



The Greater Washington Community Foundation and Affiliates

Consolidated Financial Statements with
Supplemental Schedules
Years Ended March 31, 2016 and 2015

The Greater Washington Community Foundation and Affiliates

Consolidated Financial Statements with Supplemental Schedules
Years Ended March 31, 2016 and 2015

The Greater Washington Community Foundation and Affiliates

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Independent Auditor's Report

Board of Trustees
The Greater Washington Community Foundation
Washington, D.C.

We have audited the accompanying consolidated financial statements of The Greater Washington Community Foundation and Affiliates (collectively, The Community Foundation), which comprise the consolidated statements of financial position as of March 31, 2016 and 2015, and the related consolidated statements of activities and change in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Greater Washington Community Foundation and Affiliates as of March 31, 2016 and 2015, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

McLean, Virginia
September 13, 2017

Consolidated Financial Statements

The Greater Washington Community Foundation and Affiliates

Consolidated Statements of Financial Position

<i>March 31,</i>	2016	2015
Assets		
Cash and cash equivalents	\$ 18,035,790	\$ 15,191,086
Investments	298,422,167	342,458,209
Investments held for others	2,249,623	2,131,609
Notes receivable, net of present value discount of \$82,442 and \$109,705, respectively	477,868	526,554
Charitable remainder trusts receivable	163,635	4,554,539
Accrued interest income and other receivables	990,294	398,626
Prepaid expenses and other assets	303,186	273,444
Total assets	\$ 320,642,563	\$ 365,534,067
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 913,011	\$ 696,181
Grants and appropriations payable, net of present value discount of \$44,780 and \$82,886, respectively	9,768,274	12,730,957
Funds held in trust for others	2,249,623	2,131,609
Total liabilities	12,930,908	15,558,747
Commitments and contingencies		
Net assets		
Unrestricted		
Operating funds	5,975,673	8,831,003
Supporting organization funds	2,204,877	1,810,890
Donor-advised and other funds	295,970,210	331,543,228
Total unrestricted	304,150,760	342,185,121
Temporarily restricted	3,560,895	7,790,199
Total net assets	307,711,655	349,975,320
Total liabilities and net assets	\$ 320,642,563	\$ 365,534,067

See accompanying notes to the consolidated financial statements.

The Greater Washington Community Foundation and Affiliates

Consolidated Statements of Activities and Change in Net Assets

<i>Years Ended March 31,</i>	2016	2015
Changes in unrestricted net assets		
Support and revenue		
Contributions	\$ 50,125,780	\$ 71,354,171
Investment (loss) income, net	(11,760,991)	15,840,991
Rental and other income	798,756	396,157
Net assets released from restrictions	4,229,561	22,820,863
Total unrestricted support and revenue	43,393,106	110,412,182
Expenses		
Program grants and appropriations	74,858,432	86,494,811
Supporting services		
General and administrative	4,278,580	4,953,692
Fundraising	2,290,455	2,239,535
Total supporting services	6,569,035	7,193,227
Total expenses	81,427,467	93,688,038
(Decrease) increase in unrestricted net assets	(38,034,361)	16,724,144
Changes in temporarily restricted net assets		
Contributions	-	3,878,608
Change in value of charitable remainder trusts receivable	(161,343)	12,791
Change in value of real estate investment	161,600	(103,900)
Net assets released from restrictions	(4,229,561)	(22,820,863)
Decrease in temporarily restricted net assets	(4,229,304)	(19,033,364)
Change in net assets	(42,263,665)	(2,309,220)
Net assets at the beginning of the year	349,975,320	352,284,540
Net assets at the end of the year	\$ 307,711,655	\$ 349,975,320

See accompanying notes to the consolidated financial statements.

The Greater Washington Community Foundation and Affiliates

Consolidated Statements of Cash Flows

<i>Years Ended March 31,</i>	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ (42,263,665)	\$ (2,309,220)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized and unrealized losses (gains) on investments	18,213,629	(8,341,904)
Change in value of charitable remainder trusts receivable	161,343	(12,791)
Change in value of notes receivable	(27,263)	21,412
Donated investments received	21,471,549	32,318,885
Changes in operating assets and liabilities:		
Pledges and contributions receivable	-	22,305,863
Charitable remainder trusts receivable	4,229,561	(3,363,608)
Accrued interest income and other receivables	(591,668)	23,301
Prepaid expenses and other assets	(29,742)	114,476
Accounts payable and accrued expenses	216,830	(297,596)
Grants and appropriations payable	(2,962,683)	(18,622,515)
Funds held in trust for others	118,014	(473,371)
Total adjustments	40,799,570	23,672,152
Net cash (used in) provided by operating activities	(1,464,095)	21,362,932
Cash flows from investing activities:		
Purchases of investments	(109,323,720)	(129,293,735)
Proceeds from sales of investments	113,556,570	79,607,916
Issuance of notes receivable	-	(20,000)
Payments received under notes receivable	75,949	75,949
Net cash provided by (used in) investing activities	4,308,799	(49,629,870)
Net increase (decrease) in cash and cash equivalents	2,844,704	(28,266,938)
Cash and cash equivalents at the beginning of the year	15,191,086	43,458,024
Cash and cash equivalents at the end of the year	\$ 18,035,790	\$ 15,191,086

See accompanying notes to the consolidated financial statements.

The Greater Washington Community Foundation and Affiliates

Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

The Greater Washington Community Foundation (formerly known as The Community Foundation for the National Capital Region) was organized in December 1973 as The Community Foundation of Greater Washington pursuant to the District of Columbia Nonprofit Corporation Act, and commenced operations in January 1974. On July 13, 2017, the Foundation changed its name from “The Community Foundation for the National Capital Region” to “The Greater Washington Community Foundation”. A certificate of amendment was filed with the government of the District of Columbia on that date. The Greater Washington Community Foundation has a single program to strengthen the Washington metropolitan region by encouraging and promoting effective giving and by taking leadership on critical issues in its service area.

