	2024	2023
Realized gains (losses)	\$ 711,727	\$ (46,185)
Unrealized gains	1,442,995	2,877,333
Interest and dividends, net of fees	418,713	396,598
Return on investment	<u>\$ 2,573,435</u>	<u>\$ 3,227,746</u>

As of December 31, 2024 there were 28 funds, including agency funds, whose combined market value of \$940,000 was below their historic cost value of \$1,015,000 totaling approximately \$75,000.

As of December 31, 2023, there were 33 funds, including agency funds, whose combined market value of \$3,158,000 was below their historic cost value of \$3,334,000 totaling approximately \$176,000.

As of December 31, 2024 the Foundation had committed \$318,500 in funds with an alternative investment that had not yet been executed.

NOTE 4 - FUNDS HELD FOR AGENCIES

The Foundation adopted the Financial Accounting Standards Board Topic 958-605, *Not-for-Profit Entities – Revenue Recognition - Transfers of Assets to Not-for-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others*. This Topic establishes standards for transactions in which the Foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both, to a not-for-profit organization (NPO) that is specified by the donor. This Topic specifically requires that if the donor is a NPO that established a fund at the Foundation using its own funds and for its own benefit, the Foundation must account for such assets as a liability. The Foundation refers to these as Agency Funds.

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4 - FUNDS HELD FOR AGENCIES (CONTINUED)

The Foundation maintains variance power and legal ownership of Agency Funds and as such continues to report the funds as assets of the Foundation. However, in accordance with the Topic, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPO.

All financial activity related to those Agency Funds is recorded as adjustments to the funds held for Agencies liability on the statements of financial position and is omitted from the statements of activities.

As of December 31, 2024, the Foundation has 108 Agency Funds. The total amount held for these funds as of December 31, 2024 and 2023 was \$4,294,369 and \$4,876,998, respectively.

The Foundation has also established funds to record gifts directly from individuals and third parties for the benefit of specific Agency Funds. In accordance with FASB Topic 958-605-25, these funds are segregated and reported separately as net assets on the Foundation's financial statements.

The change in the funds held for Agencies consists of the following for the years ended December 31:

	2024	2023
Additions:		
Additions to funds held for agencies	\$ 86,080	\$ 54,639
Unrealized gain	233,542	556,248
Realized gain (loss)	113,341	(9,015)
Interest & dividends, net	63,264	76,891
Total additions	<u>496,227</u>	<u>678,763</u>
Expenditures:		
Grants and scholarships	770,212	65,285
Other expenses	70	129
Administrative fees	51,212	57,552
Transfers to other funds	257,362	--
Total expenditures	<u>1,078,856</u>	<u>122,966</u>
Net change:	<u>\$ (582,629)</u>	<u>\$ 555,797</u>

NOTE 5 - FEDERAL TAX STATUS

The Foundation is a not-for-profit organization, exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Contributions to the Foundation are deductible under section 170(c) of the Code. The Foundation is not a private foundation as described in Section 509(a) of the Code. Income tax returns that remain open for examination by taxing authorities include 2021 and later years.

NOTE 6 - CONCENTRATION OF CREDIT RISKS

The Foundation maintains its cash, cash equivalents and investment balances in two financial institutions in Olean, New York. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 of demand deposit balances. The Foundation also has Securities Investor Protection Corporation (SIPC) coverage of its Morgan Stanley wealth management portfolio up to \$1 billion. At December 31, 2024, the Foundation's cash and investment balances were fully insured with FDIC and SIPC coverage except for certain alternative investments which are not covered by SIPC.

NOTE 7 - ENDOWMENTS

Return Objectives and Risk Parameters

The primary investment objective of the Foundation is to maximize long-term real (after inflation) investment returns recognizing established risk parameters and the need to preserve capital. The possibility of short-term declines in market value is acceptable in order to achieve potentially higher long-term investment returns. The Foundation has adopted investment and spending policies 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 the endowment assets. Under the New York Prudent Management of Institutional Funds Act of 2010, (NYPMIFA), the Foundation, at its discretion, has the ability to distribute endowment assets below the donor's original dollar value of the gift.

Strategies Employed for Achieving Objectives

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 objectives shall be accomplished by utilizing a strategy of equities, fixed income and cash equivalents in a mix that is conducive to participation in a rising market while allowing for adequate protection in a falling market.

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7 – ENDOWMENTS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's spending policy complies with the requirements of the New York Prudent Management of Institutional Funds Act (NYPMIFA). A summary of the terms of the spending policy are as follows:

	Effective 1/1/2024	Effective 1/1/2023
Spending percentage:		
Grant spending	3.50-4.00%	3.50-4.00%
Administrative fees	1.00-3.50%	1.00-3.50%
Total	5.00%-7.00%	5.00%-7.00%
Calculation period:		
Grant spending	Trailing 20 quarters	Trailing 20 quarters
Administrative fees	Non-endowed funds-Trailing 20 quarters or \$400 whichever is greater. Endowed funds- Trailing 20 quarters. No minimum	Non-endowed funds-Trailing 20 quarters or \$400 whichever is greater. Endowed funds- Trailing 20 quarters. No minimum

Under the spending policy, distributions are based on the endowments average fair value over the calculation period as described above. This spending strategy reflects the total return approach to investing and disbursing funds as described above. Grant spending is dependent upon the type of fund established (endowed versus non-endowed).

