

**FINANCIAL STATEMENTS**

**THE GEORGE AND CAROL  
OLMSTED FOUNDATION**

**FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2023**

# THE GEORGE AND CAROL OLMSTED FOUNDATION

## CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of December 31, 2024, with Summarized Financial Information for 2023	4
EXHIBIT B - Statement of Activities and Change in Net Assets Without Donor Restrictions, for the Year Ended December 31, 2024, with Summarized Financial Information for 2023	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2024, with Summarized Financial Information for 2023	6
EXHIBIT D - Statement of Cash Flows, for the Year Ended December 31, 2024, with Summarized Financial Information for 2023	7
NOTES TO FINANCIAL STATEMENTS	8 - 15



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The George and Carol Olmsted Foundation  
Falls Church, Virginia

### Opinion

We have audited the accompanying financial statements of The George and Carol Olmsted Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets without donor restrictions, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024, and the change in its net assets without donor restrictions and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814  
(301) 951-9090 • WWW.GRFCPA.COM

---

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

#### **Report on Summarized Comparative Information**

We have previously audited the Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 1, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



February 28, 2025

**THE GEORGE AND CAROL OLMSTED FOUNDATION**

**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

<b>ASSETS</b>			
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	437,151	\$ 658,509
Investments		48,005,963	45,239,624
Estimated Federal excise tax receivable		615	38,274
Prepaid expenses		<u>5,179</u>	<u>5,480</u>
Total current assets		<u>48,448,908</u>	<u>45,941,887</u>
<b>PROPERTY AND EQUIPMENT</b>			
Furniture		33,779	33,779
Computer equipment		<u>58,792</u>	<u>58,792</u>
		92,571	92,571
Less: Accumulated depreciation		<u>(92,571)</u>	<u>(90,554)</u>
Net property and equipment		<u>-</u>	<u>2,017</u>
<b>NONCURRENT ASSETS</b>			
Office lease security deposit		4,421	4,421
Right-of-use asset, net		<u>37,191</u>	<u>100,834</u>
Total noncurrent assets		<u>41,612</u>	<u>105,255</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>48,490,520</u></b>	<b>\$ <u>46,049,159</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$	73,081	\$ 56,185
Olmsted Scholar Program		514,224	521,752
Lease liability		<u>39,484</u>	<u>66,423</u>
Total current liabilities		<u>626,789</u>	<u>644,360</u>
<b>NONCURRENT LIABILITIES</b>			
Olmsted Scholar Program, net of current portion		294,964	315,082
Lease liability, net of current portion		-	39,484
Deferred tax liability		<u>105,529</u>	<u>88,302</u>
Total noncurrent liabilities		<u>400,493</u>	<u>442,868</u>
Total liabilities		<u>1,027,282</u>	<u>1,087,228</u>
<b>NET ASSETS</b>			
Without donor restrictions		<u>47,463,238</u>	<u>44,961,931</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>48,490,520</u></b>	<b>\$ <u>46,049,159</u></b>

## THE GEORGE AND CAROL OLMSTED FOUNDATION

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<b>REVENUE</b>		
Realized gain	\$ 2,834,697	\$ 537,358
Unrealized gain	1,336,021	3,993,689
Interest and dividend income	<u>1,077,722</u>	<u>1,137,642</u>
	5,248,440	5,668,689
Less investment fees	<u>(222,740)</u>	<u>(203,770)</u>
Net investment income	5,025,700	5,464,919
Other revenue	<u>639</u>	<u>18,593</u>
Total revenue	<u>5,026,339</u>	<u>5,483,512</u>
<b>EXPENSES</b>		
Program Services	2,307,214	2,227,363
Supporting Services	<u>152,332</u>	<u>153,748</u>
Total expenses	<u>2,459,546</u>	<u>2,381,111</u>
Change in net assets before excise tax	2,566,793	3,102,401
Excise tax expense	<u>65,486</u>	<u>80,054</u>
Change in net assets	2,501,307	3,022,347
Net assets at beginning of year	<u>44,961,931</u>	<u>41,939,584</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 47,463,238</u></b>	<b><u>\$ 44,961,931</u></b>