The Greater Washington Community Foundation is recognized as a not-for-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the IRC). The Internal Revenue Service (the IRS) has classified The Greater Washington Community Foundation as a publicly-supported organization.

The Greater Washington Community Foundation is comprised of a collection of component funds established by donors to The Greater Washington Community Foundation or internally designated by The Greater Washington Community Foundation. The Greater Washington Community Foundation’s service area is the greater Metropolitan Washington, D.C. geographical region. To provide specific services to sub-parts of its service area, The Greater Washington Community Foundation maintains offices to localize its exempt activities in Montgomery and Prince Georges counties, Maryland.

The Summit Fund of Washington (the Summit Fund) and The Kristin and David Steinberg Foundation (the Steinberg Foundation), both District of Columbia nonprofit corporations, are supporting organizations in which The Greater Washington Community Foundation has significant control over the functions of the organizations. Each organization benefits The Greater Washington Community Foundation through support of its mission. The Summit Fund and the Steinberg Foundation have been recognized by the IRS as not-for-profit, tax-exempt organizations under Section 501(c)(3) of the IRC.

The Summit Fund and The Greater Washington Community Foundation have dissolved the Summit Fund of Washington, effective March 31, 2015. Under the terms of the agreement with The Summit Fund, the assets of The Summit Fund were transferred to The Greater Washington Community Foundation to fund a new donor-advised component fund.

The consolidated financial statements include the accounts of The Greater Washington Community Foundation, the Summit Fund and the Steinberg Foundation (collectively referred to as The Community Foundation). All material inter-organization balances and transactions have been eliminated in consolidation.

The significant accounting policies followed by The Community Foundation are described below.

Basis of accounting

The consolidated financial statements of The Community Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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Notes to the Consolidated Financial Statements

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting year. Actual results may differ from estimates under different assumptions or conditions.

Revenue recognition

The Community Foundation records gifts of cash and marketable securities as contribution revenue when the gift is pledged or received (if not pledged). Certain gifts of real estate, non-marketable securities or other business ownership interests are subject to an approval process prior to the acceptance of the asset.

Amounts received that are designated for a future period, or are restricted by the donor for specific purposes are reported as temporarily restricted support which increases that net asset class. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as temporarily restricted net assets. When the restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the consolidated statements of activities and change in net assets as net assets released from restrictions.

Contributions are recorded net of estimated uncollectible amounts. The Community Foundation uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, including multi-year pledges and split interest agreements, to be received after one year are recorded at the present value of the estimated future cash flows. Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years. Revenue under charitable gift annuity arrangements is reduced by the estimated annuities to be paid by The Community Foundation over the beneficiary's lifetime.

Revenue related to federal grants is recognized as the related costs are incurred. Other income is recognized when earned.

Cash equivalents

The Community Foundation considers short-term investments with initial maturities of three months or less to be cash equivalents, excluding cash equivalents held temporarily for long-term investment purposes by investment custodians. Temporary cash positions in the investment portfolio are considered investments and are not included in cash and cash equivalents in the accompanying consolidated statements of financial position.

Investments

The Community Foundation records investments at fair value. Interest and dividend income is accounted for on the accrual basis. Gains and losses on investments, including changes in market value, are reported in the consolidated statements of activities and change in net assets as increases

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Notes to the Consolidated Financial Statements

or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by donor stipulation.

As of March 31, 2016 and 2015, a portion of The Community Foundation's investments are comprised of shares held in investment funds without readily determinable fair values. These investment funds may invest in foreign and domestic equity and debt instruments, derivative instruments such as hedges and foreign currency contracts, and also certain leveraged arrangements. Any significant changes in the fair value of these investment funds could significantly affect the overall value of The Community Foundation's investment portfolio and its net assets.

Notes receivable

Notes receivable are stated at the amount of unpaid principal, adjusted for a present value discount and an allowance for loan losses, when deemed appropriate. The Community Foundation records an allowance when management determines that collectability is not probable. Management's estimate is based on review of the loans comprising the notes receivable balance and considers known and inherent risks, the estimated fair value of the underlying collateral, and current economic conditions.

Charitable remainder trusts receivable

Receivables from split-interest agreements are recorded at fair value, which is the estimated net present value of The Community Foundation's remainder interests in various trusts held by third-party trustees. The net present value of these receivables is determined using investment returns consistent with the composition of the asset portfolios of the trusts, single or joint life expectancy from published tables, and discount rates commensurate with the risks involved. The estimation of the net present value of these receivables is subjective and requires significant judgment. Due to uncertainties inherent in the estimation process, it is possible that future events in either the near- or long-term could materially affect the amounts reported in the consolidated statements of financial position.

Grants and appropriations payable

Grant commitments are recognized when the Board of Trustees approves specific grants. When grant commitments are to be paid over several years, The Community Foundation records such liabilities at their estimated present values. Grants and appropriations payable are recorded at face value, and then discounted to present value using interest rates appropriate to the estimated length of the payable.

Net assets

The Community Foundation classifies net assets into two categories: unrestricted and temporarily restricted. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor.

Unrestricted net assets consist of the following types of internally-designated funds:

Operating funds - Funds used for the general operation of The Greater Washington Community Foundation.

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Supporting organization funds - Unrestricted net assets of the Summit Fund and the Steinberg Foundation.

Donor-advised and other funds - Funds established by donor contributions that enable donors to make recommendations from time to time about the distributions from the funds. The donors' advice in the grant-making process is considered by the Board of Trustees in making grants from these resources. Other funds include field of interest funds used to support particular interests to the donor, designated funds intended to benefit designated charitable organizations, and scholarship funds intended to assist students in obtaining an education.

Temporarily restricted net assets are contributions or grants with temporary, donor-imposed time and/or program restrictions. Temporarily restricted net assets are reported in the consolidated statements of activities and change in net assets as net assets released from restrictions when the time restrictions expire or the funds are used for their restricted purpose. Temporarily restricted net assets are subject to The Community Foundation component fund requirements, including a variance power provision, but are considered temporarily restricted until funds are available for use. Temporarily restricted net assets consist of funds that are unavailable for use in the current period due to donor-imposed time restrictions that would otherwise be classified as unrestricted donor-advised funds or other funds.

