

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

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2024  
with Summarized Comparative Information  
for the year ended June 30, 2023**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The Community Foundation for Northern Virginia, Inc.  
Alexandria, 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, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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  
November 21, 2024

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2024 (with Comparative Information as of June 30, 2023)**

**ASSETS**

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,068,973	\$ 1,094,525
Accounts receivable	37,500	38,826
Prepaid expenses	21,602	42,899
Deposit	39,638	33,193
<b>TOTAL CURRENT ASSETS</b>	<u>2,167,713</u>	<u>1,209,443</u>
<b>PROPERTY AND EQUIPMENT, AT COST, NET</b>	<u>15,300</u>	<u>13,677</u>
<b>OTHER ASSETS</b>		
Investments	103,952,959	88,095,931
Investment - Healthcare Portfolio V DST	1,193,129	1,193,129
Right of use asset - operating	57,396	100,532
<b>TOTAL OTHER ASSETS</b>	<u>105,203,484</u>	<u>89,389,592</u>
<b>TOTAL ASSETS</b>	<u>\$ 107,386,497</u>	<u>\$ 90,612,712</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 82,171	\$ 31,646
Grants payable	258,567	55,000
Accrued expenses	45,943	27,490
Current operating lease liability	66,797	56,815
Deferred revenue	80,156	154,125
<b>TOTAL CURRENT LIABILITIES</b>	<u>533,634</u>	<u>325,076</u>
<b>OTHER LIABILITIES</b>		
Long term operating lease liability	<u>17,605</u>	<u>84,402</u>
<b>TOTAL LIABILITIES</b>	<u>551,239</u>	<u>409,478</u>
<b>NET ASSETS</b>		
Without donor restrictions	101,304,862	85,100,236
With donor restrictions	5,530,396	5,102,998
<b>TOTAL NET ASSETS</b>	<u>106,835,258</u>	<u>90,203,234</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 107,386,497</u>	<u>\$ 90,612,712</u>

See Notes to Financial Statements.

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2024 (with Summarized Comparative Information for the year ended June 30, 2023)**

	2024			2023
	Without	With	Total	Total
	Donor Restrictions	Donor Restrictions		
<b>REVENUE</b>				
Contributions	\$ 15,034,778	\$ 310,874	\$ 15,345,652	\$ 10,046,826
Investment income (loss)	12,520,822	727,661	13,248,483	8,796,327
Fee income	880,841	-	880,841	798,195
Other income	93,318	-	93,318	72,214
Net assets released from restrictions	611,137	(611,137)	-	-
<b>TOTAL REVENUE</b>	<b>29,140,896</b>	<b>427,398</b>	<b>29,568,294</b>	<b>19,713,562</b>
<b>EXPENSES</b>				
Program services	11,401,394	-	11,401,394	8,098,128
Support services				
Management and general	666,846	-	666,846	615,744
Fundraising	868,030	-	868,030	751,321
Total support services	1,534,876	-	1,534,876	1,367,065
<b>TOTAL EXPENSES</b>	<b>12,936,270</b>	<b>-</b>	<b>12,936,270</b>	<b>9,465,193</b>
<b>CHANGE IN NET ASSETS</b>	<b>16,204,626</b>	<b>427,398</b>	<b>16,632,024</b>	<b>10,248,369</b>
<b>NET ASSETS, beginning of year</b>	<b>85,100,236</b>	<b>5,102,998</b>	<b>90,203,234</b>	<b>79,954,865</b>
<b>NET ASSETS, end of year</b>	<b>\$ 101,304,862</b>	<b>\$ 5,530,396</b>	<b>\$ 106,835,258</b>	<b>\$ 90,203,234</b>

See Notes to Financial Statements.

