

# **Triangle Community Foundation, Inc. and Affiliates**

Consolidated Financial Report  
June 30, 2025

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## Independent Auditor's Report

Audit Committee  
Triangle Community Foundation, Inc.

### Opinion

We have audited the consolidated financial statements of Triangle Community Foundation, Inc. and Affiliates (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 that the financial statements are issued or available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

*RSM US LLP*

Baltimore, Maryland  
November 18, 2025

Triangle Community Foundation, Inc. and Affiliates

Consolidated Statements of Financial Position  
June 30, 2025 and 2024

	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 1,621,467	\$ 1,702,142
Receivables and prepaid expenses	150,993	77,276
Investments	328,313,361	303,116,365
Program-related investment	1,250,000	1,250,000
Other investments	37,000	37,000
Beneficial interest in split-interest agreements	4,982,281	5,198,180
Rental real estate, net of accumulated depreciation (2025—\$504,500; 2024—\$504,500)	695,000	695,000
Operating lease right-of-use asset, net	315,855	518,243
Office furniture, equipment and software, net of accumulated depreciation (2025—\$886,073; 2024—\$769,274)	148,553	265,352
	<u>148,553</u>	<u>265,352</u>
<b>Total assets</b>	<b>\$ 337,514,510</b>	<b>\$ 312,859,558</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 277,224	\$ 98,151
Grants payable	907,684	1,068,492
Operating lease liability, net	333,286	554,080
Donated rent obligation	334,502	412,127
Assets held on behalf of other organizations	17,207,429	16,245,297
<b>Total liabilities</b>	<b>19,060,125</b>	<b>18,378,147</b>
Commitments (Notes 6 and 11)		
Net assets:		
Net assets without donor restrictions	312,686,501	288,538,389
Net assets with donor restrictions	5,767,884	5,943,022
<b>Total net assets</b>	<b>318,454,385</b>	<b>294,481,411</b>
<b>Total liabilities and net assets</b>	<b>\$ 337,514,510</b>	<b>\$ 312,859,558</b>

See notes to consolidated financial statements.

Triangle Community Foundation, Inc. and Affiliates

Consolidated Statement of Activities  
Year Ended June 30, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 26,497,428	\$ -	\$ 26,497,428
Interest and dividend income	6,487,411	11,575	6,498,986
Net realized and unrealized gains on investments	25,627,284	66,670	25,693,954
Change in value of split-interest agreements	-	372,793	372,793
Other income	98,066	-	98,066
Net assets released from donor restrictions	626,176	(626,176)	-
	<u>59,336,365</u>	<u>(175,138)</u>	<u>59,161,227</u>
Less net gain from support, revenue and investments from assets held on behalf of other organizations	(2,064,738)	-	(2,064,738)
<b>Total support and revenue</b>	<u>57,271,627</u>	<u>(175,138)</u>	<u>57,096,489</u>
Expenses:			
Programs:			
Grantmaking	30,283,868	-	30,283,868
Philanthropic services	674,718	-	674,718
Community programs	924,116	-	924,116
Fund management	178,112	-	178,112
Administrative	1,764,600	-	1,764,600
Fundraising	417,925	-	417,925
	<u>34,243,339</u>	<u>-</u>	<u>34,243,339</u>
Less expenses from assets held on behalf of other organizations	(1,102,606)	-	(1,102,606)
<b>Total expenses</b>	<u>33,140,733</u>	<u>-</u>	<u>33,140,733</u>
<b>Change in net assets before other gain</b>	<u>24,130,894</u>	<u>(175,138)</u>	<u>23,955,756</u>
Gain on sale of gifted assets	17,218	-	17,218
<b>Change in net assets</b>	<u>24,148,112</u>	<u>(175,138)</u>	<u>23,972,974</u>
Net assets:			
Beginning	<u>288,538,389</u>	<u>5,943,022</u>	<u>294,481,411</u>
Ending	<u>\$ 312,686,501</u>	<u>\$ 5,767,884</u>	<u>\$ 318,454,385</u>

See notes to consolidated financial statements.

**Triangle Community Foundation, Inc. and Affiliates**

**Consolidated Statement of Activities  
Year Ended June 30, 2024**

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 32,181,718	\$ -	\$ 32,181,718
Interest and dividend income	5,400,314	7,951	5,408,265
Net realized and unrealized gains on investments	23,222,577	63,359	23,285,936
Change in value of split-interest agreements	-	456,138	456,138
Other income	197,986	-	197,986
Net assets released from donor restrictions	195,744	(195,744)	-
	<u>61,198,339</u>	<u>331,704</u>	<u>61,530,043</u>
Less net gain from support, revenue and investments from assets held on behalf of other organizations	(1,706,697)	-	(1,706,697)
<b>Total support and revenue</b>	<u>59,491,642</u>	<u>331,704</u>	<u>59,823,346</u>
Expenses:			
Programs:			
Grantmaking	28,128,697	-	28,128,697
Philanthropic services	529,439	-	529,439
Community programs	875,530	-	875,530
Fund management	172,082	-	172,082
Administrative	1,665,774	-	1,665,774
Fundraising	274,232	-	274,232
	<u>31,645,754</u>	<u>-</u>	<u>31,645,754</u>
Less expenses from assets held on behalf of other organizations	(1,806,208)	-	(1,806,208)
<b>Total expenses</b>	<u>29,839,546</u>	<u>-</u>	<u>29,839,546</u>
<b>Change in net assets before other gain</b>	<u>29,652,096</u>	<u>331,704</u>	<u>29,983,800</u>
Gain on sale of gifted assets	11,161	-	11,161
<b>Change in net assets</b>	<u>29,663,257</u>	<u>331,704</u>	<u>29,994,961</u>
Net assets:			
Beginning	<u>258,875,132</u>	<u>5,611,318</u>	<u>264,486,450</u>
Ending	<u>\$ 288,538,389</u>	<u>\$ 5,943,022</u>	<u>\$ 294,481,411</u>

See notes to consolidated financial statements.

