

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.
(a nonprofit organization)**

FINANCIAL STATEMENTS

**Year Ended June 30, 2025
with Summarized Comparative Information
as of the year ended June 30, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Community Foundation for Northern Virginia, Inc.
Mclean, Virginia

Opinion

We have audited the accompanying financial statements of The Community Foundation for Northern Virginia, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 the Foundation as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Renner and Company, CPA, P.C.

Alexandria, Virginia
January 9, 2026

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2025 (with Comparative Information as of June 30, 2024)

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,547,372	\$ 2,068,973
Accounts receivable	-	37,500
Prepaid expenses	23,375	21,602
Deposit	9,863	39,638
TOTAL CURRENT ASSETS	<u>1,580,610</u>	<u>2,167,713</u>
PROPERTY AND EQUIPMENT, AT COST, NET	<u>10,723</u>	<u>15,300</u>
OTHER ASSETS		
Investments	115,905,460	103,952,959
Investment - Healthcare Portfolio V DST	1,193,129	1,193,129
Right of use asset - operating	11,804	57,396
TOTAL OTHER ASSETS	<u>117,110,393</u>	<u>105,203,484</u>
TOTAL ASSETS	<u><u>\$ 118,701,726</u></u>	<u><u>\$ 107,386,497</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 56,776	\$ 82,171
Grants payable	219,855	258,567
Accrued expenses	68,201	45,943
Current operating lease liability	17,593	66,797
Deferred revenue	91,652	80,156
TOTAL CURRENT LIABILITIES	<u>454,077</u>	<u>533,634</u>
OTHER LIABILITIES		
Long term operating lease liability	-	17,605
TOTAL LIABILITIES	<u>454,077</u>	<u>551,239</u>
NET ASSETS		
Without donor restrictions	112,440,689	101,304,862
With donor restrictions	5,806,960	5,530,396
TOTAL NET ASSETS	<u>118,247,649</u>	<u>106,835,258</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 118,701,726</u></u>	<u><u>\$ 107,386,497</u></u>

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025 (with Summarized Comparative Information for the year ended June 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Contributions	\$ 9,852,157	\$ 277,603	\$ 10,129,760	\$ 15,345,652
Investment income	11,621,732	644,994	12,266,726	13,248,483
Fee income	971,194	-	971,194	880,841
Other income	67,373	-	67,373	93,318
Net assets released from restrictions	646,033	(646,033)	-	-
TOTAL REVENUE	23,158,489	276,564	23,435,053	29,568,294
EXPENSES				
Program services	10,500,316	-	10,500,316	11,401,394
Support services				
Management and general	692,353	-	692,353	666,846
Fundraising	829,993	-	829,993	868,030
Total support services	1,522,346	-	1,522,346	1,534,876
TOTAL EXPENSES	12,022,662	-	12,022,662	12,936,270
CHANGE IN NET ASSETS	11,135,827	276,564	11,412,391	16,632,024
NET ASSETS, beginning of year	101,304,862	5,530,396	106,835,258	90,203,234
NET ASSETS, end of year	\$ 112,440,689	\$ 5,806,960	\$ 118,247,649	\$ 106,835,258

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025 (with Summarized Comparative Information for the year ended June 30, 2024)

	2025				2024
	Program Services	General and Administrative	Fundraising	Total	Total
Grants	\$ 8,899,686	\$ -	\$ -	\$ 8,899,686	\$ 9,775,672
Salaries and benefits	395,783	339,243	395,783	1,130,809	1,145,933
Bank and investment fees	582,057	6,127	24,508	612,692	526,905
Scholarships	524,080	-	-	524,080	631,190
Contract labor	24,585	108,444	61,629	194,658	126,253
Entertainment	-	-	126,515	126,515	127,252
Payroll taxes	26,950	23,100	26,950	77,000	77,888
Consignment	-	-	50,750	50,750	45,761
In-kind expenses:					
Legal services	-	23,920	-	23,920	30,026
Donor cultivation	-	-	7,300	7,300	12,368
Printing Services	-	-	2,109	2,109	-
Marketing services	-	-	17,353	17,353	1,544
Rent	-	48,953	-	48,953	47,440
Marketing	-	9,242	36,960	46,202	30,608
Fundraising	-	-	38,357	38,357	35,717
Technology subscriptions	12,458	12,454	12,454	37,366	39,165
Website and network services	1,464	26,349	1,464	29,277	38,138
Office expenses	2,285	22,849	3,427	28,561	30,015
Accounting	-	26,904	-	26,904	25,983
Program expenses	24,864	-	-	24,864	16,086
Dues, subscriptions and publications	-	17,216	1,913	19,129	18,515
Printing and postage	4,808	803	10,417	16,028	40,431
Insurance	-	11,364	-	11,364	11,039
Meeting	-	1,826	7,303	9,129	-
Conferences and training	-	7,916	-	7,916	7,397
Depreciation	-	4,577	-	4,577	3,511
Advertising	-	-	3,531	3,531	6,055
Payroll services	875	751	875	2,501	2,288
Other	320	251	294	865	1,011
Community partnerships	101	64	101	266	82,079
TOTAL EXPENSES	\$ 10,500,316	\$ 692,353	\$ 829,993	\$ 12,022,662	\$ 12,936,270

