CHAUTAUQUA FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS
Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Chautauqua Foundation, Inc.

Opinion

We have audited the statements of financial position of Chautauqua Foundation, Inc. (the Foundation) as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 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 cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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.

Lumsden & McCormick, LLP

April 21, 2026

CHAUTAUQUA FOUNDATION, INC.

Statements of Financial Position

December 31,	2025	2024
Assets:		
Cash	$ 380,596	$ 290,797
Contributions receivable (Note 2)	1,525,096	814,584
Investments (Note 3)	167,772,564	144,998,078
Split-interest agreements	7,353,314	5,909,228
Other assets	774,507	814,137
	$ 177,806,077	$ 152,826,824
Liabilities and Net Assets:		
Liabilities:		
Due to the Institution (Note 4)	$ 742,291	$ 682,462
Accounts payable and accrued expenses	134,486	107,008
	876,777	789,470
Net Assets (Note 5):		
Without donor restrictions	10,291,088	8,673,858
With donor restrictions	166,638,212	143,363,496
	176,929,300	152,037,354
	$ 177,806,077	$ 152,826,824

See accompanying notes.

CHAUTAUQUA FOUNDATION, INC.

Statements of Activities

For the years ended December 31,	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:						
Contributions:						
Endowment	**$ 614,785**	**$ 7,090,672**	**$ 7,705,457**	$ 515,097	$ 6,488,489	$ 7,003,586
Other	**-**	**82,714**	**82,714**	-	169,597	169,597
Change in value of split-interest agreements	**1,934**	**191,484**	**193,418**	(39,151)	(10,233)	(49,384)
Investment activity, net (Note 3)	**1,369,732**	**21,929,173**	**23,298,905**	867,341	14,024,300	14,891,641
Total revenues	**1,986,451**	**29,294,043**	**31,280,494**	1,343,287	20,672,153	22,015,440
Expenses:						
Program:						
Endowment direct support	**5,407,830**	**-**	**5,407,830**	5,117,095	-	5,117,095
Support from other funds	**124,200**	**-**	**124,200**	138,543	-	138,543
General and administrative	**856,518**	**-**	**856,518**	801,843	-	801,843
Total expenses	**6,388,548**	**-**	**6,388,548**	6,057,481	-	6,057,481
Net assets released from restrictions	**6,019,327**	**(6,019,327)**	**-**	5,708,693	(5,708,693)	-
Change in net assets	**1,617,230**	**23,274,716**	**24,891,946**	994,499	14,963,460	15,957,959
Net assets - beginning	**8,673,858**	**143,363,496**	**152,037,354**	7,679,359	128,400,036	136,079,395
Net assets - ending	**$ 10,291,088**	**$ 166,638,212**	**$ 176,929,300**	$ 8,673,858	$ 143,363,496	$ 152,037,354

See accompanying notes.

CHAUTAUQUA FOUNDATION, INC.

Statements of Cash Flows

For the years ended December 31,	2025	2024
Operating activities:		
Change in net assets	$ 24,891,946	$ 15,957,959
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net realized and unrealized gains on investments	(20,472,926)	(12,846,299)
Changes in operating assets and liabilities:		
Contributions receivable	(710,512)	(128,989)
Receivable from split-interest agreements	(1,444,086)	(1,036,723)
Other assets	39,630	(267,899)
Due to the Institution	59,829	(99,774)
Accounts payable and accrued expenses	27,478	(179)
Net operating activities	2,391,359	1,578,096
Investing activities:		
Purchases of investments	(4,755,249)	(19,215,958)
Proceeds from sales of investments	2,453,689	16,420,967
Net investing activities	(2,301,560)	(2,794,991)
Net change in cash	89,799	(1,216,895)
Cash - beginning	290,797	1,507,692
Cash - ending	$ 380,596	$ 290,797

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Organization and Purpose

Chautauqua Foundation, Inc. (the Foundation) was established in 1937. The Foundation exists to support the long-term sustainability of Chautauqua Institution (the Institution) with a particular focus on the preservation, the appropriate use, and growth of endowment funds. The Institution recognizes its beneficial interest in the net assets of the Foundation in its separate financial statements.

Subsequent Events

The Foundation has evaluated events and transactions for potential recognition or disclosure through April 21, 2026, the date the financial statements were available to be issued.

Tax Status

The Foundation is a 501(c)(3) corporation exempt from income taxes under Section 501(a) of the Internal Revenue Code.

Cash

At various times, cash in financial institutions may exceed federally insured limits and subject the Foundation to concentrations of credit risk.

Investments

Investments are stated at estimated fair value. The fair value of marketable securities is determined by quoted prices in active markets. The Foundation uses net asset value (NAV) per share (or its equivalent) as a practical expedient to determine the fair value of investments that (i) do not have a readily determinable fair value predicated upon quoted prices in active markets, and (ii) have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company (Note 3).

Investment securities are exposed to interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying financial statements.

