

**Financial Statements**

**University of the District of  
Columbia Foundation, Inc.**

**For the Years Ended  
September 30, 2025 and 2024**

**University of the District of Columbia Foundation, Inc.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
University of the District of Columbia Foundation, Inc.  
Washington, D.C.

### Opinion

We have audited the financial statements of the University of the District of Columbia Foundation, Inc. (the Foundation), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of September 30, 2025 and 2024, and the results of its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.



November 24, 2025

**University of the District of Columbia Foundation, Inc.**

**Statements of Financial Position  
As of September 30, 2025 and 2024**

**ASSETS**

	<b>2025</b>	<b>2024</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 961,439	\$ 254,781
Investments	12,826,823	12,666,850
Grants and contributions receivable	1,024,247	966,409
Prepaid expenses	265,972	42,440
<b>Total current assets</b>	<b>15,078,481</b>	<b>13,930,480</b>
<b>FIXED ASSETS</b>		
Computer equipment	28,993	-
<b>COLLECTION</b>		
Artwork collection	480,492	480,492
<b>NONCURRENT ASSETS</b>		
Grants and contributions receivables, net	174,206	245,155
Investments - long-term, net	7,048,978	6,449,837
<b>Total noncurrent assets</b>	<b>7,223,184</b>	<b>6,694,992</b>
<b>TOTAL ASSETS</b>	<b>\$ 22,811,150</b>	<b>\$ 21,105,964</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 523,925	\$ 109,062
Accrued salaries and related benefits	7,190	80,168
<b>Total liabilities</b>	<b>531,115</b>	<b>189,230</b>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	5,726,085	4,801,643
Board designated	1,070,975	1,120,975
<b>Total without donor restrictions</b>	<b>6,797,060</b>	<b>5,922,618</b>
With donor restrictions	15,482,975	14,994,116
<b>Total net assets</b>	<b>22,280,035</b>	<b>20,916,734</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 22,811,150</b>	<b>\$ 21,105,964</b>

See accompanying notes to financial statements.

**University of the District of Columbia Foundation, Inc.**

**Statement of Activities and Changes in Net Assets  
For the Year Ended September 30, 2025**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Net investment return	\$ 759,912	\$ 1,142,960	\$ 1,902,872
Grants and contributions	743,546	2,156,678	2,900,224
Contributed nonfinancial assets	18,500	6,453,326	6,471,826
Other revenue	2,264	-	2,264
Net assets released from donor restrictions	9,256,572	(9,256,572)	-
<b>Total support and revenue</b>	<b>10,780,794</b>	<b>496,392</b>	<b>11,277,186</b>
<b>EXPENSES</b>			
Program Services	9,517,290	-	9,517,290
<b>Supporting Services:</b>			
General and Administrative	209,883	-	209,883
Fundraising	186,712	-	186,712
<b>Total supporting services</b>	<b>396,595</b>	<b>-</b>	<b>396,595</b>
<b>Total expenses</b>	<b>9,913,885</b>	<b>-</b>	<b>9,913,885</b>
Changes in net assets before other item	866,909	496,392	1,363,301
<b>OTHER ITEM</b>			
Transfer	7,533	(7,533)	-
Changes in net assets	874,442	488,859	1,363,301
Net assets at beginning of year	5,922,618	14,994,116	20,916,734
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 6,797,060</b>	<b>\$ 15,482,975</b>	<b>\$ 22,280,035</b>

See accompanying notes to financial statements.

**University of the District of Columbia Foundation, Inc.**

**Statement of Activities and Changes in Net Assets  
For the Year Ended September 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Net investment return	\$ 1,433,284	\$ 2,269,233	\$ 3,702,517
Grants and contributions	724,251	1,510,903	2,235,154
Contributed nonfinancial assets	181,439	-	181,439
Other revenue	1,649	-	1,649
Net assets released from donor restrictions	2,275,438	(2,275,438)	-
<b>Total support and revenue</b>	<b>4,616,061</b>	<b>1,504,698</b>	<b>6,120,759</b>
<b>EXPENSES</b>			
Program Services	2,634,785	-	2,634,785
<b>Supporting Services:</b>			
General and Administrative	218,177	-	218,177
Fundraising	397,787	-	397,787
<b>Total supporting services</b>	<b>615,964</b>	<b>-</b>	<b>615,964</b>
<b>Total expenses</b>	<b>3,250,749</b>	<b>-</b>	<b>3,250,749</b>
Changes in net assets before other item	1,365,312	1,504,698	2,870,010
<b>OTHER ITEM</b>			
Transfer	(10,033)	10,033	-
Changes in net assets	1,355,279	1,514,731	2,870,010
Net assets at beginning of year	4,567,339	13,479,385	18,046,724
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 5,922,618</b>	<b>\$ 14,994,116</b>	<b>\$ 20,916,734</b>