NOTE 8 – CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS BY FUND CLASSIFICATION

	Endowment Funds	Non-endowed Funds	Operations / Administration Funds	Total
Balance at December 31, 2022	\$ 19,813,586	\$ 1,540,567	\$ 1,265,924	\$ 22,620,077
Gifts, donations and other revenue	908,987	914,360	106,394	1,929,741
Net investment return	2,852,774	208,580	166,392	3,227,746
Grants and scholarship expense	(747,066)	(863,409)	(52,064)	(1,662,539)
All other expenses	(4,774)	(2,846)	(504,028)	(511,648)
Administrative fee income (expense)	(328,258)	(30,612)	416,422	57,552
Transfers (to) from other funds	--	--	--	--
Balance at December 31, 2023	\$ 22,495,249	\$ 1,766,640	\$ 1,399,040	\$ 25,660,929
	Endowment Funds	Non-endowed Funds	Operations / Administration Funds	Total
Balance at December 31, 2023	\$ 22,495,249	\$ 1,766,640	\$ 1,399,040	\$ 25,660,929
Gifts, donations and other revenue	1,611,110	914,395	93,109	2,618,614
Net investment return	2,273,963	168,252	131,220	2,573,435
Grants and scholarship expense	(895,964)	(488,645)	(50,952)	(1,435,561)
All other expenses	(3,361)	(1,562)	(511,593)	(516,516)
Administrative fee income (expense)	(358,315)	(43,456)	452,983	51,212
Transfers (to) from other funds	278,229	(20,867)	--	257,362
Balance at December 31, 2024	\$ 25,400,911	\$ 2,294,757	\$ 1,513,807	\$ 29,209,475

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – COMPOSITION OF NET ASSETS BY TYPE

	2024				2023			
	Endowment	Non-endowed	Operations / Administration	Total	Endowment	Non-endowed	Operations / Administration	Total
	Funds	Funds	Funds		Funds	Funds	Funds	
Undesignated	\$ 2,083,728	\$ --	\$ 1,513,807	\$ 3,597,535	\$ 1,967,664	\$ --	\$ 1,399,040	\$ 3,366,704
Donor designated	10,040,900	419,729	--	10,460,629	9,473,601	312,867	--	9,786,468
Scholarship	8,391,486	199,164	--	8,590,650	7,054,549	173,591	--	7,228,140
Field of interest	3,144,698	1,606,179	--	4,750,877	2,434,858	1,215,119	--	3,649,977
Donor advised	1,404,512	--	--	1,404,512	1,292,807	--	--	1,292,807
Agency/Individual Gifts	335,587	69,685	--	405,272	271,770	65,063	--	336,833
Totals	\$ 25,400,911	\$ 2,294,757	\$ 1,513,807	\$ 29,209,475	\$ 22,495,249	\$ 1,766,640	\$ 1,399,040	\$ 25,660,929

NOTE 10 - FAIR VALUE MEASUREMENTS

The Foundation's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 different fair value measurement at the reporting date. For investments in limited partnerships and other similar instruments, the fair value is based on valuations provided by external investments managers, including net asset values (NAVs) as of the most recent audited or interim financial statements. The NAVs provided by external managers are based on the underlying securities and investment holdings, which may be valued at quoted market prices, based on comparable instruments, at appraised value, or by discounted cash flows. The external manager's valuation is reviewed by the Foundations management. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because some investments are not readily marketable, their estimated value is subject to uncertainty.

FASB ASC 820-10-50, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. As presented in the table below, this hierarchy consists of three broad levels. Level 1 inputs on the hierarchy consist of unadjusted quoted prices in active markets and have the highest priority. Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement and have the lowest priority. Investments using NAV per share (or its equivalent) as a fair value expedient have not been classified in the fair value hierarchy. These investments are presented as "Other" in the following table to permit the reconciliation of the fair value hierarchy table to the total investments at fair value presented in the statements of financial position. The Foundation uses appropriate valuation techniques based on available inputs to measure the fair value of the Foundation's investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2, Level 3 and Other inputs are only used when Level 1 inputs are not available. As of December 31, the Foundation's investments measured at fair value consisted of the following instruments and classifications within the fair value hierarchy:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Net Asset Value (Other)	Total at December 31, 2024
Cash and cash equivalents	\$ 792,195	\$ --	\$ --	\$ --	\$ 792,195
Fixed income	4,478,947	--	--	--	4,478,947
Equities	21,683,693	--	--	--	21,683,693
Alternatives	2,099,244	--	--	4,457,102	6,556,346
Total	\$ 29,054,079	\$ --	\$ --	\$ 4,457,102	\$ 33,511,181