**Triangle Community Foundation, Inc. and Affiliates**

**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 23,972,974	\$ 29,994,961
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	116,799	121,303
Amortization of operating right-of-use assets	202,388	196,248
Net realized and unrealized gains on investments	(25,693,954)	(23,285,936)
Change in value of split-interest agreements	(372,793)	(456,138)
Payments received on charitable lead trusts	588,692	161,157
Changes in assets and liabilities:		
Receivables and prepaid expenses	(73,717)	14,092
Accounts payable and accrued expenses	179,073	(13,380)
Grants payable	(160,808)	(37,193)
Operating lease liability	(220,794)	(208,951)
Donated rent obligation	(77,625)	(75,366)
Assets held on behalf of other organizations	962,132	(99,511)
<b>Net cash (used in) provided by operating activities</b>	<b>(577,633)</b>	<b>6,311,286</b>
Cash flows from investing activities:		
Equipment purchases	-	(67,210)
Proceeds from sales and maturities of investments	122,999,167	101,281,054
Purchase of investments	(122,502,209)	(108,911,556)
Issuance of program-related note receivable	-	(1,250,000)
<b>Net cash provided by (used in) investing activities</b>	<b>496,958</b>	<b>(8,947,712)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(80,675)</b>	<b>(2,636,426)</b>
Cash and cash equivalents:		
Beginning	1,702,142	4,338,568
Ending	<b>\$ 1,621,467</b>	<b>\$ 1,702,142</b>
Supplemental disclosure of cash flow information:		
Cash paid for unrelated business income tax	<b>\$ 297,455</b>	<b>\$ 41,012</b>

See notes to consolidated financial statements.

Triangle Community Foundation, Inc. and Affiliates

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2025

	Program Activities				Supporting Services				
	Grantmaking	Philanthropic Services	Community Programs	Total Program	Fund Management	Administrative	Fundraising	Total Supporting Services	Total
Grant expenses	\$ 30,147,919	\$ -	\$ -	\$ 30,147,919	\$ -	\$ -	\$ -	\$ -	\$ 30,147,919
Salaries and wages	84,281	399,725	563,770	1,047,776	23,741	987,140	252,019	1,262,900	2,310,676
Contract staff	3,721	17,649	24,891	46,261	1,048	43,584	11,127	55,759	102,020
Benefits and other personnel cost	13,483	63,947	90,191	167,621	3,798	157,921	40,317	202,036	369,657
Payroll taxes	6,139	29,115	41,064	76,318	1,729	71,902	18,357	91,988	168,306
Professional services	-	-	-	-	135,644	172,310	4,673	312,627	312,627
Rent	8,341	39,560	55,795	103,696	2,350	97,695	24,942	124,987	228,683
Operations and maintenance	3,056	14,491	20,438	37,985	861	35,787	9,136	45,784	83,769
Supplies and other office expense	2,301	10,913	15,392	28,606	1,313	26,951	7,545	35,809	64,415
Depreciation	4,261	20,205	28,497	52,963	1,200	49,897	12,739	63,836	116,799
Other	10,366	79,113	84,078	173,557	6,428	121,413	37,070	164,911	338,468
	<u>\$ 30,283,868</u>	<u>\$ 674,718</u>	<u>\$ 924,116</u>	<u>\$ 31,882,702</u>	<u>\$ 178,112</u>	<u>\$ 1,764,600</u>	<u>\$ 417,925</u>	<u>\$ 2,360,637</u>	<u>34,243,339</u>
Less expenses from assets held on behalf of other organizations									<u>(1,102,606)</u>
<b>Total expenses</b>									<u><b>\$ 33,140,733</b></u>

See notes to consolidated financial statements.

**Triangle Community Foundation, Inc. and Affiliates**

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2024**

	Program Activities				Supporting Services				
	Grantmaking	Philanthropic Services	Community Programs	Total Program	Fund Management	Administrative	Fundraising	Total Supporting Services	Total
Grant expenses	\$ 27,989,144	\$ -	\$ -	\$ 27,989,144	\$ -	\$ -	\$ -	\$ -	\$ 27,989,144
Salaries and wages	84,809	304,587	509,257	898,653	24,174	939,144	152,495	1,115,813	2,014,466
Contract staff	1,587	5,700	9,530	16,817	452	17,575	2,854	20,881	37,698
Benefits and other personnel costs	14,454	51,911	86,792	153,157	4,120	160,058	25,990	190,168	343,325
Payroll taxes	6,222	22,344	37,359	65,925	1,773	68,895	11,187	81,855	147,780
Professional services	-	-	-	-	127,777	120,415	13,752	261,944	261,944
Rent	9,447	33,928	56,726	100,101	2,693	104,611	16,986	124,290	224,391
Operations and maintenance	2,610	9,373	15,671	27,654	744	28,900	4,693	34,337	61,991
Supplies and other office expense	2,692	9,670	16,168	28,530	2,637	29,816	6,711	39,164	67,694
Depreciation	5,107	18,341	30,665	54,113	1,456	56,551	9,183	67,190	121,303
Other	12,625	73,585	113,362	199,572	6,256	139,809	30,381	176,446	376,018
	<u>\$ 28,128,697</u>	<u>\$ 529,439</u>	<u>\$ 875,530</u>	<u>\$ 29,533,666</u>	<u>\$ 172,082</u>	<u>\$ 1,665,774</u>	<u>\$ 274,232</u>	<u>\$ 2,112,088</u>	31,645,754
Less expenses from assets held on behalf of other organizations									<u>(1,806,208)</u>
<b>Total expenses</b>									<u><b>\$ 29,839,546</b></u>

See notes to consolidated financial statements.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

**Nature of activities:** Triangle Community Foundation, Inc. (the Foundation) was incorporated in September 1983 as a nonprofit corporation. The Foundation's mission is to inspire and mobilize giving, leadership, and action. The Foundation receives gifts, grants and bequests for the purpose of making charitable donations to approved organizations.

A summary of the Foundation's significant accounting policies follows:

**Principles of consolidation:** The consolidated financial statements include the accounts of the Foundation and its affiliated supporting organizations, the Durham Arts Council Fund of the Triangle Community Foundation and the TCF Real Estate Foundation. The net assets of the Durham Arts Council Fund were \$785,603 and \$744,842 at June 30, 2025 and 2024, respectively. The net assets of the TCF Real Estate Foundation were \$571,538 and \$497,940 at June 30, 2025 and 2024, respectively. The supporting organizations were established, effective July 1, 1993 and June 29, 2004, respectively, as tax-exempt organizations. The supporting organizations are consolidated with the Foundation in the accompanying consolidated financial statements because they are operated and controlled by the Foundation and because their charitable purposes are consistent with the Foundation's mission. Intercompany balances and transactions are eliminated in consolidation.

