

**FREDONIA COLLEGE FOUNDATION  
OF THE STATE UNIVERSITY OF NEW YORK, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2023 AND 2022**

**FREDONIA COLLEGE FOUNDATION  
OF THE STATE UNIVERSITY OF NEW YORK, INC.**

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**SAXTON KOCUR**  
AND ASSOCIATES, LLP  
*Certified Public Accountants*

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**Independent Auditors' Report**

To the Board of Directors  
Fredonia College Foundation of the State University of New York, Inc.  
Fredonia, New York

**Opinion**

We have audited the accompanying financial statements of Fredonia College Foundation of the State University of New York, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Fredonia College Foundation of the State University of New York, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Fredonia College Foundation of the State University of New York, 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.

**Management's Responsibility 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 Fredonia College Foundation of the State University of New York, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' Responsibility for the Financial Statements**

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

### **Auditors' Responsibility for the Financial Statements**

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

- Exercise professional judgement 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 Fredonia College Foundation of the State University of New York, 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 Fredonia College Foundation of the State University of New York, 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.

*Saxton, Kocur and Associates, LLP*

Saxton, Kocur and Associates, LLP

April 29, 2024

**FREDONIA COLLEGE FOUNDATION  
OF THE STATE UNIVERSITY OF NEW YORK, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

<b><u>ASSETS</u></b>		
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 891,496	\$ 843,503
Investments, at fair value	52,385,255	46,625,581
Receivables, net of allowance	464,820	137,861
Prepaid expenses and deposits	44,482	40,502
Unconditional promises to give	441,553	485,506
Other assets	88,242	81,024
Property and equipment	<u>378,357</u>	<u>390,042</u>
 TOTAL ASSETS	 <u>\$ 54,694,205</u>	 <u>\$ 48,604,019</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Current - accounts payable and accrued expenses	\$ 127,753	\$ 106,495
Other - annuities payable	<u>173,182</u>	<u>180,671</u>
Total liabilities	<u>300,935</u>	<u>287,166</u>
 <b>NET ASSETS</b>		
Without donor restrictions		
Undesignated operations fund	1,538,337	1,478,639
Board designated endowment accumulated income	1,586,169	1,224,075
Annuities	<u>100,539</u>	<u>61,493</u>
Total net assets without donor restrictions	<u>3,225,045</u>	<u>2,764,207</u>
 With donor restrictions		
Purpose restricted	18,046,714	13,312,451
Perpetual in nature	<u>33,121,511</u>	<u>32,240,195</u>
Total net assets with donor restrictions	<u>51,168,225</u>	<u>45,552,646</u>
 Total net assets	 <u>54,393,270</u>	 <u>48,316,853</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 54,694,205</u>	 <u>\$ 48,604,019</u>

See accompanying notes to financial statements.

**FREDONIA COLLEGE FOUNDATION  
OF THE STATE UNIVERSITY OF NEW YORK, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Without Donor Restrictions	With Donor Restrictions			2023 Total
		Temporarily	Permanently	With Donor Restrictions	
<b>Support and Revenues:</b>					
Gifts, grants and bequests	\$ 136,686	\$ 949,072	\$ 845,673	\$ 1,794,745	\$ 1,931,431
Events receipts	-	101,152	-	101,152	101,152
Investment return (loss)	50,741	6,649,037	41,342	6,690,379	6,741,120
Change in cash surrender value of life insurance	7,218	-	-	-	7,218
Actuarial gain (loss) - annuities	(12,957)	-	(6,699)	(6,699)	(19,656)
Donated services	793,899	-	-	-	793,899
In-kind donations	138	16,472	1,000	17,472	17,610
Net assets with donor restrictions released from restrictions	2,573,562	(2,573,562)	-	(2,573,562)	-
Transfer of investment return (loss)	407,908	(407,908)	-	(407,908)	-
<b>Total support and revenues</b>	<b>3,957,195</b>	<b>4,734,263</b>	<b>881,316</b>	<b>5,615,579</b>	<b>9,572,774</b>
<b>Expenses:</b>					
Program service	2,201,083	-	-	-	2,201,083
Administrative	629,755	-	-	-	629,755
Fundraising	665,519	-	-	-	665,519
<b>Total expenses</b>	<b>3,496,357</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,496,357</b>
<b>CHANGE IN NET ASSETS</b>	<b>460,838</b>	<b>4,734,263</b>	<b>881,316</b>	<b>5,615,579</b>	<b>6,076,417</b>
<b>NET ASSETS, beginning</b>	<b>2,764,207</b>	<b>13,312,451</b>	<b>32,240,195</b>	<b>45,552,646</b>	<b>48,316,853</b>
Board Designated Unrestricted gift to Permanent Endowment	-	-	-	-	-
<b>NET ASSETS, ending</b>	<b>\$ 3,225,045</b>	<b>\$ 18,046,714</b>	<b>\$ 33,121,511</b>	<b>\$ 51,168,225</b>	<b>\$ 54,393,270</b>