The Community Foundation's consolidated financial statements are prepared in accordance with the current authoritative guidance issued by the Financial Accounting Standards Board (the FASB). These standards provide that if the governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as unrestricted.

Under District of Columbia law and The Greater Washington Community Foundation's governing instruments, certain assets are held as endowment funds until such time (if ever) as the governing body deems it prudent and appropriate to expend some part of the principal or appreciation. Accordingly, the consolidated financial statements classify all net assets as unrestricted unless there is a time restriction.

Functional allocation of expenses

The costs of providing The Community Foundation's programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and change in net assets. Accordingly, certain costs have been allocated among the activities benefited.

Income taxes

The Greater Washington Community Foundation, the Summit Fund and the Steinberg Foundation are exempt from federal income taxes under Section 501(c)(3) of the IRC and from District of Columbia franchise tax under applicable tax regulations, except for income from activities not related to their tax-exempt purpose, which primarily includes unrelated business income from certain investments that are subject to federal and state income taxes. No provision for income taxes was recorded during the years ended March 31, 2016 or 2015 since The Community Foundation had no significant unrelated business income. The Community Foundation has no temporary timing differences that would give rise to deferred tax assets or liabilities; therefore, The Community Foundation has no deferred taxes at March 31, 2016 or 2015. The Greater Washington Community Foundation, the Summit Fund and the Steinberg Foundation are not private foundations pursuant to section 509(a)(1) of the IRC.

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In accordance with authoritative guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board (the FASB), The Community Foundation recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. With few exceptions, The Community Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years ended March 31, 2012 and prior. Management has evaluated the tax positions of The Greater Washington Community Foundation, the Summit Fund, and the Steinberg Foundation and has concluded that no material uncertain tax positions have been taken that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

Concentrations of credit risk

The Community Foundation's assets that are exposed to credit risk consist primarily of cash and cash equivalents, investments, pledges and contributions receivable, notes receivable, and charitable remainder trusts receivable. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Community Foundation has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at March 31, 2016 approximate \$19.3 million. Investment securities are exposed to various risks such as interest rate, market, and credit risks. The Community Foundation's charitable remainder trusts receivable are due from donor trusts that hold investments that are subject to the same types of investment risks. Due to the level of risk associated with certain investments 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 investment and charitable remainder trusts receivable balances and the amounts reported in the consolidated statement of financial position. The Community Foundation's pledges, contributions, and notes receivable balances consist primarily of amounts due from individuals and corporations. Historically, The Community Foundation has not experienced significant losses related to the notes and pledges receivable balances and, therefore, believes that the credit risk related to them is minimal.

Recently adopted authoritative guidance

In August 2014, the FASB issued Accounting Standard Update (ASU) 2014-15, *Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The update provides guidance about management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. This guidance is effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early application is permitted for annual or interim reporting periods for which the financial statements have not previously been issued. This update did not have a material impact on the consolidated financial statements upon adoption.

Recent accounting pronouncements not yet adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The update establishes a comprehensive revenue recognition standard for virtually all industries

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under GAAP, including those that previously followed industry-specific guidance. The principle of the update is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for The Community Foundation's fiscal year 2020. Management continues to evaluate the potential impact of this update on The Community Foundation's consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall* (Subtopic 825-10). This update requires an entity to: (i) measure equity investments at fair value through net income, with certain exceptions; (ii) present in other comprehensive income ("OCI") the changes in instrument-specific credit risk for financial liabilities measured using the fair value option; (iii) present financial assets and financial liabilities by measurement category and form of financial asset; (iv) calculate the fair value of financial instruments for disclosure purposes based on an exit price and; (v) assess a valuation allowance on deferred tax assets related to unrealized losses of available for sale ("AFS") debt securities in combination with other deferred tax assets. The Update provides an election to subsequently measure certain nonmarketable equity investments at cost less any impairment and adjusted for certain observable price changes. The Update also requires a qualitative impairment assessment of such equity investments and amends certain fair value disclosure requirements. The new standard will be effective for nonpublic entities for annual reporting periods beginning after December 15, 2018. Early adoption is only permitted for the provision related to instrument-specific credit risk and the fair value disclosure exemption provided to nonpublic entities. Management is evaluating the effect that adoption of this new standard will have on The Community Foundation's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. Management is evaluating the effect that adoption of this new standard will have on The Community Foundation's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements and Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either

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statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The guidance is effective for The Community Foundation's fiscal year 2019 with early adoption permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management continues to evaluate the potential impact of this update on The Community Foundation's consolidated financial statements.

Reclassifications

Certain amounts presented in the 2015 consolidated financial statements have been reclassified to conform to the 2016 presentation. These reclassifications have no effect on the previously recorded change in net assets.

2. Investment (Loss) Income

Investment (loss) income is comprised of the following for the years ended March 31:

	2016	2015
Net realized and unrealized (losses) gains	\$ (18,213,629)	\$ 8,341,904
Dividends and interest	7,623,930	8,539,057
Less: investment management fees	(1,009,692)	(1,143,870)
	\$ (11,599,391)	\$ 15,737,091

3. Notes Receivable

As of March 31, 2016 and 2015, notes receivable consists of one note with an initial face value of \$1,500,000, which is non-interest bearing and matures in August 2022, one note with an initial face value of \$100,000, which earns interest of 1% annually and matures in December 2016, and one note with an initial face value of \$20,000, which is non-interest bearing and matures in December 2019. These notes are recorded at the present value of the estimated future cash flows, with imputed interest rates ranging from 1.52% to 6.03%.