Split-Interest Agreements

The Foundation receives contributions in the form of split-interest agreements which consist primarily of charitable remainder trusts, pooled life income funds and the beneficial interest of charitable gifts annuities held and administered by the National Gift Annuity Foundation. Pursuant to the agreements, assets are recorded at the present value of the estimated future benefits to be received based on the life expectancy of the income beneficiaries using an appropriate discount rate. Subsequent changes in value are recorded as change in value of split-interest agreements in the statements of activities. The value of underlying assets of the split-interest agreements were approximately $18,597,000 and $16,347,000 at December 31, 2025 and 2024.

Contributions

Unconditional contributions, including unconditional promises to give, are reported at fair value at the date received. Gifts are reported as restricted support if they are received with donor stipulations that limit their use. When a donor 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.

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Any adjustment to expected receipts is reported as an expense (or loss) in the net asset classification of the originating contribution.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using an interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contributions revenue in the statements of activities.

Conditional promises to give to the Foundation are not recorded as revenue until such time as the conditions are substantially met, and totaled $63,819,000 and $61,799,000 at December 31, 2025 and 2024.

Support to the Institution

Distributions from the donor restricted endowment funds are made pursuant to the Foundation's spending policy guidelines and donor stipulations. All other distributions are made in accordance with donor restrictions and for purposes approved by the Foundation's Board.

Use of Estimates

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

2. Contributions Receivable:

	2025	2024
Gross unconditional promises to give	$ 1,778,364	$ 850,465
Less unamortized discount	253,268	35,881
	$ 1,525,096	$ 814,584

Contributions receivable at December 31, 2025 are expected to be received over the periods shown below:

Less than one year	$ 542,468
One to five years	1,035,896
More than five years	200,000
	$ 1,778,364

3. Investments:

	Quoted Prices in Active Markets	Net Asset Value	Total
2025			
Money market	$ 437,724	$ -	$ 437,724
Equities	71,537,113	-	71,537,113
Fixed income	27,255,916	-	27,255,916
Hedge fund	-	12,936,043	12,936,043
Private equity/credit	-	36,050,811	36,050,811
Select equity	-	19,554,957	19,554,957
	$ 99,230,753	$ 68,541,811	$ 167,772,564
2024			
Money market	$ 1,556,707	$ -	$ 1,556,707
Equities	59,229,471	-	59,229,471
Fixed income	24,914,281	-	24,914,281
Hedge fund	-	11,587,833	11,587,833
Private equity/credit	-	30,878,594	30,878,594
Select equity	-	16,831,192	16,831,192
	$ 85,700,459	$ 59,297,619	$ 144,998,078

Investment activity reported in the statements of activities is as follows for the years ended December 31:

	Without Donor Restrictions	With Donor Restrictions	Total
2025			
Dividends and interest, net	$ 165,389	$ 2,660,590	$ 2,825,979
Net realized and unrealized gains	1,204,343	19,268,583	20,472,926
	$ 1,369,732	$ 21,929,173	$ 23,298,905
2024			
Dividends and interest, net	$ 119,482	$ 1,925,860	$ 2,045,342
Net realized and unrealized gains	747,859	12,098,440	12,846,299
	$ 867,341	$ 14,024,300	$ 14,891,641

As of December 31, 2025, the Foundation has committed capital of approximately $47,050,000 to private equity/credit investments and the remaining obligation under these commitments totaled approximately $12,864,000.

Liquidity of the Foundation's investments is as follows at December 31:

	2025	2024
Redemption frequency:		
Daily	$ 99,230,753	$ 85,700,459
Quarterly	19,554,957	16,984,179
Annually	12,936,043	11,587,833
Nonredeemable	36,050,811	30,725,607
	$ 167,772,564	$ 144,998,078

Nonredeemable investments consist of private equity/credit funds, which generally cannot be redeemed. Distributions from these funds are received as underlying investments are liquidated. At December 31, 2025, it is estimated the underlying assets will be liquidated over a period of approximately 5 to 15 years.

4. Transactions with the Institution:

Distributions to the Institution primarily consist of appropriations from donor restricted endowment funds where the underlying restriction has been met and for purposes approved by the Foundation's Board. The total amounts distributed in 2025 and 2024 were $4,979,572 and $4,916,399. Amounts appropriated where the underlying restriction has not been met remain due to the Institution, which totaled $742,292 and $682,462 at December 31, 2025 and 2024.

Other transactions include reimbursements to the Institution for various personnel and administrative expenses. Amounts included in accounts payable and accrued expenses for these transactions totaled $128,748 and $101,549 at December 31, 2025 and 2024.

For the years ended December 31, 2025 and 2024, the Foundation agreed to reimburse the Institution in the amount of $250,000 for certain administrative costs incurred on behalf of the Foundation.

5. Net Assets:

The Foundation's financial position and activities are reported according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors for a specified time period, purpose or to be maintained by the Foundation in perpetuity.

