Greater Williamsburg Community Trust dba Williamsburg Community Foundation

Financial Report

December 31, 2025

BROWNEDWARDS
certified public accountants

Greater Williamsburg Community Trust
dba Williamsburg Community Foundation

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BROWNEDWARDS
certified public accountants

Independent Auditor's Report

To the Board of Trustees
Greater Williamsburg Community Trust
dba Williamsburg Community Foundation
Williamsburg, Virginia

Opinion

We have audited the accompanying financial statements of Greater Williamsburg Community Trust dba Williamsburg Community Foundation (a nonprofit organization), which comprise the statements of financial position as of December 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 financial statements referred to above present fairly, in all material respects, the financial position of Greater Williamsburg Community Trust dba Williamsburg Community Foundation as of December 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. 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 Greater Williamsburg Community Trust dba Williamsburg 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 Greater Williamsburg Community Trust dba Williamsburg 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 Greater Williamsburg Community Trust dba Williamsburg 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 Greater Williamsburg Community Trust dba Williamsburg 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 audits.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
September 10, 2026

Financial Statements

Greater Williamsburg Community Trust
dba Williamsburg Community Foundation

Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 577,017	$ 594,666
Pledges receivable (Notes 4 and 5)	31,849	114,723
Bequests receivable	4,864,691	-
Investments - available for use (Note 4)	37,594,156	28,011,388
Investments - perpetuity (Note 4)	1,891,571	1,891,571
Cash surrender value of life insurance	363,502	438,405
Property and equipment, net (Note 6)	220,846	226,027
	$ 45,543,632	**$ 31,276,780**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses	$ 24,474	$ 17,800
Agency funds held for others	37,506	32,180
Total liabilities	61,980	49,980
NET ASSETS		
Without donor restrictions (Note 10)	29,790,734	16,720,358
With donor restrictions (Notes 9, 10 and 11)	15,690,918	14,506,442
Total net assets	45,481,652	31,226,800
Total liabilities and net assets	**$ 45,543,632**	**$ 31,276,780**

The Notes to Financial Statements are an integral part of these statements.

Greater Williamsburg Community Trust
dba Williamsburg Community Foundation

Statements of Activities
Years Ended December 31, 2025 and 2024

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND OTHER CHANGES			
Contributions	$ 11,137,966	$ 5,584	$ 11,143,550
Special events, net (Note 8)	13,041	-	13,041
Miscellaneous	502	-	502
Rental income (Note 12)	19,835	-	19,835
Investment return, net (Note 4)	3,448,505	1,572,298	5,020,803
Net assets released from restrictions:			
Appropriation from donor-restricted endowment (Note 11)	393,406	(393,406)	-
Total revenue, support and other changes	15,013,255	1,184,476	16,197,731
OPERATING EXPENSES			
Program services	1,536,395	-	1,536,395
Fundraising	14,196	-	14,196
Management and general	392,288	-	392,288
Total expenses	1,942,879	-	1,942,879
Change in net assets	13,070,376	1,184,476	14,254,852
NET ASSETS			
Beginning of year	16,720,358	14,506,442	31,226,800
End of year	**$ 29,790,734**	**$ 15,690,918**	**$ 45,481,652**

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND OTHER CHANGES (LOSSES)			
Contributions	$ 1,829,071	$ 8,301	$ 1,837,372
Special events, net (Note 8)	10,452	-	10,452
Miscellaneous	500	-	500
Rental income (Note 12)	19,258	-	19,258
Investment return, net (Note 4)	1,767,663	1,454,614	3,222,277
Net assets released from restrictions:			
Appropriation from donor-restricted endowment (Note 11)	379,235	(379,235)	-
Total revenue, support and other changes	4,006,179	1,083,680	5,089,859
OPERATING EXPENSES			
Program services	1,321,800	-	1,321,800
Fundraising	18,585	-	18,585
Management and general	331,998	-	331,998
Total expenses	1,672,383	-	1,672,383
Change in net assets	2,333,796	1,083,680	3,417,476
NET ASSETS			
Beginning of year	14,386,562	13,422,762	27,809,324
End of year	**$ 16,720,358**	**$ 14,506,442**	**$ 31,226,800**

The Notes to Financial Statements are an integral part of these statements.