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2024 (with Summarized Comparative Information for the year ended June 30, 2023)**

	2024			2023	
	Program Services	General and Administrative	Fundraising	Total	Total
Grants	\$ 9,775,672	\$ -	\$ -	\$ 9,775,672	\$ 6,633,858
Salaries and benefits	401,077	343,780	401,076	1,145,933	1,097,283
Scholarships	631,190	-	-	631,190	543,536
Bank and investment fees	500,560	5,269	21,076	526,905	479,611
Entertainment	-	-	127,252	127,252	91,253
Contract labor	15,944	70,329	39,980	126,253	60,400
Community partnerships	3,116	2,947	76,016	82,079	34,338
Payroll taxes	27,261	23,366	27,261	77,888	75,864
Rent	-	47,440	-	47,440	46,048
Consignment	-	-	45,761	45,761	28,972
In-kind expenses:					
Legal services	-	30,026	-	30,026	28,178
Donor cultivation	-	-	12,368	12,368	42,895
Marketing services	-	-	1,544	1,544	3,493
Printing and postage	12,130	2,021	26,280	40,431	36,716
Technology subscriptions	13,057	13,054	13,054	39,165	34,958
Website and network services	1,907	34,324	1,907	38,138	25,120
Fundraising	-	-	35,717	35,717	18,182
Marketing	-	4,252	26,356	30,608	29,825
Office expenses	2,220	24,464	3,331	30,015	49,267
Accounting	-	25,983	-	25,983	24,459
Dues, subscriptions and publications	-	16,663	1,852	18,515	15,182
Program expenses	16,086	-	-	16,086	12,754
Insurance	-	11,039	-	11,039	10,257
Conferences and training	-	7,397	-	7,397	13,095
Advertising	-	-	6,055	6,055	6,841
Depreciation	-	3,511	-	3,511	4,907
Payroll services	800	688	800	2,288	2,215
Other	374	293	344	1,011	15,686
<b>TOTAL EXPENSES</b>	<b>\$ 11,401,394</b>	<b>\$ 666,846</b>	<b>\$ 868,030</b>	<b>\$ 12,936,270</b>	<b>\$ 9,465,193</b>

See Notes to Financial Statements.



**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2024 (with Comparative Information for the year ended June 30, 2023)**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from operations		
Support and revenue	\$ 13,707,600	\$ 7,821,166
Interest and dividend income	1,612,789	1,462,428
	<u>15,320,389</u>	<u>9,283,594</u>
Total cash received from operations		
Cash disbursed by operations		
Payments to employees, grantees, and suppliers	12,605,103	9,320,074
	<u>2,715,286</u>	<u>(36,480)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property	(5,134)	(12,420)
Purchase of investments	(23,322,554)	(31,099,700)
Proceeds from sales of investments	21,586,850	30,805,391
	<u>(1,740,838)</u>	<u>(306,729)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<u>974,448</u>	<u>(343,209)</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year</b>	<u>1,094,525</u>	<u>1,437,734</u>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year</b>	<u>\$ 2,068,973</u>	<u>\$ 1,094,525</u>
<b>NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
Unrealized gain in fair value of investments	\$ (9,112,644)	\$ (9,339,121)
Decrease in investment fair value	9,112,644	9,339,121
In-kind stock donation	(2,485,630)	(3,003,402)
Increase in investment value	2,485,630	3,003,402
	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2024 (with Comparative Information for the year ended June 30, 2023)**

	<u>2024</u>	<u>2023</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<u>\$ 16,632,024</u>	<u>\$ 10,248,369</u>
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Depreciation	3,511	4,907
Non-cash occupancy costs	(13,679)	40,685
Loss on disposal of assets	-	683
Unrealized gain on investment	(9,112,644)	(9,339,121)
Realized (gain) loss on investment	(2,523,050)	2,005,222
Donated stock	<u>(2,485,630)</u>	<u>(3,003,402)</u>
<b>NET ADJUSTMENTS</b>	<u>(14,131,492)</u>	<u>(10,291,026)</u>
<b>CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING (USING) CASH</b>		
<b>ASSETS</b>		
Accounts receivable	(8,674)	(28,826)
Prepaid expenses	21,297	(10,423)
Deposit	<u>(6,445)</u>	<u>(16,292)</u>
	<u>6,178</u>	<u>(55,541)</u>
<b>LIABILITIES</b>		
Accounts payable	50,525	2,603
Grants payable	213,567	45,000
Accrued expenses	18,453	3,390
Deferred revenue	<u>(73,969)</u>	<u>10,725</u>
	<u>208,576</u>	<u>61,718</u>
<b>NET CHANGES IN ASSETS AND LIABILITIES</b>	<u>214,754</u>	<u>6,177</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 2,715,286</u></u>	<u><u>\$ (36,480)</u></u>

See Notes to Financial Statements.