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2025 (with Comparative Information for the year ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	\$ 6,544,652	\$ 13,707,600
Interest and dividend income	1,708,611	1,612,789
	<u>8,253,263</u>	<u>15,320,389</u>
Total cash received from operations		
Cash disbursed by operations		
Payments to employees, grantees, and suppliers	12,002,467	12,605,103
	<u>(3,749,204)</u>	<u>2,715,286</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property	-	(5,134)
Purchase of investments	(27,536,033)	(23,322,554)
Proceeds from sales of investments	30,763,636	21,586,850
	<u>3,227,603</u>	<u>(1,740,838)</u>
NET CASH USED BY INVESTING ACTIVITIES		
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	<u>(521,601)</u>	<u>974,448</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>2,068,973</u>	<u>1,094,525</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u>\$ 1,547,372</u>	<u>\$ 2,068,973</u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
Unrealized gain in fair value of investments	\$ (5,679,996)	\$ (9,112,644)
Increase in investment fair value	5,679,996	9,112,644
In-kind stock donation	(4,621,988)	(2,485,630)
Increase in investment value	4,621,988	2,485,630
	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2025 (with Comparative Information for the year ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ 11,412,391</u>	<u>\$ 16,632,024</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	4,577	3,511
Non-cash occupancy costs	(21,217)	(13,679)
Unrealized gain on investment	(5,679,996)	(9,112,644)
Realized (gain) on investment	(4,878,120)	(2,523,050)
Donated stock	<u>(4,621,988)</u>	<u>(2,485,630)</u>
NET ADJUSTMENTS	<u>(15,196,744)</u>	<u>(14,131,492)</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING CASH		
ASSETS		
Accounts receivable	37,500	(8,674)
Prepaid expenses	(1,773)	21,297
Deposit	<u>29,775</u>	<u>(6,445)</u>
	<u>65,502</u>	<u>6,178</u>
LIABILITIES		
Accounts payable	(25,395)	50,525
Grants payable	(38,712)	213,567
Accrued expenses	22,258	18,453
Deferred revenue	<u>11,496</u>	<u>(73,969)</u>
	<u>(30,353)</u>	<u>208,576</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>35,149</u>	<u>214,754</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (3,749,204)</u></u>	<u><u>\$ 2,715,286</u></u>

See Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Community Foundation for Northern Virginia, Inc. (the Foundation) is a nonprofit public charity that was established in 1978 to meet a wide variety of social, educational, cultural and other charitable needs throughout Northern Virginia. The mission of the Foundation is to advance equity across Northern Virginia through philanthropy and community leadership. The Foundation accomplishes its mission in two primary ways: First, it develops donor advised funds (both endowed and pass-through) from which grants are recommended by the donors who establish them. Second, it develops discretionary funds for organizational grant making to help meet the most critical needs of the region. The Foundation performs all administrative aspects of grant making from both donor advised funds and discretionary funds, including due diligence inquiries to the intended grantees, reporting, managing grant and scholarship program, accounting and investments.

Significant Accounting Policies

Basis of Accounting

The Foundation maintains its records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Classes of Assets

In accordance with U.S. GAAP, the Foundation's net assets are classified into two categories: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restriction

The Foundation includes operating net assets which are available for the general operations of the Foundation as net assets without donor restriction, as well as Board-designated net assets set aside for future use.