See accompanying notes to financial statements.

University of the District of Columbia Foundation, Inc.

Statement of Functional Expenses  
For the Year Ended September 30, 2025

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Bank and credit card fees	\$ 4,217	\$ 149	\$ -	\$ 149	\$ 4,366
Business insurance	440	5,358	-	5,358	5,798
Commuting benefits	-	7,096	-	7,096	7,096
Conference fees	8,848	-	-	-	8,848
Consulting	26,500	-	185,338	185,338	211,838
Contributions and gifts	6,381,330	-	-	-	6,381,330
Dues and subscriptions	8,083	784	-	784	8,867
Fees, taxes, and licenses	14,934	120	-	120	15,054
Honorariums and awards	68,675	-	-	-	68,675
Marketing and promotions	16,425	-	-	-	16,425
Meals and entertainment	77,470	-	-	-	77,470
Miscellaneous	60,493	-	-	-	60,493
Office storage	20,656	-	-	-	20,656
Postage, printing, and supplies	304,364	-	-	-	304,364
Professional fees	194,553	112,913	1,374	114,287	308,840
Program costs	562,830	36,780	-	36,780	599,610
Publication costs	7,854	-	-	-	7,854
Salaries and benefits	29,697	46,683	-	46,683	76,380
Scholarships and fellowships	1,630,046	-	-	-	1,630,046
Travel	35,725	-	-	-	35,725
Write off of uncollectible receivables	64,150	-	-	-	64,150
<b>TOTAL</b>	<b><u>\$ 9,517,290</u></b>	<b><u>\$ 209,883</u></b>	<b><u>\$ 186,712</u></b>	<b><u>\$ 396,595</u></b>	<b><u>\$ 9,913,885</u></b>

See accompanying notes to financial statements.

University of the District of Columbia Foundation, Inc.

Statement of Functional Expenses  
For the Year Ended September 30, 2024

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Bank and credit card fees	\$ -	\$ 4,470	\$ -	\$ 4,470	\$ 4,470
Business insurance	-	4,985	-	4,985	4,985
Conference fees	1,175	6,999	-	6,999	8,174
Consulting	26,056	-	385,000	385,000	411,056
Contributions and gifts	181,439	-	-	-	181,439
Dues and subscriptions	-	2,332	-	2,332	2,332
Honorariums and awards	60,019	-	-	-	60,019
Marketing and promotions	12,500	-	9,900	9,900	22,400
Meals and entertainment	65,205	4,983	-	4,983	70,188
Miscellaneous	31,656	-	-	-	31,656
Office storage	13,721	-	-	-	13,721
Payroll service charges	-	69	-	69	69
Postage, printing, and supplies	144,279	-	-	-	144,279
Professional fees	168,219	69,916	2,887	72,803	241,022
Program costs	681,906	6,725	-	6,725	688,631
Publication costs	2,595	-	-	-	2,595
Salaries and benefits	28,120	106,925	-	106,925	135,045
Travel	46,547	4,173	-	4,173	50,720
Tuition, fees, and scholarships	1,171,348	6,600	-	6,600	1,177,948
<b>TOTAL</b>	<b><u>\$ 2,634,785</u></b>	<b><u>\$ 218,177</u></b>	<b><u>\$ 397,787</u></b>	<b><u>\$ 615,964</u></b>	<b><u>\$ 3,250,749</u></b>

See accompanying notes to financial statements.