## **THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

#### **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, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**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, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

#### **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, 2024 and 2023, 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 \$4,596 and \$4,188 for the years ended June 30, 2024 and 2023, respectively.

###### **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.

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

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

**Summary of Significant Accounting Policies (Continued)**

**Property and Equipment**

Property and equipment are recorded at cost. All property and equipment acquisitions in excess of \$1,500 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, contract labor, community partnerships, payroll taxes, printing and postage, technology subscriptions, website and network services, marketing, office expenses, dues, subscriptions and publications, 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.

**Reclassification**

Certain account balances within the prior year financial statements have been reclassified to conform to the current year financial statement presentation.

**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, 2024 and 2023.

## THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.

### NOTES TO FINANCIAL STATEMENTS

June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)

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

##### Summary of Significant Accounting Policies (Continued)

###### Income Taxes (Continued)

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.

###### Adoption of New Accounting Standard

In June 2016, the Financial Accounting Standards Board issued ASC 326 *Financial Instruments - Credit Losses* effective for years beginning after December 15, 2022 that significantly changed how entities measure credit losses for most financial assets, including trade receivables. The guidance implemented a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to this guidance were accounts receivable.

☒

The Foundation adopted the standard effective July 1, 2023 with no effect on the beginning net assets without donor restrictions. The impact of the adoption resulted primarily in enhanced disclosures only. ☒

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

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

**Summary of Significant Accounting Policies (Continued)**

**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, 2023, from which the summarized information was derived.

**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, 2025 are as follows:

Financial Assets	
Cash	\$ 2,068,973
Accounts receivable	37,500
Investments	<u>103,952,959</u>
Total Financial assets	106,059,432
Less amounts not available within one year	
Purpose restricted net assets	(5,530,396)
Donor advised funds	<u>(60,274,909)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 40,254,127</u></u>



**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**2. CASH AND CASH EQUIVALENTS**

Cash as of June 30, 2024 and 2023 consisted of the following:

	2024	2023
Checking and money market accounts	\$ 2,068,761	\$ 1,094,126
Petty cash	212	399
	<u>\$ 2,068,973</u>	<u>\$ 1,094,525</u>

The Foundation maintains its cash balances at several financial institutions in the United States. As of June 30, 2024 and 2023, cash not insured by the Federal Deposit Insurance Corporation was \$1,052,293 and \$707,273, respectively. The Foundation maintained no restricted cash balances as of June 30, 2024 and 2023.

**3. PROPERTY AND EQUIPMENT**

Property and depreciation for the years ended June 30, 2024 and 2023 consisted of the following:

	2024			Estimated
	Cost	Depreciation expense	Accumulated depreciation	useful life (years)
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>	
	2023			Estimated
	Cost	Depreciation expense	Accumulated depreciation	useful life (years)
Furniture and equipment	\$ 7,548	\$ 944	\$ 3,094	3-7
Equipment	15,808	470	6,585	7
Leasehold improvements	-	3,493	-	5
	<u>\$ 23,356</u>	<u>\$ 4,907</u>	<u>\$ 9,679</u>	

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**4. INVESTMENTS**

Investments are recorded at fair value and consist of the following at June 30, 2024 and 2023:

	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, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**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, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**4. INVESTMENTS (CONTINUED)**

	2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and Cash Equivalents	\$ 13,247,118	\$ 13,247,118	\$ -
Common Stock			
Basic Materials	155,001	178,743	23,742
Communication Services	496,761	735,177	238,416
Consumer Cyclical	1,480,857	1,765,768	284,911
Consumer Defensive	492,910	627,065	134,155
Corporate Governance	4,742	13,498	8,756
Energy	514,718	578,516	63,798
Entertainment	4,379	2,378	(2,001)
Financial Services	1,450,934	2,231,367	780,433
Foreign Large Growth	54,659	46,635	(8,024)
Healthcare	1,035,955	1,209,711	173,756
Industrial	879,421	1,419,743	540,322
Intermediate-Term Bond	20,375	36,768	16,393
Large Blend	115,051	161,989	46,938
Large Growth	62,915	78,833	15,918
Large Value	54,447	56,060	1,613
Mid-Cap Growth	152,938	141,479	(11,459)
Real Estate	837,600	1,171,387	333,787
Short-Term Bond	33,542	32,190	(1,352)
Small Growth	23,310	19,235	(4,075)
Technology	1,771,538	2,934,604	1,163,066
Utilities	212,328	379,446	167,118
World Large-Stock Growth	11,748	16,744	4,996
Corporate Bond	2,122,920	2,930,459	807,539
Exchange Traded Funds	4,261,301	3,813,735	(447,566)
Foreign Bond	115,990	134,562	18,572
Hedgefunds	117,406	197,325	79,919

