



**The Community Foundation for
the Greater Capital Region, Inc.**

Financial Statements
December 31, 2025 and 2024

**The Community Foundation for
the Greater Capital Region, Inc.**

Financial Statements
December 31, 2025 and 2024

Contents

	Page
Independent Auditor’s Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements	8-21



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Independent Auditor's Report

Board of Directors
The Community Foundation for the
Greater Capital Region, Inc.

Opinion

We have audited the financial statements of The Community Foundation for the Greater Capital Region, Inc. (a New York not-for-profit corporation), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Community Foundation for the Greater Capital Region, Inc. as of December 31, 2025 and 2024, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Community Foundation for the Greater Capital Region, Inc. 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 Community Foundation for the Greater Capital Region, Inc.'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 GAAS 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 GAAS, 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 The Community Foundation for the Greater Capital Region, Inc.'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 Community Foundation for the Greater Capital Region, Inc.'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.

A handwritten signature in black ink that reads "BST Gallagher Flynn LLP". The signature is written in a cursive, flowing style.

Latham, New York
September 23, 2026

**The Community Foundation for
the Greater Capital Region, Inc.**

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 10,697,432	\$ 1,545,829
Receivables, net	4,504,551	654,221
Right-of-use asset for operating lease, net	159,746	255,024
Assets held under split-interest agreements	267,039	736,248
Other assets	351,822	360,367
Investments	137,822,112	116,270,726
Total assets	\$ 153,802,702	\$ 119,822,415
LIABILITIES		
Accounts payable and accrued expenses	\$ 56,060	\$ 85,555
Grants payable	90,884	164,209
Lease liability for operating lease	155,416	253,581
Liabilities held under split-interest agreements	144,221	159,929
Agency funds	5,551,366	4,644,818
	5,997,947	5,308,092
COMMITMENTS		
NET ASSETS		
Without donor restrictions		
Available for grants	43,871,986	35,420,910
Available for administration	1,466,411	1,171,823
Endowed for administration	9,036,517	7,886,216
	54,374,914	44,478,949
With donor restrictions	93,429,841	70,035,374
	147,804,755	114,514,323
Total liabilities and net assets	\$ 153,802,702	\$ 119,822,415

See accompanying Notes to Financial Statements.

**The Community Foundation for
the Greater Capital Region, Inc.**

Statements of Activities

	Years Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES, GAINS, AND OTHER SUPPORT						
Investment return						
Interest and dividends	\$ 1,333,314	\$ 1,549,526	\$ 2,882,840	\$ 906,081	\$ 1,453,943	\$ 2,360,024
Net appreciation of investments	5,754,426	9,093,906	14,848,332	3,651,295	6,260,598	9,911,893
Less investment expense	(515,837)	-	(515,837)	(625,417)	-	(625,417)
Investment return, net	6,571,903	10,643,432	17,215,335	3,931,959	7,714,541	11,646,500
Contributions	12,076,386	15,146,734	27,223,120	4,016,932	946,590	4,963,522
Fees for service	136,404	-	136,404	149,179	-	149,179
Net assets released from restrictions, satisfaction of restrictions	2,395,699	(2,395,699)	-	3,474,115	(3,474,115)	-
Total revenues, gains, and other support	21,180,392	23,394,467	44,574,859	11,572,185	5,187,016	16,759,201
EXPENSES						
Programs and grants	10,319,034	-	10,319,034	7,170,363	-	7,170,363
Administration	746,952	-	746,952	703,503	-	703,503
Fundraising	218,441	-	218,441	229,193	-	229,193
Total expenses	11,284,427	-	11,284,427	8,103,059	-	8,103,059
Change in net assets	9,895,965	23,394,467	33,290,432	3,469,126	5,187,016	8,656,142
NET ASSETS, beginning of year	44,478,949	70,035,374	114,514,323	41,009,823	64,848,358	105,858,181
NET ASSETS, end of year	\$ 54,374,914	\$ 93,429,841	\$ 147,804,755	\$ 44,478,949	\$ 70,035,374	\$ 114,514,323

See accompanying Notes to Financial Statements.