## THE GEORGE AND CAROL OLMSTED FOUNDATION

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	December 31, 2024			December 31, 2023
	Program Services	Supporting Services	Total Expenses	Total Expenses
Olmsted Scholar Program	\$ 699,447	\$ -	\$ 699,447	\$ 713,984
Contributions and grants	497,000	-	497,000	406,000
Staff salaries	721,920	80,213	802,133	748,084
Directors' compensation	73,600	18,400	92,000	92,000
Investment fees	-	222,740	222,740	203,770
Scholar's reception, orientation and related travel	107,732	-	107,732	127,637
Employee benefits and related taxes	79,993	8,888	88,881	84,962
Occupancy	51,042	12,760	63,802	63,803
Professional fees	12,625	14,125	26,750	41,922
Travel, lodging, meetings and meals	12,102	5,007	17,109	23,651
Supplies and office expenses	16,205	4,051	20,256	19,312
Furniture, computers, and accessories	11,434	2,859	14,293	15,047
Depreciation	1,614	403	2,017	14,538
Repair and maintenance	11,171	2,793	13,964	14,120
Insurance	7,647	1,912	9,559	9,511
Telephone and internet	3,194	799	3,993	6,284
Local taxes	488	122	610	256
	2,307,214	375,072	2,682,286	2,584,881
Less investment fees included in net investment income	-	(222,740)	(222,740)	(203,770)
Subtotal before excise tax	2,307,214	152,332	2,459,546	2,381,111
Excise tax	-	-	65,486	80,054
<b>TOTAL</b>	<b>\$ 2,307,214</b>	<b>\$ 152,332</b>	<b>\$ 2,525,032</b>	<b>\$ 2,461,165</b>

**THE GEORGE AND CAROL OLMSTED FOUNDATION**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,501,307	\$ 3,022,347
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	2,017	14,538
Net unrealized gain on sale of investments	(1,336,021)	(3,993,689)
Net realized gain on sale of investments	(2,834,697)	(537,358)
Deferred tax liability	17,227	53,650
Amortization of right-of-use asset	63,643	63,507
Decrease (increase) in:		
Estimated Federal excise tax receivable	37,659	(296)
Prepaid expenses	301	(5,480)
Increase (decrease) in:		
Accounts payable and accrued liabilities	16,896	(2,302)
Olmsted Scholar Program	(27,646)	56,724
Lease liability	<u>(66,423)</u>	<u>(64,347)</u>
Net cash used by operating activities	<u>(1,625,737)</u>	<u>(1,392,706)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(13,081,088)	(9,531,000)
Proceeds from sale of investments	<u>14,485,467</u>	<u>11,055,872</u>
Net cash provided by investing activities	<u>1,404,379</u>	<u>1,524,872</u>
Net (decrease) increase in cash and cash equivalents	(221,358)	132,166
Cash and cash equivalents at beginning of year	<u>658,509</u>	<u>526,343</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 437,151</u></b>	<b><u>\$ 658,509</u></b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Payment of Excise Taxes	<b><u>\$ 10,600</u></b>	<b><u>\$ 26,700</u></b>



## THE GEORGE AND CAROL OLMSTED FOUNDATION

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

The George and Carol Olmsted Foundation (the Foundation) was established in 1957, and is a Virginia not-for-profit corporation. The primary charitable activities of the Foundation consists of funding the Olmsted Scholar Program and contributing to educational, youth and other charitable organizations. The Foundation's primary source of revenue is investment earnings.

##### Basis of presentation -

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

Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service. There were no net assets with donor restrictions at December 31, 2024.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

##### Cash and cash equivalents -

The Foundation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding the money market funds held with investments. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. The Foundation maintains bank deposit accounts with a commercial bank, which at times, may have cash balances in excess of the FDIC insurance limits. The uninsured portion of this account is backed solely by the assets of the underlying institution. As such, failure of the underlying institution could result in financial loss to the Foundation. Management believes the risk in these situations to be minimal.

# THE GEORGE AND CAROL OLMSTED FOUNDATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

#### Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are presented separately in the Statement of Activities and Change in Net Assets Without Donor Restrictions.

#### Property and equipment -

Property and equipment in excess of \$10,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the year ended December 31, 2024 totaled \$2,017.

#### Income taxes -

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Foundation is classified as a private foundation. As a private foundation, it is subject to an excise tax of 1.39% on its investment income, including dividend, interest income and realized gains on the sales of its marketable securities. Because of this, the Foundation also computes a deferred tax liability or asset on the cumulative unrealized gain or loss on its investments held at December 31, 2024.

The Foundation is also required to make qualifying annual distributions of its principal. The Foundation has met this requirement for 2024.

