# The William H. Donner Foundation, Inc.

Financial Statements

December 31, 2025 and 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

# Independent Auditors' Report

**Board of Trustees**
**The William H. Donner Foundation, Inc**

## *Opinion*

We have audited the financial statements of The William H. Donner Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, and 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 Foundation 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 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 within one year after the date the financial statements are available to be issued.



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***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 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 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 audit.

PKF O'Connor Davies, LLP

October 23, 2026

**The William H. Donner Foundation, Inc.**

Statements of Financial Position

| | December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **ASSETS** | | |
| Cash and cash equivalents | $ 88,877 | $ 250,856 |
| Investments | 207,074,196 | 200,147,506 |
| Other assets | 247,523 | 289,636 |
| Total Assets | $207,410,596 | $200,687,998 |
| | | |
| **LIABILITIES AND NET ASSETS** | | |
| Liabilities | | |
| Accounts payable and accrued expenses | $ 171,346 | $ 135,146 |
| Federal excise and unrelated business income tax payable | 90,000 | 34,000 |
| Deferred federal excise tax | 721,766 | 624,405 |
| Total Liabilities | 983,112 | 793,551 |
| | | |
| Net Assets | | |
| Without donor restrictions | 196,645,312 | 190,220,333 |
| With donor restrictions | 9,782,172 | 9,674,114 |
| Total Net Assets | 206,427,484 | 199,894,447 |
| | | |
| Total Liabilities and Net Assets | $207,410,596 | $200,687,998 |

See notes to financial statements

## The William H. Donner Foundation, Inc.

### Statements of Activities

| | Year Ended December 31, 2025 | | | Year Ended December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| **REVENUE** | | | | | | |
| Investment Return | | | | | | |
| Interest and dividends | $ 2,643,080 | $ 116,230 | $ 2,759,310 | $ 3,460,830 | $ 73,872 | $ 3,534,702 |
| Realized gain (loss) from investments | 9,726,453 | 427,724 | 10,154,177 | (512,740) | (10,944) | (523,684) |
| Unrealized gain on investments | 6,709,362 | 295,047 | 7,004,409 | 46,541 | 993 | 47,534 |
| Other partnership income | (49,607) | (2,182) | (51,789) | 3,042,424 | 64,941 | 3,107,365 |
| Direct investment expenses | (2,582,824) | - | (2,582,824) | (3,357,220) | - | (3,357,220) |
| Investment Return Before Taxes and Appropriations | 16,446,464 | 836,819 | 17,283,283 | 2,679,835 | 128,862 | 2,808,697 |
| Less: | | | | | | |
| Provision for deferred federal excise tax | 97,361 | - | 97,361 | 661 | - | 661 |
| Provision for federal excise and unrelated business income taxes | 165,879 | - | 165,879 | 48,480 | - | 48,480 |
| Investment Return Before Appropriations | 16,183,224 | 836,819 | 17,020,043 | 2,630,694 | 128,862 | 2,759,556 |
| Appropriated for expenditures | 728,761 | (728,761) | - | - | - | - |
| Total Investment Return | 16,911,985 | 108,058 | 17,020,043 | 2,630,694 | 128,862 | 2,759,556 |
| **EXPENSES** | | | | | | |
| Grants | 9,423,545 | - | 9,423,545 | 10,419,567 | - | 10,419,567 |
| General administration and program management | 789,933 | - | 789,933 | 985,331 | - | 985,331 |
| Investment oversight | 273,528 | - | 273,528 | 237,664 | - | 237,664 |
| | 10,487,006 | - | 10,487,006 | 11,642,562 | - | 11,642,562 |
| Change in Net Assets | 6,424,979 | 108,058 | 6,533,037 | (9,011,868) | 128,862 | (8,883,006) |
| **NET ASSETS** | | | | | | |
| Beginning of year | 190,220,333 | 9,674,114 | 199,894,447 | 199,232,201 | 9,545,252 | 208,777,453 |
| End of year | $ 196,645,312 | $ 9,782,172 | $ 206,427,484 | $ 190,220,333 | $ 9,674,114 | $ 199,894,447 |