**The Community Foundation for
the Greater Capital Region, Inc.**

Statement of Functional Expenses

	Year Ended December 31, 2025			
	Programs and Grants	Administration	Fundraising	Total
Salaries and wages	\$ 398,873	\$ 396,325	\$ 133,859	\$ 929,057
Payroll-related costs	75,755	72,173	20,148	168,076
Contracted services	17,679	3,969	1,206	22,854
Depreciation	10,706	9,373	2,847	22,926
Equipment rental and maintenance	27,721	24,269	7,373	59,363
Events	-	-	25,996	25,996
Grants	9,686,855	-	-	9,686,855
Insurance	2,369	25,779	630	28,778
Marketing and promotion	-	69,990	-	69,990
Meeting expense	7,969	4,017	2,155	14,141
Office supplies and expense	6,667	5,837	1,773	14,277
Postage	-	4,754	-	4,754
Professional services	1,004	57,421	267	58,692
Professional development	23,954	20,971	6,367	51,292
Rent	50,787	44,462	13,507	108,756
Telephone and utilities	8,271	7,241	2,200	17,712
Travel	424	371	113	908
	\$ 10,319,034	\$ 746,952	\$ 218,441	\$ 11,284,427

See accompanying Notes to Financial Statements.

**The Community Foundation for
the Greater Capital Region, Inc.**

Statement of Functional Expenses

	Year Ended December 31, 2024			
	Programs and Grants	Administration	Fundraising	Total
Salaries and wages	\$ 408,002	\$ 403,464	\$ 137,395	\$ 948,861
Payroll-related costs	77,133	70,648	20,665	168,446
Contracted services	25,567	2,993	898	29,458
Depreciation	9,081	8,107	2,433	19,621
Equipment rental and maintenance	27,775	24,798	7,441	60,014
Events	-	-	33,936	33,936
Grants	6,523,651	-	-	6,523,651
Insurance	1,073	21,785	288	23,146
Marketing and promotion	-	31,575	-	31,575
Meeting expense	8,630	4,438	2,170	15,238
Office supplies and expense	3,690	3,295	989	7,974
Postage	-	4,973	-	4,973
Professional services	1,093	51,833	293	53,219
Professional development	25,012	22,331	6,701	54,044
Rent	50,235	44,851	13,459	108,545
Telephone and utilities	7,038	6,284	1,886	15,208
Travel	2,383	2,128	639	5,150
	\$ 7,170,363	\$ 703,503	\$ 229,193	\$ 8,103,059

See accompanying Notes to Financial Statements.

The Community Foundation for the Greater Capital Region, Inc.

Statements of Cash Flows

	Years Ended December 31,	
	2025	2024
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 33,290,432	\$ 8,656,142
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	22,926	19,621
Net appreciation of investments	(14,848,332)	(9,911,893)
Change in value of split-interest agreements	18,933	(58,236)
Reinvested interest and dividends	(3,053,924)	(1,380,329)
Adjustment to right-of-use asset, operating	95,278	108,236
Accretion of lease liability, operating	8,641	5,744
Provision for bad debts	(7,500)	-
Decrease (increase) in		
Receivables	(4,190,088)	183,631
Other assets	5,410	(18,062)
Increase (decrease) in		
Accounts payable and accrued expenses	(29,495)	38,830
Grants payable	(73,325)	49,220
Agency funds	312,564	79,315
Operating lease liability for cash paid	(106,806)	(115,423)
	<u>11,444,714</u>	<u>(2,343,204)</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Proceeds from sale of investments	33,653,233	19,644,944
Purchases of investments	(36,699,432)	(17,349,670)
Purchases of property and equipment	(14,206)	(11,150)
Proceeds from expiration of charitable gift annuity	24,357	8,441
Proceeds from expiration of charitable remainder trust	783,163	-
	<u>(2,252,885)</u>	<u>2,292,565</u>
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES		
Distributions from split-interest agreements	(40,226)	(41,226)
Net increase (decrease) in cash and cash equivalents	9,151,603	(91,865)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	<u>1,545,829</u>	<u>1,637,694</u>
CASH AND CASH EQUIVALENTS, <i>end of year</i>	<u>\$ 10,697,432</u>	<u>\$ 1,545,829</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid during the year for		
Income taxes	\$ 7,500	\$ 7,500
Noncash investing and financing activities		
Right-of-use asset obtained in exchange for new operating lease	\$ -	\$ 301,098

See accompanying Notes to Financial Statements.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 1. Organization and Summary of Significant Accounting Policies

a. Organization

The Community Foundation for the Greater Capital Region, Inc. (Community Foundation) is a New York not-for-profit corporation organized under the Membership Corporation Laws of the State of New York, now known as New York State Not-For-Profit Corporation Law.