**Basis of presentation:** In preparing its consolidated financial statements, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Net assets with donor restrictions:** Net assets that carry donor stipulated restrictions regarding use or are time restricted. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term (i.e., endowed funds), with such endowment fund balances being made available for expenditure through spending rate policies adopted by the Foundation. See Note 8 for further information on the Foundation's endowments.

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. At June 30, 2025 and 2024, the Foundation's undesignated net assets without donor restrictions included total operating and undesignated funds of approximately \$17.7 million and \$16.0 million, respectively. The remainder of net assets without donor restrictions consists of funds with donor-imposed stipulations that are subject to the Foundation's variance power as further described below.

**Use of estimates:** The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents:** Cash and cash equivalents include all cash balances and interest-bearing money market accounts.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Valuation of investments:** Investments are presented in the consolidated financial statements at fair value in accordance with Topic 820, *Fair Value Measurement*, of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Investments in securities traded on a national securities exchange, or reported on the NASDAQ global market, are stated at the last reported sales price on the day of valuation; other securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price, except for short sales positions and call options written, for which the last quoted asked price is used. Commercial paper and certificates of deposit are stated at cost plus accrued interest, which approximates fair value.

FASB ASC Topic 820 permits reporting entities, as a practical expedient, to estimate the fair value of their investments in certain entities that calculate net asset value (NAV) per share (or its equivalent, such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed) by using NAV if the NAV per share of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of FASB ASC Topic 946, *Financial Services—Investment Companies*, as of the reporting entity's measurement date. Examples of such investments, include hedge funds, private equity funds, real estate funds, venture capital funds, commodity funds, offshore fund vehicles and funds of funds, as well as some bank common/collective trust funds and other similar funds.

The Foundation elects to use NAV as a practical expedient to estimate the fair value of its equity fund investments. The investee fund managers calculate NAV using fair value estimates of the underlying securities and other financial instruments. The estimated fair values of these underlying investments, which may include private placements and other securities for which prices are not readily available, may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Foundation's equity fund investments generally represents the amount the Foundation would expect to receive if it were to liquidate its investment, excluding any redemption charges that may apply.

Determining whether an investee fund manager has calculated NAV in a manner consistent with FASB ASC Topic 946 requires the Foundation to independently evaluate the fair value measurement process utilized to calculate the NAV. Such an evaluation is a matter of professional judgment and includes determining that an investee fund manager has an effective process and related internal controls in place to estimate the fair value of its investments that are included in the calculation of NAV. The Foundation's evaluation of the process used by investee fund managers includes initial due diligence, ongoing due diligence and financial reporting controls.

**Market risk:** Market risk arises primarily from changes in the market value of financial instruments. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Foundation's overall exposure to market risk.

**Concentrations of credit risk:** The Foundation places deposits with financial institutions that may at times be in excess of federal insurance limits. The Foundation is also engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks and other financial institutions. In the event counterparties do not fulfill their obligations, the Foundation may be exposed to risk of loss. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Foundation's policy to review, as necessary, the credit standing of each counterparty.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In the normal course of its business, the Foundation enters into contracts and agreements with certain service providers, such as clearing and custody agents, trustees and administrators that contain a variety of representations and warranties and which provide general indemnifications and guarantees against specified potential losses in connection with their activities as an agent of, or providing services to, the Foundation. The Foundation's maximum exposure under these agreements is unknown, as this may involve future claims that could be made against the Foundation and have not yet occurred. The Foundation expects the risk of any future obligation under these arrangements to be remote and has not recorded any contingent liability in the consolidated financial statements for these indemnifications.

Within an equity fund investment, the underlying fund managers may utilize derivative instruments with off-balance-sheet risk. The Foundation's exposure to risk is limited to the amount of its investment.

**Securities transactions, interest and dividends:** Securities transactions are recorded on a trade-date basis and are carried at fair value. Realized gains and losses on securities transactions, determined on a specific identification basis, and the difference between the cost and the fair value of open investments are included as net realized and unrealized gains on investments in the accompanying consolidated statements of activities. Interest income is recognized under the accrual basis. Dividend income is recognized on the ex-dividend date.

Interest and dividends and net realized and unrealized gains are generally recorded as revenue without donor restrictions because the related investments on which the revenue is earned are classified as net assets without donor restrictions. Interest and dividends and net realized and unrealized gains related to the Durham Arts Council Fund are recorded as revenue with donor restrictions.

**Program-related investment:** In October 2023, the Foundation issued a loan receivable to a non-profit entity that facilitated activities supported by the Foundation. The loan agreement requires repayment of \$1.25 million in cash at a 0% interest rate. The market interest rate was determined to be 7.23% when the loan was issued. Repayment of the loan receivable is due on October 11, 2026, and interim payments are only required if anticipated funding is received from a government agency, in connection with the use of the loan proceeds.

Loans are carried at amortized cost. Loans are initially recorded at an amount equal to the assets transferred if the loans are issued at the market interest rate applicable to the borrower. If the contractual interest rate is lower than the market rate, the difference between the cash transferred to the borrower and the present value of the contractual payments for the loan at the effective interest rate is recognized as contribution expense.

The Foundation records an allowance for credit loss expected over the lifetime of the loan. This estimation is based on historical experience, current conditions, asset-specific risk characteristics and reasonable and supportable forecasts about future economic and market conditions. The Foundation estimated the \$1.25 million loan receivable is fully collectible and no reserve for loss had been recorded as of June 30, 2025 and 2024.

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

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

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

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

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable that they will be incurred.

The Foundation has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The nonlease components typically represent additional services transferred to the Foundation, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

**Related-party transactions:** Contributions from board members were approximately \$131,000 and \$168,000 for the years ended June 30, 2025 and 2024, respectively.