See notes to financial statements

**The William H. Donner Foundation, Inc.**

Statements of Functional Expenses

| | Year Ended December 31, 2025 | | | | Year Ended December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Grants | General Administration and Program Management | Investment Oversight | Total | Grants | General Administration and Program Management | Investment Oversight | Total |
| Grants | $ 9,423,545 | $ - | $ - | $ 9,423,545 | $ 10,419,567 | $ - | $ - | $ 10,419,567 |
| Management services | - | 113,400 | 48,600 | 162,000 | - | 66,788 | 44,526 | 111,314 |
| Professional fees | - | 85,547 | 85,547 | 171,094 | - | 354,062 | 64,952 | 419,014 |
| Salaries and benefits | - | 299,260 | 100,000 | 399,260 | - | 296,047 | 70,000 | 366,047 |
| Occupancy | - | 31,534 | - | 31,534 | - | 20,761 | - | 20,761 |
| General office | - | 43,567 | - | 43,567 | - | 37,874 | - | 37,874 |
| Telephone | - | 1,580 | - | 1,580 | - | 1,734 | - | 1,734 |
| Postage | - | 51 | - | 51 | - | 213 | - | 213 |
| Membership dues and subscriptions | - | 433 | - | 433 | - | 543 | - | 543 |
| Travel and meeting | - | 139,917 | - | 139,917 | - | 68,943 | - | 68,943 |
| Investment committee meeting and travel | - | - | 36,848 | 36,848 | - | - | 53,492 | 53,492 |
| Insurance | - | 14,355 | 2,533 | 16,888 | - | 26,599 | 4,694 | 31,293 |
| Member reimbursement | - | 60,289 | - | 60,289 | - | 111,767 | - | 111,767 |
| | $ 9,423,545 | $ 789,933 | $ 273,528 | $ 10,487,006 | $ 10,419,567 | $ 985,331 | $ 237,664 | $ 11,642,562 |

See notes to financial statements

**The William H. Donner Foundation, Inc.**

Statements of Cash Flows

| | Year Ended December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Change in net assets | $ 6,533,037 | $ (8,883,006) |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Realized (gain) loss from investments | (10,154,177) | 523,684 |
| Unrealized gain from investments | (7,004,409) | (47,534) |
| Deferred federal excise tax | 97,361 | 661 |
| Change in operating assets and liabilities | | |
| Prepaid federal excise and unrelated business income tax | - | 14,480 |
| Other assets | 42,113 | (140,714) |
| Accounts payable and accrued expenses | 36,200 | (230,465) |
| Federal excise and unrelated business income tax payable | 56,000 | 34,000 |
| Net Cash from Operating Activities | (10,393,875) | (8,728,894) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of investments | (65,709,533) | (62,946,694) |
| Proceeds from sale of investments | 75,941,429 | 71,655,955 |
| Net Cash from Investing Activities | 10,231,896 | 8,709,261 |
| Net Change in Cash and Cash Equivalents | (161,979) | (19,633) |
| **CASH AND CASH EQUIVALENTS** | | |
| Beginning of year | 250,856 | 270,489 |
| End of year | $ 88,877 | $ 250,856 |
| **SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION** | | |
| Federal excise taxes paid | $ 105,000 | $ - |

See notes to financial statements

**The William H. Donner Foundation, Inc.**

Notes to Financial Statements
December 31, 2025 and 2024

## 1. Nature of Organization

The William H. Donner Foundation, Inc. (the "Foundation") is a family foundation. The Foundation has a sister institution in Canada (Donner Canadian Foundation), also founded by the Foundation's donor, which operates independently with respect to governance, personnel, policies, and programmatic interests. In November 2021, the Foundation entered into an agreement with the Donner Canadian Foundation to perform certain administrative, management, and advisory services with regard to the Foundation's operations and activities. Donner Canadian Foundation is not included in the accompanying financial statements. The source of revenue for the Foundation is primarily derived from investment activities.

## 2. Summary of Significant Accounting Policies

### a. Basis of Presentation and Use of Estimate

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### b. Cash Equivalents

Cash equivalents represent short-term investments with maturities of three months or less at time of purchase, except for those short-term investments managed by the Foundation's custodian as part of the long-term investment strategy.

### c. Fair Value Measurement

The Foundation follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Foundation follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

### d. Investment Valuation

Investments, other than temporary cash investments, are carried at fair value. Temporary cash investments are valued at cost plus accrued interest. The Foundation believes the carrying amount of these investments is a reasonable estimate of fair value.