	Without Donor Restrictions	With Donor Restrictions			2022 Total
		Temporarily	Permanently	With Donor Restrictions	
<b>Support and Revenues:</b>					
Gifts, grants and bequests	\$ 129,431	\$ 840,126	\$ 1,269,674	\$ 2,109,800	\$ 2,239,231
Events receipts	-	57,130	-	57,130	57,130
Investment return (loss)	(72,571)	(7,408,957)	(55,174)	(7,464,131)	(7,536,702)
Change in cash surrender value of life insurance	(9,783)	-	-	-	(9,783)
Actuarial gain (loss) - annuities	91,245	-	(5,431)	(5,431)	85,814
Donated services	709,181	-	-	-	709,181
In-kind donations	-	44,921	-	44,921	44,921
Net assets with donor restrictions released from restrictions	2,361,184	(2,361,184)	-	(2,361,184)	-
Transfer of investment return (loss)	(483,225)	483,225	-	483,225	-
<b>Total support and revenues</b>	<b>2,725,462</b>	<b>(8,344,739)</b>	<b>1,209,069</b>	<b>(7,135,670)</b>	<b>(4,410,208)</b>
<b>Expenses:</b>					
Program service	2,142,723	-	-	-	2,142,723
Administrative	553,438	-	-	-	553,438
Fundraising	561,530	-	-	-	561,530
<b>Total expenses</b>	<b>3,257,691</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,257,691</b>
<b>CHANGE IN NET ASSETS</b>	<b>(532,229)</b>	<b>(8,344,739)</b>	<b>1,209,069</b>	<b>(7,135,670)</b>	<b>(7,667,899)</b>
<b>NET ASSETS, beginning</b>	<b>3,324,105</b>	<b>21,629,521</b>	<b>31,031,126</b>	<b>52,660,647</b>	<b>55,984,752</b>
Board Designated Unrestricted gift to Permanent Endowment	(27,669)	27,669	-	27,669	-
<b>NET ASSETS, ending</b>	<b>\$ 2,764,207</b>	<b>\$ 13,312,451</b>	<b>\$ 32,240,195</b>	<b>\$ 45,552,646</b>	<b>\$ 48,316,853</b>

See accompanying notes to financial statements.

**FREDONIA COLLEGE FOUNDATION  
OF THE STATE UNIVERSITY OF NEW YORK, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023			Total
	Program	Supporting Services		
	Services	Administrative	Fundraising	
Grants and scholarships	\$ 1,075,275	\$ -	\$ -	\$ 1,075,275
Academic support	1,125,808	-	-	1,125,808
Donated services	-	246,519	547,380	793,899
Payroll and employee benefits	-	247,471	-	247,471
Donor and scholarship recipient recognition and cultivation	-	-	34,899	34,899
Information technology	-	32,074	-	32,074
Depreciation	-	14,810	14,809	29,619
Office expense	-	4,453	20,034	24,487
Professional fees	-	-	22,744	22,744
Repairs and maintenance	-	22,716	-	22,716
Travel expense	-	2,209	19,127	21,336
Contracted services	-	16,904	-	16,904
Meetings and conferences	-	12,569	-	12,569
Memberships and dues	-	5,569	4,201	9,770
Insurance	-	8,589	-	8,589
Auditing fees	-	7,825	-	7,825
Utilities	-	7,052	-	7,052
Miscellaneous	-	995	2,325	3,320
	<u>\$ 2,201,083</u>	<u>\$ 629,755</u>	<u>\$ 665,519</u>	<u>\$ 3,496,357</u>



