

The Greater Washington Community Foundation

Financial Statements
Years Ended March 31, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



The Greater Washington Community Foundation

Financial Statements,
Years Ended March 31, 2025 and 2024

The Greater Washington Community Foundation

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Independent Auditor's Report

Board of Trustees
The Greater Washington Community Foundation
Washington, D.C.

Opinion

We have audited the financial statements of The Greater Washington Community Foundation (The Community Foundation), which comprise the statements of financial position as of March 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Community Foundation as of March 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

BDO USA, P.C.

McLean, Virginia
December 19, 2025

Financial Statements

The Greater Washington Community Foundation

Statements of Financial Position

March 31,	2025	2024
Assets		
Cash and cash equivalents	\$ 54,372,644	\$ 66,426,260
Investments	432,480,721	448,745,814
Investments held for others	2,946,536	2,759,769
Grants and contributions receivable, net of present value discount of \$84,289 and \$249,317 in 2025 and 2024, respectively	23,337,449	6,692,787
Pledges receivable, net of present value discount of \$64,894 and \$57,597 in 2025 and 2024, respectively	940,144	996,519
Accrued interest income and other receivables	712,076	1,064,872
Prepaid expenses and other assets	576,227	866,388
Notes receivable, net of present value discount of \$396,766 and \$47,588 in 2025 and 2024, respectively	1,603,234	452,412
Charitable remainder trust receivables	1,246,077	1,264,113
Right-of-use asset - operating lease	124,755	1,607,899
Total Assets	\$ 518,339,863	\$ 530,876,833
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,426,031	\$ 609,969
Grants and appropriations payable, net of present value discount of \$409,561 and \$401,701 in 2025 and 2024, respectively	29,757,420	11,244,151
Funds held in trust for others	2,946,536	2,759,769
Other liabilities	5,036,438	20,019,194
Operating lease liabilities	480,283	2,313,994
Total Liabilities	39,646,708	36,947,077
Commitments and Contingencies		
Net Assets		
Without donor restrictions:		
Operating and other initiative funds	17,727,717	16,108,163
Donor-advised and other funds	449,636,590	466,226,302
Total Without Donor Restrictions	467,364,307	482,334,465
With donor restrictions:		
Donor-advised and other funds	9,196,520	11,154,186
Other time and purpose restrictions	2,132,328	441,105
Total Net Assets	478,693,155	493,929,756
Total Liabilities and Net Assets	\$ 518,339,863	\$ 530,876,833

See accompanying notes to the financial statements.

The Greater Washington Community Foundation

Statements of Activities and Change in Net Assets

<i>Year ended March 31,</i>	2025	2024
Change in Net Assets Without Donor Restrictions		
Support and Revenue		
Contributions	\$ 81,981,971	\$ 69,914,866
Investment return, net	28,715,545	52,716,706
Rental and other income	883,550	656,582
Grants	1,015,000	525,288
Net assets released from restrictions	1,834,984	-
Total Support and Revenue Without Donor Restrictions	114,431,050	123,813,442
Expenses		
Program services	122,014,555	92,678,133
Supporting services:		
Management and general	5,182,123	5,373,293
Fundraising	2,204,530	1,932,630
Total Supporting Services	7,386,653	7,305,923
Total Expenses	129,401,208	99,984,056
(Decrease) Increase in Net Assets Without Donor Restrictions	(14,970,158)	23,829,386
Change in Net Assets With Donor Restrictions		
Contributions	1,649,737	5,750,638
Change in value of real estate investment	(63,160)	312,191
Change in value of charitable remainder trusts receivable	(18,036)	129,206
Net assets released from restrictions	(1,834,984)	-
(Decrease) Increase in Net Assets With Donor Restrictions	(266,443)	6,192,035
Change in Net Assets	(15,236,601)	30,021,421
Net Assets, beginning of year	493,929,756	463,908,335
Net Assets, end of year	\$ 478,693,155	\$ 493,929,756

See accompanying notes to the financial statements.

The Greater Washington Community Foundation

Statement of Functional Expenses

Year ended March 31, 2025

	Supporting Services				Total Support Services	Total
	Program Services	Management and General	Fundraising			
Program grants and appropriations	\$ 120,341,984	\$ -	\$ -	\$ -	\$ -	\$ 120,341,984
Salaries and other benefits	1,053,081	3,097,144	1,031,621	4,128,765	4,128,765	5,181,846
Consulting and professional fees	211,590	885,332	207,278	1,092,610	1,092,610	1,304,200
Events related	-	-	408,876	408,876	408,876	408,876
Technology	85,104	250,292	83,369	333,661	333,661	418,765
Occupancy	110,538	325,095	108,285	433,380	433,380	543,918
Other	115,303	339,113	112,954	452,067	452,067	567,370
Insurance	31,574	92,859	30,930	123,789	123,789	155,363
Office supplies and operations	14,954	43,981	14,650	58,631	58,631	73,585
Travel and meetings	38,952	114,559	38,158	152,717	152,717	191,669
Development	-	-	157,168	157,168	157,168	157,168
Equipment and maintenance	2,090	6,147	2,047	8,194	8,194	10,284
Printing and publications	5,245	15,425	5,138	20,563	20,563	25,808
Telephone	2,173	6,390	2,129	8,519	8,519	10,692
Postage and delivery	1,967	5,786	1,927	7,713	7,713	9,680
Total Expenses	\$ 122,014,555	\$ 5,182,123	\$ 2,204,530	\$ 7,386,653	\$ -	\$ 129,401,208

See accompanying notes to the financial statements.