## 2. Summary of Significant Accounting Policies (continued)

### e. Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

### f. Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to general administration and program management and investment oversight. Management services, professional fees, and other certain categories of expenses are attributable to more than one supporting function and are allocated on a reasonable basis that is consistently applied. The Foundation allocates these expenses based on estimates of time and effort of employees and other Foundation resources utilized on investment activities as compared to management of the Foundation.

### g. Presentation of Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Foundation's net assets and changes therein are classified as net assets without donor restrictions and net assets with donor restrictions. Support is reported as increases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions that are time or purpose restricted (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed), are reported as net assets released from restrictions. Net assets with donor restrictions that are to be held in perpetuity contain donor-imposed restrictions that stipulate those resources be maintained permanently, but permit the Foundation to use or expend part or all of the income derived from the donated amounts for a specified purpose.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor restricted net assets by the donor or by applicable state law.

### h. Grant Expense

The Foundation recognizes grant expense upon approval of the grant by the Board of Trustees and communication to the grantee.

## 2. Summary of Significant Accounting Policies (continued)

### i. Investment Objectives and Spending Policy

The Foundation follows a total return investing concept, seeking to maintain a prudent balance between current income and future growth for its investment assets, while maintaining a suitable level of asset valuation volatility. Under this concept, the investment committee of the Board of Trustees seeks diversification among asset classes, markets and maturities. The investment committee also recommends a distribution and spending amount to the Board of Trustees based on a percentage of total net assets, including the endowment funds, and to comply with Internal Revenue Code (the "Code") payout requirements.

### j. Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of tax positions only if they are more likely than not to be sustained. Management has determined that the Foundation has no uncertain tax positions that would require financial statement disclosure and/or recognition. The Foundation is no longer subject to examinations by applicable taxing jurisdictions for periods prior to October 31, 2022.

### k. Subsequent Events

The Foundation evaluated subsequent events through October 23, 2026 which was the date the financial statements were available to be issued.

### l. Concentrations of Credit Risk

The Foundation's financial instruments that are potentially exposed to concentration of credit risk consist of cash, cash equivalents and investments held at financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation are insured up to $250,000. Investment holdings at financial institutions protected by the Securities Investor Protection Corporation ("SIPC") are protected up to $500,000 ($250,000 for cash holdings). The Foundation's unprotected cash, cash equivalents and investment holdings totaled approximately $206,574,000 in 2025 and $199,648,000 in 2024.

## 3. Taxes

The Foundation is a nonprofit organization exempt from Federal income taxes under the provisions of Sections 501(c)(3) of the Code and is a private foundation as defined in Section 509(a) of the Code.

The Foundation is subject to a Federal excise tax rate of 1.39% on its net investment income, as defined, for tax purposes. Deferred taxes principally arise from differences between the cost and fair value of investments where aggregate fair value exceeds cost and are calculated using the 1.39% tax rate.

## 3. Taxes (continued)

The Foundation is also subject to income tax at corporate rates on certain income that is considered unrelated business income under the Code.

In addition, the Foundation is required to make certain minimum charitable distributions in accordance with a formula specified by the Internal Revenue Service.

## 4. Investments

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

| | 2025 | | |
|---|---|---|---|
| | Level 1 | Investments Measured at Net Asset Value (*) | Total |
| Equities | | | |
| Consumer discretionary | $ 2,287,461 | $ - | $ 2,287,461 |
| Financial industry | 5,404,554 | - | 5,404,554 |
| Industrial | 6,327,600 | - | 6,327,600 |
| Information technology | 3,405,913 | - | 3,405,913 |
| Healthcare | 2,039,068 | - | 2,039,068 |
| Real estate | 444,542 | - | 444,542 |
| Other | 4,725,066 | - | 4,725,066 |
| Government bonds | 16,010,040 | - | 16,010,040 |
| Exchange-traded funds | 44,913,664 | - | 44,913,664 |
| Real estate funds | - | 26,187,572 | 26,187,572 |
| Specialized and distressed debt | - | 27,226 | 27,226 |
| Private equity | - | 6,454,499 | 6,454,499 |
| Venture capital | - | 73,410,936 | 73,410,936 |
| Total Investments at Fair Value | 85,557,908 | 106,080,233 | 191,638,141 |
| Money market funds, at cost | - | - | 15,436,055 |
| Total Investments | $ 85,557,908 | $106,080,233 | $207,074,196 |