	2022			Total
	Program	Supporting Services		
	Services	Administrative	Fundraising	
Grants and scholarships	\$ 1,066,756	\$ -	\$ -	\$ 1,066,756
Academic support	1,075,967	-	-	1,075,967
Donated services	-	224,903	484,278	709,181
Payroll and employee benefits	-	227,721	-	227,721
Donor and scholarship recipient recognition and cultivation	-	-	25,260	25,260
Information technology	-	11,552	-	11,552
Depreciation	-	12,482	12,482	24,964
Office expense	-	2,642	-	2,642
Professional fees	-	-	27,498	27,498
Repairs and maintenance	-	20,546	-	20,546
Travel expense	-	1,462	5,190	6,652
Contracted services	-	17,769	-	17,769
Meetings and conferences	-	6,318	-	6,318
Memberships and dues	-	3,364	4,760	8,124
Insurance	-	8,459	-	8,459
Auditing fees	-	7,819	-	7,819
Utilities	-	6,640	-	6,640
Miscellaneous	-	1,761	2,062	3,823
	<u>\$ 2,142,723</u>	<u>\$ 553,438</u>	<u>\$ 561,530</u>	<u>\$ 3,257,691</u>

See accompanying notes to financial statements.

**FREDONIA COLLEGE FOUNDATION  
OF THE STATE UNIVERSITY OF NEW YORK, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 6,076,417	\$ (7,667,899)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	29,619	24,964
Reinvested net investment return	(6,741,120)	7,536,702
Actuarial (gains) losses on Annuities	19,656	(85,814)
In-kind gifts and/or donated investments	(106,144)	(79,713)
(Increase) in cash surrender value of insurance	(7,218)	9,784
(Increase) decrease in:		
Receivables	(326,959)	9,618
Prepaid expenses	(3,980)	(27,262)
Unconditional promises to give	43,953	222,325
Increase (decrease) in:		
Accounts payable and accrued expenses	21,258	13,064
Annuities payable	(7,489)	(120,587)
	<u>(1,002,007)</u>	<u>(164,818)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,050,000	850,000
Purchases of investments	-	(300,000)
	<u>1,050,000</u>	<u>550,000</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	47,993	385,182
<b>CASH AND CASH EQUIVALENTS, beginning</b>	<u>843,503</u>	<u>458,321</u>
<b>CASH AND CASH EQUIVALENTS, ending</b>	<u>\$ 891,496</u>	<u>\$ 843,503</u>
<b>Noncash investing activities:</b>		
Reinvestment of net investment return within brokerage accounts	<u>\$ 6,741,120</u>	<u>\$ (7,536,702)</u>

See accompanying notes to financial statements.

**FREDONIA COLLEGE FOUNDATION OF  
THE STATE UNIVERSITY OF NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

ORGANIZATION AND PURPOSE - Fredonia College Foundation of the State of New York, Inc. (the Foundation), a not-for-profit corporation, was formed in 1964 to encourage and accept gifts and endowments in support of the priority needs of the State University of New York at Fredonia, its faculty and students.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING** - These financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

**BASIS OF PRESENTATION** - The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

It is the policy of the Board of Directors to plan for the future by designating funds for specific purposes. Such Board designated net assets without donor restrictions are indicated as *Board designated endowment accumulated income* in the financial statements and in other notes to the financial statements.

