

**Consolidated Financial Statements**  
**Center for Global Development**  
**and Affiliate**

**For the Year Ended December 31, 2025**  
**With Summarized Financial**  
**Information for 2024**

**Center for Global Development and Affiliate**

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**With Summarized Financial Information for 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Center for Global Development and Affiliate  
Washington, D.C.

### Opinion

We have audited the accompanying consolidated financial statements of Center for Global Development and Affiliate (collectively, CGD), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of CGD as of December 31, 2025, and the consolidated change in net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of CGD Europe (CGDE), which reflect total assets of \$8,176,669 as of December 31, 2025, and total support and revenues of \$9,360,504 for the year then ended. Those statements, which were prepared in accordance with the relevant accounting standards in the UK and the Statement of Recommended Practice (SORP) for charities in the UK, were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of CGDE, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for CGDE, prior to these conversion adjustments, is based solely on the report of the other auditors.

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

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## **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 Consolidated Financial Statements section of our report. We are required to be independent of CGD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of Management for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CGD'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 Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated 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 CGD'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CGD'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 CGD's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 15, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position and the Consolidating Schedule of Activities and Change in Net Assets on pages 24-26 are presented for purposes of additional analysis and are 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 audit 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.

*Gelman Rosenberg & Freedman*

April 28, 2026

Center for Global Development and Affiliate

Consolidated Statement of Financial Position

As of December 31, 2025

With Summarized Financial Information for 2024

ASSETS

	<u>2025</u>	<u>2024</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 27,029,277	\$ 23,338,663
Investments	39,000,498	27,987,741
Grants and contributions receivable	3,128,981	6,262,006
Other receivables	3,421	10,107
Prepaid expenses	292,342	173,525
<b>Total current assets</b>	<u>69,454,519</u>	<u>57,772,042</u>
<b>PROPERTY AND EQUIPMENT</b>		
Office condominium and improvements	16,404,932	16,404,932
Equipment	284,237	285,570
Furniture	1,664,993	1,664,993
Computer equipment and software	103,881	103,881
Website development	562,254	548,422
Leasehold improvements	8,970	8,355
	<u>19,029,267</u>	<u>19,016,153</u>
Less: Accumulated depreciation and amortization	(7,355,579)	(6,828,571)
<b>Net property and equipment</b>	<u>11,673,688</u>	<u>12,187,582</u>
<b>NONCURRENT ASSETS</b>		
Grants and contributions receivable, net	4,415,214	2,386,461
Right-of-use asset, net	445,037	637,854
<b>Total noncurrent assets</b>	<u>4,860,251</u>	<u>3,024,315</u>
<b>Total Assets</b>	<u>\$ 85,988,458</u>	<u>\$ 72,983,939</u>

See accompanying notes to consolidated financial statements.

Center for Global Development and Affiliate

Consolidated Statement of Financial Position  
As of December 31, 2025  
With Summarized Financial Information for 2024

LIABILITIES AND NET ASSETS

	<u>2025</u>	<u>2024</u>
<b>CURRENT LIABILITIES</b>		
Bonds payable	\$ 376,924	\$ 363,322
Accounts payable and accrued liabilities	1,518,536	902,629
Operating lease liability	220,107	212,272
<b>Total current liabilities</b>	<u>2,115,567</u>	<u>1,478,223</u>
<b>NONCURRENT LIABILITIES</b>		
Bonds payable, net	8,560,683	8,978,360
Operating lease liability, net	267,080	487,187
<b>Total noncurrent liabilities</b>	<u>8,827,763</u>	<u>9,465,547</u>
<b>Total liabilities</b>	<u>10,943,330</u>	<u>10,943,770</u>
<b>NET ASSETS</b>		
Without donor restrictions	48,369,576	43,612,389
With donor restrictions	26,675,552	18,427,780
<b>Total net assets</b>	<u>75,045,128</u>	<u>62,040,169</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 85,988,458</u>	<u>\$ 72,983,939</u>

See accompanying notes to consolidated financial statements.

