

**THE ACHELIS AND BODMAN FOUNDATION**

**Financial Statements  
for years ended  
December 31, 2024  
and  
December 31, 2023  
(Modified Cash Basis)**

## **Independent Auditor's Report**



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To the Board of Trustees  
The Achelis and Bodman Foundation

### ***Opinion***

We have audited the accompanying financial statements of The Achelis and Bodman Foundation (the "Foundation"), which comprise the statements of financial position (modified cash basis) as of December 31, 2024 and December 31, 2023, and the related statements of activities (modified cash basis) and cash flows (modified cash basis) 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 statement of financial position (modified cash basis) of the Foundation as of December 31, 2024 and December 31, 2023, and the result of its activities (modified cash basis) and cash flows (modified cash basis) for the years then ended in accordance with the modified cash basis of accounting as described in note 2.

### ***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 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.

### ***Basis of Accounting***

We draw attention to note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in note 2 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 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 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, 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.

*Condon O'Leary McHerty & Donnelly LLP*

**THE ACHELIS AND BODMAN FOUNDATION**

**Statements of Assets and Net Assets  
(Modified Cash Basis)**

**Assets**

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cash	\$ 390,394	\$ 180,240
Investments, at fair value	142,646,435	136,923,570
Security deposit	27,000	27,000
<b>Total assets</b>	<b>\$143,063,829</b>	<b>\$137,130,810</b>

**Net Assets**

<b>Net assets without donor restrictions</b>	<b>\$143,063,829</b>	<b>\$137,130,810</b>
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See notes to financial statements.

**THE ACHELIS AND BODMAN FOUNDATION**

**Statements of Revenue and Expenses  
(Modified Cash Basis)**

	<b>Year Ended</b>	
	<b>December 31</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Operating activities</b>		
Net investment return	\$ 13,431,641	\$ 15,737,749
<b>Grants and operating expenses</b>		
Grants	<u>6,671,050</u>	<u>6,670,000</u>
Operating expenses		
Salaries and employee benefits	555,489	520,860
Professional fees	85,910	84,340
Consulting fees	37,500	40,000
Rent	88,333	112,832
Communication and computers	35,450	33,587
Administration costs and other	<u>24,890</u>	<u>14,526</u>
Total operating expenses	<u>827,572</u>	<u>806,145</u>
Total grants and operating expenses	<u>7,498,622</u>	<u>7,476,145</u>
<b>Change in net assets without donor restrictions</b>	<b>5,933,019</b>	<b>8,261,604</b>
<b>Net assets without donor restrictions, beginning of year</b>	<b><u>137,130,810</u></b>	<b><u>128,869,206</u></b>
<b>Net assets without donor restrictions, end of year</b>	<b><u>\$143,063,829</u></b>	<b><u>\$137,130,810</u></b>

See notes to financial statements.

**THE ACHELIS AND BODMAN FOUNDATION**

**Statements of Cash Flows  
(Modified Cash Basis)**

	<b>Year Ended</b>	
	<b>December 31</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 5,933,019	\$ 8,261,604
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Income from investment partnerships and similar type investments – net	(5,971,580)	(2,820,323)
Net realized (gain) on sale of investments	255,515	(1,317,879)
Net change in unrealized (gain) loss on investments	<u>(7,980,619)</u>	<u>(12,000,002)</u>
Net cash (used in) operating activities	<u>(7,763,665)</u>	<u>(7,876,600)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	18,541,838	16,118,584
Purchases of investments	(8,234,810)	(9,640,795)
Net money market activity	<u>(2,333,209)</u>	<u>1,122,684</u>
Net cash provided by investing activities	<u>7,973,819</u>	<u>7,600,473</u>
<b>Net increase (decrease) in cash</b>	<b>210,154</b>	<b>(276,127)</b>
<b>Cash, beginning of year</b>	<b><u>180,240</u></b>	<b><u>456,367</u></b>
<b>Cash, end of year</b>	<b><u>390,394</u></b>	<b><u>180,240</u></b>
<b>Supplemental disclosure of cash flow information</b>		
Federal excise and state unrelated business income tax	<u>\$ 26,213</u>	<u>\$ 128,200</u>

See notes to financial statements.