**CONTRIBUTIONS, PROMISES TO GIVE, AND REVENUE RECOGNITION** - The Foundation evaluates whether transactions should be accounted for as contributions or exchange transactions and determines whether a contribution is conditional. Unconditional contributions of cash, securities or other assets and unconditional promises to give, are recorded when received. Conditional contributions and promises to give (i.e. those with a measurable performance or other barrier and a right of return) are not recognized until the conditions are which they depend are substantially met or explicitly waived by the donor.

Contributions and unconditional promises to give with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the same year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. In the year when restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

In-kind donations are recorded at estimated fair value at the date the donation. It is the policy of the Foundation to liquidate contributions of marketable securities as soon as possible after receipt.

The Foundation has established an allowance for doubtful promises to give of 10% of the total outstanding unconditional promises to give at year-end.

**CASH AND CASH EQUIVALENTS** - For purposes of the statements of cash flows, the Foundation considers all highly liquid investments, including all certificates of deposit, to be cash equivalents. Cash reserves held in investment accounts are not considered as cash and cash equivalents for purposes of the statements of cash flows.

	2023	2022
M&T Bank - checking and savings	\$ 538,263	\$ 590,538
Lake Shore Savings - certificates of deposits	352,848	252,425
PayPal account	385	540
	\$ 891,496	\$ 843,503

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS, continued - The three certificates of deposit all have a term of nine months with interest rates of 4.93%, 4.74% & 4.26%, with no material penalties for early withdrawal. A maturing certificate is automatically renewed for six months unless the bank is timely notified by the Foundation.

INVESTMENTS - Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are stated at fair value as of the date of financial position. Gain and losses on investments are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation. Gains and losses on investments restricted for scholarships and grants are reported as increases or decreases in net assets with donor restrictions.

ESTIMATES – The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PROPERTY AND EQUIPMENT - Property and equipment are recorded at cost or if donated, at the fair market value at the date of the donation. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

DONATED SERVICES - For 2023 and 2022, the value of donated services meeting the requirements for recognition in the financial statements amounted to \$793,899 and \$709,181, respectively. These services were provided by the State University of New York at Fredonia at no cost to the Foundation. The value of the use of donated facilities meeting the requirements for recognition in the financial statements was not material and has not been recorded.

ALLOCATION OF INCOME - Available endowment income is credited to the accumulated income account of each participating endowment fund on a quarterly basis at an established fixed rate of return (spending rate). The allocation of income is intended to cover the annual spending of each endowment fund. As such, the fixed rate of return is equal to the annual spending rate.

In the event actual yield and increase in market value for a period are in excess of the guaranteed spending rate authorized by the Board, the excess is transferred to an earnings reserve account. Conversely, any shortfalls for a given period will be charged against the earnings reserve account.

College Departments and Pass-through Funds which are purpose restricted do not receive an allocation of investment income. For 2023 and 2022, the Foundation charged a fee of 3% against deposits into College Department funds.

A \$20,000 minimum balance is required in order to establish an endowment with restrictions and \$10,000 in order to establish an endowment without restrictions. All accounts created that do not meet this minimum are held and receive an allocation of investment income. No awards are made from these funds until the minimum endowment balance is attained through additional capital contributions. Endowed funds must earn at least four quarters of investment income before awards can be made.

ALLOCATION OF EXPENSES - Expenses in the statement of functional expenses are categorized by functional classifications. Expenses that are readily identifiable to a specific function are charged directly to that function. Expenses attributable to more than one function are allocated on a reasonable basis that is consistently applied. Donated services are allocated based on specific job functions of personnel. Depreciation is allocated on an equal basis between the administration and fundraising functions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

INCOME TAXES - The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from New York State income tax under Article 7 and EPTL of the Executive Law. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an agency other than a private foundation under Section 509(a)(3).