The Foundation reports gifts of cash and other restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary Significant Accounting Policies (Continued)

Classes of Assets (Continued)

Net Assets With Donor Restriction

Investment gains and losses earned with donor restricted funds held by the Foundation are recorded as an increase or decrease in net assets without donor restriction.

Revenue Recognition

The Foundation provides donor investment advisory services and discretionary fund services to donors in the Northern Virginia area for the purpose of furthering its mission.

Disaggregation of Revenue

The Foundation disaggregates revenue according to its major goods and services lines provided to donors. This includes contributions, investment income, and fee income.

Performance Obligations

Fee income is recognized based upon administrative services provided to run donor advised and discretionary funds on behalf of donors. Fee income is established on payment or upon signing of contract, for which the Foundation provides administrative services for the donor advised and discretionary funds. Fee income is recognized as the services are provided. Fee income has variable rates based on amount of funds retained by the Foundation and any special services or circumstances, outlined within a contract. No refunds are provided.

Significant Judgments

The price for fee income is determined by management which accounts for all the expenses to be incurred and includes it in the transaction price.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Endowments

The Foundation's Endowments are accounted for in accordance with the Endowments of Not-for-Profit Organizations accounting guidance, which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). The Foundation has made the required disclosures as stated in Note 8. As of June 30, 2025 and 2024, the Foundation does not have any board designated endowment funds.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires that management use assumptions, estimates and judgments that affect the reported amounts and classifications of assets, liabilities, revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation's cash includes cash on hand and cash deposited in banks. For the purpose of reporting on the Statement of Cash Flows, cash includes interest-bearing and non-interest-bearing demand deposit accounts. The Foundation considers wire and stock deposits contained in its investment portfolio to be cash equivalents. Highly liquid money market funds and similar accounts are included within the Foundation's investment portfolios and have been classified as investments in the Statements of Financial Position, given the intent that those funds be used in the routine management of the investment portfolio. The balance of cash equivalents was \$70 and \$4,596 for the years ended June 30, 2025 and 2024, respectively.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Investments

Investments are reported at fair value and realized and unrealized gains and losses are reported in the Statements of Activities as increases or decreases in the Statement of Activities.

The Foundation invests in various investment instruments which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, changes in the value of investment securities may have occurred subsequent to year end that could materially affect the amounts reported in the Statement of Financial Position.

Property and Equipment

Property and equipment are recorded at cost. All property and equipment acquisitions in excess of \$5,000 are capitalized at cost. Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs such as salaries and benefits, bank and investment fees, contract labor, payroll taxes, community partnerships, technology subscriptions, website and network services, office expenses, printing and postage, payroll services, and other have been allocated among the programs and supporting services based on level of effort.

Deferred Revenue

Deferred revenue consists of sponsorships and other monies received in advance for use in future periods. Sponsorships for fundraising events are recognized as revenue when the event is held.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to exempt purpose. This code section enables the Foundation to accept donations that qualify as charitable contributions to the donor. In accordance with U.S. GAAP, the Foundation has concluded there are no uncertain tax positions as of June 30, 2025 and 2024.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated the Foundation's tax position and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of the guidance.

Gifts-in-kind

The Foundation receives donated cultivation, marketing, legal and accounting services. This donated support is recognized as unrestricted support at their estimated fair values and as an expense in the appropriate functional expense category. In-kind contributions are reported in the Statement of Activities as both revenue and expense. If a donated asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. See Note 10 for details of the amount of in-kind contributions provided.

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Liquidity and Availability of Assets

The Foundation maintains a liquid cash balance in checking accounts in an amount necessary to meet its anticipated expenditures for the next 30 days. Cash in excess of this amount is invested in short-term investments.

The Foundation reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of the Foundation's monthly financial reporting process.