4. Charitable Remainder Trusts Receivable

During fiscal year 2006, The Community Foundation received a \$3,910,500 pledge to be received from the assets of a charitable remainder unitrust, payable on the termination date of the unitrust, or ten years from the date that the underlying assets were transferred to the trust. The underlying agreement requires payments of 9.5% of the net fair market value of the trust assets to be paid quarterly to the income and/or successor beneficiary of the trust during the period of the trust. The Community Foundation does not have control over the underlying assets and is not a trustee. The amount receivable from this trust is revalued at its estimated fair value annually using investment returns consistent with the composition of the asset portfolios of the trusts, single or joint life expectancy from published tables, and discount rates. The present value discount rates used were 0% and 0.26% for the years ended March 31, 2016 and 2015, respectively. The recorded

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estimated fair value of the pledge totaled \$0 and \$675,931 at March 31, 2016 and 2015, respectively, and is included in the charitable remainder trusts receivable in the accompanying consolidated statements of financial position. During the fiscal year 2016, this trust receivable was collected in full.

During fiscal year 2015, The Community Foundation received a \$777,874 pledge to be received from the assets of a charitable remainder unitrust, payable on the termination date of the unitrust, or twenty years from the date that the underlying assets were transferred to the trust. The underlying agreement requires payments of 6% of the net fair market value of the trust assets to be paid quarterly to the income and/or successor beneficiary of the trust during the period of the trust. The Community Foundation does not have control over the underlying assets and is not a trustee. The amount receivable from this trust is revalued at its estimated fair value annually using investment returns consistent with the composition of the asset portfolios of the trusts, single or joint life expectancy from published tables, and discount rates. The present value discount rates used was 2.20% and 2.31% for the years ended March 31, 2016 and 2015, respectively. The recorded estimated fair value of the pledge totaled \$163,635 and \$282,426 at March 31, 2016 and 2015, respectively, and is included in the charitable remainder trusts receivable in the accompanying consolidated statements of financial position.

During fiscal year 2015, The Community Foundation was listed as a recipient of certain assets of two charitable remainder trusts. The recorded receivable totaled \$3,596,182 at March 31, 2015, and is included in the charitable remainder trusts receivable in the accompanying consolidated statements of financial position. During the fiscal year 2016, these trust receivables were collected in full.

The estimated fair values of the charitable remainder trusts receivable are considered to be temporarily restricted until the funds are received.

5. Grants and Appropriations Payable

The Community Foundation makes grants to fund organizations that promote charitable, educational, civic and cultural needs primarily of the greater Washington metropolitan area. Scheduled future minimum payments for these grants as of March 31, 2016 are as follows:

Years Ending March 31,

2017	\$ 7,780,857
2018	1,220,997
2019	572,200
2020	239,000
	<hr/>
	9,813,054
Less: net present value of interest on grants payable	(44,780)
	<hr/>
	\$ 9,768,274

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6. Funds Held in Trust for Others

The Community Foundation has been appointed to serve as trustee for several charitable trusts. Funds held in this capacity are included as both assets and liabilities in the consolidated statements of financial position.

7. Donor-Advised and Other Funds

Donor-advised and other funds consist of the following as of March 31:

	2016	2015
Donor-advised funds	\$ 231,326,462	\$ 254,531,356
Scholarship funds	14,465,687	14,537,116
Field of interest funds and other funds	34,425,406	39,342,066
Designated funds	15,707,875	23,049,804
	295,925,430	331,460,342
Plus: unallocated net present value of interest on grants payable (see Note 5)	44,780	82,886
	\$ 295,970,210	\$ 331,543,228

8. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at March 31:

	2016	2015
Time restrictions:		
Real estate investment	\$ 3,397,260	\$ 3,235,660
Charitable remainder trusts receivable	163,635	4,554,539
	\$ 3,560,895	\$ 7,790,199

9. Retirement Plan

The Greater Washington Community Foundation maintains a defined contribution retirement plan (the Plan) for eligible employees. The Greater Washington Community Foundation contributes up to a fixed percentage of each eligible employee's compensation to the Plan. Employees are eligible to participate immediately, while employer contributions vest ratably over three years of employment. The Greater Washington Community Foundation recorded contributions to the Plan of \$182,733 and \$163,695 for the years ended March 31, 2016 and 2015, respectively.

10. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market

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exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Community Foundation reports certain investments using the net asset value per share as determined by investment managers under the so called “practical expedient”. The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

Accounting Standards Codification (ASC) 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- **Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that The Community Foundation has the ability to access.
- **Level 2** - Inputs to the valuation methodology include
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
 - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- **Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The valuation methodologies The Community Foundation uses to measure its assets at fair value are described below:

Investments

In general, and where applicable, The Community Foundation uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. If quoted prices in active markets for identical assets are not available to determine fair value, then The Community Foundation uses quoted prices for similar assets or inputs other than the quoted

The Greater Washington Community Foundation and Affiliates

Notes to the Consolidated Financial Statements

prices that are observable either directly or indirectly. These investments are included in Level 2. The Community Foundation's Level 3 assets primarily include certain investments in real estate interests and private equity. Real estate investments and investments in privately-held entities are reported at the fair value of the investment as determined by the most recent appraisal or prices used in current transactions. The Community Foundation values its interest in other business entities and hedge funds using significant unobservable inputs including information from fund managers or general partners based on quoted market prices, if available, or other valuation methods. Management reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Unobservable inputs used in these models are significant to the fair value of the investments.