The Greater Washington Community Foundation

Statement of Functional Expenses

Year ended March 31, 2024

	Supporting Services				Total Support Services	Total
	Program Services	Management and General	Fundraising			
Program grants and appropriations	\$ 91,271,542	\$ -	\$ -	\$ -	\$ -	\$ 91,271,542
Salaries and other benefits	815,350	2,966,580	732,031	3,698,611	3,698,611	4,513,961
Consulting and professional fees	297,500	1,337,962	267,099	1,605,061	1,605,061	1,902,561
Events related	-	-	585,160	585,160	585,160	585,160
Technology	82,117	298,776	73,726	372,502	372,502	454,619
Occupancy	73,615	267,840	66,092	333,932	333,932	407,547
Other	52,603	191,395	47,227	238,622	238,622	291,225
Insurance	28,631	104,170	25,705	129,875	129,875	158,506
Office supplies and operations	21,739	79,094	19,517	98,611	98,611	120,350
Travel and meetings	17,106	62,238	15,358	77,596	77,596	94,702
Development	-	-	84,616	84,616	84,616	84,616
Equipment and maintenance	11,064	40,254	9,933	50,187	50,187	61,251
Printing and publications	3,715	13,518	3,336	16,854	16,854	20,569
Telephone	1,813	6,597	1,628	8,225	8,225	10,038
Postage and delivery	1,338	4,869	1,202	6,071	6,071	7,409
Total Expenses	\$ 92,678,133	\$ 5,373,293	\$ 1,932,630	\$ 7,305,923	\$ -	\$ 99,984,056

See accompanying notes to the financial statements.

The Greater Washington Community Foundation

Statements of Cash Flows

<i>Year ended March 31,</i>	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ (15,236,601)	\$ 30,021,421
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized and unrealized gains on investments	(5,426,331)	(36,436,258)
Change in discount of grants and contributions receivable	(165,028)	249,317
Change in discount of pledges receivable	7,297	25,339
Change in discount of notes receivable	349,178	(14,834)
Change in discount of charitable remainder trust receivable	18,036	(129,206)
Change in discount of grants and appropriations payable	(7,859)	(370,079)
Donated securities	(25,398,430)	(31,649,043)
Proceeds from the sales of donated securities	25,398,430	31,649,043
Non-cash lease expense	487,472	330,555
Notes receivable written-off	-	20,000
Changes in operating assets and liabilities:		
Grants and contributions receivable	(16,479,634)	(6,730,500)
Pledges receivable	49,078	(214,424)
Accrued interest income and other receivables	352,796	(276,028)
Prepaid expenses and other assets	290,161	33,015
Accounts payable and accrued expenses	816,062	(765,418)
Grants and appropriations payable	18,521,128	5,141,096
Funds held in trust for others	186,767	13,756
Other liabilities	(14,982,756)	20,019,194
Principal reduction in operating lease liabilities	(838,039)	(454,375)
Total Adjustments	(16,821,672)	(19,558,850)
Net Cash (Used in) Provided by Operating Activities	(32,058,273)	10,462,571
Cash Flows from Investing Activities		
Purchases of investments	(260,870,104)	(233,308,767)
Proceeds from sales of investments	282,374,761	251,688,867
Issuance of notes receivable	(1,500,000)	-
Net Cash Provided by Investing Activities	20,004,657	18,380,100
(Decrease) Increase in Cash and Cash Equivalents	(12,053,616)	28,842,671
Cash and Cash Equivalents, beginning of year	66,426,260	37,583,589
Cash and Cash Equivalents, end of year	\$ 54,372,644	\$ 66,426,260
Supplemental Disclosure of Noncash Activities		
Noncash adjustment to lease liability and right-of-use asset due to lease termination	\$ 995,672	\$ -

See accompanying notes to the financial statements.

The Greater Washington Community Foundation

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The Greater Washington Community Foundation (formerly known as The Community Foundation for the National Capital Region) was organized in December 1973 as The Community Foundation of Greater Washington pursuant to the District of Columbia Nonprofit Corporation Act, and commenced operations in January 1974. On July 13, 2017, the Foundation changed its name from “The Community Foundation for the National Capital Region” to “The Greater Washington Community Foundation.” A certificate of amendment was filed with the government of the District of Columbia on that date. The Greater Washington Community Foundation has a single program to strengthen the Washington metropolitan region by encouraging and promoting effective giving and by taking leadership on critical issues in its service area.

The Greater Washington Community Foundation is recognized as a not-for-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the IRC). The Internal Revenue Service (the IRS) has classified The Greater Washington Community Foundation as a publicly supported organization.

The Greater Washington Community Foundation (The Community Foundation) is comprised of a collection of component funds established by donors to The Community Foundation or internally designated by The Community Foundation. The Community Foundation’s service area is the Greater Washington geographical region. To provide specific services to sub-parts of its service area, The Community Foundation has teams who specifically focus their work in the District of Columbia, Montgomery County, Maryland, Prince George’s County, Maryland, and Northern Virginia.

The significant accounting policies followed by The Community Foundation are described below.

Basis of Accounting

The financial statements of The Community Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting year. Actual results may differ from estimates under different assumptions or conditions.

Revenue Recognition

Contributions

The Community Foundation records gifts of cash and marketable securities as contribution revenue when the gift is pledged or received. Certain gifts of real estate, non-marketable securities or other business ownership interests are subject to an approval process prior to the acceptance of the asset and recorded at fair market value.

The Greater Washington Community Foundation

Notes to the Financial Statements

Amounts received that are designated for a future period, or are restricted by the donor for specific purposes are reported as support with donor restrictions which increases that net asset class. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as net assets with donor restrictions. When the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities and change in net assets as net assets released from restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the contribution becomes unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before The Community Foundation is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. Conditional promises to give are not recognized until conditions are substantially met. There are no conditional promises to give during the years ended March 31, 2025 and 2024.

Contributions are recorded net of estimated uncollectible amounts. The Community Foundation uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, including multi-year pledges and split interest agreements, to be received after one year are recorded at the present value of the estimated future cash flows. Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years. Revenue under charitable gift annuity arrangements is reduced by the estimated annuities to be paid by The Community Foundation over the beneficiary's lifetime.

Federal Grants

Grants awarded by federal agencies or passed through to The Community Foundation from another donor that received funding from the U.S. federal government are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes. Revenue is recognized when qualifying expenditures are incurred and conditions under the grant agreement are met. A grant receivable is established for expenditures incurred for services or products for which government funds have not yet been drawn. As of March 31, 2025 and 2024, The Community Foundation had remaining available award balances on the federal grants of \$107,500 and \$1,040,987, respectively. These award balances are not recognized as assets and will be recognized as revenue as the projects progress and conditions are met, generally as expenses are incurred.

Rental and Other Income

Rental and other income is recognized when earned.