The Foundation believes no material uncertain tax positions existed at December 31, 2023 and 2022, requiring recognition or disclosure in the financial statements. The Foundation's federal and state exempt organization returns for 2019 and later years are subject to possible examination, generally for three years after filing.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation considers the following financial assets to be available within one year of December 31 for general expenditures. General expenditures are expenses expected to be incurred related to the administrative and fundraising functions of the Foundation, and exclude any donated services for these functions.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 891,496	\$ 843,503
Investments and other assets	<u>722,912</u>	<u>695,767</u>
Financial assets available within one year	<u>\$ 1,614,408</u>	<u>\$ 1,539,270</u>

The Foundation holds the cash and cash equivalents in a checking account, an interest-bearing savings account, and in nine-month certificates of deposit.

The Foundation's endowment funds include certain board-designated funds, the income from which would also be available for general expenditures. As of December 31, 2023, such income was \$453,272, with an additional \$123,500 becoming available for use on July 1, 2024. In addition, the Foundation's expected 1.25% management fees charged to donor-restricted funds in 2023 is \$606,250. These fees would also be available for general expenditures. A \$250,000 line of credit is also available to provide for unexpected liquidity needs.

NOTE 3 - INVESTMENTS

The Foundation's assets are primarily invested with Fidelity Investments by consultant Alesco Advisors, LLC, of Pittsford, NY, in a number of exchange-traded products (ETPs) and equity and bond mutual funds.

The fair value of investments by type measured on a recurring basis at December 31 were as follows:

	<u>2023</u>	<u>2022</u>
Cash Reserves Money Market	\$ 447,743	\$ 287,911
Equities - ETPs	19,530,763	16,426,821
Common Stocks	20,305	-
Mutual Funds - Equities	14,668,474	13,746,420
Mutual Funds - Fixed Income	12,469,796	11,214,826
Fixed Income - ETPs	<u>5,248,174</u>	<u>4,949,603</u>
	52,385,255	46,625,581
Total cost of all investments at year-end	<u>48,350,826</u>	<u>47,213,390</u>
Net unrealized gain (loss) at year-end	<u>\$ 4,034,429</u>	<u>\$ (587,809)</u>

NOTE 3 - INVESTMENTS, continued

The fair values of the ETPs, common stocks, and mutual fund investments at both December 31, 2023 and 2022, were based on Level I input data. Level I input data for determining fair value is based on quoted prices in active markets for identical assets.

Investment return (loss) consisted of the following:

	<u>2023</u>	<u>2022</u>
Dividends, interest, and capital gain distributions	\$ 1,230,632	\$ 1,142,602
Realized gain (loss) of sales of investments	1,035,623	(115,283)
Unrealized gain (loss) on investments	4,622,263	(8,416,382)
Investment management fees - external	<u>(147,398)</u>	<u>(147,639)</u>
	<u>\$ 6,741,120</u>	<u>\$ (7,536,702)</u>

NOTE 4 - RECEIVABLES

Receivables consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
State University of New York at Fredonia Alumni Association, Inc.	\$ 16,582	\$ 16,208
Loan to students	1,850	-
Contributions	<u>446,888</u>	<u>122,153</u>
	465,320	138,361
Less: allowance for doubtful accounts	<u>(500)</u>	<u>(500)</u>
	<u>\$ 464,820</u>	<u>\$ 137,861</u>

NOTE 5 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give, primarily to provide for scholarships, are reported net of a 10% allowance for doubtful promises and at present value using a discount rate of 4.25% at both December 31, 2023 and 2022, and consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Due within one year	\$ 276,273	\$ 219,438
Due in one to five years	<u>280,000</u>	<u>371,050</u>
	556,273	590,488
Allowance for doubtful promises	(55,627)	(59,049)
Discount to net present value	<u>(59,093)</u>	<u>(45,933)</u>
	<u>\$ 441,553</u>	<u>\$ 485,506</u>

NOTE 6 - OTHER ASSETS

Other assets consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
REITs	\$ 18,000	\$ 18,000
Cash surrender value of life insurance policies	<u>70,242</u>	<u>63,024</u>
	<u>\$ 88,242</u>	<u>\$ 81,024</u>

## NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:	2023	2022
Land	\$ 5,000	\$ 5,000
Building	349,940	349,940
Improvements	461,648	443,714
Furnishing and equipment	10,135	10,135
	826,723	808,789
Less accumulated depreciation	(448,366)	(418,747)
	\$ 378,357	\$ 390,042

Depreciation expense for 2023 and 2022 was \$29,619 and \$24,964, respectively.