The Foundation's financial assets available within one year to meet cash needs for general expenditures through June 30, 2026 are as follows:

Financial Assets	
Cash	\$ 1,547,372
Investments	115,905,460
Total Financial assets	<u>117,452,832</u>
Less amounts not available within one year	
Purpose restricted net assets	(5,806,960)
Donor advised funds	<u>(64,606,098)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 47,039,774</u></u>

2. CASH AND CASH EQUIVALENTS

Cash as of June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Checking and money market accounts	\$ 1,547,372	\$ 2,068,761
Petty cash	-	212
	<u><u>\$ 1,547,372</u></u>	<u><u>\$ 2,068,973</u></u>

The Foundation maintains its cash balances at several financial institutions in the United States. As of June 30, 2025 and 2024, cash not insured by the Federal Deposit Insurance Corporation was \$996,927 and \$1,052,293, respectively. The Foundation maintained no restricted cash balances as of June 30, 2025 and 2024.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

3. PROPERTY AND EQUIPMENT

Property and depreciation for the years ended June 30, 2025 and 2024 consisted of the following:

	2025			Estimated useful life (years)
	Cost	Depreciation expense	Accumulated depreciation	
Furniture and equipment	\$ 7,548	\$ 1,037	\$ 5,286	3-7
Equipment	20,941	3,540	12,480	7
	<u>\$ 28,489</u>	<u>\$ 4,577</u>	<u>\$ 17,766</u>	
	2024			Estimated useful life (years)
	Cost	Depreciation expense	Accumulated depreciation	
Furniture and equipment	\$ 7,548	\$ 1,156	\$ 4,249	3-7
Equipment	20,941	2,355	8,940	7
	<u>\$ 28,489</u>	<u>\$ 3,511</u>	<u>\$ 13,189</u>	

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

4. INVESTMENTS

Investments are recorded at fair value and consist of the following at June 30, 2025 and 2024:

	2025		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and Cash Equivalents	\$ 16,574,224	\$ 16,574,224	\$ -
Common Stock			
Basic Materials	103,351	110,535	7,184
Communication Services	1,238,778	2,274,790	1,036,012
Consumer Cyclical	1,266,864	2,421,019	1,154,155
Consumer Defensive	443,695	710,490	266,795
Consumer Discretionary	588,244	866,775	278,531
Energy	441,220	485,187	43,967
Financial Services	1,781,523	3,257,853	1,476,330
Healthcare	419,954	596,469	176,515
Industrials	874,752	1,371,876	497,124
Real Estate	795,558	1,042,279	246,721
Technology	2,576,380	5,694,693	3,118,313
Utilities	47,686	93,122	45,436
Corporate Bond	2,151,165	2,466,706	315,541
Exchange Traded Funds	12,516,068	12,709,780	193,712
Mutual Funds			
Allocation -- 50% to 70% Equity	1,594,135	2,087,160	493,025
Bank Loan	2,183	2,160	(23)
Commodities Broad Basket	358,431	362,371	3,940
Diversified Emerging Markets	2,821,319	1,630,130	(1,191,189)
Europe Stock	51,607	61,036	9,429
Foreign Large Blend	2,778,926	3,822,719	1,043,793
Foreign Large Growth	448,607	552,213	103,606
Global Real Estate	14,994	24,335	9,341
High Yield Bond	4,762,563	6,272,845	1,510,282

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

4. INVESTMENTS (CONTINUED)

	2025		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds (Continued)			
Inflation-Protected Bond	\$ 61,518	\$ 58,505	(3,013)
Intermediate Core Bond	479,807	613,252	133,445
Intermediate Core-Plus Bond	995,590	1,358,886	363,296
Intermediate Government	3,063	2,699	(364)
Intermediate Term Bond	230,370	217,343	(13,027)
Large Blend	24,938,426	34,456,388	9,517,962
Large Growth	199,456	269,843	70,387
Large Value	482,385	683,628	201,243
Large Cap	700,918	933,024	232,106
Mid-Cap Blend	265,258	313,448	48,190
Mid-Cap Growth	1,086,340	1,099,593	13,253
Fixed income	925,922	916,687	(9,235)
Real Estate	993,075	888,368	(104,707)
Short Government	316,052	482,105	166,053
Short-Term Bond	570,493	630,391	59,898
Small Blend	2,893,405	2,989,852	96,447
Small Growth	11,854	14,705	2,851
Small Value	234,322	286,773	52,451
Systematic Trend	78,721	80,496	1,775
Ultrashort Bond	285,882	287,290	1,408
World Bond	367,144	333,889	(33,255)
World Large-Stock Value	1,543	1,705	162
Preferred Stock	120,391	109,395	(10,996)
U.S. Government Bond	248,602	232,350	(16,252)
U.S. Government Note	2,761,579	2,743,390	(18,189)
Private investments	325,050	325,050	-
Short term investment	85,638	85,638	-
	<u>\$ 94,315,031</u>	<u>\$ 115,905,460</u>	<u>\$ 21,590,429</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