Greater Williamsburg Community Trust
dba Williamsburg Community Foundation

Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	December 31, 2025			
	Program Services	Fundraising	Management and General	Total
Accounting	$ -	$ -	$ 37,745	$ 37,745
Advertising	-	8,871	875	9,746
Conference, convention and meeting	4,293	-	8,170	12,463
Depreciation	-	-	8,825	8,825
Dues and subscriptions	4,750	-	3,900	8,650
Grants and scholarships	1,461,700	-	-	1,461,700
Insurance	-	-	12,422	12,422
Investment fees	-	-	149,645	149,645
IT services	-	-	10,000	10,000
Miscellaneous	-	-	25,728	25,728
Occupancy	3,166	158	14,677	18,001
Postage and shipping	-	-	4,768	4,768
Printing and publications	631	2,171	14,613	17,415
Salaries and payroll taxes	55,085	2,965	238,445	296,495
Special events	-	15,781	-	15,781
Supplies	-	-	6,295	6,295
Utilities	6,770	31	5,825	12,626
Total expenses	1,536,395	29,977	541,933	2,108,305
Less expenses included with revenues on the statement of activities:				
Investment fees	-	-	149,645	149,645
Special events	-	15,781	-	15,781
Total expenses included in the expense section of the statement of activities	**$ 1,536,395**	**$ 14,196**	**$ 392,288**	**$ 1,942,879**

Greater Williamsburg Community Trust
dba Williamsburg Community Foundation

Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	December 31, 2024			
	Program Services	Fundraising	Management and General	Total
Accounting	$ -	$ -	$ 32,750	$ 32,750
Advertising	-	4,325	799	5,124
Conference, convention and meeting	6,945	7,987	7,012	21,944
Depreciation	-	-	10,072	10,072
Dues and subscriptions	4,500	-	387	4,887
Grants and scholarships	1,257,685	-	-	1,257,685
Insurance	-	-	9,630	9,630
Investment fees	-	-	130,496	130,496
IT services	-	-	10,509	10,509
Miscellaneous	-	-	18,264	18,264
Occupancy	3,001	158	14,806	17,965
Postage and shipping	-	-	4,742	4,742
Printing and publications	953	3,655	13,676	18,284
Salaries and payroll taxes	42,950	2,433	197,962	243,345
Special events	-	4,800	-	4,800
Supplies	-	-	6,131	6,131
Utilities	5,766	27	5,258	11,051
Total expenses	1,321,800	23,385	462,494	1,807,679
Less expenses included with revenues on the statement of activities:				
Investment fees	-	-	130,496	130,496
Special events	-	4,800	-	4,800
Total expenses included in the expense section of the statement of activities	**$ 1,321,800**	**$ 18,585**	**$ 331,998**	**$ 1,672,383**

Greater Williamsburg Community Trust
dba Williamsburg Community Foundation

Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
OPERATING ACTIVITIES		
Change in net assets	$ 14,254,852	$ 3,417,476
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	8,825	10,072
Net realized and unrealized gain on investments	(3,724,686)	(2,354,787)
Decrease in cash surrender value of life insurance	74,903	19,690
Changes in current assets and liabilities:		
Pledges receivable	82,874	(106,573)
Bequests receivable	(4,864,691)	200,000
Accrued expenses	6,674	2,096
Agency funds held for others	5,326	2,835
Net cash provided by operating activities	5,844,077	1,190,809
INVESTING ACTIVITIES		
Purchase of property and equipment	(5,199)	(842)
Sales and maturities of investments	8,717,200	8,037,653
Purchase of Certificate of Deposit	(250,000)	-
Purchases of investments	(14,323,727)	(9,293,602)
Net cash and cash equivalents used by investing activities	(5,861,726)	(1,256,791)
Net decrease in cash and cash equivalents	(17,649)	(65,982)
CASH AND CASH EQUIVALENTS		
Beginning of year	594,666	660,648
End of year	**$ 577,017**	**$ 594,666**

Greater Williamsburg Community Trust
dba Williamsburg Community Foundation

Notes to Financial Statements
December 31, 2025

Note 1 – Organization and Nature of Activities

Greater Williamsburg Community Trust dba Williamsburg Community Foundation (Foundation) is a nonprofit organization founded in 1999 in Williamsburg, Virginia. The Foundation is a community foundation, which provides grants to nonprofit organizations, scholarships to students, and promotes philanthropy in the greater Williamsburg community. Revenue is derived primarily through donor contributions and return on investments.

