



# Raising A Village®

FOUNDATION

**Financial Statements**  
**June 30, 2025**

**With Independent Auditor's Report Thereon**

**Select**  
**Accounting**  
**Reporting &**  
**Consultation**

# Raising a Village Foundation

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June 30, 2025

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The Board of Directors and Management  
Raising a Village Foundation, Inc.  
Washington, DC

### Opinion

We have audited the accompanying financial statements of Raising a Village Foundation (“the Organization”) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and functional expenses 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 Organization’s financial position as of June 30, 2025, and the changes in its net assets for the year then ended in conformity with the modified cash basis of accounting as described in Note 1 to the financial statements.

### Basis for Opinion

We conducted our audit 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 Organization and to meet 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 the financial statements in accordance with the modified cash basis of accounting; and for designing, implementing, and maintaining 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 Organization’s ability to continue as a going concern within one year from the date the financial statements are issued.

### Auditor’s Responsibility 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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Our focus is on your  
operations!

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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.



Silver Spring, MD  
January 5, 2026

Raising a Village Foundation  
Statement of Financial Position  
Modified Cash Basis  
June 30, 2025

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Assets	
Cash and cash equivalents	\$ 71,859
Cash restricted to debt retirement	25,000
Other assets	137
Property and equipment, net	11,805
Endowment	320,713
Total assets	<u>429,514</u>
Liabilities and Net Assets	
Accounts payable	2,618
Line of credit	40,000
Total liabilities	<u>42,618</u>
Net Assets	
Undesignated	66,183
Designated by the Board for endowment	320,713
Total net assets	<u>386,896</u>
Total liabilities and net assets	<u>\$ 429,514</u>

# Raising a Village Foundation

Statement of Activities

Modified Cash Basis

Year Ended June 30, 2025

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	<u>Without Donor Restrictions</u>
Revenue, Support, and Gains	
Education programs	\$ 567,144
Government contracts and grants	96,238
Private contributions and grants	120,385
Net investment return	<u>21,071</u>
Total revenue, support, and gains	<u>804,838</u>
Expenses	
Program services expense	508,318
Supporting services expense	
Management and general	432,420
Fundraising and development	<u>36,000</u>
Total supporting services expenses	<u>468,420</u>
Total expenses	<u>976,738</u>
Change in Net Assets	(171,900)
Net Assets, Beginning of Year	<u>558,796</u>
Net Assets, End of Year	<u>\$ 386,896</u>

**Raising a Village Foundation**  
 Statement of Functional Expenses  
 Modified Cash Basis  
 Year Ended June 30, 2025

	Program Services	Management and General	Fundraising and Development	Total
Salaries and Wages	\$ 323,727	\$ 214,156	\$ -	\$ 537,883
Consultants and Professional Services	31,450	104,776	36,000	172,226
Payroll taxes	29,695	18,902	-	48,597
DSG Transport	39,035	9,113	-	48,148
Employee benefits	3,910	10,184	-	14,094
Office Expenses	13,627	12,122	-	25,749
Occupancy	13,995	9,258	-	23,253
Insurance	12,495	8,318	-	20,813
Information Technology	9,171	6,067	-	15,238
Transportation	5,249	6,032	-	11,281
Depreciation	6,414	4,243	-	10,657
Communications and Marketing	1,183	8,629	-	9,812
Recruitment	1,819	5,617	-	7,436
Uniforms	1,500	4,500	-	6,000
Special Program Events	3,716	1,695	-	5,411
Program Expenses	5,035	31	-	5,066
Training	3,385	533	-	3,918
Meals	1,030	2,208	-	3,238
Background Checks	1,862	1,232	-	3,094
Taxes and Licenses	-	1,855	-	1,855
Memberships and Subscriptions	-	1,501	-	1,501
Staff Appreciation	20	1,344	-	1,364
Interest Expense	-	104	-	104
<b>Total expenses by function</b>	<b>\$ 508,318</b>	<b>\$ 432,420</b>	<b>\$ 36,000</b>	<b>\$ 976,738</b>

**NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

Raising A Village Foundation (“the Foundation,” we, us, our) is a nonprofit corporation founded in 2017 that functions as a direct response to the local community problems that prevail in low-income areas. Raising a Village leads several key initiatives in education, health and wellness, and the arts designed to create positive change for children and families in underserved communities.

Our programs rely on grants from agencies of the District of Columbia and the federal government, as well as on financial support from the public, including foundations, other nonprofit organizations, corporations, and individuals. Program support is awarded on a periodic basis, and renewal is not guaranteed. Grants generally provide sufficient revenue to cover the expenses of funded programs.

*Basis of Accounting*

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). We recognize revenues when collected rather than when earned and expenses when paid rather than when incurred with the following exceptions:

- We capitalize fixed assets (property, plant, and equipment) and record depreciation expense (Note 4).
- We recognize loans as a liability (Note 5).
- We value investments at fair value and report unrealized gains or losses (Note 3).
- We record a liability for credit card purchases when the transactions are posted. These amounts are included in accounts payable.

*Cash, Cash Equivalents and Restricted Cash*

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to debt retirement or other long-term purposes are excluded from this definition.

At June 30, 2025, cash, cash equivalents, and restricted cash reported within the statement of financial position included the following:

Cash and cash equivalents	\$ 71,859
Cash restricted to debt retirement	25,000
	<u>\$ 96,859</u>

*Investments*

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

*Property and Equipment*

Property and equipment additions are recorded at cost or, if donated, at the estimated fair value at the date of receipt. AJE capitalizes all property and equipment additions over \$500. Depreciation is computed using the straight-line method over the following useful lives: office furniture and fixtures – 7 years and equipment and software – 3 years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense accounts when incurred.

*Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

*Net assets with donor restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. We report conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period. At June 30, 2025, there were no net assets with donor restrictions.

*Revenue and Revenue Recognition*

We recognize revenue from program service fees when the cash is received. Substantially all program revenue is generated by one contract.

We record contributions as revenue when cash or other financial assets are received. Contribution pledges and other promises to give are not recognized until the related amounts are collected. Conditional promises to give are recognized only when the conditions have been met and the related amounts have been received

*Advertising Costs*

Advertising costs are expensed as incurred, and approximated \$9,811 during the year ended June 30, 2025.

*Functional Allocation of Expenses*

The costs of providing various program, administrative and fundraising activities have been summarized on a functional basis as the schedule of Functional Expenses. Expenses are directly charged to the appropriate program activity where feasible. Wages and salaries are attributable to more than one supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Wages and salaries are allocated on the basis of estimates of time and effort.

*Income Taxes*

Raising a Village Foundation is organized as a District of Columbia nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

*Estimates*

The preparation of financial statements in conformity with the modified cash basis of accounting requires us 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 revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

*Financial Instruments and Credit Risk*

We manage deposit concentration risk by placing our temporary cash and money market accounts with various financial institutions considered to be high quality. At times, a significant portion of the funds may exceed Federal Deposit Insurance Corporation (FDIC) or other insurance limits. At June 30, 2025, we had no deposits in excess of insured limits.

**NOTE 2 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, consist of cash and cash equivalents in the amount of \$71,859.

We have a board-designated endowment as described in Note 7 which totaled \$320,713 at June 30, 2025. Although the organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary

The Foundation aims to maintain a minimum cash reserve of 90–180 days of operating expenses to support organizational stability and risk mitigation. Based on our current FY25 budget (\$753,000 annual revenue), this target reserve range equates to \$185,000–\$370,000. As part of our liquidity management plan, we maintain a \$65,000 line of credit available to meet seasonal cash flow needs (Note 5).

**NOTE 3 - FAIR VALUE MEASUREMENTS AND DISCLOSURES**

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

# Raising a Village Foundation

Notes to Financial Statements

June 30, 2025

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of our investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. We have no Level 2 or Level 3 investments

The following table presents assets measured at fair value on a recurring basis, except those measured at cost per share as a practical expedient as identified in the following, at June 30, 2025:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Endowment investments				
Money market (at cost)	\$ 652	\$ -	\$ -	\$ -
International equity	93,385	93,385	-	-
Emerging markets equity	16,052	16,052	-	-
U.S. total-market equity	134,083	134,083	-	-
U.S. fixed income / bonds	76,541	76,541	-	-
	<u>\$ 320,713</u>	<u>\$ 320,061</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

Equipment and software	\$ 49,735
Less accumulated depreciation	<u>(37,930)</u>
	<u>\$ 11,805</u>

## NOTE 5 - LINE OF CREDIT

We have a \$65,000 revolving line of credit with a bank, secured by the organization's assets. Borrowings under the line bear interest at the fixed rate of 8.50% per annum.

Accrued interest and principal are due at maturity (April 2026). The agreement requires us to comply with certain financial and non-financial covenants.

**NOTE 6 - LEASES**

We lease office and storage space under agreements with terms of 12 months or less. We have elected the short-term lease exemption for these leases and do not recognize the asset and liability for these leases. Lease expenses for short-term leases are recognized when paid.

**NOTE 7 - ENDOWMENT**

The Foundation's endowment (the Endowment) consists of certain net assets without donor restrictions that have been designated for endowment by the Board of Directors. At June 30, 2025, fair value of the Endowment was \$320,713.

*Investment and Spending Policies*

The investment objectives are meant to provide the Foundation with a reasonable amount of reserve funds, while still providing for growth in the invested funds, and recognizing that the Foundation may have cash needs, from time to time, that exceed the funds available in our operational accounts. Therefore, the objectives are as follows:

- Liquidity within one week should the need arise for supplemental operational cash;
- Growth of capital; and
- Preservation of capital.

Long term, growth of capital is a higher priority than preservation of capital. The Foundation is willing to assume a moderate level of risk in order to achieve capital growth.

All accounts are to automatically re-invest dividends and capital gains back into the funds and to allow for redemption of any and all funds at any time, and transfer of such redeemed assets back into the operating accounts of the Foundation.

From time to time there may be circumstances where the Foundation will need to draw money from the invested funds. Redemptions from the invested funds can only be made by a majority vote of the Finance Committee members and the Executive Director.

# Raising a Village Foundation

Notes to Financial Statements

June 30, 2025

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Changes in Endowment net assets for the year ended June 30, 2025, are as follows:

Endowment net assets, beginning of year	\$	-
Investment return, net		20,713
Contributions		<u>300,000</u>
Endowment net assets, end of year	\$	<u>320,713</u>

## **NOTE 8 - EMPLOYEE BENEFITS**

We sponsor a tax-deferred annuity plan (the Plan) qualified under IRC Section 401(k) covering substantially all full-time employees. The plan provides that employees who have attained the age of 18 and completed three months of service may voluntarily contribute from 1 percent to 100 percent of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. During the year ended June 30, 2025, we matched employee voluntary contributions up to 4 percent, resulting in contributions to the plan of \$7,409.

## **NOTE 9 - SUBSEQUENT EVENTS**

Subsequent to year end, the Organization received \$71,405 under a cost-reimbursement government grant related to allowable costs incurred prior to June 30, 2025.

Subsequent events have been evaluated through January 5, 2026, the date the financial statements were available to be issued.