#### Revenue recognition -

##### Support from grants and contributions -

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

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

THE GEORGE AND CAROL OLMSTED FOUNDATION

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)

Revenue recognition (continued) -

Support from grants and contributions (continued) -

The Foundation did not receive any grants and contributions during the year ended December 31, 2024.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. The Foundation had no refundable advances as of December 31, 2024.

Use of estimates -

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

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets Without Donor Restrictions. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Foundation are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Risks and uncertainties -

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

Fair value measurement -

The Foundation adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Foundation accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

## THE GEORGE AND CAROL OLMSTED FOUNDATION

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily related to the presentation of revenues in the Statement of Activities and Change in Net Assets Without Donor Restrictions and had no effect on the previously reported change in net assets.

#### 2. FAIR VALUE MEASUREMENTS AND INVESTMENTS

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

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

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

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

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

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equities* - Valued is based on quoted market price at the reporting date for those or similar investments in active markets.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Foundation are deemed to be actively traded.

# THE GEORGE AND CAROL OLMSTED FOUNDATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

### 2. FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

- *Private Equity* - Valued at net asset value (NAV) as determined by the registered investment advisor. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

US GAAP permits, as a practical expedient, the fair value of investments within scope to be estimated using the net asset value (NAV) or its equivalent. NAV or its equivalent is the value per share or value of ownership interest in partner's capital, as provided by the fund, whose financial statements are prepared in a manner consistent with measurement principles of an investment company or that have the attributes of an investment company. In many instances, NAV will not equal fair value that would be calculated pursuant to the Fair Value Measurement Topic.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investments:				
Equities:				
Large cap funds	\$ 14,153,441	\$ -	\$ -	\$ 14,153,441
Small cap funds	5,653,665	-	-	5,653,665
Internationally developed	2,233,640	-	-	2,233,640
Mid cap funds	4,252,453	-	-	4,252,453
Emerging market and small cap funds	<u>2,306,773</u>	-	-	<u>2,306,773</u>
Total equities	<u>28,599,972</u>	-	-	<u>28,599,972</u>
Mutual funds:				
Growth/hedge funds	3,567,618	-	-	3,567,618
Real estate	2,159,839	-	-	2,159,839
Commodities	1,128,377	-	-	1,128,377
Investment grade taxable	7,868,413	-	-	7,868,413
Global high yield	468,564	-	-	468,564
Internationally developed	<u>380,000</u>	-	-	<u>380,000</u>
Total mutual funds	<u>15,572,811</u>	-	-	<u>15,572,811</u>
Money market funds	<u>1,058,254</u>	-	-	<u>1,058,254</u>
<b>Total investments using fair value hierarchy</b>	<b><u>45,231,037</u></b>	-	-	<b><u>45,231,037</u></b>
Investments measured at NAV per practical expedient -				
Private equity funds				<u>2,774,926</u>
<b>TOTAL INVESTMENTS</b>				<b><u>\$ 48,005,963</u></b>

Investments that are measured at fair value using NAV per share as a practical expedient have been omitted from the fair value hierarchy.

The private equity funds consist of NB Private Market Fund III (TE) LLC (Excelsior), NB Crossroads Private Market Funds V (TE) LP (Crossroads), and NB Secondary Opp V Access Fund, LP (Offshore) (Secondary).

The Foundation has committed to invest \$1,400,000 in Excelsior. As of December 31, 2024, the unfunded portion of the Foundation's commitment totaled \$658,000.

The Foundation has committed to invest \$1,500,000 in Crossroads. As of December 31, 2024, the unfunded portion of the Foundation's commitment totaled \$450,000.

The Foundation has committed to invest \$500,000 in Secondary. As of December 31, 2024, the unfunded portion of the Foundation's commitment totaled \$325,000.

## THE GEORGE AND CAROL OLMSTED FOUNDATION

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

#### 2. FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The private equity funds have not yet identified all the potential investments that will ultimately be made with the commitments received. Commitments may be drawn down at any time by making the capital call upon at least 10 business days written notice. The private equity funds seek to achieve their investment objective through investments in a diversified portfolio of professionally managed private equity portfolio funds and select direct investments in portfolio companies. The private equity funds will primarily invest in newly formed private equity portfolio funds.

These investments should be considered illiquid. The return of capital and the realization of gains, if any, generally will occur only upon partial or complete disposition of an underlying investments by a portfolio fund. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investments.