## NOTE 8 - ENDOWMENTS

The Foundation's endowment as of December 31, 2023 and 2022 consisted of 602 and 597 individual funds, respectively, established for a variety of purposes. The total endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

### *Interpretation of Relevant Law*

Prior to the New York Prudent Management of Institutional Funds Act (NYPMIFA) in September 2010, the Board of Directors of the Foundation had interpreted the New York State Not-For-Profit Corporation Law as allowing the appropriation for expenditure, for the uses and purposes for which an endowment fund is established, so much of the net appreciation, realized (with respect to all assets) and unrealized (with respect only to readily marketable assets), in the fair value of the assets of an endowment fund over the historic dollar value of the fund as is prudent.

In accordance with the provisions of NYPMIFA, the Foundation will make expenditures over the historic dollar value of the fund for such funds established prior to NYPMIFA only upon the express approval of the original donors (if such donors can be reasonably identified and reasonable attempts are made to contact them.)

### *Funds With Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor requires the Foundation to retain as a fund of perpetual duration. 18 funds had a deficit of \$24,257 at December 31, 2023 and 57 funds had a total deficit of \$153,075 at December 31, 2022.

In order to provide for spending from funds with donor restrictions, it is the Foundation's practice to cover fund deficiencies with available net assets without donor restrictions. If the fund is no longer deficient (whether due to additional gifts or market conditions) prior to the allocating of any future spending, net assets without donor restrictions used to cover prior deficiencies are to be transferred back. At December 31, 2023 and 2022, no net assets without donor restrictions had been transferred to cover deficient funds.

## NOTE 8 - ENDOWMENTS, conitnued

### *Return Objectives and Risk Parameters*

The Foundation has adopted investment 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 underlying endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Taking into consideration the current and future needs of the Foundation, the overall investment strategy emphasizes total return, while also avoiding excessive investment risk.

### *Strategies Employed for Achieving Return 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 gains and losses) and current yield (interest and dividends). The 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.

### *Spending Policy*

For 2023 and 2022, the Foundation spending policy called for distribution of 4.5% of the average fair value of its endowment funds over the prior 20 quarters through the fourth quarter of the fiscal year (July 1- June 30) preceding the fiscal year in which the distribution is planned. The Foundation will invest, reinvest, and account for the assets of the endowment funds in accordance with the standards established by the NYPMIFA and the general guidelines and polices adopted by the Foundation. The Foundation may expend so much of the endowment funds as it deems prudent after considering the factors and appropriate decisions as set forth in NYPMIFA.

## NOTE 9 - ANNUITIES PAYABLE

The actuarially determined value of annuities payable totaled \$173,182 and \$180,671 December 31, 2023 and 2022, respectively. The balance represents the present value of the aggregate liability for gift annuity agreements, based on life expectancy tables. Payments made in 2023 and 2022 on existing agreements were \$27,145 and \$34,774, respectively.

## NOTE 10 - LINE OF CREDIT

The Foundation has a \$250,000 line of credit with a local financial institution. There was no outstanding balance at December 31, 2023 or 2022. Interest is at the prime rate.