Cash Equivalents

The Community Foundation considers short-term investments with original maturities of three months or less to be cash equivalents, excluding cash equivalents held temporarily for long-term investment purposes by investment custodians. Temporary cash positions in the investment portfolio are considered investments and are not included in cash and cash equivalents in the accompanying statements of financial position.

The Greater Washington Community Foundation

Notes to the Financial Statements

Investments

The Community Foundation records investments at fair value. Interest and dividend income is accounted for on the accrual basis. Gains and losses on investments, including changes in market value, are reported in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

As of March 31, 2025 and 2024, a portion of The Community Foundation's investments are comprised of shares held in investment funds without readily determinable fair values. Any significant changes in the fair value of these investment funds could significantly affect the overall value of The Community Foundation's investment portfolio and its net assets.

The Community Foundation maintains an Investment Policy Statement (IPS) to guide the management of its investment funds. The IPS outlines the Community Foundation's fiduciary responsibilities, investment objectives, asset allocation strategies, and risk management practices.

The Board of Trustees has ultimate fiduciary responsibility for the investment funds. The Investment Committee reports to the Board of Trustees and is responsible for overseeing and monitoring investment strategy, performance and selection of investment experts and professionals. The Chief Financial Officer (CFO) handles daily administration and coordination with the Outsourced Chief Investment Officer (OCIO), who provides strategic guidance and is the primary source of investment education and investment strategy.

Grants and Contributions Receivable

Contributions and grants receivable consist primarily of estate receivables to be collected in the following fiscal year. Contribution and grant receivables that are expected to be collected in future years are recorded at the present value of their estimated future cash flows which approximates their fair value. The discounts on those amounts are computed using an average treasury bond corporate rate based on the number of years until the contract arrangements expire. Amortization of the discount is recorded as additional contribution revenue.

Pledges Receivable

Unconditional promises to give that are expected to be collected in future years are recorded as income in the year the pledge is received at the present value of estimated future cash flows which approximates fair value. Amortization of the discount is recorded as additional contribution revenue. The Community Foundation records an allowance when management determines that collectability is not probable. As of March 31, 2025 and 2024, allowance for uncollectible pledges was \$0.

Notes Receivable

Notes receivable are stated at their estimated net realizable value, net of any allowance for credit losses and adjusted for a present value discount, when deemed appropriate.

The Greater Washington Community Foundation

Notes to the Financial Statements

Allowance for Credit Losses

The Community Foundation recognizes an allowance for credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the statements of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset (contractual term) which includes consideration of prepayments and is based on our expectation as of the financial position date.

Assets are written off when The Community Foundation determines that such financial assets are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the financial position date.

The Community Foundation pools its financial assets based on similar risk characteristics in estimating expected credit losses. In situations where certain assets do not share the same risk characteristics with other assets, The Community Foundation measures the expected credit losses for those as needed from period to period as risk characteristics change.

The Community Foundation uses a default rate approach in determining its lifetime expected credit losses on its notes receivable and mission-related investments. This method is used for calculating an estimate of losses based primarily on The Community Foundation's historical loss experience.

In determining its loss rates, The Community Foundation evaluates information related to its historical losses, adjusted for various factors including historical repayments and reinvestment data, default rates, current conditions and delinquency status and further adjusted for the period of time that The Community Foundation can reasonably forecast. For the period of time beyond which The Community Foundation cannot reasonably forecast, reversion to historical amounts is applied based on the facts and circumstances as of the reporting date. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all of the following: the customers' creditworthiness, changes in policy and procedures, existence, and effect of any concentration of credit and changes in the level of such concentrations, and the current and forecasted direction of the economic and business environment.

Charitable Remainder Trust Receivables

Receivables from split-interest agreements are recorded at fair value, which is the estimated net present value of The Community Foundation's remainder interests in various trusts held by third-party trustees. The net present value of these receivables is determined using investment returns consistent with the composition of the asset portfolios of the trusts, single or joint life expectancy from published tables, and discount rates commensurate with the risks involved. The estimation of the net present value of these receivables is subjective and requires significant judgment. Due to uncertainties inherent in the estimation process, it is possible that future events in either the near- or long-term could materially affect the amounts reported in the statements of financial position.

Grants and Appropriations Payable

Grants and appropriations payable are recognized when approved, following the completion of the Community Foundation's due diligence process. When grants and appropriations are to be paid over

The Greater Washington Community Foundation

Notes to the Financial Statements

a period of more than one year, The Community Foundation records such liabilities at their estimated present values.

For grants that are conditional based on the terms of the agreement, grants payable and the related grant expense is not recorded until the condition has been met. As of March 31, 2025 and 2024, there were no conditional grants payable.

Other Liabilities

The Community Foundation recognizes certain funds received and designated for specific beneficiaries as other liabilities. The Community Foundation acts as an agent or intermediary of the funds, as it does not have discretion to choose the beneficiaries of those transferred resources. Other liabilities as of March 31, 2025 and 2024 were \$5,036,438 and \$20,019,194, respectively.

The Community Foundation holds two separate FDIC-insured and interest-bearing cash accounts pursuant to two agency agreements entered into in 2025. As of March 31, 2025 and 2024, cash in these accounts amounted to \$2,241,264 and \$0, respectively, presented under "Other liabilities" in the statements of financial position. The respective cash is included in cash and cash equivalents.

Leases

The Community Foundation determines if an arrangement contains a lease at inception. The Community Foundation has operating leases primarily for its offices. Right-of-use (ROU) asset represents the Community Foundation's right to use an underlying asset for the lease term and lease liability represents the Community Foundation's obligation to make lease payments arising from the lease. Operating lease ROU asset and operating lease liability are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The lease term is determined to be the non-cancelable period including any lessee renewal options which are considered to be reasonably certain of exercise. For all leases, the Community Foundation has elected the practical expedient to utilize the risk-free rate over a similar period as the remaining lease term as the applicable discount rate. Lease expense for fixed lease payments on operating leases is recognized over the expected term on a straight-line basis.

Leases arise from contractual obligations that convey the right to control the use of identified property and equipment for a period of time in exchange for consideration. At the inception of the contract, The Community Foundation determines if an arrangement contains a lease based on whether there is an identified asset and whether The Community Foundation controls the use of the identified asset. The Community Foundation also determines whether the lease classification is an operating or financing lease at the commencement date.