**University of the District of Columbia Foundation, Inc.**

**Statements of Cash Flows  
For the Years Ended September 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 1,363,301	\$ 2,870,010
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Unrealized gain on investments	(1,176,883)	(2,359,977)
Realized gain on investments	(358,120)	(936,395)
Contributions restricted in perpetuity	(168,300)	(15,682)
Change in discount on grants and contributions receivable	(7,551)	(6,471)
Change in allowance for doubtful accounts	(173,850)	-
Decrease (increase) in:		
Grants and contributions receivable	194,512	(122,168)
Prepaid expenses	(223,532)	(17,713)
Increase (decrease) in:		
Accounts payable and accrued liabilities	414,863	(75,625)
Accrued salaries and related benefits	(72,978)	-
Taxes payable	-	36,440
<b>Net cash used by operating activities</b>	<b>(208,538)</b>	<b>(627,581)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(28,993)	-
Purchases of investments	-	(503,865)
Proceeds from sales of investments	775,889	-
<b>Net cash provided (used) by investing activities</b>	<b>746,896</b>	<b>(503,865)</b>
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		
Contributions restricted in perpetuity	168,300	15,682
<b>Net cash provided by financing activities</b>	<b>168,300</b>	<b>15,682</b>
Net increase (decrease) in cash and cash equivalents	706,658	(1,115,764)
Cash and cash equivalents at beginning of year	254,781	1,370,545
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 961,439</b>	<b>\$ 254,781</b>

See accompanying notes to financial statements.

## University of the District of Columbia Foundation, Inc.

### Notes to Financial Statements September 30, 2025 and 2024

#### 1. Summary of Significant Accounting Policies

##### Organization

The University of the District of Columbia Foundation, Inc. (the Foundation) is a non-profit organization, incorporated on March 15, 1978, in the District of Columbia and located in Washington, D.C. The Foundation's mission is to solicit funds for student scholarships, and to advance and benefit the programs and mission of University of the District of Columbia (the University). Chartered in 1974, the University, the only public institution of higher education in the District of Columbia (District), was the result of mergers of three institutions of higher learning. The University is an urban land-grant institution of higher education which offers quality, affordable postsecondary education to District residents, at the certificate, associate, baccalaureate and graduate levels. Furthermore, the University is not only a graduate and baccalaureate degree granting institution, it is also a community college with an open door policy.

##### Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follow:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

##### Cash and Cash Equivalents

The Foundation considers all highly liquid investments with maturities of three months or less, excluding money market funds included as part of the investment portfolio. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Foundation maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

**University of the District of Columbia Foundation, Inc.**

**Notes to Financial Statements  
September 30, 2025 and 2024**

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

**Investments**

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Foundation's policy is to liquidate all gifts of investments as soon as possible after the gift.

**Grants and Contributions Receivable**

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants and contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in grants and contributions.

**ArtWork Collection**

The Foundation's artwork collection (Collection) represents various paintings, art objects, and sculptures that are held for educational, research, and curatorial purposes. Some of the items are catalogued, preserved, and cared for, and activities verifying their existence and assessing their condition are performed periodically. An appraisal was performed on November 12, 2012 for a portion of the Foundation's Collection located in the main administrative building of the University. The Foundation records its Collection at cost, if purchased, or fair value, if donated.

**Income Taxes**

The Foundation is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Foundation is not a private foundation.

**Support from Grants and Contributions**

Contributions are recognized in the appropriate category of net assets in the period received. The Foundation performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

**University of the District of Columbia Foundation, Inc.**

**Notes to Financial Statements  
September 30, 2025 and 2024**

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

**Support from Grants and Contributions (Continued)**

Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Foundation had no refundable advances as of September 30, 2025 and 2024.

In addition, the Foundation may obtain funding source agreements related to conditional contributions, which will be received in future years. However, the Foundation had no conditional contributions to be received in future years as of September 30, 2025 and 2024.