A member of the Foundation's Investment Committee is also an investor, through an affiliation with another company, in a private equity fund in which the Foundation is also invested. The Foundation has a formal Conflict of Interest Policy and an Investment Policy Statement, both of which were followed with respect to this investment.

**Beneficial interest in split-interest agreements:** The Foundation is the named charitable beneficiary for a number of known irrevocable charitable remainder unitrusts, charitable remainder annuity trusts, charitable lead unitrusts and charitable lead annuity trusts (split-interest agreements). All such trusts are held and managed by independent third-party trustees. The assets held in charitable remainder trusts will remain in trust, paying income to the donors during their lifetime, and the remainder assets will become property of the Foundation upon the donors' deaths. The assets held in the charitable lead trusts will also remain in trust but will pay income to the Foundation during the trusts' terms, the remainder being distributed to one or more named beneficiaries when the trusts terminate. All such charitable trusts have been recorded in the accompanying consolidated financial statements as net assets with donor restrictions and as support of the Foundation at the present value of their estimated future benefit to the Foundation.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The expected future benefit to the Foundation has been calculated based on the fair value of the trusts' assets and/or the stipulated income payout, as adjusted by actuarial assumptions and discounted at an appropriate risk-adjusted rate. At June 30, 2025, assumptions used in the calculation of the beneficial interest in split-interest agreements are a growth rate of 7.16%, payout rates as stated in the agreement between 3% and 9%, and a discount rate of 7.16%. At June 30, 2024, assumptions used in the calculation of the beneficial interest in split-interest agreements are a growth rate of 7.56%, payout rates as stated in the agreement between 3% and 9%, and a discount rate of 7.56%.

The Foundation is also named as beneficiary of a number of other known trusts and wills which, by their nature, are conditional and, therefore, are not recorded in the accompanying consolidated financial statements. In certain circumstances, such as the death of a donor before year-end but for which expected proceeds have yet to be received, the Foundation records a receivable for the expected proceeds from liquidated trusts or life insurance. There are no receivables attributable to such payments received after June 30, 2025 and 2024.

**Rental real estate:** Rental real estate represents land and a building that were contributed in 1987 and recorded at fair value at the date of donation. The rental building is fully depreciated. Including amounts resulting from in-kind rental activities, rental income was \$90,000 for each of the years ended June 30, 2025 and 2024, and is included in other income in the consolidated statements of activities.

**Office furniture, equipment and software:** Office furniture, equipment and software is reflected at cost (or estimated fair value when donated), less accumulated depreciation. Purchased office furniture, equipment and software are capitalized when the cost exceeds \$1,500. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets. Office equipment is depreciated over five years, furniture is depreciated over five to seven years, computer equipment is depreciated over three years and capitalized software is depreciated over five years.

**Grantmaking:** The Foundation receives grant recommendations from donors on a regular basis. Only recommendations that have been fully approved by the Foundation as of the end of the year and not yet paid are recorded as grants payable. Unconditional grants are expensed in the year in which the award is fully approved, although the grant may be payable over several years. Recommendations that are not fully approved or grants that are conditional and contain barriers that the grantee must overcome are not recorded.

**Assets held on behalf of other organizations:** The Foundation records a liability for agency funds that are reciprocal—funds provided by donors where the donors themselves are named as beneficiary. The Foundation follows the provisions of FASB ASC 958-605, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This accounting standard establishes standards for transactions in which a donor makes a contribution to the Foundation which accepts and agrees to use those assets for the benefit of the donor. It also establishes standards for transactions in which a donor makes a transfer to benefit a third-party charitable organization having a fund at the Foundation but for which the donor does not explicitly grant the Foundation variance power over the gift. The Foundation maintains legal ownership of agency funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with FASB ASC 958-605, a liability has been established for the value of the funds, which is generally equivalent to the present value of future payments expected to be made to the not-for-profit organizations.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Revenue recognition:** Unconditional contributions are recognized as support when received or promised. The Foundation reports gifts of cash and other assets as restricted support if such gifts are received with donor stipulations that limit the use of the donated asset. Most contributions, including those with donor-imposed stipulations, are subject to the variance power described in the donor agreements and established by the Foundation's Resolution and Declaration of Trust. This variance power provides the Foundation's Board of Directors with the ability to modify donor stipulations that are incapable of fulfillment or inconsistent with the charitable needs of the community. As a result of this variance power, most contributions are classified as net assets without donor restrictions for consolidated financial statement purposes.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions. When restrictions are met in the year of contribution receipt, such contributions are shown as revenues with donor restrictions and as net assets released from restrictions.

**Functional allocation of expenses:** The costs of providing the various programs and other activities have been summarized on a program basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort.

**Tax status:** The Foundation and its affiliated supporting organizations are each exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and are classified as nonprivate foundations. Therefore, no provision for income taxes has been reflected in the accompanying consolidated financial statements. Management evaluated the tax positions of the Foundation and its affiliated supporting organizations and concluded that the Foundation and its affiliated supporting organizations had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of the Income Taxes Topic of the FASB ASC. The Foundation files a Form 990-T in accordance with applicable U.S. federal regulations. The Foundation had \$297,455 and \$41,012, respectively, of net unrelated business income for the years ended June 30, 2025 and 2024.

**Subsequent events:** The Foundation has evaluated subsequent events through November 18, 2025, the date on which the consolidated financial statements were available to be issued.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statements of financial position, comprise the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 1,621,467	\$ 1,702,142
Receivables and prepaid expenses	150,993	77,276
Investments	328,313,361	303,116,365
Program related investment	1,250,000	1,250,000
Other investments	37,000	37,000
Beneficial interest in split-interest agreements	4,982,281	5,198,180
Financial assets, at year-end	<u>336,355,102</u>	<u>311,380,963</u>
Less those unavailable for general expenditure within one year, due to:		
Assets without donor restrictions, subject to the Foundation's variance power	(294,422,296)	(271,904,396)
Assets held on behalf of other organizations	(17,207,429)	(16,245,297)
Beneficial interest in split-interest agreements	(4,982,281)	(5,198,180)
Program related investment loans not scheduled for repayment within one year	(1,250,000)	(1,250,000)
Supporting organization	(785,603)	(744,842)
	<u>(318,647,609)</u>	<u>(295,342,715)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 17,707,493</u>	<u>\$ 16,038,248</u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To achieve this, the Foundation monitors its liquidity on a monthly basis. The Foundation defines its general expenditures to include all operating costs as presented in the consolidated statements of functional expenses, excluding grant expense. Total general expenses were \$4,095,420 and \$3,656,610 for the years ended June 30, 2025 and 2024, respectively.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 3. Investments