The Community Foundation's operating leases typically include non-lease components such as common area maintenance costs, utilities, and other maintenance costs. The Community Foundation has elected, as a practical expedient not to separate lease components from non-lease components and instead, account for them as a single lease component.

The Community Foundation's lease terms may include options to extend or terminate the lease. The Community Foundation generally uses the base, noncancellable, lease term when recognizing the right-of-use assets and liabilities, unless it is reasonably certain that The Community Foundation will exercise those options. The Community Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Greater Washington Community Foundation

Notes to the Financial Statements

As a matter of policy, The Community Foundation elected to exclude leases with terms of 12 months or less from the statements of financial position date. Lease expense for these short term leases is recognized on a straight-line basis over the expected term of the lease.

Net Assets

The Community Foundation classifies net assets into two categories: without donor restrictions and with donor restrictions. All contributions and grants are considered to be available for general use unless specifically restricted by the donor.

Net assets without donor restrictions consist of the following types of internally designated funds:

Operating and Other Initiative Funds - Funds used for the general operation of The Community Foundation.

Donor-advised and Other Funds - Funds established by donor contributions that enable donors to make recommendations from time to time about the distributions from the funds. The donors' advice in the grant-making process is considered by The Community Foundation in making grants from these resources. Other funds include field of interest funds used to support particular interests to the donor, designated funds intended to benefit designated charitable organizations, scholarship funds intended to assist students in obtaining an education, sponsored program funds established to assist a particular charitable program, initiative, or 501(c)(3) organization, in addition to various other funds.

Net assets with donor restrictions include contributions or grants with temporary, donor-imposed time and/or purpose restrictions. Net assets with donor restrictions are reported in the statements of activities and changes in net assets as net assets released from restrictions when the time restrictions expire or the funds are used for their restricted purpose. Net assets with donor restrictions consist of funds that are unavailable for use in the current period due to donor-imposed time restrictions. The Community Foundation's net assets are subject to the component fund requirements, including a variance power provision.

Donor-restricted contributions are reported as net assets without donor restrictions if the restrictions are met in the same reporting period in which the contributions are received.

The Community Foundation's financial statements are prepared in accordance with the current authoritative guidance issued by the FASB. These standards provide that if the agreement contains variance power then the governing body of an organization has the ability to remove a donor restriction, and the contributions should be classified as without donor restrictions.

Donated Securities

The Community Foundation records donated publicly traded securities at fair value, which is determined by averaging the high and low prices of the securities on the date of the gift. As a general practice, donated publicly traded stocks and bonds are sold or redeemed as soon as practicable. Any changes in fair value after the initial recording are reported as investment return in the statements of activities. The fair value of illiquid assets is determined using suitable valuation methods and techniques, as specified in the Foundation's gift acceptance policy and in compliance with GAAP.

The Greater Washington Community Foundation

Notes to the Financial Statements

Functional Allocation of Expenses

The costs of providing The Community Foundation's programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. The statements of functional expenses present the natural classification of expenses by function. Salaries and related benefits are recorded based upon executive level time keeping methods or job descriptions. Certain overhead costs are allocated between the programs and supporting services benefited based on the percentages of payroll costs charted to each functional category. Overhead costs are those expenses that cannot be tied directly to an activity including some expenses in the natural expense categories of occupancy, equipment and maintenance, insurance, and technology and other.

Income Taxes

The Community Foundation is exempt from federal income taxes under Section 501(c)(3) of the IRC and from District of Columbia franchise tax under applicable tax regulations, except for income from activities not related to its tax-exempt purpose, which primarily includes unrelated business income from certain investments that are subject to federal and state income taxes. No provision for income taxes was recorded during the years ended March 31, 2025 and 2024, since The Community Foundation had no significant unrelated business income. The Community Foundation is not a private foundation pursuant to section 509(a)(1) of the IRC.

In accordance with authoritative guidance on accounting for uncertainty in income taxes issued by the FASB, The Community Foundation recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. With few exceptions, The Community Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years ended March 31, 2020 and prior. Management has evaluated the tax positions of The Community Foundation and has concluded that no material uncertain tax positions have been taken that require adjustment to the financial statements to comply with the provisions of this guidance.

Concentrations of Credit Risk

The Community Foundation's assets that are exposed to credit risk consist primarily of cash and cash equivalents, investments, contributions receivable, pledge receivable, notes receivable, and charitable remainder trusts receivable. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Community Foundation has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at March 31, 2025 and 2024, was approximately \$53.9 million and \$67.3 million, respectively. Investment securities are exposed to various risks such as interest rate, market, and credit risks. The Community Foundation's charitable remainder trusts receivable are due from donor trusts that hold investments that are subject to the same types of investment risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment and charitable remainder trusts receivable balances and the amounts reported in the statements of financial position.

The Greater Washington Community Foundation

Notes to the Financial Statements

The Community Foundation's pledges, contributions, and notes receivable balances consist primarily of amounts due from individuals and corporations. Historically, The Community Foundation has not experienced significant losses related to the notes and pledges receivable balances and, therefore, believes that the credit risk related to them is minimal.

Related Party Transactions

During the year, The Community Foundation received contributions from members of its Board of Trustees and certain committees. These contributions were made in the ordinary course of The Community Foundation's fundraising activities and are included in total contributions in the accompanying financial statements.

In addition, certain Board and committee members have established donor advised funds with The Community Foundation. Board and committee members may recommend grants from these funds to The Community Foundation or other charitable organizations. While The Community Foundation considers donor recommendations, it retains full legal ownership and discretion over all fund assets, including the authority to approve or decline grant recommendations in accordance with its grantmaking criteria, mission, and variance power.

Management believes that all related party transactions were conducted at arm's length and in accordance with The Community Foundation's conflict of interest policies.

Recently Adopted Authoritative Guidance

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The amendments in this Update address challenges encountered when applying the guidance in Topic 326 to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, *Revenue from Contracts with Customers*. The amendments in this Update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606.