NOTE 11 - NET ASSETS WITHOUT DONOR RESTRICTIONS

	Undesignated Operations	Board Designated Endowment	Annuities	Total
Balance at December 31, 2021	\$ 1,436,830	\$ 1,819,979	\$ 67,296	\$ 3,324,105
2022 Additions:				
Gifts, grants, and bequests	130,294	-	-	130,294
Investment return (loss)	(3,192)	-	(69,379)	(72,571)
Adjustments for promises to give	(863)	-	-	(863)
Change in cash surrender value of life insurance	(9,783)	-	-	(9,783)
Gain (loss) on annuities	-	-	91,245	91,245
Donated in-kind services	709,181	-	-	709,181
Net assets with donor restrictions released from restrictions	2,361,184	-	-	2,361,184
Transfer of investment (loss) from net assets with donor restrictions	-	(483,225)	-	(483,225)
Transfers	-	-	(27,669)	(27,669)
2022 Appropriations:				
Grants and scholarships	(1,030,976)	(35,780)	-	(1,066,756)
Academic support	(999,068)	(76,899)	-	(1,075,967)
Supporting services	(1,114,968)	-	-	(1,114,968)
Balance at December 31, 2022	1,478,639	1,224,075	61,493	2,764,207
2023 Additions:				
Gifts, grants, and bequests	136,824	-	-	136,824
Investment return (loss)	(1,262)	-	52,003	50,741
Adjustments for promises to give	-	-	-	-
Change in cash surrender value of life insurance	7,218	-	-	7,218
Gain (loss) on annuities	-	-	(12,957)	(12,957)
Donated in-kind services	793,899	-	-	793,899
Net assets with donor restrictions released from restrictions	2,573,562	-	-	2,573,562
Transfer of investment (loss) from net assets with donor restrictions	-	407,908	-	407,908
Transfers	-	-	-	-
2023 Appropriations:				
Grants and scholarships	(1,035,350)	(39,925)	-	(1,075,275)
Academic support	(1,119,919)	(5,889)	-	(1,125,808)
Supporting services	(1,295,274)	-	-	(1,295,274)
Balance at December 31, 2023	<u>\$ 1,538,337</u>	<u>\$ 1,586,169</u>	<u>\$ 100,539</u>	<u>\$ 3,225,045</u>

Several Foundation endowments have been either board designated or donor-designated for unrestricted spending. The board designated endowment accumulated income amount represents the total accumulated income and the portion of the Foundation's endowment earning reserve that is attributed to these endowments.

The transfer from unrestricted annuities represents the remaining proceeds upon an annuitant's death of a charitable gift annuity held by the Foundation. During 2022 the board designated the remaining proceeds of \$27,669 to be endowed and therefore perpetually restricted.

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS - PURPOSE RESTRICTED

Purpose restricted net assets consisted of:	2023	2022	
Endowed scholarships, grants, and program support	\$ 14,895,134	\$ 10,294,946	
College departments and pass-through funds	3,151,580	3,017,505	
	<u>\$ 18,046,714</u>	<u>\$ 13,312,451</u>	
	Endowed Scholarships, Grants and Program Support	College Departments and Pass-Through Funds	Total
Changes in purpose restricted net assets consisted of:			
Balance at 12/31/2021	\$ 18,951,553	\$ 2,677,968	\$ 21,629,521
2022 Additions:			
Gifts, grants and bequests	-	882,465	882,465
In-kind donations	-	44,921	44,921
Event receipts	-	57,130	57,130
Adjustments for promises to give	-	(14,670)	(14,670)
Investment return (loss)	(7,408,957)	-	(7,408,957)
2022 Appropriations:			
Released from restrictions	(1,730,875)	(630,309)	(2,361,184)
Transfer of investment (return) loss to net assets without donor restrictions	483,225	-	483,225
Balance at December 31, 2022	10,294,946	3,017,505	13,312,451
2023 Additions:			
Gifts, grants and bequests	-	890,093	890,093
In-kind donations	-	16,472	16,472
Event receipts	-	101,152	101,152
Adjustments for promises to give	-	58,979	58,979
Investment return (loss)	6,649,037	-	6,649,037
2023 Appropriations:			
Released from restrictions	(1,640,941)	(932,621)	(2,573,562)
Transfer of investment (return) loss to net assets without donor restrictions	(407,908)	-	(407,908)
Balance at December 31, 2023	<u>\$ 14,895,134</u>	<u>\$ 3,151,580</u>	<u>\$ 18,046,714</u>

Net assets with donor restrictions released by incurring expenses in satisfaction of restrictions and transfer of a portion of investment return (loss) to net assets without donor restrictions in 2023 and 2022, were as follows:

	2023	2022
College departments, programs, and support services	\$ 1,069,503	\$ 900,167
Scholarships and student award	877,350	874,771
1.25% management fees	626,709	586,246
Total released from restrictions	2,573,562	2,361,184
Portion of investment return (loss) transferred to net assets without donor restrictions	407,908	(483,225)
Total net assets released from restrictions and transfer of investment return (loss)	<u>\$ 2,981,470</u>	<u>\$ 1,877,959</u>

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS - PERPETUAL IN NATURE

Certain net assets with donor restrictions are to be invested in perpetuity, the income from which may be expended to support the following purposes at December 31:

	2023	2022
Endowment	\$ 32,669,211	\$ 31,720,727
Building towards endowment	219,338	218,216
Bequests and promises to give	171,841	274,774
Annuities	61,121	26,478
	<u>\$ 33,121,511</u>	<u>\$ 32,240,195</u>

Changes in net assets with donor restrictions which are perpetual in nature consist of the following:

	Endowment	Building Towards Endowment	Bequests and Promises to Give	Annuities	Total
Balance at 12/31/2021	\$ 30,145,357	\$ 226,224	\$ 481,566	\$ 177,979	\$ 31,031,126
2022 Activity and Changes:					
Gifts, grants and bequests	1,377,855	70,942	-	-	1,448,797
Adjustments for promises to give	-	-	(206,792)	-	(206,792)
Gifts from annuity contracts	-	-	-	-	-
Actuarial gain/(loss) on annuities	-	-	-	(5,431)	(5,431)
Investment return (loss)	-	-	-	(55,174)	(55,174)
Transfers	197,515	(78,950)	-	(90,896)	27,669
Balance at December 31, 2022	31,720,727	218,216	274,774	26,478	32,240,195
2023 Activity and Changes:					
Gifts, grants and bequests	860,263	89,343	-	-	949,606
Adjustments for promises to give	-	-	(102,933)	-	(102,933)
Gifts from annuity contracts	-	-	-	-	-
Actuarial gain/(loss) on annuities	-	-	-	(6,699)	(6,699)
Investment return (loss)	-	-	-	41,342	41,342
Transfers	88,221	(88,221)	-	-	-
Balance at December 31, 2023	<u>\$ 32,669,211</u>	<u>\$ 219,338</u>	<u>\$ 171,841</u>	<u>\$ 61,121</u>	<u>\$ 33,121,511</u>

#### NOTE 14 - AGREEMENTS WITH THE STATE UNIVERSITY OF NEW YORK AT FREDONIA

The Foundation utilizes certain office equipment and personnel of the State University of New York at Fredonia (SUNY Fredonia) at no cost. The current agreement is for the period March 1, 2020 through February 28, 2025. This agreement may be terminated in whole or part by SUNY Fredonia upon 45 days prior written notice. The value of donated services received from SUNY Fredonia under the terms of this agreement was \$793,899 for 2023 and \$709,181 for 2022.

#### NOTE 15 - CONCENTRATION OF CREDIT RISK

At December 31, 2023 and 2022, the Foundation had cash of \$459,693 and \$433,555, respectively, in two financial institutions in excess of the FDIC \$250,000 insured limit. Also, numerous times during both years, cash balances exceeded the insured limit.

#### NOTE 16 - RETIREMENT PLAN

The Foundation provides retirement benefits for substantially all eligible employees through a defined contribution retirement plan. The plan operates under Section 403(b) of the Internal Revenue Code and uses the Teachers Insurance and Annuity Association of America and College Retirement Equities Fund (TIAA-CREF) to provide benefits. The plan requires that the Foundation contribute 10% of the participant's annual salary if the participant makes voluntary contributions during the year in an amount equal to 7% of their salary. Additionally, the Foundation matches additional participant contributions of up to 3% of the participant's salary. Participants of the plan are fully vested upon becoming members of the plan. The Foundation's plan contribution for 2023 and 2022 was \$11,060 and \$10,745, respectively.

#### NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated events and transactions through April 29, 2024, which is the date the financial statements were available to be issued.