The carrying value of investments at June 30, 2025 and 2024, is comprised of the following:

	2025	2024
Money market funds	\$ 16,501,146	\$ 26,036,043
Equity securities and mutual funds	116,792,959	104,008,706
Fixed income securities and mutual funds	88,835,959	67,123,742
Equity funds	101,727,734	101,629,040
	<u>323,857,798</u>	<u>298,797,531</u>
Certificates of deposit	4,455,563	4,318,834
Total investments	<u>\$ 328,313,361</u>	<u>\$ 303,116,365</u>

Investments are exposed to various risks, such as interest rate, credit and market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risk in the near-term could materially affect the Foundation's investment balance reported in the consolidated statements of financial position. As of June 30, 2025, the Foundation's ownership in equity funds ranged from 0.01% to 3.30% of the respective fund's net assets. As of June 30, 2024, the Foundation's ownership in equity funds ranged from 0.01% to 3.04% of the respective fund's net assets. See Note 5 for further details of investments reported at fair value.

#### Note 4. Grants Payable

The Foundation recognizes grants expected to be paid in periods greater than one year at the discounted present value of the future cash flows. Such discounted amounts, however, are not material and are not recorded at June 30, 2025 and 2024. Amounts remaining unpaid at June 30, 2025 and 2024, are as follows:

	2025	2024
In one year or less	\$ 515,675	\$ 607,544
Between one year and five years	392,009	460,948
	<u>\$ 907,684</u>	<u>\$ 1,068,492</u>

#### Note 5. Fair Value Measurements

Accounting principles generally accepted in the United States of America (U.S. GAAP) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

**Level 1:** Financial instruments with unadjusted, quoted prices listed on active market exchanges.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 5. Fair Value Measurements (Continued)

**Level 2:** Financial instruments determined using prices for recently traded financial instruments with similar underlying terms, as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

**Level 3:** Financial instruments that are not actively traded on an active exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

In determining fair value, the Foundation uses various valuation approaches within the FASB ASC 820 fair value measurement framework and utilizes the end of reporting period for determining when transfers between levels are recognized. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the hierarchy:

**Money market funds:** Money market funds are exchange traded in active markets and are classified within Level 1 of the valuation hierarchy. Proprietary money market funds that are not listed on national markets or exchanges are classified within Level 2 of the hierarchy using prices for money market funds of substantially similar composition for which quoted prices listed on an active market exchange are available.

**Equity securities and mutual funds:** Equity securities and equity mutual funds listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy. Equity securities that are not listed on national markets or exchanges are classified within Level 2 of the hierarchy using prices for equity securities of entities engaged in substantially comparable activities for which quoted prices listed on active market exchanges are available.

**Fixed income securities and mutual funds:** Investments in debt securities include corporate bonds and funds, blended fixed income mutual funds, government and government agency obligation bonds and funds, and certain proprietary fixed income mutual funds with investment managers. Certain bond funds are listed on national markets or exchanges and are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy. All other fixed income investments are valued using market observable data, such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data, and classified within Level 2 of the hierarchy.

**Split-interest agreements:** Beneficial interests in split-interest agreements are classified as Level 3 due to being measured using present value techniques based on terms of the agreements, risk-adjusted discount rates and, in some instances, life expectancy estimates.

**Other investments:** Other investments reflect direct ownership in real estate and membership interest in an LLC that owns real estate and are classified as Level 3 based on various real estate market information, including the availability of contemporaneous appraisals.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

#### Note 5. Fair Value Measurements (Continued)

**Assets measured at fair value on a recurring basis:** The following tables summarize financial assets measured at fair value on a recurring basis by classification within the fair value hierarchy as of June 30, 2025 and 2024:

	Fair Value Measurements at Reporting Date Using			
	Total June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments:				
Money market funds	\$ 16,501,146	\$ 13,483,271	\$ 3,017,875	\$ -
Equity securities:				
U.S. large/mid cap	14,074,129	14,074,129	-	-
U.S. small cap	2,829,378	2,829,378	-	-
International developed	4,467,793	4,467,793	-	-
Emerging markets	1,203,448	1,203,448	-	-
Total equity securities	22,574,748	22,574,748	-	-
Equity mutual funds:				
U.S. large/mid cap	43,146,270	43,146,270	-	-
U.S. small cap	10,274,175	10,274,175	-	-
International developed	39,070,906	32,364,759	6,706,147	-
Emerging markets	1,726,860	1,726,860	-	-
Total equity mutual funds	94,218,211	87,512,064	6,706,147	-
Fixed income securities:				
U.S. government and agencies	12,068,870	-	12,068,870	-
Corporate	1,082,377	1,082,377	-	-
Total fixed income securities	13,151,247	1,082,377	12,068,870	-
Fixed income mutual funds:				
U.S. government and agencies	68,760,510	68,760,510	-	-
Corporate	6,924,202	6,924,202	-	-
Total fixed income mutual funds	75,684,712	75,684,712	-	-
Total investments reported at fair value	222,130,064	\$ 200,337,172	\$ 21,792,892	\$ -
Equity funds: <sup>(a)</sup>				
Multi-strategy	38,867,850			
Global macro	40,788,980			
Private equity	22,070,904			
Total equity funds reported at NAV	101,727,734			
Certificates of deposit, at cost	4,455,563			
Total Investments	\$ 328,313,361			
Other investments	\$ 37,000	\$ -	\$ -	\$ 37,000
Beneficial interest in split-interest agreements	\$ 4,982,281	\$ -	\$ -	\$ 4,982,281