**Contributed Nonfinancial Assets**

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed contributed equipment. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

**Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

The costs of providing the Foundation's programs and supporting services have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefitted more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

**Risks and Uncertainties**

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

**University of the District of Columbia Foundation, Inc.**

**Notes to Financial Statements  
September 30, 2025 and 2024**

**2. Investments and Fair Value Measurements**

In accordance with FASB ASC 820, *Fair Value Measurement*, the Foundation has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Foundation has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended September 30, 2025 and 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Common Stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Foundation are deemed to be actively traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2025:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 86,168	\$ -	\$ -	\$ 86,168
Common stocks	12,865,946	-	-	12,865,946
Mutual funds	6,923,687	-	-	6,923,687
<b>TOTAL INVESTMENTS</b>	<b>\$ 19,875,801</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,875,801</b>

**University of the District of Columbia Foundation, Inc.**

**Notes to Financial Statements  
September 30, 2025 and 2024**

**2. Investments and Fair Value Measurements (Continued)**

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 127,365	\$ -	\$ -	\$ 127,365
Common stocks	12,109,690	-	-	12,109,690
Mutual funds	6,879,632	-	-	6,879,632
<b>TOTAL INVESTMENTS</b>	<u>\$ 19,116,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,116,687</u>

Net investment return consisted of the following for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 450,331	\$ 485,740
Unrealized gain	1,176,883	2,359,977
Realized gain	358,120	936,395
Investment fees	(82,462)	(79,595)
<b>NET INVESTMENT RETURN</b>	<u>\$ 1,902,872</u>	<u>\$ 3,702,517</u>

**3. Grants and Contributions Receivable**

The Foundation has received written promises to give from various donors totaling \$1,224,502 and \$1,419,014 as of September 30, 2025 and 2024, respectively. Pledges receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using discount rates ranging from 3% to 4%.

Grants and contributions receivable are expected to be collected as follows as of September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Less than one year	\$ 1,038,397	\$ 1,154,409
One to five years	186,105	264,605
<b>Subtotal</b>	<u>1,224,502</u>	<u>1,419,014</u>
Less: Allowance to discount balance to present value	(11,899)	(19,450)
Less: Reserve for uncollectable grants	(14,150)	(188,000)
<b>GRANTS AND CONTRIBUTIONS RECEIVABLE, NET</b>	<u>\$ 1,198,453</u>	<u>\$ 1,211,564</u>

**University of the District of Columbia Foundation, Inc.**

**Notes to Financial Statements  
September 30, 2025 and 2024**

**4. Board Designated Net Assets**

As of September 30, 2025 and 2024, net assets without donor restrictions have been designated by the Board of Directors for the following purposes:

	<b>2025</b>	<b>2024</b>
Artwork Collection	\$ 480,492	\$ 480,492
Scholarships	484,483	484,483
Capital Assets and Real Estate Services Fund	6,000	6,000
EBHenderson Memorial Campaign	-	50,000
IDAs	100,000	100,000
<b>BOARD DESIGNATED NET ASSETS</b>	<b>\$ 1,070,975</b>	<b>\$ 1,120,975</b>

**5. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following as of September 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Scholarship and academic programs	\$ 4,632,087	\$ 4,764,214
Accumulated endowment earnings	3,801,910	3,579,224
Endowment to be invested in perpetuity	7,048,978	6,650,678
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ 15,482,975</b>	<b>\$ 14,994,116</b>

The following net assets with donor restrictions were released for donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the years ended September 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
<b>Purpose restrictions accomplished:</b>		
Scholarship and academic programs	\$ 8,516,298	\$ 1,997,939
Accumulated endowment earnings	740,274	277,499
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b>\$ 9,256,572</b>	<b>\$ 2,275,438</b>

**University of the District of Columbia Foundation, Inc.**

**Notes to Financial Statements  
September 30, 2025 and 2024**

**6. Liquidity and Availability**

The Foundation has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 961,439	\$ 254,781
Investments - current	12,826,823	12,666,850
Grants and contributions receivable - current	1,024,247	966,409
Investments - noncurrent	7,048,978	6,449,837
<b>Subtotal financial assets available within one year</b>	<b>21,861,487</b>	<b>20,337,877</b>
Less: Donor-restricted funds	(8,184,895)	(14,748,961)
Less: Board designated funds	(1,070,975)	(1,120,975)
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ 12,605,617</b>	<b>\$ 4,467,941</b>

**7. Contributed Nonfinancial Assets**

The Foundation was the beneficiary of certain contributed nonfinancial assets which allowed the Foundation to provide greater resources towards its various programs. Contributed nonfinancial assets are recorded at their fair value as of the date of the gift.