Variance Power

Under IRS guidelines, a community foundation has Variance Power, and this variance power is in all of the Foundation's formal donor agreements. Variance power is described as the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if, in its sole judgment, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or the area served. Based on that provision, substantially all contributions received by the Foundation in connection with its charitable funds are reported as contributions without donor restrictions for financial statement presentation. This classification does not alter the longstanding policy of the Foundation to distribute assets entrusted to the Foundation in accordance with the intentions of the Foundation's donors and to manage the assets of the component funds in a manner similar to an endowment with only a portion of each component fund distributed annually, unless advised otherwise by the donor. See Notes 9 and 10 for additional information regarding net assets.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Under applicable accounting standards, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor-imposed restrictions. They result from unrestricted contributions, grants, special events, fees, and interest, less expenses incurred in program, fundraising, and administrative functions. Net assets without donor restrictions are classified into the following funds:

Non-endowed funds represent resources available for support of all of the Foundation's activities. Non endowed funds include both unrestricted and board-designated funds, which are subject to self-imposed limits by action of the governing board.

Board designated endowment funds are subject to self-imposed limits by action of the governing board. These assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses.

Net assets with donor restrictions are net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. Other donor imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires or is otherwise met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same fiscal year restricted support is received, the gift is classified as unrestricted support.

Cash Equivalents

The Foundation considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Foundation also maintains a sweep account arrangement with its primary banking institution. Under this arrangement, excess cash balances are automatically transferred into an interest-bearing account at the end of each business day. Conversely, when the operating account requires additional funds, amounts are swept back into the account to cover disbursements. The account balance held under the sweep arrangement is classified as a cash equivalent in the financial statements.

Pledges Receivable

Pledges are recognized when the donor makes an unconditional promise to give. All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Management has determined that an allowance for credit losses from pledges is not necessary for the years ended December 31, 2025 and 2024. Uncollectible pledges receivable, if any, are written off in the period in which they are identified.

Bequests Receivable

From time to time, the Foundation is named as a beneficiary in a supporter's will. No receivable or related contribution revenue is recorded at the time the Foundation is made aware of these events. However, once the donor passes away and the probate court declares the will valid, the Foundation records a receivable for the net realizable value of the bequest and the related contribution revenue. During 2025, the Foundation recorded two large bequests, which resulted in the balance of the bequests receivable as of December 31, 2025. Subsequent to year end, $2,000,000 of the $4,864,691 outstanding has been collected.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Alternative investments include investments in private equity funds. Alternative investment interests are stated at fair value based on the financial statements and other information received from the funds. The Foundation believes that the stated value of its alternative investments is a reasonable estimate of its fair value as of December 31, 2025. However, alternative investments are not marketable and may have underlying investments, which do not have quoted market values. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements as an unrealized gain (loss) on investments.

Property and Equipment

Acquisitions of property and equipment are recorded at cost and at fair value for contributed property. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Building	39 years
Building improvements	15 years
Furniture	3 – 5 years
Office equipment	3 years

The Foundation's policy is to capitalize all items with a useful life greater than one year and $500.

Support Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same period are reported as unrestricted support.

Donor Concentrations

From time to time, the Foundation receives a substantial portion of its support from contributions made by a limited number of donors. During the years ended December 31, 2025 and 2024, respectively, contributions from two donors represented 67.5% and contributions from one donor represented 11% of total contribution revenue. At December 31, 2025 and 2024, respectively, contributions from these donors represented 83% and -% of total bequests receivable.

Donated Services

The Foundation receives donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the statements of activities for these services because the criteria for recognition under applicable accounting standards have not been satisfied.

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

The Foundation is exempt from federal and state income taxes as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and the tax statutes of the Commonwealth of Virginia; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

Methods Used for Allocation of Expenses Among Programs and Supporting Services

The Foundation allocates expenses on a functional basis among its various programs and supporting services. Certain categories of expenses are attributable to one or more programs or supporting services of the Foundation. These expenses include salaries and payroll taxes, occupancy, and utilities. Salaries and payroll taxes are allocated on the basis of employees' time and effort. Occupancy and utilities are allocated based on the percentages determined for salaries.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash on deposit with financial institutions, pledges receivable, and investments. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) up to the legal limit. There was $-0- on deposit in excess of the FDIC limit or in excess of the SIPC limit at December 31, 2025 and 2024. The Foundation's investments do not represent significant concentrations of market risk in as much as the Foundation's investment portfolio is adequately diversified.

The Foundation's potential credit risk in regard to pledges receivable is limited due to the nature of the Foundation's pledges receivable as well as the Foundation's collection history.