4. INVESTMENTS (CONTINUED)

	2024		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and Cash Equivalents	\$ 9,965,896	\$ 9,965,896	\$ -
Common Stock			
Basic Materials	150,624	151,972	1,348
Communication Services	653,992	1,258,520	604,528
Consumer Cyclical	1,483,207	2,464,612	981,405
Consumer Defensive	482,659	742,326	259,667
Energy	238,024	299,633	61,609
Financial Services	1,396,117	2,537,576	1,141,459
Healthcare	1,022,233	1,085,013	62,780
Industrials	902,400	1,437,324	534,924
Real Estate	789,327	1,009,530	220,203
Technology	2,026,798	5,153,662	3,126,864
Utilities	34,308	42,549	8,241
Corporate Bond	4,798,882	6,263,927	1,465,045
Exchange Traded Funds	13,227,496	15,574,733	2,347,237
Hedge Fund	35,737	37,582	1,845
Mutual Funds			
Allocation -- 50% to 70% Equity	1,736,762	2,195,653	458,891
Bank Loan	25,012	24,729	(283)
Canada Stock	11,391	15,268	3,877
Commodities Broad Basket	161,420	156,082	(5,338)
Consumer Defensive	13,963	15,129	1,166
Diversified Emerging Markets	1,441,338	1,420,400	(20,938)
Equity Precious Metals	21,914	22,355	441
Europe Stock	31,452	36,169	4,717
Foreign Large Blend	7,479,406	7,938,991	459,585
Foreign Large Growth	395,757	518,903	123,146
Foreign Large Value	27,484	30,548	3,064
Global Real Estate	20,254	27,913	7,659
Health	7,549	7,565	16
High Yield Bond	3,735,441	3,514,970	(220,471)
Industrials	16,324	20,447	4,123

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

4. INVESTMENTS (CONTINUED)

	2024		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds (Continued)			
Inflation-Protected Bond	\$ 32,288	\$ 30,427	\$ (1,861)
Intermediate Core Bond	706,181	667,640	(38,541)
Intermediate Core-Plus Bond	2,538,893	2,350,879	(188,014)
Intermediate Government	35,142	30,113	(5,029)
Intermediate Term Bond	217,113	214,442	(2,671)
Japan Stock	39,440	44,271	4,831
Large Blend	21,240,451	27,819,003	6,578,552
Large Growth	360,287	531,497	171,210
Large Value	538,823	687,795	148,972
Long-short equity	70,720	82,229	11,509
Macro Trading	27,655	30,997	3,342
Mid-Cap Blend	93,473	108,542	15,069
Mid-Cap Growth	156,296	186,229	29,933
Miscellaneous Region	9,374	10,282	908
Multisector Bond	8,015	7,122	(893)
Multistrategy	27,579	30,309	2,730
Nontraditional Bond	21,451	20,263	(1,188)
Preferred Stock	5,599	4,668	(931)
Real Estate	501,353	530,804	29,451
Short Government	159,247	153,635	(5,612)
Short-Term Bond	97,068	94,319	(2,749)
Small Blend	1,957,859	1,888,894	(68,965)
Small Growth	13,135	13,315	180
Small Value	98,967	125,458	26,491
Systematic Trend	24,599	25,464	865
Ultrashort Bond	121,487	121,858	371
Utilities	2,411	2,374	(37)
World Allocation	21,737	26,881	5,144
World Bond	530,564	519,249	(11,315)
World Large-Stock Value	19,317	19,909	592
Preferred Stock	69,307	67,473	(1,834)
U.S. Government Bond	564,959	524,008	(40,951)
U.S. Government Note	3,142,223	3,012,633	(129,590)
	<u>\$ 85,786,180</u>	<u>\$ 103,952,959</u>	<u>\$ 18,166,779</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

4. INVESTMENTS (CONTINUED)

Investment income consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividends	\$ 2,679,909	\$ 2,493,630
Realized and unrealized gain on investments	10,558,115	11,635,694
Investment fees	(971,298)	(880,841)
	<u>\$ 12,266,726</u>	<u>\$ 13,248,483</u>