**4. Investments (continued)**

| | 2024 | | |
|---|---|---|---|
| | Level 1 | Investments Measured at Net Asset Value (*) | Total |
| Equities | | | |
| Consumer discretionary | $ 2,788,848 | $ - | $ 2,788,848 |
| Financial industry | 5,056,207 | - | 5,056,207 |
| Industrial | 9,587,843 | - | 9,587,843 |
| Information technology | 6,764,609 | - | 6,764,609 |
| Healthcare | 5,641,173 | - | 5,641,173 |
| Real estate | 1,392,346 | - | 1,392,346 |
| Other | 4,370,271 | - | 4,370,271 |
| Government bonds | 15,716,578 | - | 15,716,578 |
| Exchange-traded funds | 19,903,641 | - | 19,903,641 |
| Real estate funds | - | 26,853,143 | 26,853,143 |
| Specialized and distressed debt | - | 28,576 | 28,576 |
| Private equity | - | 6,579,125 | 6,579,125 |
| Venture capital | - | 63,544,657 | 63,544,657 |
| Total Investments at Fair Value | 71,221,516 | 97,005,501 | 168,227,017 |
| Money market funds, at cost | - | - | 31,920,489 |
| Total Investments | $ 71,221,516 | $ 97,005,501 | $200,147,506 |

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

## 4. Investments (continued)

Information regarding alternative investments valued at NAV using the practical expedient at December 31, 2025 is as follows:

| Asset Class | Fair Value | Unfunded Commitment | Redemption Frequency (if currently eligible) | Redemption Notice Period |
|---|---|---|---|---|
| Real estate funds (see "a" below) | $26,187,572 | $ 3,822,936 | Quarterly/N/A | 90 Days/N/A** |
| Specialized and distressed debt (see "b" below) | 27,226 | - | N/A | N/A** |
| Private equity (see "c" below) | 6,454,499 | - | N/A | N/A** |
| Venture capital (see "d" below) | 73,410,936 | 20,027,500 | N/A | N/A** |
| Total | $106,080,233 | $23,850,436 | | |

(**) These investments can never be redeemed with the funds. Instead, the nature of the investments in these categories is that distributions are received through liquidation of the underlying assets of the fund.

(a) The real estate funds consist of three limited partnerships and two REITs. Two of these funds invest in real estate that is distressed, undervalued or mispriced in the U.S. in pursuit of long-term investment return. Three of the investment partnerships focus on investing in properties that rent to U.S. government offices which provides a steady stream of income through long-term leases.

(b) Specialized and distressed debt investments consist of one investment partnership. The partnership focuses on investing in companies experiencing financial difficulties that have either gone through reorganization after bankruptcy, debt restructuring, reorganization or liquidation. The partnership also invest in "non-distressed debt" of companies believed to be undervalued seeking to balance out the investment return over the long term.

(c) Private equity funds consist of one investment partnership that invests in both late stage private companies and smaller capitalization public companies to promote growth and expansion.

(d) Venture capital investments consist of ten investment partnerships which seek long-term capital appreciation through investments in a diversified selection of top tier venture funds and growth equity funds.

The Foundation has made commitments to invest up to a total of approximately $110,000,000 in 20 limited partnerships. At December 31, 2024, approximately $80,217,000 had been invested leaving unfunded commitments of approximately $29,783,000. At December 31, 2025 approximately $85,749,000 had been invested leaving unfunded commitments of approximately $23,850,000.

## 4. Investments (continued)

### Investments Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

## 5. Notes Receivable

The Foundation made a $2,000,000 loan to the corporate managers of an investment firm. Under a modification to the loan terms, the investment management firm may pay back the principal of the loan through assignment of profit sharing percentages to the Foundation in newly developed real estate investments. Profit sharing interests in fifteen investments have been assigned to the Foundation as of December 31, 2025 and 2024. During the years ended December 31, 2025 and 2024, the Foundation did not receive profit share interest.

Based on the collectability risk of the note, management deemed it necessary to provide an allowance of $2,000,000 against the principal as of December 31, 2025 and 2024.