Note 3 – Liquidity and Availability

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	2025	2024
Cash and cash equivalents and investments, non-endowed	$ 273,098	$ 2,071,396
Pledges receivable, without donor restrictions	31,849	114,723
Bequests receivable, without donor restrictions	4,864,691	-
	$ 5,169,638	**$ 2,186,119**

The Foundation manages liquidity to ensure they have liquid resources to meet obligations as they become due.

Note 4 – Investments and Fair Value Measurements

Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under applicable accounting standards are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the 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 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended December 31, 2025 and 2024.

Pledges Receivable: Reported at net realizable value if, at the time the promise is made, payment is expected to be received in one year or less. Pledges receivable that are expected to be collected in more than one year are reported at fair value initially and in subsequent periods. Fair value is calculated as the present value of the expected future pledges to be received using a discount rate.

Fixed Income Securities: Valued by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated fair value at year end.

Mutual Funds and Exchange Traded Funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Private Equity Funds: These funds are considered to be alternative investments and are not readily marketable and may not have quoted values, therefore, the estimated value is subject to uncertainty.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value:

	Assets at Fair Value as of December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements:				
Pledges receivable	**$ -**	**$ -**	**$ 31,849**	**$ 31,849**
Investments:				
Exchange traded funds	$ 19,542,733	$ -	$ -	$ 19,542,733
Fixed income	-	1,578,120	-	1,578,120
Mutual funds	18,028,243	-	-	18,028,243
Private equity funds	-	-	86,631	86,631
Locus Bank CD	-	250,000	-	250,000
	$ 37,570,976	**$ 1,828,120**	**$ 86,631**	**$ 39,485,727**

	Assets at Fair Value as of December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements:				
Pledges receivable	**$ -**	**$ -**	**$ 114,723**	**$ 114,723**
Investments:				
Exchange traded funds	$ 16,176,297	$ -	$ -	$ 16,176,297
Fixed income	-	1,364,351	-	1,364,531
Mutual funds	12,350,688	-	-	12,350,688
Private equity funds	-	-	11,443	11,443
	$ 28,526,985	**$ 1,364,351**	**$ 11,443**	**$ 29,902,959**

The following tables present a reconciliation of the beginning and ending balances of the fair value measurements within the Foundation using significant unobservable inputs (Level 3):

	2025		2024
	Private Equity Funds*	**Pledges Receivable**	**Pledges Receivable**
Recurring fair value measurements:			
Balance, beginning of year	$ 11,443	$ 114,723	$ 8,150
New investments/pledges made	75,188	14,118	114,723
Pledge payments received	-	(96,992)	(8,150)
Balance, end of year	**$ 86,631**	**$ 31,849**	**$ 114,723**

* See Note 13 for capital commitment related to these funds.

Accumulated unrealized gains on investments were as follows:

	Year-Ended December 31, 2025		
	Cost	**Fair Value**	**Unrealized Gain (Loss)**
Exchange traded funds	$ 14,376,223	$ 19,542,733	$ 5,166,510
Fixed income	1,549,953	1,578,120	28,167
Private equity funds	74,100	86,631	12,531
Mutual funds	16,524,909	18,028,243	1,503,334
Locus Bank CD	250,000	250,000	-
	$ 32,775,185	**$ 39,485,727**	**$ 6,710,542**

	Year-Ended December 31, 2024		
	Cost	**Fair Value**	**Unrealized Gain (Loss)**
Exchange traded funds	$ 12,398,146	$ 16,176,297	$ 3,778,151
Fixed income	1,360,232	1,364,531	4,299
Private equity funds	11,700	11,443	(257)
Mutual funds	12,235,278	12,350,688	115,410
	$ 26,005,356	**$ 29,902,959**	**$ 3,897,603**

At December 31, 2025 and 2024, cash of $465,029 and $431,797, respectively, was held in money market and other cash accounts and is included in cash and cash equivalents on the statements of financial position.

Investment return (loss), net is comprised of the following at December 31:

	2025	2024
Interest and dividends	$ 1,445,762	$ 997,986
Unrealized gain	2,809,120	1,529,710
Realized gain	915,566	825,077
Investment fees	(149,645)	(130,496)
	$ 5,020,803	**$ 3,222,277**

Note 5 – Pledges Receivable

Pledges receivable is recorded at fair value at the time the pledge is made. Pledges receivable, all of which was current, was $31,849 and $114,723, at December 31, 2025 and 2024, respectively.