Fair value on a recurring basis

The following tables set forth by level, within the fair value hierarchy, The Community Foundation's assets recorded at fair value:

<i>Description</i>	As of March 31, 2016			
	Assets Measured At Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual funds:				
Large cap funds	\$ 67,193,969	\$ 67,193,969	\$ -	\$ -
Government bond fund	699,387	-	699,387	-
Short term bond fund	12,693,137	12,693,137	-	-
Other	16,272,879	16,272,879	-	-
Corporate bonds	45,240,355	-	45,240,355	-
Mortgage backed securities	14,021	-	14,021	-
REIT/real estate funds	1,175,259	1,175,259	-	-
Small cap funds	10,949,396	10,949,396	-	-
Mid cap funds	13,462,434	13,462,434	-	-
Intermediate bonds	6,333,471	-	6,333,471	-
Unit trusts	622,370	622,370	-	-
International funds	14,536,928	14,536,928	-	-
Total mutual funds	189,193,606	136,906,372	52,287,234	-
Common stocks:				
International stocks	18,462,447	18,462,447	-	-
Finance	1,869,082	1,869,082	-	-
Consumer	2,910,683	2,910,683	-	-
Services and other stocks	11,617,393	11,617,393	-	-
Technology	1,718,933	1,718,933	-	-
Material	364,475	364,475	-	-
Utilities	420,138	420,138	-	-
Health	3,434,858	3,434,858	-	-
Industrial	1,418,098	1,418,098	-	-
Energy	933,219	933,219	-	-

The Greater Washington Community Foundation and Affiliates

Notes to the Consolidated Financial Statements

<i>Description</i>	As of March 31, 2016			
	Assets Measured At Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Total common stocks	43,149,326	43,149,326	-	-
Private equity	3,320,590	-	-	3,320,590
U.S. government securities	582,081	582,081	-	-
Real estate	9,173,163	-	-	9,173,163
Cash and money market accounts	23,272,766	23,272,766	-	-
Total investments at fair value	268,691,532	203,910,545	52,287,234	12,493,753
Investments measured at net asset value*:				
Multi-strategy and other funds	13,079,320	-	-	-
Real estate income fund	5,378,718	-	-	-
Buyout and growth equity funds	2,705,681	-	-	-
Hedge fund of funds	9,588,011	-	-	-
Guaranteed insurance contract	1,228,528	-	-	-
Total investments measured at net asset value*	31,980,258	-	-	-
Total fair value investments	\$ 300,671,790	\$ 203,910,545	\$ 52,287,234	\$ 12,493,753

* Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

<i>Description</i>	As of March 31, 2015			
	Assets Measured At Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Mutual funds:				
Large cap funds	\$ 53,787,499	\$ 53,787,499	\$ -	\$ -
Government bond fund	5,914,103	-	5,914,103	-
Short term bond fund	22,040,741	22,040,741	-	-
Other	8,662,101	8,662,101	-	-
Corporate bonds	39,246,363	-	39,246,363	-
Mortgage backed securities	16,632	-	16,632	-
REIT/real estate funds	2,478,736	2,478,736	-	-

The Greater Washington Community Foundation and Affiliates

Notes to the Consolidated Financial Statements

<i>Description</i>	As of March 31, 2015			
	Assets Measured At Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Small cap funds	1,826,321	1,826,321	-	-
Mid cap funds	12,093,659	12,093,659	-	-
Intermediate bonds	6,152,762	-	6,152,762	-
Unit trusts	6,714,276	6,714,276	-	-
International funds	14,542,672	14,542,672	-	-
Total mutual funds	173,475,865	122,146,005	51,329,860	-
Common stocks:				
International stocks	21,120,084	21,120,084	-	-
Finance	6,761,024	6,761,024	-	-
Consumer	5,818,507	5,818,507	-	-
Services and other stocks	13,557,418	13,557,418	-	-
Technology	5,691,894	5,691,894	-	-
Material	2,400,704	2,400,704	-	-
Utilities	948,514	948,514	-	-
Health	4,374,885	4,374,885	-	-
Industrial	4,530,934	4,530,934	-	-
Energy	1,947,555	1,947,555	-	-
Total common stocks	67,151,519	67,151,519	-	-
Private equity	2,165,002	-	-	2,165,002
Commodities	1,008,239	1,008,239	-	-
U.S. government securities	8,342,542	8,342,542	-	-
Real estate	8,447,111	-	-	8,447,111
Cash and money market accounts	26,908,456	26,908,456	-	-
Total investments at fair value	287,498,734	225,556,761	51,329,860	10,612,113
Investments measured at net asset value*:				
Multi-strategy and other funds	37,553,345	-	-	-
Real estate income fund	5,084,429	-	-	-
Buyout and growth equity funds	3,800,224	-	-	-
Hedge fund of funds	9,315,202	-	-	-
Guaranteed insurance contract	1,337,884	-	-	-
Total investments measured at net asset value*	57,091,084	-	-	-
Total fair value investments	\$ 344,589,818	\$ 225,556,761	\$ 51,329,860	\$ 10,612,113

The Greater Washington Community Foundation and Affiliates

Notes to the Consolidated Financial Statements

* Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

Changes in fair value levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Community Foundation's management evaluates the significance of transfers between levels based upon the nature of the investment. For the year ended March 31, 2016, there were no significant transfers in or out of Level 3.

Level 3 gains and losses

The following table sets forth a summary of changes in the fair value of The Community Foundation's Level 3 assets for the years ended March 31, 2016 and 2015:

	Level 3 Assets	
	Real Estate	Private Equity
Balance at March 31, 2014	\$ 8,546,925	\$ 2,693,813
Total realized and unrealized (losses) gains	(549,814)	108,144
Purchases	520,000	1,147,235
Sales / redemptions	(70,000)	(1,784,190)
Balance at March 31, 2015	8,447,111	2,165,002
Total realized and unrealized gains	1,109,422	606,418
Purchases	142,500	2,653,784
Sales / redemptions	(525,870)	(2,104,614)
Balance at March 31, 2016	\$ 9,173,163	\$ 3,320,590

The following table presents the amount of total gains (losses) for the corresponding year included in the change in net assets attributable to unrealized gains or losses relating to assets held at March 31:

	2016	2015
Private equity	\$ 207,549	\$ (26,057)
Real estate	1,114,422	(549,814)

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The major categories of The Community Foundation's investments that are valued at net asset value or its equivalent or are measured at Level 3 that have unfunded commitments and/or redemption gates are listed as follows at March 31, 2016:

<i>Description</i>	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge fund of funds (a)	\$ 9,578,982	\$ -	Quarterly	90
Buyout and growth equity funds (b)	2,705,681	168,438	Quarterly, Annually, Capital Distributions	30-60
Multi-strategy and other funds (c)	13,079,320	-	Monthly, Quarterly, Annually, Capital Distributions, Not Permitted	30-90
Real estate income fund (d)	5,378,718	-	Quarterly	95
Private equity (e)	3,320,590	1,212,500	Periodically	28-60
Real estate (f)	9,173,163	-	Periodically	N/A
Guaranteed insurance contract (g)	1,228,528	-	Death of beneficiary	-
Total	\$ 44,464,982			

- (a) This category is comprised of an investment in a fund of hedge funds. Underlying hedge fund strategies primarily include hedged equity, multistrategy, relative value, event driven and arbitrage strategies. None of these investments are available for redemption on March 31, 2016 or in the near term and at the end of each calendar quarter thereafter.
- (b) This category is comprised of investments in private equity funds and private equity funds of funds in the U.S. and outside of the U.S. whose mandates include leveraged buyouts and growth equity investments in companies. Certain funds in this category do not permit redemptions. Approximately 84 percent of the value of these investments is available for redemption at March 31, 2016. Two funds in this category are redeemable as capital distributions as determined by the fund manager.
- (c) This category is comprised of investments in hedge funds that are not exclusively global macro or hedged equity and other funds. Strategies include relative value, event driven, and arbitrage. Underlying investments are typically the same markets as the types invested in both the public equity and fixed income commingled categories as well as derivatives. The funds include short positions as well as long positions and use leverage. Some funds may invest in private investments which are typically segregated into side pockets (a separate share class) and are not available for redemption until the investment is liquidated by the fund manager. Approximately 86 percent of the value of the investments is available for redemption at March 31, 2016. One fund in this category has a 10% redemption gate and one fund has a 25% gate. Additionally, one fund is redeemable as a capital distribution as determined by the fund manager.
- (d) This category is comprised of an investment in real estate income fund. This fund aims to execute and realize capabilities across both debt and equity. Broad product capabilities include global and regionally focused opportunistic funds, as well as leading real estate debt platform. Per the prospectus, funds can be gated but that option has never been executed. Redemption notices are sent out 95 days prior to the quarter end and must be submitted 65 days prior to the quarter end with the fund manager. If redemption is executed, then 90% of it will be received on the effective date of execution of the redemption and remaining 10% will be paid after the year end audit of the fund.
- (e) This category is comprised of investments in shares of privately held corporations. Redemption of these investments is subject to the Companies' notification to its stockholders and approval by the Board of the Company.
- (f) This category is comprised of investments in limited liability companies that invest in real estate properties. Redemption of these investments is subject to the terms of the partnership agreements.
- (g) The Greater Washington Community Foundation is the owner and beneficiary of a single life insurance contract with a contract value of \$1,000,000.

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Quantitative information as of March 31, 2016 with respect to assets measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) follows:

Description	Fair Value	Principal Valuation Technique	Unobservable Inputs	Weighted Average
Private equity	\$ 3,320,590	Market comparables	Discount for lack of marketability	5.00%
		Discounted cost flow	Weighted-average cost of capital	17.50%
Real estate	9,173,163	Market comparables	Discount for lack of marketability	N/A
		Income capitalization	Forecasted gross earnings	N/A
			Market oriented capitalization rate of 6%	N/A

Valuation process for Level 3 instruments

In estimating fair value of the investments in Level 3, Management may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, Management evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

Liabilities

The valuation methodology The Community Foundation uses to measure its liabilities at fair value are described below:

Funds held for others

Funds held for others include funds held by The Community Foundation on behalf of others (see Note 6). The Community Foundation determines fair value of these liabilities on the basis of the fair value of the underlying assets, which consist of investments (see valuation methodology described above). These liabilities are classified as Level 2.

	Liabilities at Fair Value as of March 31, 2016			
	Total	Level 1	Level 2	Level 3
Funds held for others	\$ 2,249,623	\$ -	\$ 2,249,623	\$ -

	Liabilities at Fair Value as of March 31, 2015			
	Total	Level 1	Level 2	Level 3
Funds held for others	\$ 2,131,609	\$ -	\$ 2,131,609	\$ -

The Greater Washington Community Foundation and Affiliates

Notes to the Consolidated Financial Statements

Other financial instruments

The fair value of The Community Foundation's cash and cash equivalents, pledges and contributions receivable, accrued interest income and other receivables and accounts payable and accrued expenses approximate their carrying amounts due to the short maturity of these instruments.

The fair value of The Community Foundation's notes receivable and grants and appropriations payable is estimated using a discounted cash flow analysis based on the current U.S. Treasury rate for the applicable term.

The estimated fair value of The Community Foundation's interest in charitable remainder trust reflects the present value of future expected earnings. The Community Foundation discounted the future expected earnings using a) an estimated rate of return on the underlying investment portfolio, b) the primary beneficiary annual payout and c) a U.S. Treasury rate for the applicable term.

The following table presents the carrying values and the fair values of other significant financial assets and liabilities that qualify as financial instruments, determined in accordance with the authoritative guidance for fair value disclosures of financial instruments, at March 31:

	Level in Fair Value Hierarchy	2016		2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Notes receivable	2	\$ 477,868	\$ 536,443	\$ 526,554	\$ 600,938
Charitable remainder trust receivable	2	163,635	56,124	4,554,539	4,415,919
Grants and appropriations payable	2	9,768,274	9,776,387	12,730,957	12,717,245

11. Supporting Services

Supporting services expenses are comprised of the following for the years ended March 31:

	2016	2015
Salaries and fringe benefits	\$ 2,904,788	\$ 3,089,605
Special fundraising events	2,290,455	2,239,535
Professional fees and consultants	389,645	666,581
Office and equipment lease expenses	382,920	467,208
Technology	285,807	282,044
Other	149,126	214,144
Office supplies	75,844	130,603
Travel and meetings	39,630	47,756
Telephone	36,689	40,381
Postage	14,131	15,370
	\$ 6,569,035	\$ 7,193,227

The Greater Washington Community Foundation and Affiliates

Notes to the Consolidated Financial Statements

Supporting services includes \$1,948,254 and \$2,269,224 for program administration services for the years ended March 31, 2016 and 2015, respectively.