The composition of net assets without donor restrictions is as follows at December 31:

	2025	2024
Board-designated endowments	**$ 10,291,088**	$ 8,673,858

Net assets with donor restrictions that are purpose or time restricted are comprised of unappropriated endowment gains and restricted gifts as follows:

	2025	2024
Gains - specified endowments	**$ 39,488,208**	$ 26,649,216
Gains - unspecified endowments	**11,190,848**	7,587,086
Board-designated endowments	**729,757**	653,752
Other restricted gifts	**286,629**	320,199
	$ 51,695,442	$ 35,210,253

Net assets with donor restrictions that represent the accumulated principal of endowment gifts that have been restricted by donors to be maintained by the Foundation in perpetuity are comprised of the following endowment gift categories at December 31:

	2025	2024
Specified endowments	**$ 86,436,320**	$ 80,765,054
Unspecified endowments	**28,506,450**	27,388,189
	$ 114,942,770	$ 108,153,243

6. Retirement Plan:

The Foundation participates in a 403(b) retirement plan for substantially all employees, subject to plan conditions. The Foundation contributes 10% of each eligible employee's gross pay each year. Retirement plan expense totaled approximately $31,000 and $22,000 for the years ended December 31, 2025 and 2024.

7. Financial Assets Available for Operating Purposes:

The Foundation obtains financial assets primarily through contributions and investment income. The financial assets are acquired throughout the year to help meet the Foundation's cash needs to provide support to the Institution and for general expenditures in accordance with the Foundation's spending policy.

8. Endowment Assets:

The Foundation's endowment assets are comprised of board-designated endowments and donor restricted endowments. The board-designated endowments are in accordance with the Board's policy to include in its endowment any planned gifts received unless otherwise specified by the donor. Planned gifts with a donor-specified purpose are included in endowment assets with donor restrictions; if there is no donor-specified purpose, those assets are included in endowment assets without donor restrictions.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide returns sufficient to address the purposes of the assets over the long term. According to the Foundation's spending policy for support to the Institution, as well as general and administrative expenses, total spending should range from 3% to 6.5% of the beginning of year market value of the Foundation's endowment investment assets. Additional distributions from the board-designated endowment funds may be made at the discretion of the Foundation's Board.

The Foundation's Board has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to be maintained in perpetuity, (b) the original value of subsequent gifts to the endowment fund, and (c) accumulations to the endowment fund made in accordance with the direction of a donor gift instrument at the time the accumulation is added to the fund. In accordance with NYPMIFA, the Foundation considers the following factors to appropriate or accumulate donor restricted endowment funds:

- Duration and preservation of the fund
- Purposes of the Foundation and the fund
- General economic conditions
- Possible effects of inflation and deflation
- Expected total return from income and appreciation of investments
- Other Foundation resources
- 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 Foundation
- Investment policy of the Foundation

Investment activity is allocated among the endowment assets based upon their proportionate share of the investment portfolio. Investment activity related to the board-designated endowment without purpose or time restrictions is shown as an increase (decrease) in net assets without donor restrictions. Investment activity related to the donor-restricted endowments is reported as an increase (decrease) to net assets with donor restrictions until appropriated in accordance with the Foundation's spending policy.

The Foundation's endowment assets activity, excluding receivables and split-interest agreements, is as follows for the years ended December 31:

	Without Donor Restrictions	With Donor Restrictions		
2025	**Board-Designated**	**Board-Designated**	**Perpetual Endowment**	**Total**
Endowment assets – beginning of year	**$ 8,531,900**	**$ 653,752**	**$ 135,807,691**	**$ 144,993,343**
Investment activity	**1,369,732**	**104,329**	**21,816,928**	**23,290,989**
Contributions	**154,786**	**-**	**5,096,863**	**5,251,649**
Other adjustments	**-**	**-**	**492,629**	**492,629**
Appropriated	**(369,222)**	**(28,324)**	**(5,866,803)**	**(6,264,349)**
Endowment assets – end of year	**$ 9,687,196**	**$ 729,757**	**$ 157,347,308**	**$ 167,764,261**
2024				
Endowment assets – beginning of year	$ 7,679,359	$ 546,227	$ 122,020,574	$ 130,246,160
Investment activity	867,341	61,784	13,948,507	14,877,632
Contributions	333,988	70,624	4,944,864	5,349,476
Other adjustments	-	-	439,013	439,013
Appropriated	(348,788)	(24,883)	(5,545,267)	(5,918,938)
Endowment assets – end of year	$ 8,531,900	$ 653,752	$ 135,807,691	$ 144,993,343

9. Expenses by Nature and Function:

2025	Program	General and Administrative	Total
Fund appropriations	$ 5,407,830	$ -	$ 5,407,830
Support from other funds	124,200	-	124,200
Personnel costs	-	424,264	424,264
Institution supporting services	-	250,000	250,000
Travel and hospitality	-	50,994	50,994
Professional and consulting	-	100,239	100,239
Other	-	31,021	31,021
	$ 5,532,030	$ 856,518	$ 6,388,548
2024			
Fund appropriations	$ 5,117,095	$ -	$ 5,117,095
Support from other funds	138,543	-	138,543
Personnel costs	-	373,779	373,779
Institution supporting services	-	250,000	250,000
Travel and hospitality	-	39,291	39,291
Professional and consulting	-	106,927	106,927
Other	-	31,846	31,846
	$ 5,255,638	$ 801,843	$ 6,057,481

The financial statements report certain categories of expenses that are attributable to program and supporting functions, which are directly charged to the functions benefited.