The practical expedient permits all entities to assume that current conditions as of the statement of financial position date do not change for the remaining life of the asset. The accounting policy election permits the entity to consider collection activity after the statement of financial position date when estimating expected credit losses.

The amendments are effective, on a prospective basis, for annual reporting periods beginning after December 15, 2025, with early adoption permitted. Management elected to adopt the practical expedient and the accounting policy election of this ASU early for the year ended March 31, 2025. The adoption of this ASU did not have a material impact on the financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures*. The ASU requires organizations to provide additional, disaggregated disclosures for income taxes paid, along with information about income from continuing operations before income tax expense on a disaggregated basis. Certain other disclosure requirements were eliminated. This

The Greater Washington Community Foundation

Notes to the Financial Statements

update is effective for annual periods beginning after December 15, 2025. Management continues to evaluate the potential impact of this ASU.

In March 2023, the FASB issued ASU 2023-02, *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*. This ASU was issued to allow reporting entities to consistently account for equity investments made primarily for the purpose of receiving income tax credits and other income tax benefits. The ASU applies to all reporting entities that hold (1) tax equity investments that meet the conditions for and elect to account for them using the proportional amortization method or (2) an investment in a low-income-housing tax credit structure (LIHTC) through a limited liability entity that is not accounted for using the proportional amortization method and to which certain LIHTC-specific guidance removed from Subtopic 323-740 has been applied. Under the proportional amortization method, an entity amortizes the initial cost of the investment in proportion to the income tax credits and other income tax benefits received and recognizes the net amortization and income tax credits and other income tax benefits in the statement of activities as a component of income tax expense (benefit). The entity must meet all the conditions in accordance with ASC 323-740-25-4. The ASU requires specific disclosures. The ASU is effective for fiscal years beginning after December 15, 2024. The adoption must be applied on either a modified retrospective or a retrospective basis. Management continues to evaluate the potential impact of this ASU.

2. Grants and Contributions Receivable

Management believes amounts recorded in contributions receivable to be collectible based on historical collection experience, write-offs, and other factors and, therefore, has not recorded an allowance against grants and contributions receivable as of March 31, 2025 and 2024.

The anticipated cash flows from grants and contributions receivable below are determined based on the terms of the agreement. Amounts expected to be collected in one-to-five years represents a single grant discounted at 4.4% interest rate.

<i>March 31,</i>	2025	2024
Less than a year	\$ 21,421,795	\$ 2,942,148
One-to-five years	1,999,943	3,999,956
More than five years	-	-
Subtotal	23,421,738	6,942,104
Less: discount to present value	(84,289)	(249,317)
Contributions and Grants Receivable	\$ 23,337,449	\$ 6,692,787

3. Pledge Receivables

Management believes amounts recorded in pledges receivable to be collectible based on historical collection experience, write-offs, and other factors and, therefore, has not recorded an allowance against grants and contributions receivable as of March 31, 2025 and 2024.

The Greater Washington Community Foundation

Notes to the Financial Statements

The anticipated cash flows from pledges receivable below are determined based on the terms of the agreement. Amounts expected to be collected in future years are discounted to present value using interest rates ranging from 3.60% to 4.21% for the years ended March 31, 2025 and 2024.

<i>Year ended March 31,</i>	2025	2024
Less than a year	\$ 523,205	\$ 422,558
One-to-five years	481,833	631,558
More than five years	-	-
Subtotal	1,005,038	1,054,116
Less: discount to present value	(64,894)	(57,597)
Pledge Receivables	\$ 940,144	\$ 996,519

4. Notes Receivable

The Community Foundation has a \$500,000 non-interest-bearing note and a \$1,500,000 non-interest-bearing note receivable that mature in August 2027 and April 2034, respectively. The notes have imputed interest rates ranging from 3.39% to 4.42%. The recorded present value of the remaining notes totaled \$1,603,234 and \$452,412 as of March 31, 2025 and 2024, respectively. Unamortized discount on notes receivable amounted to \$396,766 and \$47,588 as of March 31, 2025 and 2024, respectively.

5. Charitable Remainder Trust Receivables

During fiscal year 2015, The Community Foundation received a \$777,874 pledge to be received from the assets of a charitable remainder unitrust, payable on the termination date of the unitrust, or twenty years from the date that the underlying assets were transferred to the trust. The underlying agreement requires payments of 6% of the net fair market value of the trust assets to be paid quarterly to the income and/or successor beneficiary of the trust during the period of the trust. The Community Foundation does not have control over the underlying assets and is not a trustee. The amount receivable from this trust is revalued at its estimated fair value annually using investment returns consistent with the composition of the asset portfolios of the trust, single or joint life expectancy from published tables, and discount rates. The present value discount rate used was 4.23% and 4.20% for the years ended March 31, 2025 and 2024, respectively. Assets associated with this agreement totaled \$482,592 and \$441,105 as of March 31, 2025 and 2024, respectively, and are included in charitable remainder trust receivables in the accompanying statements of financial position.

During fiscal year 2023, The Community Foundation received a \$2,213,326 pledge to be received from the assets of a charitable remainder unitrust, payable on the termination date of the unitrust, or twenty years from the date that the underlying assets were transferred to the trust. The underlying agreement requires payments of 5% of the net fair market value of the trust assets to be paid quarterly to the income and/or successor beneficiary of the trust during the period of the trust. The Community Foundation does not have control over the underlying assets and is not a trustee. The amount receivable from this trust is revalued at its estimated fair value annually using investment returns consistent with the composition of the asset portfolios of the trusts, single or joint life expectancy from published tables, and discount rates. The present value discount rate used was 4.4% for the years ended March 31, 2025 and 2024. Assets associated with this agreement totaled \$763,485 and \$823,008 as of March 31, 2025 and 2024, respectively, and are included in

The Greater Washington Community Foundation

Notes to the Financial Statements

charitable remainder trust receivables in the accompanying statements of financial position. Unamortized discount on charitable remainder trust receivables amounted to \$1,745,123 and \$1,727,088 as of March 31, 2025 and 2024, respectively.

The charitable remainder trust receivables are considered to be with donor restrictions until the funds are received.