12. Commitments

Operating leases

The Greater Washington Community Foundation leases office space in Washington, D.C. under the terms of a noncancelable operating lease that expires in June 2017. In addition, The Greater Washington Community Foundation leases office space for its affiliate funds in Montgomery County and Prince Georges County under the terms of noncancelable operating leases that expire in June 2020 and December 2016, respectively. These lease agreements contain escalation clauses and provisions for the payment of taxes and operating expenses.

In November 2016, The Greater Washington Community Foundation entered in to a lease for office space under the terms of a non-cancelable operating lease that commences in July 2017 and expires in August 2028. The future minimum lease payments required under this operating lease are included in the table below.

The following is a schedule by year of the future minimum lease payments required under the operating leases as of March 31, 2016:

Years Ending March 31,

2017	\$ 454,000
2018	158,000
2019	320,000
2020	501,000
2021	487,000
Thereafter	3,961,000
	<hr/>
	\$ 5,881,000

In accordance with authoritative guidance issued by the FASB, The Community Foundation is recognizing the total cost of its office lease ratably over the lease period. The difference between rent paid and that expensed is reflected as deferred rent, which is included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position, and is being amortized over the term of the lease.

Prior to 2015, The Greater Washington Community Foundation subleases portions of its office space under the terms of annual operating subleases. All subleases ended in January 2015. Sublease income totaled \$0 and \$19,520 for the years ended March 31, 2016 and 2015, respectively.

Rent expense totaled \$330,832 and \$400,678 for the years ended March 31, 2016 and 2015, respectively.

Lease of donated property

In November 1997, The Greater Washington Community Foundation received donated property located in the District of Columbia (the District) that it leased to the D.C. Metropolitan Police

The Greater Washington Community Foundation and Affiliates

Notes to the Consolidated Financial Statements

Department to establish a police substation, in accordance with the donor's instruction. The original lease term was ten years and The Greater Washington Community Foundation received rental payments thereon of \$1 per year. Under the terms of the donor agreement, upon termination of the lease, The Greater Washington Community Foundation had the option to sell or lease the property at its fair market value. The Greater Washington Community Foundation exercised this option upon the expiration of the original lease. The property is still being leased to the D.C. Metropolitan Police Department as a police sub-station in Ward 8 of the District. The Greater Washington Community Foundation has renewed the lease for a forth extended term which expires on January 31, 2017. Rental income totaled \$216,300 and \$211,050 for the years ended March 31, 2016 and 2015, respectively.

13. Related Party Transactions

The Summit Fund received \$0 and \$453,347 in donated support for the services of executive and administrative personnel and certain administrative costs from a related organization during the years ended March 31, 2016 and 2015, respectively. The Chairman and the President of this related organization are also on the Board of Trustees of the Summit Fund, and the President is a trustee emeritus of The Greater Washington Community Foundation. As noted in Note 1, The Summit Fund has dissolved effective March 31, 2015.

The former President of The Greater Washington Community Foundation served on the Board of Directors of several not-for-profit organizations. During 2016 and 2015, The Greater Washington Community Foundation awarded grants totaling \$0 and \$10,000, respectively, as well as membership fees of \$0 and \$25,900, respectively, to these organizations.

14. Contingency

The Greater Washington Community Foundation is a defendant in various lawsuits wherein substantial amounts are claimed. In the opinion of The Greater Washington Community Foundation's legal counsel, The Greater Washington Community Foundation's argument for dismissal and factual defenses are strong and the plaintiffs' damages claims are grossly overstated and speculative. Management of The Greater Washington Community Foundation has concluded that these lawsuits are without substantial merit and are not expected to result in a judgment, which, in the aggregate, would have a material adverse effect on The Community Foundation's consolidated financial statements.

15. Subsequent Events

The Community Foundation has evaluated its March 31, 2016 consolidated financial statements for subsequent events through September 13, 2017, the date the consolidated financial statements were available to be issued. The Community Foundation is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements, other than those described in Note 1 and 12.

Supplementary Information



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Independent Auditor's Report on Supplementary Information

Board of Trustees
The Greater Washington Community Foundation and Affiliates
Washington, D.C.

Our audits of the consolidated financial statements of The Greater Washington Community Foundation and Affiliates included in the preceding section of this report were conducted for the purpose of forming an opinion on those consolidated statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BDO USA, LLP

September 13, 2017

The Greater Washington Community Foundation and Affiliates

Consolidating Statement of Financial Position

<i>March 31, 2016</i>	The Greater Washington Community Foundation	The Summit Fund of Washington	Kristin and David Steinberg Foundation	Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	\$ 18,043,340	\$ -	\$ (7,550)	\$ -	\$ 18,035,790
Investments	295,277,390	-	3,144,777	-	298,422,167
Investments held for others	2,249,623	-	-	-	2,249,623
Notes receivable, net	477,868	-	-	-	477,868
Charitable remainder trusts receivable	163,635	-	-	-	163,635
Accrued interest income and other receivables	990,294	-	-	-	990,294
Prepaid expenses and other assets	303,186	-	-	-	303,186
Total assets	\$ 317,505,336	\$ -	\$ 3,137,227	\$ -	\$ 320,642,563
Liabilities					
Accounts payable and accrued expenses	\$ 913,011	\$ -	\$ -	\$ -	\$ 913,011
Grants and appropriations payable, net	9,768,274	-	-	-	9,768,274
Funds held in trust for others	2,249,623	-	-	-	2,249,623
Total liabilities	12,930,908	-	-	-	12,930,908
Commitments and contingencies					
Net assets					
Unrestricted	301,013,533	-	3,137,227	-	304,150,760
Temporarily restricted	3,560,895	-	-	-	3,560,895
Total net assets	304,574,428	-	3,137,227	-	307,711,655
Total liabilities and net assets	\$ 317,505,336	\$ -	\$ 3,137,227	\$ -	\$ 320,642,563

See independent auditor's report on supplementary information.