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**4. INVESTMENTS (CONTINUED)**

	2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds			
Allocation -- 50% to 70% Equity	\$ 1,907,367	\$ 2,055,727	\$ 148,360
Bank Loan	39,156	36,452	(2,704)
Canada Stock	40,939	51,581	10,642
Commodities Broad Basket	14,721	22,226	7,505
Communication	223,529	227,901	4,372
Consumer Cyclical	249,744	340,605	90,861
Consumer Defensive	130,673	177,016	46,343
Corporate Bond	1,215,222	1,107,929	(107,293)
Diversified Emerging Markets	1,845,118	1,542,686	(302,432)
Emerging Markets Bond	1,023,944	911,087	(112,857)
Energy	1,980	2,074	94
Equity Energy	109,630	156,011	46,381
Equity Precious Metals	23,479	20,519	(2,960)
Europe Stock	146,942	144,253	(2,689)
Financial	262,272	256,308	(5,964)
Foreign Large Blend	5,987,610	5,929,271	(58,339)
Foreign Large Growth	483,661	486,703	3,042
Foreign Large Value	17,820	20,884	3,064
Global Real Estate	47,766	46,214	(1,552)
Health	780,527	899,361	118,834
High Yield Bond	3,489,821	4,015,404	525,583
Industrials	606,606	638,895	32,289
Inflation-Protected Bond	88,964	98,776	9,812
Intermediate Core Bond	280,074	238,602	(41,471)
Intermediate Core-Plus Bond	2,168,635	2,066,322	(102,313)
Intermediate Government	1,086,076	1,271,654	185,578
Intermediate-Term Bond	1,031,690	933,741	(97,949)
Japan Stock	95,366	95,522	156
Large Blend	15,526,871	17,838,017	2,311,146
Large Growth	501,479	575,638	74,159
Large Value	759,046	875,226	116,180
Long Government	64,113	51,904	(12,209)

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**4. INVESTMENTS (CONTINUED)**

	2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds (Continued)			
Long-Short Equity	\$ 49,949	\$ 52,630	\$ 2,681
Mid-Cap Blend	53,168	57,918	4,750
Mid-Cap Growth	262,402	285,834	23,432
Mid-Cap Value	211,525	266,067	54,542
Miscellaneous Region	40,336	50,365	10,029
Miscellaneous Sector	12,336	12,222	(114)
Multisector Bond	120,752	102,878	(17,874)
Natural Resources	292,546	270,748	(21,798)
Nontraditional Bond	55,111	56,212	1,101
Pacific/Asia ex-Japan Stk	34,227	36,786	2,559
Preferred Stock	62,723	56,919	(5,804)
Real Estate	320,851	321,676	825
Short Government	109,674	108,102	(1,572)
Short-Term Bond	946,715	906,726	(39,989)
Small Blend	2,355,258	2,271,322	(83,936)
Small Growth	96,657	85,258	(11,399)
Small Value	475,093	523,164	48,071
Systematic Trend	23,208	28,772	5,564
Technology	2,436,011	2,869,462	433,451
Ultrashort Bond	160,402	161,611	1,209
Utilities	139,510	160,892	21,382
World Allocation	37,366	44,286	6,920
World Bond	344,157	294,579	(49,578)
World Bond-USD Hedged	423,841	487,199	63,358
World Large-Stock Growth	27,456	71,734	44,278
World Large-Stock Value	20,253	18,041	(2,212)
Preferred Stock	42,491	37,962	(4,529)
U.S. Government Bond	601,558	581,422	(20,136)
U.S. Government Note	533,165	580,100	46,935
	<u>\$ 80,270,446</u>	<u>\$ 88,095,931</u>	<u>\$ 7,825,486</u>

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**4. INVESTMENTS (CONTINUED)**