6. Grants and Appropriations Payable

The Community Foundation makes grants to fund organizations that promote charitable, educational, civic and cultural needs primarily of the greater Washington metropolitan area. The aggregate amounts due for the grants and appropriations payable for the next five fiscal years, is as follows:

Years ending March 31,

2026	\$	19,958,148
2027		9,931,833
2028		162,000
2029		105,000
2030		10,000
		<hr/>
		30,166,981
Less: discount on grants and appropriations to be paid over more than one year		(409,561)
		<hr/>
	\$	29,757,420

The discount rates used to calculate the present value of grants and appropriations payable range from 2.42% to 4.21% and from 0.35% to 4.21% as of March 31, 2025 and 2024, respectively.

7. Funds Held in Trust for Others

The Community Foundation has been appointed to serve as trustee for several charitable trusts. Funds held in this capacity are included as both assets (investments held for others) and liabilities (funds held in trust for others) in the statements of financial position.

The Greater Washington Community Foundation

Notes to the Financial Statements

8. Donor-Advised and Other Funds

Donor-advised and other funds consist of the following:

<i>March 31,</i>	2025	2024
Donor advised and other funds, without donor restrictions		
Donor-advised funds	\$ 368,780,066	\$ 392,204,591
Field of interest funds	47,642,329	45,200,487
Designated funds	17,706,574	17,391,196
Scholarship and other funds	15,098,060	11,028,327
	449,227,029	465,824,601
Add: unallocated discount on grants and appropriations to be paid over more than one year (see Note 6)	409,561	401,701
Total Donor Advised and Other Funds, without donor restrictions	449,636,590	466,226,302
Donor advised funds, with donor restrictions		
Donor-advised funds	9,196,520	11,154,186
Field of interest funds	19,314	-
Scholarship and other funds	2,113,014	441,105
Total Donor Advised and Other Funds, with donor restrictions	11,328,848	11,595,291
Total Donor-Advised and Other Funds	\$ 460,965,438	\$ 477,821,593

9. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

<i>March 31,</i>	2025	2024
Time restrictions:		
Grants and contributions receivable	\$ 3,915,654	\$ 5,750,638
Real estate investment	4,517,380	4,580,540
Charitable remainder trust receivables	1,246,077	1,264,113
Purpose restrictions:		
Sponsored programs	1,475,000	-
Special initiatives	174,737	-
	\$ 11,328,848	\$ 11,595,291

10. Retirement Plan

The Community Foundation maintains a defined contribution retirement plan (the Plan) for eligible employees. The Community Foundation contributes up to a fixed percentage of each eligible employee's compensation to the Plan. Employees are eligible to participate immediately, while employer contributions vest ratably over three years of employment. The Community Foundation recorded contributions to the Plan of \$168,777 and \$145,729 for the years ended March 31, 2025 and 2024, respectively.

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Notes to the Financial Statements

11. Investments

Investments and investments held for others consist of the following:

<i>March 31,</i>	2025	2024
Mutual funds	\$ 292,352,305	\$ 344,647,800
Common stocks	44,164,187	40,057,183
Cash and money market accounts	9,466,160	5,316,416
U.S. government securities	41,060,735	22,379,426
Commodities	248,862	173,622
Real estate	11,152,715	10,647,246
Private equity	3,955,529	3,924,643
Alternative investments	25,296,075	16,504,433
Total Investments, measured at fair value (Note 12)	427,696,568	443,650,769
Mission-related investments	7,730,689	7,854,814
	\$ 435,427,257	\$ 451,505,583

The following chart provides a reconciliation of total investments and investments held for others measured at fair value to the fair value tables in Note 12.

<i>March 31,</i>	2025	2024
Investments measured at fair value	\$ 424,750,032	\$ 440,891,000
Investments held for others	2,946,536	2,759,769
Total Investments, measured at fair value (Note 12)	427,696,568	443,650,769
Mission-related investments	7,730,689	7,854,814
	\$ 435,427,257	\$ 451,505,583

Mission-related investments are The Community Foundation's direct investments in various entities whose purpose aligns with The Community Foundation's mission. This category is comprised of impact notes receivable made to a Community Development Financial Institution or "CDFI", for the purpose of building and preserving affordable housing units for low-income individuals across the region. The balance consists of 14 and 17 notes receivable as of March 31, 2025 and 2024, respectively. The notes receivables are stated at their estimated net realizable value, net of any allowance for credit losses. There are no allowance for credit losses for the years ended March 31, 2025 and 2024. The notes range from three-year to five-year notes, with initial investments ranging from \$25,000 to \$5,430,000 and interest rates ranging from 1.25% to 3.00% in 2025 and 1.25% to 2.50% in 2024. Interest accrues on a 365-day year basis, and accrued interest is reinvested annually for one of the notes and paid annually on September 30th of each year for the remaining notes. The initial investments in the notes and any unpaid interest may be redeemed at the time of maturity. The notes receivables are due as follows: \$1,750,000 in 2026, \$350,000 in 2027, and \$5,630,689 in 2028. The effect of discounting future cash flows to present value is not material to the financial statements, accordingly, amounts have not been discounted.

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Notes to the Financial Statements

12. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Community Foundation reports certain investments using the net asset value per share as determined by investment managers under the so called “practical expedient”. The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

Accounting Standard Codification (ASC) 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable input (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that The Community Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Greater Washington Community Foundation

Notes to the Financial Statements

The valuation methodologies The Community Foundation uses to measure its assets at fair value are described below:

Investments

In general, and where applicable, The Community Foundation uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. If quoted prices in active markets for identical assets are not available to determine fair value, then The Community Foundation uses quoted prices for similar assets or inputs other than the quoted prices that are observable either directly or indirectly. These investments are included in Level 2. The Community Foundation's Level 3 assets primarily include certain investments in real estate interests and private equity. Real estate investments and investments in privately held entities are reported at the fair value of the investment as determined by the most recent appraisal or prices used in current transactions. The Community Foundation values its interest in other business entities and hedge funds using significant unobservable inputs including information from fund managers or general partners based on quoted market prices, if available, or other valuation methods. Management reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Unobservable inputs used in these models are significant to the fair value of the investments.