During the year ended September 30, 2025, of these contributions, \$6,453,326 were donor restricted. There were no restrictions noted during the year ended September 30, 2024.

The contributed nonfinancial assets consisted of the following for the years ended September 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Donated IT services	\$ 6,160,775	\$ 181,439
Other donations	311,051	-
<b>TOTAL CONTRIBUTED NONFINANCIAL ASSETS</b>	<b>\$ 6,471,826</b>	<b>\$ 181,439</b>

The contributed nonfinancial assets have been recorded in support and in the following functional expense categories for the years ended September 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Program Services	\$ 6,471,826	\$ 181,439

## University of the District of Columbia Foundation, Inc.

### Notes to Financial Statements September 30, 2025 and 2024

#### 8. Transactions with the University of the District of Columbia

Management Services - During the years ended September 30, 2025 and 2024, the Foundation paid \$76,381 and \$135,045, respectively, to the University for staffing of individuals performing management and administrative functions for the Foundation.

Other - During the years ended September 30, 2025 and 2024, the Foundation paid \$1,761,753 and \$1,214,533, respectively, to the University towards scholarships and other student benefit programs.

#### 9. Endowment Funds

The Foundation's endowment funds consist of donor-restricted endowment funds. As required by 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 Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted by the District of Columbia as requiring the preservation of the fair value of the original gift made to the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result, of this interpretation, the Foundation classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. As of September 30, 2025 and 2024, there were no deficiencies of this nature.

Return Objectives and Risk Parameters -

The Foundation has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor specified period(s). Under this policy, as approved by the governing Board, the endowment assets are invested in a manner that is intended to preserve the principal balances and achieve both capital appreciation and current yield.

**University of the District of Columbia Foundation, Inc.**

**Notes to Financial Statements  
September 30, 2025 and 2024**

**9. Endowment Funds (Continued)**

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Foundation has a policy of appropriating for distribution each year five percent of its endowment fund's average fair value. In establishing this policy, the Foundation considers the long-term expected return on its endowments. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowments to grow at a reasonable rate annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment funds consisted of the following as of September 30, 2025:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions: Available for Appropriation</b>	<b>With Donor Restrictions: Held in Perpetuity</b>	<b>Total</b>
Endowment Funds	\$ -	\$ 3,801,910	\$ 7,048,978	\$ 10,850,888

Changes in endowment funds consisted of the following as of and for the year ended September 30, 2025:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions: Available for Appropriation</b>	<b>With Donor Restrictions: Held in Perpetuity</b>	<b>Total</b>
Endowment funds, beginning of year	\$ -	\$ 3,579,224	\$ 6,650,676	\$ 10,229,900
Contributions	-	1,142,960	168,300	1,311,260
Appropriations	-	(740,274)	-	(740,274)
Transfers	-	(180,000)	230,000	50,000
<b>ENDOWMENT FUNDS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 3,801,910</b>	<b>\$ 7,048,976</b>	<b>\$ 10,850,886</b>

**University of the District of Columbia Foundation, Inc.**

**Notes to Financial Statements  
September 30, 2025 and 2024**

**9. Endowment Funds (Continued)**

Endowment funds consisted of the following as of September 30, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions: Available for Appropriation</b>	<b>With Donor Restrictions: Held in Perpetuity</b>	<b>Total</b>
Donor-Restricted Funds	\$ -	\$ 3,579,224	\$ 6,650,678	\$ 10,229,902

Changes in endowment funds consisted of the following as of and for the year ended September 30, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions: Available for Appropriation</b>	<b>With Donor Restrictions: Held in Perpetuity</b>	<b>Total</b>
Endowment funds, beginning of year	\$ -	\$ 1,587,490	\$ 6,434,155	\$ 8,021,645
Contributions	-	-	16,523	16,523
Net investment return	-	2,269,233	-	2,269,233
Appropriations	-	(277,499)	-	(277,499)
Other changes	-	-	200,000	200,000
<b>ENDOWMENT FUNDS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 3,579,224</b>	<b>\$ 6,650,678</b>	<b>\$ 10,229,902</b>

**10. Subsequent Events**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 24, 2025, the date the financial statements were issued.