Note 6 – Property and Equipment

Major classes of property and equipment consisted of the following at December 31:

	2025	2024
Building	$ 300,000	$ 300,000
Building improvements	13,250	9,358
Furniture and office equipment	12,491	15,047
	325,741	324,405
Accumulated depreciation	(104,895)	(98,378)
Property and equipment, net	**$ 220,846**	**$ 226,027**

Note 7 – Administrative Fees

The Foundation assesses an administrative fee of up to 1% of the average balance of endowed fund balances. The fee reduces investment income allocated on each named fund and is transferred to provide support for the overall operations of the Foundation. The total fees assessed to endowed funds during the years ended December 31, 2025 and 2024, were $257,179 and $219,146, respectively. These fees are included in net assets released from restrictions on the statements of activities.

Note 8 – Special Events Income

Fundraising income is presented net of expenses as follows for the years ended December 31:

	2025	2024
Fall Fundraiser and 25th Anniversary Celebration:		
Income	$ 28,822	$ 15,252
Expenses	(15,781)	(4,800)
	$ 13,041	**$ 10,452**

Note 9 – Endowment Funds

The Foundation's endowment consists of 133 individual funds established for a variety of charitable and educational purposes to support the objectives of the Foundation. As required by accounting standards, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Commonwealth of Virginia adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) in 2008. The Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions as those amounts are available for grant, subject to the spending policy and variance power of the Foundation, in a manner consistent with the standard of prudence prescribed by the state UPMIFA law. In accordance with state UPMIFA law, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policy of the Foundation

In addition to the donor-restricted endowments, the Foundation has donor–advised funds established by the Foundation's governing documents. Distributions from donor-advised funds are subject to review and approval or disapproval by the Board of Trustees, subsequent to the donor's recommendation. In addition, as discussed in Note 1, the Foundation has variance power, which results in the Foundation classifying donor-advised funds as net assets without donor restrictions.

The endowment net asset composition by type of fund was as follows:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 24,098,628	$ -	$ 24,098,628
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be used for a specific purpose by donor	-	13,799,347	13,799,347
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,891,571	1,891,571
	$ 24,098,628	**$ 15,690,918**	**$ 39,789,546**

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 13,920,044	$ -	$ 13,920,044
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be used for a specific purpose by donor	-	12,614,871	12,614,871
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,891,571	1,891,571
	$ 13,920,044	**$ 14,506,442**	**$ 28,426,486**

Changes in the endowment fund net assets were as follows:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment fund net assets, beginning of year	$ 13,920,044	$ 14,506,442	$ 28,426,486
Investment return, net	2,824,730	1,572,298	4,397,028
Contributions	7,766,999	5,584	7,772,583
Appropriation of endowment assets for expenditure	(413,145)	(393,406)	(806,551)
Endowment fund net assets, end of year	**$ 24,098,628**	**$ 15,690,918**	**$ 39,789,546**

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment fund net assets, beginning of year	$ 11,773,799	$ 13,422,762	$ 25,196,561
Investment return, net	1,430,376	1,454,614	2,884,990
Contributions	1,120,386	8,301	1,128,687
Appropriation of endowment assets for expenditure	(404,517)	(379,235)	(783,752)
Endowment fund net assets, end of year	**$ 13,920,044**	**$ 14,506,442**	**$ 28,426,486**

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to maintain or increase the real value of the endowment principal and its distributions over the long-term while funding current needs at an appropriate level. Accordingly, the investment objective for the fund is to earn, over time, the highest possible total return (e.g., capital appreciation and current yield) consistent with the following considerations (1) the fund is a perpetual fund, and is subject to the Foundation's Spending Policy; (2) there is no current income requirement, outside of the Spending Policy, as the level of distributions will be based upon the total return anticipated for the fund, although it is anticipated that a material part of the annual distributions will be covered by cash income and appreciation earned on the endowment; (3) a moderate level of risk or variability is acceptable to achieve the return objectives, although this should be tempered by diversification of the fund within and across asset classes.