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The Greater Washington Community Foundation

Notes to the Financial Statements

Fair Value on a Recurring Basis

The following tables set forth by level, within the fair value hierarchy, The Community Foundation's assets recorded at fair value:

March 31, 2025

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap funds	\$ 91,259,561	\$ -	\$ -	\$ 91,259,561
International funds	60,407,442	-	-	60,407,442
Other*	33,209,573	-	-	33,209,573
Intermediate bonds	46,083,374	-	-	46,083,374
Mid cap funds	15,657,292	-	-	15,657,292
Corporate bonds	35,148,977	-	-	35,148,977
Small cap funds	5,511,001	-	-	5,511,001
Government bonds	1,850,149	-	-	1,850,149
Mortgage backed securities	-	259,109	-	259,109
Unit trusts	2,689,714	-	-	2,689,714
REIT/real estate funds	276,113	-	-	276,113
Total Mutual Funds	292,093,196	259,109	-	292,352,305
Common stocks:				
Consumer	5,433,098	-	-	5,433,098
Health	5,489,892	-	-	5,489,892
Services and other stocks	3,557,693	-	-	3,557,693
Technology	7,555,063	-	-	7,555,063
International stocks	11,561,190	-	-	11,561,190
Finance	3,718,247	-	-	3,718,247
Information technology	30,953	-	-	30,953
Industrial	2,289,738	-	-	2,289,738
Energy	1,301,722	-	-	1,301,722
Material	1,381,462	-	-	1,381,462
Utilities	1,732,279	-	-	1,732,279
Mid cap stocks	112,850	-	-	112,850
Total Common Stocks	44,164,187	-	-	44,164,187
Cash and money market accounts	9,466,160	-	-	9,466,160
U.S. government securities	41,060,735	-	-	41,060,735
Real estate	-	-	11,152,715	11,152,715
Private equity	-	-	3,955,529	3,955,529
Commodities	248,862	-	-	248,862
Total	\$ 387,033,140	\$ 259,109	\$ 15,108,244	402,400,493
Investments measured at net asset value**:				
Multi-strategy and other funds				24,046,733
Hedge fund of funds				1,103,112
Buyout and growth equity funds				146,230
Total Investments, measured at net asset value**				25,296,075
Total Investments, at fair value				\$ 427,696,568

The Greater Washington Community Foundation

Notes to the Financial Statements

March 31, 2024

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Large cap funds	\$ 92,731,610	\$ -	\$ -	\$ 92,731,610
International funds	61,229,195	-	-	61,229,195
Other*	51,921,211	-	-	51,921,211
Intermediate bonds	28,961,822	-	-	28,961,822
Mid cap funds	14,307,239	-	-	14,307,239
Corporate bonds	6,249,002	-	-	6,249,002
Small cap funds	6,275,828	-	-	6,275,828
Government bonds	80,311,365	-	-	80,311,365
Unit trusts	2,333,565	-	-	2,333,565
REIT/real estate funds	326,963	-	-	326,963
Total Mutual Funds	344,647,800	-	-	344,647,800
Common stocks:				
Consumer	5,281,287	-	-	5,281,287
Health	6,180,213	-	-	6,180,213
Services and other stocks	2,849,102	-	-	2,849,102
Technology	9,816,399	-	-	9,816,399
International stocks	7,558,958	-	-	7,558,958
Finance	3,097,730	-	-	3,097,730
Information technology	128,414	-	-	128,414
Industrial	2,486,147	-	-	2,486,147
Energy	946,094	-	-	946,094
Material	1,015,996	-	-	1,015,996
Utilities	696,843	-	-	696,843
Total Common Stocks	40,057,183	-	-	40,057,183
Cash and money market accounts	5,316,416	-	-	5,316,416
U.S. government securities	22,379,426	-	-	22,379,426
Real estate	-	-	10,647,246	10,647,246
Private equity	-	-	3,924,643	3,924,643
Commodities	173,622	-	-	173,622
Total	\$ 412,574,447	\$ -	\$ 14,571,889	427,146,336
Investments measured at net asset value**:				
Multi-strategy and other funds				15,694,152
Hedge fund of funds				657,230
Buyout and growth equity funds				153,051
Total Investments, measured at net asset value**				16,504,433
Total Investments, at fair value				\$ 443,650,769

* Other mutual funds primarily include investments in mutual funds that hold companies engaged in communication, entertainment, media, advertising, and publishing services across traditional and digital platforms.

** Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized 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 accompanying statement of financial position.

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Notes to the Financial Statements

Changes in Fair Value Levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Community Foundation's management evaluates the significance of transfers between levels based upon the nature of the investment. For the years ended March 31, 2025 and 2024, there were no significant transfers in or out of Level 3.

The following table presents The Community Foundation's activity for assets measured at fair value on a recurring basis using significant unobservable inputs as defined in ASC 820:

<i>Year ended March 31,</i>	2025	2024
Purchases/additions	\$ -	\$ 100,000
Settlements	(1,229,823)	(161,912)

The major categories of The Community Foundation's investments that are valued at net asset value or its equivalent or are measured at Level 3 that have unfunded commitments and/or redemption gates are listed as follows:

March 31, 2025

Description	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Days)
Buyout and growth equity funds (a)	\$ 146,230	\$ 39,153	Annually, Capital Distributions	60
Multi-strategy and other funds (b)	24,046,733	1,328,106	Monthly, Quarterly, Not Permitted	30-105, N/A
Private equity (c)	3,955,529	-	Periodic, Not Permitted	N/A
Real estate (d)	11,152,715	-	Periodically	N/A
Hedge fund of funds (e)	1,103,112	-	Semi-annually	95
Total	\$ 40,404,319	\$ 1,367,259		

March 31, 2024

Description	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period (Days)
Buyout and growth equity funds (a)	\$ 153,051	\$ 39,087	Annually, Capital Distributions	60
Multi-strategy and other funds (b)	15,694,152	70,000	Monthly, Quarterly, Not Permitted	30-105, N/A
Private equity (c)	3,924,643	-	Periodic, Not Permitted	N/A
Real estate (d)	10,647,246	-	Periodically	N/A
Hedge fund of funds (e)	657,230	-	Quarterly	95
Total	\$ 31,076,322	\$ 109,087		

(a) This category is comprised of investments in private equity funds and private equity funds of funds in the U.S. and outside of the U.S. whose mandates include leveraged buyouts and growth equity investments in companies. Another fund only allows redemptions at calendar year end. Approximately 96% and 92% of the value of these

The Greater Washington Community Foundation

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investments is available for redemption at March 31, 2025 and 2024, respectively. One fund in this category is redeemable as capital distributions as determined by the fund manager.