## THE ACHELIS AND BODMAN FOUNDATION

### Notes to Financial Statements December 31, 2024 and December 31, 2023 (Modified Cash Basis)

#### **Note 1 – Nature of organization and summary of significant accounting policies**

##### Nature of organization

The Achelis and Bodman Foundation (the “Foundation”) is a private foundation and was organized under the Membership Corporations Law of the State of New York by Elisabeth Achelis, George M. Bodman and his wife Louise Clarke Bodman, to distribute funds for charitable, benevolent, educational and religious uses and purposes.

The significant accounting policies followed are set forth below:

##### Basis of presentation

The financial statements and accounts of the Foundation are prepared on a cash receipts and cash disbursement basis, modified to record the investments at fair value; consequently, certain revenues, principally dividends and interest income, and related assets, are recognized when received and expenses are recognized when paid. Under accounting principles generally accepted in the United States of America, revenues are accrued when earned and expenses are recognized when the obligations are incurred.

##### Net assets

The Foundation’s net assets are without donor restrictions and its resources are available for general operations.

##### Cash equivalents

The Foundation considers all highly liquid investments with original maturities of three months or less to be cash equivalents, unless such assets are held as part of its investment strategy, in which case, these assets are included in investments.

##### Investments

Investments are recorded at fair value. The cost of investments sold is determined on a specific identification basis.

##### Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets.

**THE ACHELIS AND BODMAN FOUNDATION****Notes to Financial Statements (continued)  
December 31, 2024 and December 31, 2023  
(Modified Cash Basis)****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Fair value measurements (continued)

Level 2 – Observable inputs other than Level 1 prices such as quoted prices of similar assets or quoted prices in markets with insufficient volume or infrequent transactions (less than active markets).

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Functional expenses

The Foundation uses direct method in charging expenses to each functional category based on direct usage or charge. However, certain expenses are allocated to more than one function on a reasonable and consistently applied basis.

Risks and uncertainties

The Foundation's financial instruments that are potentially exposed to concentrations of credit risk consist of cash and investments. The Foundation maintains cash in bank deposit accounts, which, at times, exceeded FDIC insured limits. However, the Foundation has not experienced any losses on these accounts. The Foundation's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit risks. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statements of assets and net assets at December 31, 2024. The Foundation believes that no significant concentrations of credit risk exist with respect to its cash and investments.

Use of estimates

The Foundation uses estimates for fair value in preparing the financial statements. Actual results could differ from these estimates.

Subsequent events

The Foundation has evaluated events and transactions for potential recognition or disclosure through October 31, 2025, which is the date the financial statements were available to be issued.

**THE ACHELIS AND BODMAN FOUNDATION**

**Notes to Financial Statements (continued)**  
**December 31, 2024 and December 31, 2023**  
**(Modified Cash Basis)**

**Note 2 – Liquidity and availability of financial assets**

The Foundation regularly monitors the availability of resources required to meet its operating needs and other commitments while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing grant-making activities to be general expenditures.

The Foundation's financial assets consisting of cash, money market funds, common stocks, mutual funds and redemption receivables reported on the statements of financial position are available to meet general expenditures within one year. Financial assets that are not readily available include the Foundation's certain investments in hedge funds and limited partnerships due to the restriction on withdrawal of such assets.

**Note 3 – Investments**

For assets measured at fair value on a recurring basis as of December 31, 2024 and December 31, 2023, accounting standards require quantitative disclosures about the fair value measurements separately for each major class of assets as follows:

<u>Description</u>	<u>December 31, 2024</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 3,416,737	\$ 3,416,737	\$ -	\$ -
Common stock				
U.S. large cap	5,042,919	5,042,919	-	-
U.S. mid cap	1,395,690	1,395,690	-	-
U.S. small cap	1,113,661	1,113,661	-	-
International	299,735	299,735	-	-
Alternative investments				
International	2,994,526	-	-	2,994,526
Return enhancers	7,980,041	-	-	7,980,041
Equity oriented private	27,869,285	-	-	27,869,285
Equity oriented private equity				
Mutual funds	6,199,673	6,199,673	-	-
International	3,027,040	3,027,040	-	-
Emerging markets	1,809,986	1,809,986	-	-
Core fixed income	7,575,827	7,575,827	-	-
Other fixed income	3,290,496	3,290,496	-	-
Other equity	5,487,235	5,487,235	-	-
U.S. small cap	2,065,103	2,065,103	-	-
Total investments recorded in the fair value hierarchy	79,567,954	40,724,102	-	38,843,852
Alternative investments measured at net asset value	63,078,481			
Total investments	<u>\$142,646,435</u>			

**THE ACHELIS AND BODMAN FOUNDATION**

**Notes to Financial Statements (continued)**  
**December 31, 2024 and December 31, 2023**  
**(Modified Cash Basis)**

**Note 3 – Investments (continued)**

Description	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 1,083,528	\$ 1,083,528	\$ -	\$ -
Common stock				
U.S. large cap	4,643,650	4,643,650	-	-
U.S. mid cap	1,812,618	1,812,618	-	-
U.S. small cap	700,340	700,340	-	-
International	389,258	389,258	-	-
Alternative investments				
International	3,183,387	-	-	3,183,387
Return enhancers				
Credit oriented private equity	7,639,995	-	-	7,639,995
Equity oriented private equity	28,367,638	-	-	28,367,638
Mutual funds				
International	11,234,647	11,234,647	-	-
Emerging markets	5,449,516	5,449,516	-	-
Core fixed income	3,217,665	3,217,665	-	-
Other fixed income	8,122,015	8,122,015	-	-
Other equity	4,017,124	4,017,124	-	-
U.S. small cap	<u>2,129,367</u>	<u>2,129,367</u>	-	-
Total investments recorded in the fair value hierarchy	81,990,748	<u>\$ 42,799,728</u>	<u>\$ -</u>	<u>\$ 39,191,020</u>
Alternative investments measured at net asset value	<u>54,932,822</u>			
Total investments	<u>\$136,923,570</u>			

The following is a summary of changes in the fair value of the Foundation's Level 3 investments for the year ended December 31, 2024 and December 31, 2023:

	<u>2024</u>	<u>2023</u>
Fair value, January 1	\$ 39,191,020	\$ 36,330,298
Purchases	4,274,710	5,094,671
Sales distributions	(6,723,113)	(4,188,355)
Investment return, net	<u>2,101,235</u>	<u>1,954,406</u>
Fair value, December 31	<u>\$ 38,843,852</u>	<u>\$ 39,191,020</u>

**THE ACHELIS AND BODMAN FOUNDATION****Notes to Financial Statements (continued)  
December 31, 2024 and December 31, 2023  
(Modified Cash Basis)****Note 3 – Investments (continued)**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and December 31, 2023.

- Common stocks are valued at the closing price reported on the active market on which the individual investments are traded.
- Mutual funds are valued at the net asset value of shares held by the Foundation at year-end.
- Certain alternative investments, which include limited partnerships, are determined by each limited partnership's or fund's management. Management determines the fair value of its investments based on quoted market prices. If quoted market prices are not available, fair value is based on other relevant factors, including dealer price quotations, price activity for equivalent instruments and valuation pricing models. The Foundation's management engages an outside advisor to review the valuations for reasonableness based upon market movements, cash flows, their knowledge of the holdings and performance of similar investment strategies.

The Foundation follows the concept of the "practical expedient" under GAAP. The practical expedient is an acceptable method under GAAP to determine the fair value of certain NAV investments that (a) do not have a readily determinable fair value predicated upon a public market and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company under GAAP. As such, NAV investments are presented in the accompanying financial statements at fair value, as determined by the Foundation. Such fair value generally represents the Foundation's proportionate share of the net assets of the NAV investment as reported by the underlying investment managers or general partners. Accordingly, the fair value NAV of investments is generally increased by additional contributions and the Foundation's share of net earnings from the NAV investments and decreased by distributions and the Foundation's share of net losses from the NAV investments.