**Triangle Community Foundation, Inc. and Affiliates**

**Notes to Consolidated Financial Statements**

**Note 5. Fair Value Measurements (Continued)**

	Fair Value Measurements at Reporting Date Using			
	Total June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
<b>Investments:</b>				
Money market funds	\$ 26,036,043	\$ 10,779,914	\$ 15,256,129	\$ -
<b>Equity securities:</b>				
U.S. large/mid cap	11,706,919	11,706,919	-	-
U.S. small cap	3,225,256	3,225,256	-	-
International developed	4,298,812	4,298,812	-	-
Emerging markets	1,230,084	1,230,084	-	-
Total equity securities	20,461,071	20,461,071	-	-
<b>Equity mutual funds:</b>				
U.S. large/mid cap	34,487,566	34,487,566	-	-
U.S. small cap	10,514,258	10,514,258	-	-
International developed	37,343,872	31,067,580	6,276,292	-
Emerging markets	1,201,939	1,201,939	-	-
Total equity mutual funds	83,547,635	77,271,343	6,276,292	-
<b>Fixed income securities:</b>				
U.S. government and agencies	10,896,440	-	10,896,440	-
Corporate	1,286,071	1,286,071	-	-
Total fixed income securities	12,182,511	1,286,071	10,896,440	-
<b>Fixed income mutual funds:</b>				
U.S. government and agencies	49,047,795	49,047,795	-	-
Corporate	5,893,436	5,893,436	-	-
Total fixed income mutual funds	54,941,231	54,941,231	-	-
Total investments reported at fair value	197,168,491	\$ 164,739,630	\$ 32,428,861	\$ -
<b>Equity funds: <sup>(a)</sup></b>				
Multi-strategy	41,635,536			
Global macro	40,259,373			
Private equity	19,734,131			
Total equity funds reported at NAV	101,629,040			
Certificate of deposit, at cost	4,318,834			
Total Investments	\$ 303,116,365			
Other investments	\$ 37,000	\$ -	\$ -	\$ 37,000
Beneficial interest in split-interest agreements	\$ 5,198,180	\$ -	\$ -	\$ 5,198,180

(a) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 5. Fair Value Measurements (Continued)

The following table reconciles the beginning and ending balances of financial assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended June 30, 2025 and 2024:

	Fair Value	
	Measurements Using Significant Unobservable Inputs (Level 3)	
	Other Investments	Split-Interest Agreements
Balance, June 30, 2023	\$ 37,000	\$ 4,903,199
Payments received	-	(161,157)
Change in value	-	456,138
Balance, June 30, 2024	37,000	5,198,180
Payments received	-	(588,692)
Change in value	-	372,793
Balance, June 30, 2025	<u>\$ 37,000</u>	<u>\$ 4,982,281</u>

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

#### Note 6. Investments Reported at Net Asset Value

The following tables present the Foundation's equity funds, which are reported at NAV or its equivalent, and unfunded commitments at June 30, 2025 and 2024:

Equity Funds Strategy Category	Fair Value	2025			Unfunded Commitments
		Current Lock-up Period Expiration	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (in Days)	
Multi-strategy (a):					
Champlain Small Cap Fund, LLC	\$ 6,012,970	n/a	Monthly	15	\$ -
The Canyon Value Realization Fund (Cayman), Ltd.	3,774,307	n/a	Quarterly	70	-
Pagosa Investors (Cayman), Ltd.	5,618,928	n/a	Quarterly	45	-
Luxor Capital Partners Offshore, Ltd.	220,164	n/a	n/a	90	-
Gobi Concentrated Fund Ltd.	8,088,955	n/a	Monthly	60	-
Nitorum Offshore Fund, Ltd.	4,672,728	n/a	Annually	60	-
RREEF America REIT II, Inc.	1,936,231	n/a	Quarterly	45	-
Redwood Grove Capital Fund	4,845,647	n/a	Monthly	5	-
Blackstone Private Credit Fund	228,997	n/a	Quarterly	30	-
Starwood REIT, Inc.	268,328	n/a	Monthly	1	-
Darlington Partners, LP	3,200,595	n/a	n/a	90	-
Multi-strategy total	<u>38,867,850</u>				<u>-</u>
Global macro (b):					
The Children's Investment Fund	9,012,540	April 2026	n/a	120	-
Cat Rock Capital Partners Cayman Ltd.	3,471,441	n/a	Quarterly	60	-
WGI Emerging Markets Fund LLC	6,513,923	n/a	Monthly	30	-
Arrowstreet Global Equity ACWI Trust Fund	8,625,415	n/a	Monthly	9	-
Lone Cascade, LP	7,692,528	April 2026	Annually	60	-
Himalaya Capital Investors (Offshore), LP	5,473,133	n/a	Annually	60	-
Global macro total	<u>40,788,980</u>				<u>-</u>
Private equity (c):					
TIFF Private Equity Partners 2009, LLC	41,475	n/a	n/a	n/a	173,826
NorthGate IV, LP	132,335	n/a	n/a	n/a	30,000
Perennial Real Estate Fund II, LP	280,067	n/a	n/a	n/a	66,709
StepStone Capital III, LP	43,139	n/a	n/a	n/a	157,619
Denham Commodity Partners Fund VI, LP	377,052	n/a	n/a	n/a	41,606
Aether Real Assets III, LP	595,644	n/a	n/a	n/a	36,104
GEM Realty Fund V, LP	339,564	n/a	n/a	n/a	332,673
Montauk Triguard Fund VI, LP	197,601	n/a	n/a	n/a	119,220
Lakestar II, LP	2,021,446	n/a	n/a	n/a	19,056
Patron Capital V, LP	835,757	n/a	n/a	n/a	262,784
Blue Heron Real Estate Opportunity Fund II, LP	175,771	n/a	n/a	n/a	84,546
Blue Heron Real Estate Opportunity Fund IV, LP	394,692	n/a	n/a	n/a	543,416
Ecosystem Integrity Fund III, LP	909,962	n/a	n/a	n/a	81,250
Eightfold Real Estate Capital Fund V, LP	1,068,152	n/a	n/a	n/a	39,041
Juniper Capital III, LP	1,316,758	n/a	n/a	n/a	38,956
Digital Alpha Fund LP	1,662,017	n/a	n/a	n/a	-
Generation IM Sustainable Solutions LP	941,455	n/a	n/a	n/a	53,199
Transformation Capital Fund II, LP	1,470,413	n/a	n/a	n/a	67,861
Transformation Capital Fund III-A, LP	623,590	n/a	n/a	n/a	314,921
Valor Equity Partners V-B, LP	2,532,635	n/a	n/a	n/a	69,636
At One Ventures, LP	3,779,826	n/a	n/a	n/a	-
At One Ventures II, LP	321,138	n/a	n/a	n/a	620,000
venBio Global Strategic Fund IV, LP	764,511	n/a	n/a	n/a	333,342
Bull City Venture Partners Fund IV, LP	311,798	n/a	n/a	n/a	594,688
USV 2022, LP	358,563	n/a	n/a	n/a	168,000
USV Opportunity 2022, LP	374,252	n/a	n/a	n/a	693,600
NB Crossroads Participation Fund 24 (TE), LP	201,291	n/a	n/a	n/a	150,750
Private equity total	<u>22,070,904</u>				<u>5,092,803</u>
Equity funds total	<u>\$ 101,727,734</u>				<u>\$ 5,092,803</u>