CFCR Real Property Transactions, LLC is a subsidiary of the Community Foundation with no activity in 2025 or 2024.

The Community Foundation's mission is to strengthen the community through philanthropy. The Community Foundation does this in collaboration with donors and community partners that share its vision for community transformation through the stewardship of charitable endowments, superior donor services, effective grant-making, and leadership to address community needs.

In achieving its mission, the Community Foundation:

- Serves more than 450 separate charitable funds, working with donors to achieve their philanthropic goals.
- Provides grant administration, investment management, and leadership to address community needs and provide for the long-term operations of the Community Foundation. The resources available to support operations are presented in the statements of financial position as net assets without donor restrictions, available for administration.

b. Basis of Accounting

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit entities.

c. Estimates

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

d. Fair Value Measurements

The Community Foundation reports certain assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (see Note 10).

e. Cash and Cash Equivalents

The Community Foundation's cash and cash equivalents are defined as short-term, highly liquid investments with an initial maturity of three months or less.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

f. Receivables

Unconditional promises to give that are expected to be collected within one year are recorded as receivables at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Management establishes a general reserve against long-term promises to give based on past collection history. The allowance for uncollectible receivables was \$54,000 and 64,000 for the years ended December 31, 2025 and 2024, respectively of which \$54,000 relates to an agency fund.

g. Leases

The Community Foundation determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Community Foundation also considers whether its service arrangements include the right to control the use of an asset.

The Community Foundation recognizes most leases on its statements of financial position as a right-of-use (ROU) asset, representing the right to use an underlying asset, and a lease liability, representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities.

The Community Foundation does not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Community Foundation utilizes a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

h. Agency Funds

The Community Foundation has endowed funds held for other not-for-profit organizations that are specified to be released to those not-for-profit organizations. Accordingly, the value of those funds is reported as a liability in the statements of financial position.

i. Net Assets

Net assets and revenues, gains, losses, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Community Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets without donor restrictions are not subject to donor restrictions and are segregated by the portion that is held as endowment from the funds that are currently available for grants and administration.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

i. Net Assets (Continued)

Net assets with donor restrictions: Net assets with donor restrictions are subject to donor-imposed restrictions. Some of the donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions to be maintained in perpetuity are held in the endowment.

The Community Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

j. Donated Goods and Services

A number of unpaid volunteers have made contributions of their time. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or evaluation.

k. Revenue Recognition

The Community Foundation recognizes contributions when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Fees for service represent income from several organizations to facilitate and administer their grant programs. Revenue is recognized as services are performed by the Community Foundation.

l. Functional Allocation of Expenses

Expenses are allocated after all attempts have been made to charge expenses directly to programs. Methodologies used for allocation include estimated time per job description.

m. Tax Status

The Community Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (Code) and related New York State law and is exempt from income taxes. The Community Foundation has been classified as a publicly supported organization that is not a private foundation under Section 509(a)(1) of the Code.

The Community Foundation files Form 990 annually with the Internal Revenue Service. When annual returns are filed, some tax positions taken are highly certain to be sustained upon examination by the taxing authorities, while other tax positions are subject to uncertainty about the technical merits of the position or the amount of the position's tax benefit that would ultimately be sustained. Management evaluated the Community Foundation's tax positions and concluded that the Community Foundation has taken no tax positions that required adjustment in its financial statements as of December 31, 2025 or 2024.

The Community Foundation has taxable unrelated business income related to investment holdings.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

n. Subsequent Events

The Community Foundation has evaluated subsequent events for potential recognition or disclosure through September 23, 2026, the date the financial statements were available to be issued.