5. FAIR VALUE MEASUREMENTS

The Foundation's classification of fair value for investments is based on the framework established by U.S. GAAP. The framework is based on the inputs used in valuation and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in GAAP include a hierarchy based on whether significant valuation inputs are observable. The three levels of the hierarchy are as follows:

Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets 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 markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Investments in alternative investments are typically valued, as a practical expedient, utilizing the net asset valuation provided by the underlying private investment companies and their administrators, without adjustment, when the net asset valuations of the investments are calculated in a manner consistent with U.S. GAAP for investment companies. The Foundation applies the practical expedient to its investments in alternative investments, unless it is different from the net asset valuation. If it is probable that the Foundation will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the Foundation considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

5. FAIR VALUE MEASUREMENTS (Continued)

Investments in alternative investments are included in Level 3 of the fair value hierarchy. In determining the level, the Foundation considers the length of the time until the investment is redeemable, including notice and lock-up periods or any other restriction on the disposition of the investment. The Foundation also considers the nature of the portfolio of the underlying private investment companies and their ability to liquidate their underlying investments.

Pooled investment funds are valued at the Net Asset Value (NAV) provided by the underlying investment managers based on the shares held by the Plan at year end. Valuations provided by investment managers including estimates, appraisals, assumptions, and methods are reviewed by management. When necessary, the Plan adjusts NAV for contributions, distributions, or general market conditions subsequent to the latest NAV valuation date when calculating fair value. Because the Plan uses NAV as a practical expedient for fair value for its pooled funds, these investments are excluded from the fair value hierarchy.

The Foundation recognizes transfers between levels of the fair value hierarchy at the end of the period in which events occur impacting the availability of inputs to the fair value methodology. There were no transfers between fair value hierarchy levels for the years ended June 30, 2025 and 2024.

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2025 and 2024:

	2025			
	Fair Value	Level 1	Level 2	NAV
Cash and Cash Equivalents	\$ 16,574,224	\$ 16,574,224	\$ -	\$ -
Common Stock	18,925,088	18,925,088	-	-
Corporate Bond	2,466,706	-	1,773,475	693,231
Exchange Traded Funds	12,709,780	12,564,434	145,346	-
Private instruments	325,050	-	-	325,050
Short term investments	85,638	-	85,638	-
Mutual Funds	61,733,839	61,733,839	-	-
Preferred Stock	109,395	-	109,395	-
US Government Bond	232,350	-	232,350	-
US Government Note	2,743,390	-	2,743,390	-
	<u>\$ 115,905,460</u>	<u>\$ 109,797,585</u>	<u>\$ 5,089,594</u>	<u>\$ 1,018,281</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

5. FAIR VALUE MEASUREMENTS (CONTINUED)

	2024			
	Fair Value	Level 1	Level 2	NAV
Cash and Cash Equivalents	\$ 9,965,896	\$ 9,965,896	\$ -	\$ -
Common Stock	16,182,717	16,182,717	-	-
Corporate Bond	6,263,927	-	3,733,191	2,530,736
Exchange Traded Funds	15,574,733	15,509,034	65,699	-
Hedge Funds	37,581	-	-	37,581
Mutual Funds	52,323,991	52,323,991	-	-
Preferred Stock	67,473	-	67,473	-
US Government Bond	524,008	-	524,008	-
US Government Note	3,012,633	-	3,012,633	-
	<u>\$ 103,952,959</u>	<u>\$ 93,981,638</u>	<u>\$ 7,403,004</u>	<u>\$ 2,568,317</u>

6. INVESTMENT - HEALTHCARE PORTFOLIO V DST

In 2025, the Foundation received a contribution of a 1.9926% beneficial interest in the Healthcare Portfolio V DST to the Community Foundation of Nova-Reston Scholarship Fund. For the years ended June 30, 2025 and June 30, 2024, the investment was recognized at a cost basis valuation of \$1,193,129.