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

#### Note 6. Investments Reported at Net Asset Value (Continued)

Equity Funds Strategy Category	Fair Value	2024			Unfunded Commitments
		Current Lock-up Period Expiration	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (in Days)	
Multi-strategy (a):					
Champlain Small Cap Fund, LLC	\$ 4,939,474	n/a	Monthly	15	\$ -
The Canyon Value Realization Fund (Cayman), Ltd.	5,775,605	n/a	Quarterly	70	-
Pagosa Investors (Cayman), Ltd.	5,720,790	n/a	Quarterly	45	-
Luxor Capital Partners Offshore, Ltd.	205,446	n/a	n/a	90	-
Gobi Concentrated Fund Ltd.	9,124,437	n/a	Monthly	60	-
Nitorum Offshore Fund, Ltd.	4,473,097	n/a	Annually	60	-
RREEF America REIT II, Inc.	2,002,699	n/a	Quarterly	45	-
Redwood Grove Capital Fund	6,145,138	n/a	Monthly	5	-
Blackstone Private Credit Fund	232,085	n/a	Quarterly	30	-
Starwood REIT, Inc.	291,779	n/a	Monthly	1	-
Darlington Partners, LP	2,724,986	n/a	n/a	90	-
Multi-strategy total	<u>41,635,536</u>				<u>-</u>
Global macro (b):					
The Children's Investment Fund	7,065,660	April 2026	n/a	120	-
Cat Rock Capital Partners Cayman Ltd.	4,516,530	n/a	Quarterly	60	-
WGI Emerging Markets Fund LLC	7,570,667	n/a	Monthly	30	-
Arrowstreet Global Equity ACWI Trust Fund	11,420,691	n/a	Monthly	9	-
Lone Cascade, LP	5,478,760	April 2026	Annually	60	-
Himalaya Capital Investors (Offshore), LP	4,207,065	n/a	Annually	60	-
Global macro total	<u>40,259,373</u>				<u>-</u>
Private equity (c):					
TIFF Private Equity Partners 2009, LLC	49,396	n/a	n/a	n/a	173,826
NorthGate IV, LP	334,754	n/a	n/a	n/a	30,000
Perennial Real Estate Fund II, LP	346,743	n/a	n/a	n/a	82,800
StepStone Capital III, LP	162,098	n/a	n/a	n/a	157,619
Denham Commodity Partners Fund VI, LP	506,833	n/a	n/a	n/a	61,299
Aether Real Assets III, LP	779,714	n/a	n/a	n/a	40,462
GEM Realty Fund V, LP	477,217	n/a	n/a	n/a	332,673
Montauk Triguard Fund VI, LP	249,192	n/a	n/a	n/a	134,416
Lakestar II, LP	1,512,102	n/a	n/a	n/a	17,396
Patron Capital V, LP	756,290	n/a	n/a	n/a	253,178
Blue Heron Real Estate Opportunity Fund II, LP	294,342	n/a	n/a	n/a	84,546
Blue Heron Real Estate Opportunity Fund IV, LP	215,006	n/a	n/a	n/a	740,734
Ecosystem Integrity Fund III, LP	1,229,523	n/a	n/a	n/a	100,000
Eightfold Real Estate Capital Fund V, LP	1,143,798	n/a	n/a	n/a	39,041
Juniper Capital III, LP	2,015,828	n/a	n/a	n/a	96,225
Digital Alpha Fund LP	1,829,937	n/a	n/a	n/a	-
Generation IM Sustainable Solutions LP	950,878	n/a	n/a	n/a	71,960
Transformation Capital Fund II, LP	1,181,764	n/a	n/a	n/a	41,353
Transformation Capital Fund III-A, LP	382,132	n/a	n/a	n/a	511,319
Valor Equity Partners V-B, LP	2,001,895	n/a	n/a	n/a	101,296
At One Ventures, LP	1,594,109	n/a	n/a	n/a	50,000
At One Ventures II, LP	179,200	n/a	n/a	n/a	780,000
venBio Global Strategic Fund IV, LP	668,813	n/a	n/a	n/a	540,809
Bull City Venture Partners Fund IV, LP	284,030	n/a	n/a	n/a	633,904
USV 2022, LP	253,542	n/a	n/a	n/a	240,000
USV Opportunity 2022, LP	230,735	n/a	n/a	n/a	805,800
NB Crossroads Participation Fund 24 (TE), LP	104,260	n/a	n/a	n/a	229,475
Private equity total	<u>19,734,131</u>				<u>6,350,131</u>
Equity funds total	<u>\$ 101,629,040</u>				<u>\$ 6,350,131</u>

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 6. Investments Reported at Net Asset Value (Continued)

- (a) This category includes a combination of some or all of the other strategies. Managers have the flexibility to invest across all asset classes, and to change their allocations to various strategies and instruments as they see fit. Instruments include equities, options, futures, bonds, loans, derivatives and others. Multi-strategy funds may go long or short and typically use leverage to help diversify their allocations.
- (b) This category includes investments in futures, equities and debt. Managers try to predict global trends and will take more country or commodity specific views. Managers have the ability to go both long or short and use leverage.
- (c) This category includes investments made into companies that are not publicly traded on a stock exchange. Managers can make investments in companies to provide for expansion, new product development, and operational or capital restructuring. Private equity investees are generally structured as limited partnerships. The Foundation's rights and obligations as a limited partner are outlined in limited partnership agreements, including terms related to periodic capital calls and distributions. Private equity funds typically do not have redemption features. As a result, there is no determinable date for receipt of the proceeds from these investments.