Note 2. Liquidity

A summary of the Community Foundation's financial assets available for grants and general expenditures within one year of the statement of financial position dates is as follows:

	December 31,	
	2025	2024
Total assets	\$ 153,802,702	\$ 119,822,415
Less assets not available for general expenditures		
Investments held in endowment	(93,219,753)	(68,809,216)
Investments held for grants	(43,871,986)	(35,420,910)
Assets held under split-interest agreements	(267,039)	(300,434)
Prepaid expense	(40,065)	(45,475)
Cash surrender value of life insurance	(263,389)	(257,804)
Property and equipment, net	(48,368)	(57,088)
	<u>(137,710,600)</u>	<u>(104,890,927)</u>
Financial assets available for general expenditures before investments in grants	16,092,102	14,931,488
Investments held for grants that could be made available	<u>43,871,986</u>	<u>35,420,910</u>
Financial assets available for grants and general expenditures within one year of the statement of financial position dates	<u>\$ 59,964,088</u>	<u>\$ 50,352,398</u>

The Community Foundation has \$59,964,088 of financial assets available for grants and general expenditures within one year of the statement of financial position date. None of the financial assets available for general expenditures are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year. As part of its liquidity management, the Community Foundation invests cash in excess of daily requirements in various short-term investments, primarily short-term treasury instruments. The Community Foundation has a goal to maintain financial assets on hand to meet two months of normal operating expenses. Investments held for grant-making, related to non-endowed funds, can be made available for spending in accordance with the Fund Agreement.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 3. Receivables, Net

Receivables, net, consist of the following:

	December 31,	
	2025	2024
Promises to give, net	\$ 4,409,136	\$ 202,500
Remainder beneficiary of charitable remainder trust	87,271	434,529
Other	8,144	17,192
	\$ 4,504,551	\$ 654,221

The Community Foundation was the remainder beneficiary of a charitable remainder trust, for which the trust term expired in 2024. The remaining portion of the Community Foundation's beneficial interest is expected to be received in 2026.

A summary of the timing of amounts due for the Community Foundation's promises to give, net, is as follows:

	December 31,	
	2025	2024
Amounts due in less than one year	\$ 4,463,136	\$ 266,500
Less allowance for uncollectible receivables	(54,000)	(64,000)
	\$ 4,409,136	\$ 202,500

Note 4. Split-Interest Agreements

Split-interest agreements are trusts or other arrangements under which the Community Foundation receives benefits that are shared with other beneficiaries. The Community Foundation's split-interest agreements include charitable remainder trusts and charitable gift annuities.

A summary of assets held, at fair value, under split-interest agreements is as follows:

	December 31,	
	2025	2024
Charitable remainder trust	\$ -	\$ 435,905
Charitable gift annuities	267,039	300,343
	\$ 267,039	\$ 736,248

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 4. Split-Interest Agreements (Continued)

a. Liability Under Charitable Remainder Trust Agreements

The obligation, as Trustee for each trust, was reported herein as a liability held under split-interest agreements. The obligation was estimated at the time of the agreements (unitrust or annuity trust) based on the average life expectancies of the beneficiaries or specific trust terms, and the expected rate of return on invested assets. Any excess amount of the gift over the estimated liability was recorded as net assets with donor restrictions. The obligation was subject to adjustments and reflected amortization of any discount, re-evaluation of the present value of estimated future payments, and any change in actuarial assumptions. These adjustments were included within contributions on the statements of activities. The assumptions used in computing the liabilities under charitable remainder trust agreements included a discount rate of 9.4% and life expectancies based on published single and multiple life expectancy tables.

b. Liability Under Charitable Gift Annuity Agreements

The obligations under the agreements are reported herein as liabilities held under split-interest agreements. The obligations are estimated at the time of the agreement based on the present value of future cash flows expected to be paid to the donors. The obligations are subject to adjustments to reflect the amortization of any discount and changes in the life expectancies of the donors. The assumptions used in computing the liabilities under charitable gift annuity agreements include discount rates ranging from 1.4% to 6.2% and life expectancies based on published single and multiple life expectancy tables.

Under New York State Insurance Law, the Community Foundation is required to maintain qualified reserves, reported herein as assets held under split-interest agreements, for its charitable gift annuities. As of December 31, 2025, the Community Foundation maintained a segregated reserve of \$267,039, which is in excess of the minimum required reserve of \$182,439. As of December 31, 2024, the Community Foundation maintained a segregated reserve of \$300,343, which is in excess of the minimum required reserve of \$202,311.