Investment income consisted of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 2,493,630	\$ 2,260,630
Realized and unrealized gain (loss) on investments	11,635,694	7,333,899
Investment fees	<u>(880,841)</u>	<u>(798,202)</u>
	<u>\$ 13,248,483</u>	<u>\$ 8,796,327</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, 2024 (with Comparative Information as of and for the year ended June 30, 2023)

#### 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, 2024 and 2023.

The following table presents the Foundation's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2024 and 2023:

	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	37,582	-	-	37,582
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>\$ 103,952,960</u>	<u>\$ 93,981,638</u>	<u>\$ 7,403,004</u>	<u>\$ 2,568,318</u>



**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**5. FAIR VALUE MEASUREMENTS (CONTINUED)**

	2023			
	Fair Value	Level 1	Level 2	NAV
Cash and Cash Equivalents	\$ 13,247,118	\$ 13,247,118	\$ -	\$ -
Common Stock	13,837,336	13,837,336	-	-
Corporate Bond	2,930,459	-	824,496	2,105,963
Foreign Bond	134,562	-	134,562	-
Hedge Funds	197,325	-	-	197,325
Mutual Funds	52,735,912	50,975,993	-	1,759,919
Preferred Stock	37,962	-	37,962	-
US Government Bond	581,422	-	445,474	135,948
US Government Note	580,100	-	580,100	-
Exchange Traded Funds	3,813,735	3,735,087	-	78,648
	<u>\$ 88,095,931</u>	<u>\$ 81,795,534</u>	<u>\$ 2,022,594</u>	<u>\$ 4,277,803</u>

**6. INVESTMENT - HEALTHCARE PORTFOLIO V DST**

In 2024, 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 year ended 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, 2024 and 2023 is as follows:

	2024			
	Balance at June 30, 2023	Investment 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>

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**7. NET ASSETS WITH DONOR RESTRICTION (CONTINUED)**

	2023			
	Balance at June 30, 2022	Revenue and Support	Released	Balance at June 30, 2023
Education Programs	\$ 2,247,311	\$ 273,985	\$ (182,038)	\$ 2,339,258
Health Programs	2,576,587	302,828	(163,418)	2,715,997
COVID Response Fund	180	61	(2)	240
Permanent Fund for NOVA	49,186	175,886	(177,568)	47,503
Total	<u>\$ 4,873,264</u>	<u>\$ 752,760</u>	<u>\$ (523,026)</u>	<u>\$ 5,102,998</u>

**8. ENDOWMENT FUNDS**

At June 30, 2024, 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, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**8. ENDOWMENT FUNDS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

For the years ended June 30, 2024 and 2023, the endowment funds had the following activity:

	<u>2024</u>	<u>2023</u>
Net assets, beginning of year	\$ 2,354,723	\$ 2,294,787
Interest and dividends	70,721	88,512
Change in fair value of investments	194,604	114,910
Authorized expenditures	<u>(122,207)</u>	<u>(143,486)</u>
Net assets, end of year	<u>\$ 2,497,841</u>	<u>\$ 2,354,723</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, 2024 and 2023.

**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, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**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, 2024 and 2023, the Foundation recognized support of \$10,055,532 and \$4,520,638 from three and four major 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, 2024 and 2023, respectively:

	2024	2023
Marketing	\$ 12,368	\$ 42,895
Legal and accounting	30,026	28,178
Donor cultivation	1,544	3,493
	<u>\$ 43,938</u>	<u>\$ 74,566</u>

**THE COMMUNITY FOUNDATION FOR NORTHERN VIRGINIA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 (with Comparative Information as of and for the year ended June 30, 2023)**

**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, 2024 and 2023 was \$47,440 and \$46,048, respectively.

The weighted average remaining lease term for the Foundation's operating lease is 30 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 are as follows:

For years ended June 30:

2025	\$ 68,477
2026	<u>17,469</u>
	<u>\$ 85,946</u>

**Future Meeting Sites**

The Foundation entered into several agreements for future meeting sites with various hotels. In the event of the cancellation of these agreements on June 30, 2024, the maximum cancellation penalty would be \$73,200. Subsequent to the fiscal year end, the Foundation satisfied the terms of these contracts and, therefore, was not liable for any cancellation fees.

**12. SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 21, 2024, the date the financial statements were available to be issued.