#### Note 7. Net Assets

Net assets without donor restrictions and with donor restrictions consist of the following as of June 30, 2025 and 2024:

	2025	2024
Net assets without donor restrictions:		
Undesignated	\$ 17,707,493	\$ 16,038,247
Net assets subject to the Foundation's variance power	294,979,008	272,500,142
Total net assets without donor restrictions	<u>312,686,501</u>	<u>288,538,389</u>
Net assets with donor restrictions:		
Subject to expenditure for specified purpose:		
Restricted for Durham Arts Council	70,578	71,310
Accumulated losses	<u>(70,578)</u>	<u>(71,310)</u>
	-	-
Subject to the passage of time:		
Time restrictions related to beneficial interest in split-interest agreements	4,982,281	5,198,180
	<u>4,982,281</u>	<u>5,198,180</u>
Subject to spending policy and appropriation:		
Accumulated gains	228,091	187,330
Endowment funds restricted in perpetuity	557,512	557,512
	<u>785,603</u>	<u>744,842</u>
Total net assets with donor restrictions	<u>5,767,884</u>	<u>5,943,022</u>
Total net assets	<u>\$ 318,454,385</u>	<u>\$ 294,481,411</u>

During the years ended June 30, 2025 and 2024, net assets of \$626,176 and \$195,744, respectively, were released from donor restrictions by meeting the restricted purpose or by the passage of time. See Note 8 for activity related to the Durham Arts Council Fund.

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 8. Endowment Funds

The Foundation's endowment consists of one donor-restricted endowment fund with the Durham Arts Council Fund of the Triangle Community Foundation, an affiliated supporting organization included in the consolidated financial statements. As required by U.S. GAAP, net assets associated with endowment funds, including any 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. The Foundation has determined that no other individual fund meets the definition of an endowment under the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The Foundation follows the provisions of FASB ASC 958-205-50 subject to the North Carolina enacted version of the Uniform Prudent Management of Institutional Funds Act (NCUPMIFA), and Enhanced Disclosures for all Endowment Funds. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor of the gift instrument. In accordance with NCUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Foundation and the endowment fund
- Price-level trends and general economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policy of the Foundation

The Foundation's general spending policy is to distribute an amount equal to 4% of a rolling 13-quarter average fund balance effective January 1, 2021. This spending policy is consistent with the average long-term return expectation, providing ongoing support of donors' charitable interests and additional growth to the endowment funds. Appropriations from endowment funds are approved by the Foundation's Board.

From time to time, the fair value of assets associated with the donor-restricted endowment funds may fall below the level that the donor or NCUPMIFA requires the Foundation to retain as a fund of perpetual duration. The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. There were no such funds at June 30, 2025 or 2024.

**Triangle Community Foundation, Inc. and Affiliates**

**Notes to Consolidated Financial Statements**

**Note 8. Endowment Funds (Continued)**

The following table summarizes changes in endowment net assets for the years ended June 30, 2025 and 2024:

	With Donor Restrictions				
	Without Donor Restrictions	Original Gift Amount	Accumulated Earnings and Other	Total With Donor Restrictions	Total
Endowment net assets, June 30, 2023	\$ -	\$ 557,512	\$ 150,607	\$ 708,119	\$ 708,119
Realized and unrealized gains net of interest, other investment income and fees	-	-	71,310	71,310	71,310
Appropriations of endowment assets	-	-	(34,587)	(34,587)	(34,587)
Endowment net assets, June 30, 2024	-	557,512	187,330	744,842	744,842
Realized and unrealized gains net of interest, other investment income and fees	-	-	70,578	70,578	70,578
Appropriations of endowment assets	-	-	(29,817)	(29,817)	(29,817)
Endowment net assets, June 30, 2025	\$ -	\$ 557,512	\$ 228,091	\$ 785,603	\$ 785,603

**Note 9. Assets Held on Behalf of Other Organizations**

Activity for the years ended June 30, 2025 and 2024, related to assets held on behalf of other organizations is as follows:

	2025	2024
Contributions	\$ 534,219	\$ 260,881
Interest and dividend income	284,242	264,467
Net realized and unrealized gains	1,471,868	1,385,396
Other loss and expenses	(225,591)	(204,047)
Net increase	2,064,738	1,706,697
Less grantmaking	(1,102,606)	(1,806,208)
Change in assets held on behalf of other organizations	962,132	(99,511)
Assets held on behalf of other organizations:		
Beginning	16,245,297	16,344,808
Ending	\$ 17,207,429	\$ 16,245,297

## Triangle Community Foundation, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 10. Operating Leases

The Foundation leases office space under a noncancellable operating lease. The lease generally is renewable and provides for payment of real estate taxes and certain other occupancy expenses.

The future undiscounted minimum annual rental commitments under this noncancellable operating lease that has initial or remaining terms in excess of one year are as follows:

	Operating Leases	
	2025	2024
Years ending June 30:		
2026		\$ 239,649
2027		121,055
Total lease payments		360,704
Less imputed interest		(27,418)
Total present value of lease liabilities		<u>\$ 333,286</u>
Weighted-average remaining lease term:		
Operating leases	1.5 years	2.5 years
Weighted-average discount rate:		
Operating leases	2.90%	2.90%

Rent expense for the years ended June 30, 2025 and 2024, was \$228,683 and \$224,391, respectively. Cash paid for amounts included in the measurement of lease liabilities was \$233,804 and \$228,102 for the years ended June 30, 2025 and 2024, respectively.

#### Note 11. Retirement Plan

The Foundation adopted a defined contribution retirement plan effective October 1, 2006. All full-time employees are eligible to participate in the plan when they have completed six months of service and are vested 100% after one year of employment. The Foundation contributed 6% of each employee's salary during each of the years ended June 30, 2025 and 2024. The expense related to this plan was \$123,753 and \$111,902 for the years ended June 30, 2025 and 2024, respectively.