Note 5. Agency Funds Held

A summary of the Community Foundation's agency funds is as follows:

	December 31,	
	2025	2024
Agency funds, beginning of year	\$ 4,644,818	\$ 4,151,074
Amounts raised	359,116	258,203
Interest and dividends	178,768	97,632
Realized investment gains, net	438,810	167,424
Net appreciation of investments	155,173	246,953
Fees	(68,507)	(67,059)
Grants to the agencies	(156,812)	(209,409)
Agency funds, end of year	<u>\$ 5,551,366</u>	<u>\$ 4,644,818</u>

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 6. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	December 31,	
	2025	2024
Charitable remainder trusts		
Subject to expiration of trust terms	\$ 87,270	\$ 870,433
Charitable gift annuities		
Subject to expiration of trust terms	122,818	140,414
Subject to the passage of time		
For periods after December 31,	-	201,250
For website update	-	14,061
Endowment		
Subject to the spending policy and appropriations		
Earnings on endowed gifts, which are expendable to support donor restrictions	23,730,390	16,171,308
Gifts to be held in perpetuity to support donor restrictions	69,489,363	52,637,908
	<u>93,219,753</u>	<u>68,809,216</u>
Total net assets with donor restrictions	<u>\$ 93,429,841</u>	<u>\$ 70,035,374</u>

Note 7. Endowment

The Community Foundation holds charitable gifts in funds that may be created by the donor as endowed or non-endowed. An endowment fund generally stipulates that the gift will be invested in perpetuity, while the investment earnings may be distributed to support the donor's charitable purposes. A non-endowed fund may also be invested with a long-term horizon without restricting the distribution of fund principal.

The Community Foundation's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to be endowed for operations. As required by U.S. GAAP, net assets associated with endowment funds, including funds endowed for administration, are classified and reported based on the existence or absence of donor-imposed restrictions.

a. Relevant Law

The Board of Directors of the Community Foundation has interpreted the New York State Not-For-Profit Corporation Law (NPCL). The interpretation views NPCL as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Community Foundation generally retains in perpetuity (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 7. Endowment (Continued)

a. Relevant Law (Continued)

The Community Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Community Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effects of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the organization;
7. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the organization; and
8. The investment policies of the organization.

Endowment net asset composition by type of fund is as follows:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 93,219,753	\$ 93,219,753
Endowed for administration	9,036,517	-	9,036,517
Total funds	\$ 9,036,517	\$ 93,219,753	\$ 102,256,270

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 7,886,216	\$ 68,809,216	\$ 76,695,432
Investment return			
Interest and dividends	537,505	1,549,526	2,087,031
Net appreciation of investments	989,271	9,060,943	10,050,214
Investment expense	(70,098)	(311,794)	(381,892)
Total investment return	1,456,678	10,298,675	11,755,353
Contributions	2,413	15,209,249	15,211,662
Withdrawals	(308,790)	(1,097,387)	(1,406,177)
Endowment net assets, end of year	\$ 9,036,517	\$ 93,219,753	\$ 102,256,270

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 7. Endowment (Continued)

a. Relevant Law (Continued)

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 68,809,216	\$ 68,809,216
Endowed for administration	7,886,216	-	7,886,216
Total funds	\$ 7,886,216	\$ 68,809,216	\$ 76,695,432

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 7,314,539	\$ 63,289,876	\$ 70,604,415
Investment return			
Interest and dividends	160,321	1,453,943	1,614,264
Net appreciation of investments	513,273	6,208,862	6,722,135
Investment expense	(63,058)	(392,385)	(455,443)
Total investment return	610,536	7,270,420	7,880,956
Contributions	242,943	843,394	1,086,337
Withdrawals	(281,802)	(2,594,474)	(2,876,276)
Endowment net assets, end of year	\$ 7,886,216	\$ 68,809,216	\$ 76,695,432

b. Funds With Deficiencies

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

c. Return Objectives and Risk Parameters

The Community Foundation's endowment consists of various investments overseen by the Finance Committee of the Board of Directors. The Community Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to attain an average total return (net of investment management fees) of the Consumer Price Index plus 5%.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 7. Endowment (Continued)

d. Strategies Employed for Achieving Objectives

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

e. Spending Policy and How the Investment Objectives Relate to Spending Policy

Subject to the intent of donors expressed in fund agreements, the Community Foundation appropriates for expenditure or accumulates so much of endowed funds as the Community Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established.