- (b) This category is comprised of investments in hedge funds that are not exclusively global macro or hedged equity and other funds. Strategies include relative value, event driven, and arbitrage. Underlying investments are typically the same markets as the types invested in both the public equity and fixed income commingled categories as well as derivatives. The funds include short positions as well as long positions and use leverage. Some funds may invest in private investments which are typically segregated into side pockets (a separate share class) and are not available for redemption until the investment is liquidated by the fund manager. Approximately 79% and 80% of the value of the investments is available for redemption at March 31, 2025 and 2024, respectively. Two funds in this category have a 25% redemption rate. Additionally, two funds does not permit withdrawals.
- (c) This category is comprised of investments in shares of privately held corporations. Redemption of these investments is subject to the Corporation's notification to its stockholders and approval by the board of the Corporation.
- (d) This category is comprised of investments in limited liability companies that invest in real estate properties. Redemption of these investments is subject to the terms of the partnership agreements.
- (e) This category is invested in a fund of hedge funds. Underlying hedge fund strategies primarily include hedge equity, multi-strategy, relative value, event driven and arbitrage strategies.

Valuation Process for Level 3 Instruments

In estimating fair value of the investments in Level 3, management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, Management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

13. Commitments

Operating Leases

The Community Foundation leases office space in Washington, D.C. under the terms of an operating lease that commenced in July 2017 and expires in June 2025 after The Community Foundation exercised an early termination clause.

Components and non-components of lease expense is reflected in the occupancy cost in the accompanying statements of functional expenses. These costs are:

<i>Year ended March 31,</i>	2025	2024
Operating lease expense	\$ 534,081	\$ 394,611
Variable lease expense	9,837	12,936
	\$ 543,918	\$ 407,547

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Notes to the Financial Statements

Supplemental quantitative information related to the operating lease:

<i>Year ended March 31,</i>	2025	2024
Cash paid for amounts included in the measurement of lease liabilities - operating cashflows	\$ 838,039	\$ 454,375
Weighted-average remaining lease term	0.25 years	4.4 years
Discount rate	5.07%	2.5%

In November 2024, The Community Foundation entered into a new operating lease of office space in Washington, D.C. The lease term is 150 months commencing in July 2025. The agreement contains escalation clauses and provision for the payment of taxes and operating expenses. The Community Foundation has a one-time renewal option for an additional five-year term and a special right to cancel after 112 months, subject to conditions and payment of a termination fee. As of March 31, 2025 and 2024, no lease liability, right-of-use asset or lease expense has been recognized in this lease because the lease has not commenced.

Remaining maturities of the operating lease liability as of March 31, 2025, including payments associated with the new lease that commenced subsequent to year end, are as follows:

<i>Years ending March 31,</i>	
2026	\$ 485,831
2027	-
2028	252,733
2029	441,380
2030	452,415
2031 and thereafter	3,112,799
Total Future Minimum Lease Payments	4,745,158
Less: payments on lease entered in 2025 but will commence in 2026	(4,259,327)
Less: amounts representing interest	(5,548)
Total Operating Lease Liabilities	\$ 480,283

The Community Foundation received a donated property on April 1, 1997, which the Community Foundation recognized as contributions revenue at the time of donation (see Note 9). The donated property is located in the District of Columbia (the District) and it leased to the D.C. Metropolitan Police Department to establish a police substation, in accordance with the donor's instruction. The Community Foundation has renewed the lease for the twelfth extended term which expires on January 31, 2026. Rental income totaled \$294,430 and \$289,899 for the years ended March 31, 2025 and 2024, respectively.

Contingencies

The Community Foundation is subject to legal proceedings, claims and assessment which arise in the ordinary course of business. In the opinion of The Community Foundation's legal counsel and management, there are no matters outstanding with substantial merit and none would have a material adverse effect on The Community Foundation's financial statements.

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Notes to the Financial Statements

14. Liquidity and Availability of Resources

The following represents The Community Foundation's financial assets available within one year of the statement of financial position date for general expenditures:

<i>March 31,</i>	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	\$ 54,372,644	\$ 66,426,260
Investments	432,480,721	448,745,814
Grants and contributions receivable	23,337,449	6,692,787
Pledges receivable	940,144	996,519
Accrued interest income and other receivables	712,076	1,064,872
Total Financial Assets	511,843,034	523,926,252
Less amounts not available for general expenditures within one year:		
Grants and Contributions receivable to be collected in more than one year	(1,999,943)	(3,750,638)
Pledges receivable to be collected in more than one year	(481,833)	(573,961)
Net assets with donor restrictions	(11,328,848)	(11,595,291)
Investments redeemable in more than one year	(21,633,670)	(15,186,541)
Financial Assets Not Available for General Expenditures Within One Year	(35,444,294)	(31,106,431)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 476,398,740	\$ 492,819,821

The Community Foundation analyzes its cash position regularly and believes its available resources and future earnings will provide more than adequate resources to meet their financial obligations for the year following the statement of financial position date. Financial assets available within one year include \$369 million and \$392 million as of March 31, 2025 and 2024, respectively, of donor-advised funds. These assets are subject to donor intent which The Community Foundation intends to uphold. Other funds totaling \$80 million and \$74 million as of March 31, 2025 and 2024, respectively, include designated funds, field of interest funds, scholarship funds, sponsored program funds, as well as various other types of funds. For these types of funds, the original purpose of these funds will be continued, unless or until the original purpose is no longer capable of being fulfilled. All funds of The Community Foundation are subject to component fund requirements, including a variance power provision.

15. Subsequent Events

The Community Foundation has evaluated its March 31, 2025 financial statements for subsequent events through December 19, 2025, the date the financial statements were available to be issued. Other than the new lease that commenced in July 2025 as described in Note 13, The Community Foundation is not aware of any subsequent events which would require recognition or disclosure in the financial statements.