#### 3. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 437,151
Investments	48,005,963
Estimated Federal excise tax receivable	615
Less private equity funds	<u>(2,774,926)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS  
FOR GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 45,668,803**

The Foundation funds its annual operations by spending approximately 5% of its investment corpus. The Foundation draws down equal portions of its corpus on a monthly basis to satisfy requirements as they become due. Additional expenditures can be made if approved by the Board.

#### 4. CONTRIBUTIONS AND GRANTS

The Olmsted Scholar Program, in cooperation with the three U.S. military departments and the Department of Homeland Security, selects career officers each year to receive educational grants for a two-year period of study in a foreign country. The officers are graduates of military academies, or are commissioned through the Reserve Officer Training Corps (ROTC) program or another source of commission.

Grants are recorded in the year in which they are awarded. In addition, Olmsted Scholars are reimbursed for various expenses incurred related to the Olmsted Scholar Program. These reimbursements are expensed in the year requested.

The Internal Revenue Service (IRS), in a letter dated November 24, 1971, approved this scholarship program. Pursuant to the Foundation's request, the IRS approved a modification of the program in a letter dated October 30, 1997. Grants for this program totaled \$699,447 in 2024.

The following is a schedule of the future estimated scholars payments:

<u>Year Ending December 31,</u>	
2025	\$ 514,224
2026	251,410
2027	<u>43,554</u>
	<b><u>\$ 809,188</u></b>

# THE GEORGE AND CAROL OLMSTED FOUNDATION

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

### 4. CONTRIBUTIONS AND GRANTS (Continued)

Contribution and grants expense for the year ended December 31, 2024 consisted of the following:

US Military Academy	\$ 115,000
US Naval Academy	115,000
US Air Force Academy	115,000
US Coast Guard Academy	20,000
Title 10 Senior Military Colleges	111,000
Norfolk State University ROTC	6,000
Society of the Cincinnati	<u>15,000</u>
<b>TOTAL OTHER CONTRIBUTIONS</b>	<b><u>\$ 497,000</u></b>

### 5. LEASE COMMITMENTS

The Foundation follows FASB ASC 842 for leases. The Foundation has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Foundation has also elected to use a risk-free rate of .21% as the discount rate as allowed under FASB ASC 842.

In April 2013, the Foundation signed a 74-month lease, commencing January 2014. This agreement was amended in June 2014, to change the lease commencement date to March 25, 2014, as the space was not ready for occupancy in January. Rent payments commenced on June 2014. In addition to two months of abated rent, the Foundation received a rent credit for the amount of liquidated damages owed due to late delivery of the office space. Base rent was \$50,400 for the first year of the lease, with an annual increase of 3% per year thereafter. In January 2020, the Foundation signed an amendment to the lease extending the term of the lease to June 2025.

The Foundation recorded a right-of-use asset in the amount of \$37,191 and an operating lease liability in the amount of \$39,484 as of December 31, 2024. The lease expense, including imputed interest and amortization of the right-of-use asset plus the straight-line rent expense for the year ended December 31, 2024, was \$63,802. Rent payments made during the year ended December 31, 2024 totaled \$66,582.

The following is a schedule of the future minimum lease payments:

<b><u>Year Ending December 31,</u></b>	
2025	\$ 39,512
Less: Imputed interest	<u>(28)</u>
	39,484
Less: Current portion	<u>(39,484)</u>
<b>LONG-TERM PORTION</b>	<b><u>\$ -</u></b>

### 6. RETIREMENT PLAN

In 2004, the Foundation adopted retirement arrangements for the benefit of its employees. Employees may contribute a portion of their current compensation, on either a pre-tax or an after-tax basis, into a 403(b) salary deferral plan. The Foundation also established a SEP IRA retirement plan and currently, on behalf of each employee, makes a 5% contribution of base compensation to this separate retirement plan. Contributions to the Plan during the year ended December 31, 2024 totaled \$39,065.

**THE GEORGE AND CAROL OLMSTED FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**7. EXCISE TAXES**

The Foundation is subject to excise tax on its net investment income. During the year ended December 31, 2024, the Foundation had net taxable investment earnings of approximately \$3,650,000, which resulted in current excise taxes of approximately \$50,710. The excise tax rate was 1.39% for 2024.

As of December 31, 2024, the market value of the Foundation's investment portfolio was approximately \$7,592,000 greater than the portfolio's original cost. A deferred tax liability of \$105,529 is reflected in the accompanying Statement of Financial Position as of December 31, 2024.

**8. SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through February 28, 2025, the date the financial statements were issued.