7. NET ASSETS WITH DONOR RESTRICTION

A summary of activity in net assets with donor restriction for the years ended June 30, 2025 and 2024 is as follows:

	2025			
	Balance at June 30, 2024	Investment Revenue and Support	Released	Balance at June 30, 2025
Education Programs	\$ 2,522,393	\$ 301,359	\$ (141,411)	\$ 2,682,341
Health Programs	2,924,769	343,635	(143,785)	3,124,619
COVID Response Fund	240	-	(240)	-
Permanent Fund for NOVA	82,994	277,603	(360,597)	-
Total	<u>\$ 5,530,396</u>	<u>\$ 922,597</u>	<u>\$ (646,033)</u>	<u>\$ 5,806,960</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

7. NET ASSETS WITH DONOR RESTRICTION (CONTINUED)

	2024			
	Balance at June 30, 2023	Revenue and Support	Released	Balance at June 30, 2024
Education Programs	\$ 2,339,258	\$ 342,889	\$ (159,754)	\$ 2,522,393
Health Programs	2,715,997	384,772	(176,000)	2,924,769
COVID Response Fund	240	-	-	240
Permanent Fund for NOVA	47,503	310,874	(275,383)	82,994
Total	<u>\$ 5,102,998</u>	<u>\$ 1,038,535</u>	<u>\$ (611,137)</u>	<u>\$ 5,530,396</u>

8. ENDOWMENT FUNDS

At June 30, 2025, The Foundation's endowment consists of 4 donor restricted funds established for educational and health purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. The donor-restricted endowment fund is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, 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 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, and (7) the Foundation's investment policies.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

8. ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

For the years ended June 30, 2025 and 2024, the endowment funds had the following activity:

	2025	2024
Net assets, beginning of year	\$ 2,497,841	\$ 2,354,723
Interest and dividends	78,139	70,721
Change in fair value of investments	174,956	194,604
Authorized expenditures	(99,317)	(122,207)
Net assets, end of year	<u>\$ 2,651,619</u>	<u>\$ 2,497,841</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor restricted endowment fund may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2025 and 2024.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. However, in some instances the investment or spending policies may be superseded by specific requirements or donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested so as to achieve a reasonable rate of return relative to the board equity and fixed income markets across the full business cycle.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield.

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

8. ENDOWMENT FUNDS (CONTINUED)

Spending Policy and Investment Objectives

The goal of the Foundation's spending policy is to provide a reasonable, predictable, and sustainable structure that supports the intentions of the original endowment. The policy is designed to ensure that the Foundation remains a perpetual and meaningful provider of funds and services to the community by seeking preservation of its endowment assets. Expenditure requests from endowment funds are submitted to the Foundation for approval, and are released for payment upon approval. Expenditures are awarded in accordance with donor stipulations.

9. CONCENTRATIONS

For the years ended June 30, 2025 and 2024, the Foundation recognized support of \$3,705,908 and \$10,055,532 from three donors, respectively.

10. DONATED SERVICES

The Foundation receives in-kind contributions from members of the Board of Directors and other companies. These donated professional services have been recorded in the financial statements at their estimated fair value under the statement of activities. Due to the nature of these nonfinancial assets, the services were utilized in the period they were received and there were no donor restrictions imposed on them. Inputs used to measure the initial recognition of donated services consist of current market rates for services received. The following table outlines the activity for the years ended June 30, 2025 and 2024, respectively:

	2025	2024
Marketing	\$ 17,353	\$ 12,368
Legal	23,920	30,026
Printing	2,109	-
Donor cultivation	7,300	1,544
	<u>\$ 50,682</u>	<u>\$ 43,938</u>

THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 (with Comparative Information as of and for the year ended June 30, 2024)

11. COMMITMENTS AND CONTINGENCIES

Operating Lease

The Foundation entered into a thirty-month lease agreement for office space located in Fairfax, Virginia, commencing on April 1, 2023, and expiring on September 30, 2025. Lease expense for the year ended June 30, 2025 and 2024 was \$48,953 and \$47,440, respectively.

The weighted average remaining lease term for the Foundation's operating lease is 3 months. The weighted average discount rate used to calculate the present value of the sum of the lease payments, which is recorded as lease liability for the Institute's operating lease is 3.81%. This rate is determined to be the borrowing rate as of the lease agreement execution date and reflects the Foundation's risk-free rate.

Future minimum lease payments required under the lease for 2026 is \$17,469.

12. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through January 9, 2026, the date the financial statements were available to be issued.