The Foundation believes that the carrying amount of its NAV investments is a reasonable estimate of fair value as of December 31, 2024 and December 31, 2023. Because these investments are not readily marketable, the estimated value is subject to uncertainty. Therefore, results may differ from the value that would have been used had a ready market for these investments existed. Such difference could be material.

**THE ACHELIS AND BODMAN FOUNDATION**

**Notes to Financial Statements (continued)  
December 31, 2024 and December 31, 2023  
(Modified Cash Basis)**

**Note 3 – Investments (continued)**

Alternative investments measured at net asset value consist of the following:

	<u>2024</u>	<u>2023</u>
Hedge Funds – Equity <sup>(3)</sup>	\$ 10,408,410	\$ 8,130,318
Hedge Fund – Fixed Income <sup>(2)</sup>	8,161,347	7,290,926
Hedge Fund – US Large Cap	11,114,893	10,620,740
Hedge Fund – US Small Cap	-	10,333,640
Hedge Fund – Diversified	8,149,208	7,397,122
Hedge Fund – International	632,425	898,445
Limited Partnership – International <sup>(2)</sup>	3,798,056	3,548,976
Limited Partnership – Credit Oriented <sup>(4)</sup>	7,016,578	6,712,655
Limited Partnership – Small US Cap	<u>13,797,564</u>	<u>-</u>
Total alternative investments measured at net asset value	<u>\$ 63,078,481</u>	<u>\$ 54,932,822</u>

\*- The number in parenthesis indicates the number of investment holdings the Foundation has in that investment strategy.

At December 31, 2024, the Foundation was committed to invest a total of \$106,600,000 in 47 private equity limited partnerships and hedge funds. To date, the Foundation had invested \$94,428,237 in these partnerships and remained committed to invest an additional \$12,171,763.

The limited partnerships and hedge funds are subject to a variety of lockup provisions, notice periods, redemption fees, if applicable, and withdrawal dates in which the Foundation has the legal right to receive redemptions of its investments.

**Note 4 – Retirement plans**

The Foundation maintains a defined contribution retirement plan covering all eligible employees. The Foundation contributes 12% of each eligible employee's annual compensation to the plan. Participants are fully vested after three years. The total pension contributions for 2024 and 2023 were \$45,000 and \$42,000, respectively, including administrative costs of the plan.

In addition, one employee of the Foundation has a 403(b) tax deferred annuity plan. The Foundation does not contribute to the plan. The employee may defer a portion of his compensation in accordance with the Internal Revenue Code regulations.

**THE ACHELIS AND BODMAN FOUNDATION**

**Notes to Financial Statements (continued)**  
**December 31, 2024 and December 31, 2023**  
**(Modified Cash Basis)**

**Note 5 – Functional expenses**

The following is a summary of the Foundation’s expenses on a functional basis for the years ended December 31, 2024 and December 31, 2023:

		2024		
		Program Services	Supporting Activities Management and General	Total
Grants		\$6,671,050	\$ -	\$6,671,050
Salaries and employee benefits		333,293	222,196	555,489
Professional fees		42,955	42,955	85,910
Other		<u>186,173</u>	<u>-</u>	<u>186,173</u>
Total		<u>\$7,233,471</u>	<u>\$ 265,151</u>	<u>\$7,498,622</u>
		2023		
		Program Services	Supporting Activities Management and General	Total
Grants		\$6,670,000	\$ -	\$6,670,000
Salaries and employee benefits		312,516	208,344	520,860
Professional fees		42,170	42,170	84,340
Other		<u>200,945</u>	<u>-</u>	<u>200,945</u>
Total		<u>\$7,225,631</u>	<u>\$ 250,514</u>	<u>\$7,476,145</u>

**Note 6 – Tax status**

The Foundation is exempt from Federal income tax under Section 501(c)(3) and is classified as a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, the Foundation is subject to an excise tax equal to 1.39% on its net investment income, which includes interest, dividends and net realized gains on investment transactions in addition to meeting other requirements related to distribution of assets. The Foundation also pays unrelated business income tax on certain income.