## 6. Management Agreement

In November 2021, the Foundation entered into a management agreement with the Donner Canadian Foundation ("DCF"). In February 2024, the service fee was CAD $156,780. In February 2025, the service fee increased to an annual fee of CAD $225,000. Converted to USD, the Foundation management services expense to DCF for the years ended December 31, 2025 and 2024 was $162,000 and $111,314.

## 7. Endowment Funds

Net assets with donor restrictions-endowment funds consist of donations received for which the donors stipulated they be held in perpetuity. All income earned on the funds are classified as net assets with donor restrictions-time or purpose restricted and released upon appropriation.

The following is a reconciliation of the investment activity in the endowment funds for the years ended December 31, 2025 and 2024:

## 7. Endowment Funds (continued)

| | Net Assets with Donor Restrictions (Time or Purpose) | Net Assets with Donor Restrictions (Perpetual) | Total Net Assets With Donor Restrictions |
|---|---|---|---|
| Balance at December 31, 2023 | $ (236,920) | $ 9,782,172 | $ 9,545,252 |
| Net investment income | 128,862 | - | 128,862 |
| Balance at December 31, 2024 | (108,058) | 9,782,172 | 9,674,114 |
| Net investment income | 836,819 | - | 836,819 |
| Appropriated for expenditures | (728,761) | - | (728,761) |
| Balance at December 31, 2025 | $ - | $ 9,782,172 | $ 9,782,172 |

The Foundation follows the policy of pooling its invested funds. Investment income and appreciation are allocated annually based upon a sharing percentage adjusted for additions to and withdrawals from the pooled fund. The endowment fund is allocated from a percentage of the total pooled funds based on the cost basis of the portfolio at year end.

If perpetual endowment funds have experienced losses below the amount of funds to be held in perpetuity due to market fluctuations, U.S. GAAP requires that such excess losses be absorbed by the net assets with donor restrictions. At December 31, 2024, the aggregate amount by which the restricted funds are below the corpus is $108,058. The amount was recovered during the year ended December 31, 2025.

***Interpretation of Relevant Law***

In September 2010, New York State enacted New York Prudent Management of Institutional Funds Act (“NYPMIFA”), the terms of which are applicable to the Foundation. NYPMIFA principally addresses the management and investment of all not-for-profit entity “institutional funds” (which are mainly the financial assets of the entity and which exclude programmatic assets such as buildings or operating facilities) as well as the appropriations by the governing board of earnings derived from both donor-restricted and board-designated endowment funds. In essence, NYPMIFA requires all of the financial resources of the entity to be used in a “prudent” fashion with the express approval and action of the governing board. The Foundation’s Board of Trustees will continue to adhere to NYPMIFA’s requirements relating to the Foundation’s permanent endowment funds.

## 8. Line of Credit

The Foundation has a $5,000,000 revolving line of credit agreement with a bank that was renewed on November 30, 2023 through November 30, 2025 and was further renewed through November 30, 2027. Borrowings will bear optional interest at the greater of i) 1% or SOFR plus 1%, ii) greater of 1% or the prime rate less 75 basis points or, iii) bank offered rate at the time the Foundation draws funds.

No borrowings were made on this line of credit during the years ended December 31, 2025 and 2024.

## 9. Liquidity and Availability of Financial Assets

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the statement of financial position dates are as follows:

| | 2025 | 2024 |
|---|---|---|
| Financial Assets | | |
| Cash and cash equivalents | $ 88,877 | $ 250,856 |
| Investments | 207,074,196 | 200,147,506 |
| Accrued income and investment redemption receivables (recorded in other assets) | 237,632 | 276,676 |
| Total Financial Assets | 207,400,705 | 200,675,038 |
| Less: Contractual or donor imposed restriction amounts | | |
| Net assets with donor restrictions (perpetual) | (9,782,172) | (9,782,172) |
| Illiquid investments | (97,756,051) | (88,775,050) |
| Financial assets available to meet general expenditures over the next twelve months | $ 99,862,482 | $ 102,117,816 |

Cash flow is monitored regularly and investments are redeemed as needed in accordance with the Foundation's investment policy. In addition, the Foundation has a line of credit available, if needed, as described in Note 8.

* * * * *