Due to the Community Foundation's federal tax classification, governing documents and its fund agreements, net assets to be held in perpetuity are subject to variance power. Thereunder, the Community Foundation's Board of Directors has the power to modify any restriction or condition on distribution from the fund for any specified purpose or to any specified organization, if, in the sole judgment of the Board of Directors, compliance with such restriction becomes unnecessary, impractical, impossible, or inconsistent with the purposes of the Community Foundation. The net assets are in perpetuity until such time, if ever, as the Board of Directors deems prudent and appropriate to expend some part of the principal.

The Community Foundation has approved a spending policy that calculates a percentage (currently 4%) of the average value of the fund, including income, appreciation and principal over the past 20 quarters.

Note 8. Defined Contribution Plan

The Community Foundation offers a 403(b) tax-deferred annuity plan to its employees. The Community Foundation matches employee contributions in the amount of 100% of every dollar contributed by the employee up to the first 6% of the employee's salary. For the years ended December 31, 2025 and 2024, the Community Foundation's employer contributions were \$49,551 and \$51,080, respectively.

Note 9. Commitments, Risks and Uncertainties

a. Lease

The Community Foundation leases office space under an operating lease agreement that had a term of six years, which was renewed in July 2024 for a three-year term. The lease requires payments of \$8,901 per month through the lease termination date of July 2027.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 9. Commitments, Risks and Uncertainties (Continued)

a. Lease (Continued)

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows:

	Years Ended December 31,	
	2025	2024
Operating lease cost	\$ 103,919	\$ 105,363
Variable lease cost	4,837	3,182
 Total lease cost	 \$ 108,756	 \$ 108,545

The discount rate is 4.32%.

Future undiscounted cash flows and a reconciliation to the lease liability recognized on the statement of financial position are as follows as of December 31, 2025:

Year ending December 31,	
2026	\$ 106,806
2027	53,403
Total lease payments	160,209
Less imputed interest	(4,793)
 Total present value of lease liabilities	 \$ 155,416

b. Fair Value of Investments

The Community Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the financial statements.

c. Concentrations of Credit Risk

The Community Foundation maintains operating cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, the Community Foundation has bank deposits in excess of the amounts insured by the FDIC.

The Community Foundation maintains many of its securities with a brokerage firm that is a member of the Securities Investor Protection Corporation (SIPC). Securities held at a member brokerage firm are insured by the SIPC up to \$500,000 per customer, including a maximum of \$250,000 for cash.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 10. Fair Value of Financial Instruments

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3).

The following three levels of inputs may be used to measure fair value:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than quoted market prices and can include active markets and markets not considered to be active.

Level 3: Unobservable inputs that are supported by little or no market activity.

The 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.

All of the Community Foundation's investments are in publicly traded securities or commingled (alternative) funds. The fair value of publicly traded securities is based on quoted market prices and observable net asset values (NAV). As a practical expedient, the alternative investments that do not have a readily determinable fair value are valued at NAV provided by fund managers utilizing quoted market prices, the market value of comparable companies, an income-based approach, or discounted cash flow projections. These valuations are reviewed for reasonableness by the management of the Community Foundation.

Assets reserved under split-interest agreements are valued on quoted market prices.

The methods described above may produce a fair value/NAV calculation that may not be indicative of net realizable value or reflective of future fair values or NAVs. Furthermore, while the Community Foundation believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value or NAV of certain financial instruments could result in a different fair value or NAV measurement at the reporting date.