The Greater Washington Community Foundation and Affiliates

Consolidating Statement of Financial Position

<i>March 31, 2015</i>	The Greater Washington Community Foundation	The Summit Fund of Washington	Kristin and David Steinberg Foundation	Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	\$ 15,196,086	\$ -	\$ (5,000)	\$ -	\$ 15,191,086
Investments	340,642,319	-	1,815,890	-	342,458,209
Investments held for others	2,131,609	-	-	-	2,131,609
Notes receivable, net	526,554	-	-	-	526,554
Charitable remainder trusts receivable	3,878,608	-	675,931	-	4,554,539
Accrued interest income and other receivables	398,626	-	-	-	398,626
Prepaid expenses and other assets	273,444	-	-	-	273,444
Total assets	\$ 363,047,246	\$ -	\$ 2,486,821	\$ -	\$ 365,534,067
Liabilities					
Accounts payable and accrued expenses	\$ 696,181	\$ -	\$ -	\$ -	\$ 696,181
Grants and appropriations payable, net	12,730,957	-	-	-	12,730,957
Funds held in trust for others	2,131,609	-	-	-	2,131,609
Total liabilities	15,558,747	-	-	-	15,558,747
Commitments and contingencies					
Net assets					
Unrestricted	340,374,231	-	1,810,890	-	342,185,121
Temporarily restricted	7,114,268	-	675,931	-	7,790,199
Total net assets	347,488,499	-	2,486,821	-	349,975,320
Total liabilities and net assets	\$ 363,047,246	\$ -	\$ 2,486,821	\$ -	\$ 365,534,067

See independent auditor's report on supplementary information.

The Greater Washington Community Foundation and Affiliates

Consolidating Statement of Activities and Change in Net Assets

<i>Year Ended March 31, 2016</i>	The Greater Washington Community Foundation	The Summit Fund of Washington	Kristin and David Steinberg Foundation	Eliminations	Consolidated Total
Changes in unrestricted net assets					
Support and revenue					
Contributions	\$ 49,635,810	\$ -	\$ 489,970	\$ -	\$ 50,125,780
Investment loss	(12,147,729)	-	386,738	-	(11,760,991)
Rental and other income	798,756	-	-	-	798,756
Net assets released from restrictior	3,596,182	-	633,379	-	4,229,561
Total unrestricted support and revenue	41,883,019	-	1,510,087	-	43,393,106
Expenses					
Program grants and appropriations	74,678,932	-	179,500	-	74,858,432
Supporting services					
General and administrative	4,274,330	-	4,250	-	4,278,580
Fundraising	2,290,455	-	-	-	2,290,455
Total supporting services	6,564,785	-	4,250	-	6,569,035
Total expenses	81,243,717	-	183,750	-	81,427,467
(Decrease) increase in unrestricted net assets	(39,360,698)	-	1,326,337	-	(38,034,361)
Changes in temporarily restricted net assets					
Net assets released from restrictions	(3,596,182)	-	(633,379)	-	(4,229,561)
Change in value real estate investment	161,600	-	-	-	161,600
Change in value of charitable remainder trusts receivable	(118,791)	-	(42,552)	-	(161,343)
Decrease in temporarily restricted net assets	(3,553,373)	-	(675,931)	-	(4,229,304)
Change in net assets	(42,914,071)	-	650,406	-	(42,263,665)
Net assets at the beginning of the year	347,488,499	-	2,486,821	-	349,975,320
Net assets at the end of the year	\$ 304,574,428	\$ -	\$ 3,137,227	\$ -	\$ 307,711,655

See independent auditor's report on supplementary information.

The Greater Washington Community Foundation and Affiliates

Consolidating Statement of Activities and Change in Net Assets

<i>Year Ended March 31, 2015</i>	The Greater Washington Community Foundation	The Summit Fund of Washington	Kristin and David Steinberg Foundation	Eliminations	Consolidated Total
Changes in unrestricted net assets					
Support and revenue					
Contributions	\$ 69,067,451	\$ 1,886,720	\$ 450,000	\$ (50,000)	\$ 71,354,171
Investment income	15,770,429	46,309	24,253	-	15,840,991
Rental and other income	426,157	-	-	(30,000)	396,157
Net assets released from restrictions	22,820,863	-	-	-	22,820,863
Total unrestricted support and revenue	108,084,900	1,933,029	474,253	(80,000)	110,412,182
Expenses					
Program grants and appropriations	79,378,303	7,018,523	147,985	(50,000)	86,494,811
Supporting services					
General and administrative	4,227,104	755,873	715	(30,000)	4,953,692
Fundraising	2,239,535	-	-	-	2,239,535
Total supporting services	6,466,639	755,873	715	(30,000)	7,193,227
Total expenses	85,844,942	7,774,396	148,700	(80,000)	93,688,038
Increase (decrease) in unrestricted net assets	22,239,958	(5,841,367)	325,553	-	16,724,144
Changes in temporarily restricted net assets					
Contributions	3,878,608	-	-	-	3,878,608
Net assets released from restrictions	(22,820,863)	-	-	-	(22,820,863)
Change in value real estate investment	(103,900)	-	-	-	(103,900)
Change in value of charitable remainder trusts receivable	-	-	12,791	-	12,791
(Decrease) increase in temporarily restricted net assets	(19,046,155)	-	12,791	-	(19,033,364)
Change in net assets	3,193,803	(5,841,367)	338,344	-	(2,309,220)
Transfer of assets due to the dissolution of The Summit Fund (see Note 1)					
	12,527,560	(12,527,560)	-	-	-
Net assets at the beginning of the year	331,767,136	18,368,927	2,148,477	-	352,284,540
Net assets at the end of the year	\$ 347,488,499	\$ -	\$ 2,486,821	\$ -	\$ 349,975,320

See independent auditor's report on supplementary information.