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 - FAIR VALUE MEASUREMENTS (CONTINUED)

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	Net Asset Value (Other)	Total at December 31, 2023
Cash and cash equivalents	\$ 465,166	\$ --	\$ --	\$ --	\$ 465,166
Fixed income	4,559,621	--	--	--	4,559,621
Equities	19,343,860	--	--	--	19,343,860
Alternatives	2,635,953	--	--	3,538,827	6,174,780
Total	\$ 27,004,600	\$ --	\$ --	\$ 3,538,827	\$ 30,543,427

NOTE 11 – FUNCTIONAL EXPENSES

Expenses consist of costs related program services, management and general, and fundraising and are directly allocated to the function in which they benefit.

Year ended December 31, 2024

	Program Service	Management and General	Fundraising	Total
Grants and scholarship expense	\$ 1,435,561	\$ --	\$ --	\$ 1,435,561
Salaries and benefits	100,396	220,976	35,137	356,509
Payroll taxes	6,556	14,429	2,294	23,279
Advertising and promotion	--	5,004	2,694	7,698
Office expense	--	17,269	468	17,737
Information technology	--	34,057	--	34,057
Occupancy	5,982	13,597	2,175	21,754
Other expenses	--	43,197	6,174	49,371
Business development	--	4,094	2,017	6,111
Total expenses	\$ 1,548,495	\$ 352,623	\$ 50,959	\$ 1,952,077

Year ended December 31, 2023

	Program Service	Management and General	Fundraising	Total
Grants and scholarship expense	\$ 1,662,539	\$ --	\$ --	\$ 1,662,539
Salaries and benefits	97,335	214,238	34,066	345,639
Payroll taxes	6,757	14,871	2,365	23,993
Advertising and promotion	--	5,108	2,751	7,859
Office expense	--	18,804	600	19,404
Information technology	--	30,454	--	30,454
Occupancy	5,611	12,753	2,040	20,404
Depreciation expense	--	74	--	74
Other expenses	--	47,648	9,342	56,990
Business development	--	4,577	2,254	6,831
Total expenses	\$ 1,772,242	\$ 348,527	\$ 53,418	\$ 2,174,187

CATTARAUGUS REGION COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 - LIQUIDITY

The Foundation's financial assets available for general use within one year of the statement of financial position date consist of cash and cash equivalents and amounts due from other funds included within the Foundation's operating account and totaled approximately \$439,000 at December 31, 2024. The Foundation also has an operating endowment investment fund (approximately \$1,075,000 at December 31, 2024) which makes an annual distribution to the operating account consistent with the Foundation's spending policy. The estimated distribution to the operating account for 2025 is approximately \$51,000 which is available to meet general expenditures of the Foundation. The entire value of the fund is available for general use, however the Foundation has no plans to liquidate.

In addition, the Foundation charges administrative fees to each of its funds which are available for the general use of the Foundation. The estimated amount of administrative fees expected to be collected in 2025 and available for general use are approximately \$453,000.

Finally, investments held in an endowment and other funds classified as endowed, non-endowed, and held for agency managed by the Foundation are not available for general use unless written approval from donors.

NOTE 13 – FUND TRANSFERS

There were no transfers during the year ended December 31, 2023. During the year ended December 31, 2024 four funds totaling approximately, \$257,000 as of January 1, 2024, were reclassified from agency to endowed. In addition, during the year ended December 31, 2024 one fund totaling approximately, \$21,000 as of January 1, 2024, was reclassified from non-endowed to endowed.

NOTE 14 – RIGHT OF USE ASSET AND LEASE LIABILITY

During the year ended December 31, 2021, the Foundation entered into a lease agreement for office space with a term of five-years. The lease calls for monthly payments of \$1,587 (interest and principal) and commenced June 1, 2021 and expires on May 31, 2026 with no option to extend. The total outstanding balance on the lease as of December 31, 2024 and 2023 amounted to \$26,314 and \$44,153, respectively.

As of December 31, 2024, the weighted average remaining lease term is 1.5 years and the risk-free rate of 3.35% based on a 5-year Treasury Bill rate at lease inception.

NOTE 14 – RIGHT OF USE ASSET AND LEASE LIABILITY (CONTINUED)

The maturities of lease liabilities as of December 31, 2024 were as follows:

2025	\$	19,044
2026		<u>7,935</u>
Total undiscounted cash flows		26,979
Less: discounted portion		<u>(665)</u>
Present value of lease liability	\$	<u><u>26,314</u></u>

Total office space lease expenses that are included in occupancy in Note 11, was \$19,044 and \$19,044 for the years ended December 31, 2024 and 2023, respectively.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events were evaluated by Management through May 13, 2025, which is the date the financial statements were available to be issued.