Spending Policy. The Finance and Investment Committee reviews the spending level annually. It recommends a level of spending to the Board of Trustees for the ensuing year, based upon historic and anticipated returns for the endowment and any other factors appropriate to the objective of maximizing spending, consistent with balancing current and future needs and maintaining relative stability of spending, year to year. The rate of spending is based upon an average for the current market value of the portfolio in the preceding twenty quarters. This average is adjusted for significant contributions or distributions during the period. Currently, the rate is three and one-half percent (3.5%) of the average adjusted market value. It is expected that over time the rate will be in the range of 3.5% to 5.0%. Amounts released from restriction and appropriated for expenditure include grants requested by donors and approved by the Board of Trustees and administrative fees of up to 1% of the average of the endowed fund balance. See Note 7 for further discussion regarding administrative fees.

Note 10 – Net Assets

Endowed assets consist of funds, which are invested principally in long-term assets from which a specified distribution is made annually. Non-endowed assets are invested principally in short-term investments and are distributed throughout the year to support donor-advised and Foundation grants, operations, and specific purposes. All donor-advised funds have been established by donor contributions of amounts, the distribution of which the donors may advise, subject to the distribution policies of the Foundation and the approval of the Board of Trustees. Field-of-interest funds are established to support specific activities within the community specified by the donors of these funds, with distributions made by the Board to those activities (e.g., musical performing arts and local history). Designated funds are established to allow the donor to select one or more specific charities to receive gifts from the fund when the fund is established. Scholarship funds are established to fund scholarships to students within the community. Scholarship funds have been established by donor contributions and are subject to the distribution policies of the Foundation and the approval of the Board of Trustees. In addition, as discussed in Note 1, the Foundation has variance power, which results in the Foundation classifying donor-advised funds as net assets without donor restrictions.

Net assets are comprised of the following at December 31:

	2025	2024
Net assets without donor restrictions:		
Board-designated endowment:		
Community endowment	$ 10,483,202	$ 3,733,196
Unrestricted/operating	1,035,026	-
Field-of-interest	3,618,342	2,834,386
Scholarship	3,924,498	3,295,343
Designated	864,577	750,196
Donor-advised	4,172,983	3,306,923
Total board-designated endowment net assets	24,098,628	13,920,044
Non-endowed:		
Unrestricted	619,632	639,255
Board-designated:		
Operations	251,346	180,252
Field-of-interest	1,668,449	18,241
Scholarship	478,262	109,892
Special projects	31,646	31,646
Designated	11,475	2,016
Donor-advised	2,631,296	1,819,012
Total non-endowed net assets	5,692,106	2,800,314
Total net assets without donor restrictions	29,790,734	16,720,358
Net assets with donor restrictions:		
Endowed:		
Designated	13,662,883	12,501,385
Donor-advised	713,960	713,960
Field-of-interest	1,177,611	1,177,611
Scholarship	136,464	113,486
Total net assets with donor restrictions	15,690,918	14,506,442
Total net assets	**$ 45,481,652**	**$ 31,226,800**

Note 11 – Net Assets with Donor Restrictions

Net assets with donor restrictions available for the following purposes are as follows at December 31:

	2025	2024
Subject to expenditure for specific purpose:		
Designated	$ 13,662,883	$ 12,501,385
Scholarship	136,464	113,486
	13,799,347	12,614,871
Not subject to appropriation or expenditure:		
Investment in perpetuity, original gift amount	1,891,571	1,891,571
	$ 15,690,918	**$ 14,506,442**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Those amounts released from restriction are as follows for the years ended December 31:

	2025	2024
Purpose restrictions accomplished:		
Designated	$ 391,380	$ 376,130
Scholarship	2,026	3,105
	$ 393,406	**$ 379,235**

Note 12 – Rental Income

The Foundation entered into a lease agreement beginning August 1, 2023, for a portion of the building owned by the Foundation. This agreement requires monthly payments of $1,585 to the Foundation through July 31, 2026. During the term of this lease, the base annual rent for the leased premises shall increase by 3% per annum over the base annual rent charged during the immediately preceding 12 months. During 2025 and 2024, the Foundation received $19,835 and $19,258, respectively in rental income. Future rental income on this lease will be $13,452 for 2026.

Note 13 – Commitments

The Foundation entered into a subscription agreement with FEG Private Opportunities Fund VII, L.P. in February 2024. The agreement stated that the Foundation subscribed to an irrevocable limited partnership interest in FEG Private Opportunities Fund VII, L.P. with a capital commitment of $600,000 to be distributed between various fund series of interest. During 2025 and 2024, respectively, the Foundation made capital contributions of $62,400 and $11,700, which left a remaining capital commitment of $525,900 and $588,300 as of December 31, 2025 and 2024, respectively.