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 10. Fair Value of Financial Instruments (Continued)

The following tables present the Community Foundation's investments:

	December 31, 2025				
					Alternative Investments Measured at NAV
	Total	Level 1	Level 2	Level 3	
Investments					
Certificates of deposit	\$ 203,918	\$ 203,918	\$ -	\$ -	\$ -
Global equity funds	12,791,025	-	-	-	12,791,025
Hedge funds					
Multi-strategy hedge funds	12,853,830	-	-	-	12,853,830
Mutual funds					
Domestic equity	42,687,891	42,687,891	-	-	-
Emerging markets	2,943,902	2,943,902	-	-	-
Environmental, social and governance	2,172,696	2,172,696	-	-	-
Fixed income	20,283,064	20,283,064	-	-	-
Non-U.S. developed equity	20,411,202	20,411,202	-	-	-
Real assets	11,198,306	3,453,325	-	-	7,744,981
Private equity funds	12,276,278	-	-	-	12,276,278
	<u>\$ 137,822,112</u>	<u>\$ 92,155,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,666,114</u>
Assets reserved under split-interest agreements	<u>\$ 267,039</u>	<u>\$ 267,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	December 31, 2024				
					Alternative Investments Measured at NAV
	Total	Level 1	Level 2	Level 3	
Investments					
Global equity funds	\$ 14,780,193	\$ -	\$ -	\$ -	\$ 14,780,193
Hedge funds					
Long/short equity hedge	1,729,368	-	-	-	1,729,368
Multi-strategy hedge funds	11,713,772	-	-	-	11,713,772
Mutual funds					
Domestic equity	36,525,442	36,525,442	-	-	-
Emerging markets	2,777,235	2,777,235	-	-	-
Environmental, social and governance	826,638	826,638	-	-	-
Fixed income	14,403,190	14,403,190	-	-	-
Non-U.S. developed equity	15,487,999	15,487,999	-	-	-
Real assets	8,047,527	3,256,916	-	-	4,790,611
Private equity funds	9,979,362	-	-	-	9,979,362
	<u>\$ 116,270,726</u>	<u>\$ 73,277,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,993,306</u>
Assets reserved under split-interest agreements	\$ 736,248	\$ 736,248	\$ -	\$ -	\$ -

The Community Foundation for the Greater Capital Region, Inc.

Notes to Financial Statements
December 31, 2025 and 2024

Note 10. Fair Value of Financial Instruments (Continued)

The following table summarizes investments measured at fair value based on NAV at December 31, 2025:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (a)	Available	Notice Period
Global equity	\$ 3,993,718	\$ -	Monthly	n/a	7 days
Global equity	8,797,307	-	Monthly	n/a	5 days and 10% holdback
Multi-strategy hedge	2,476,928	-	Quarterly	June 30, 2026	90 days
Multi-strategy hedge	4,054,273	-	Quarterly	June 30, 2026	65 days
Multi-strategy hedge	2,771,671	-	Quarterly	June 30, 2026	75 days
Multi-strategy hedge	3,146,102	-	Annually	June 30, 2026	91 days
Multi-strategy hedge	404,856	-	*	*	*
Real assets	7,744,981	-	Daily	n/a	n/a
Private equity	112,992	90,000	*	*	*
Private equity	323,238	714,823	No liquidity	n/a	n/a
Private equity	1,117,862	-	*	*	*
Private equity	857,288	31,233	No liquidity	n/a	n/a
Private equity	456,512	224,060	No liquidity	n/a	n/a
Private equity	607,638	992,589	No liquidity	n/a	n/a
Private equity	1,681,686	524,427	No liquidity	n/a	n/a
Private equity	178,443	820,000	No liquidity	n/a	n/a
Private equity	1,085,560	150,000	No liquidity	n/a	n/a
Private equity	651,694	450,000	No liquidity	n/a	n/a
Private equity	812,919	215,000	No liquidity	n/a	n/a
Private equity	207,575	55,035	No liquidity	n/a	n/a
Private equity	1,379,428	-	*	*	*
Private equity	761,357	346,428	No liquidity	n/a	n/a
Private equity	(4,291)	1,000,000	No liquidity	n/a	n/a
Private equity	1,504,398	280,000	No liquidity	n/a	n/a
Private equity	541,979	461,745	No liquidity	n/a	n/a
	<u>\$ 45,666,114</u>	<u>\$ 6,355,340</u>			

* Full redemption is in progress.

- (a) Investments listed with a quarterly redemption option generally can be redeemed over four quarterly payments, or one year for a full redemption. Certain alternative investments include noncontrolling shares or interests in funds where the controlling general partner serves as the investment manager. Such investments are typically not eligible for redemption from the fund or general partner but can typically be sold to third-party buyers in private transactions. It is the intent of the Foundation to hold these investments until the fund has fully distributed all proceeds to investors.