Center for Global Development and Affiliate

**Consolidated Statement of Activities and Change in Net Assets  
For the Year Ended December 31, 2025  
With Summarized Financial Information for 2024**

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Grants and contributions	\$ 4,043,895	\$ 26,798,740	\$ 30,842,635	\$ 28,438,076
Net investment return	5,047,690	-	5,047,690	2,039,456
Contract revenue	233,406	-	233,406	261,793
Other income	352,067	-	352,067	324,492
Net assets released from donor restrictions	18,550,968	(18,550,968)	-	-
<b>Total support and revenue</b>	<u>28,228,026</u>	<u>8,247,772</u>	<u>36,475,798</u>	<u>31,063,817</u>
<b>EXPENSES</b>				
Program Services	19,116,320	-	19,116,320	20,464,746
<b>Supporting Services:</b>				
Management and General	4,040,780	-	4,040,780	3,416,306
Fundraising	791,015	-	791,015	879,751
<b>Total supporting services</b>	<u>4,831,795</u>	<u>-</u>	<u>4,831,795</u>	<u>4,296,057</u>
<b>Total expenses</b>	<u>23,948,115</u>	<u>-</u>	<u>23,948,115</u>	<u>24,760,803</u>
Change in net assets before other item	4,279,911	8,247,772	12,527,683	6,303,014
<b>OTHER ITEM</b>				
Foreign currency exchange gain (loss)	477,276	-	477,276	(143,415)
<b>Change in net assets</b>	4,757,187	8,247,772	13,004,959	6,159,599
Net assets at beginning of year	43,612,389	18,427,780	62,040,169	55,880,570
<b>Net Assets at End of Year</b>	<u>\$ 48,369,576</u>	<u>\$ 26,675,552</u>	<u>\$ 75,045,128</u>	<u>\$ 62,040,169</u>

See accompanying notes to consolidated financial statements.

Center for Global Development and Affiliate

Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2025  
With Summarized Financial Information for 2024

	2025			2024		
	Supporting Services					
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Employee salaries and benefits	\$ 13,116,230	\$ 1,548,786	\$ 754,630	\$ 2,303,416	\$ 15,419,646	\$ 15,257,562
Subgrants	834,746	-	-	-	834,746	2,682,534
Program and research consultants	2,921,721	17,866	6,750	24,616	2,946,337	2,137,092
Occupancy	414,786	983,019	-	983,019	1,397,805	1,356,565
Other professional fees	554,460	435,842	7,954	443,796	998,256	942,775
Depreciation and amortization	-	587,486	-	587,486	587,486	627,154
Travel	374,446	72,664	9,807	82,471	456,917	394,219
Other	77,607	127,470	-	127,470	205,077	222,149
Meetings and conferences	310,434	38,314	2,682	40,996	351,430	301,319
Outreach activities	226,944	8,182	-	8,182	235,126	360,911
Furnishings, equipment and software	177,786	135,982	6,107	142,089	319,875	289,175
Supplies and materials	87,900	85,169	3,085	88,254	176,154	189,348
Contractors/partnerships	19,260	-	-	-	19,260	-
<b>Total</b>	<b>\$ 19,116,320</b>	<b>\$ 4,040,780</b>	<b>\$ 791,015</b>	<b>\$ 4,831,795</b>	<b>\$ 23,948,115</b>	<b>\$ 24,760,803</b>

See accompanying notes to consolidated financial statements.

**Center for Global Development and Affiliate**

**Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2025  
With Summarized Financial Information for 2024**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 13,004,959	\$ 6,159,599
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	587,486	627,154
Unrealized gain	(3,785,026)	(1,016,952)
Realized gain	(43,818)	(280,268)
Change in discount of long-term grants and contributions receivable	97,495	81,801
Amortization of right-of-use asset	192,817	185,262
Decrease (increase) in:		
Grants and contributions receivable	1,006,777	(6,231,443)
Other receivables	6,686	195,520
Prepaid expenses	(118,817)	20,237
Increase (decrease) in:		
Accounts payable and accrued liabilities	615,907	(286,065)
Operating lease liability	(212,272)	(204,716)
<b>Net cash provided (used) by operating activities</b>	<b>11,352,194</b>	<b>(749,871)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(38,762)	(58,342)
Purchases of investments	(7,521,934)	(1,272,715)
Proceeds from sale of investments	338,021	526,000
<b>Net cash used by investing activities</b>	<b>(7,222,675)</b>	<b>(805,057)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on bonds payable	(438,905)	(359,434)
<b>Net cash used by financing activities</b>	<b>(438,905)</b>	<b>(359,434)</b>
Net increase (decrease) in cash and cash equivalents	3,690,614	(1,914,362)
Cash and cash equivalents at beginning of year	23,338,663	25,253,025
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 27,029,277</b>	<b>\$ 23,338,663</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest Paid	\$ 311,766	\$ 326,931

See accompanying notes to consolidated financial statements.

## Center for Global Development and Affiliate

### Notes to Consolidated Financial Statements

December 31, 2025

#### 1. Summary of Significant Accounting Policies

##### Organization

The Center for Global Development and Affiliate (CGD) is dedicated to reducing global poverty and inequality through policy-oriented research and active engagement on development issues with the policy community and the public. A principal focus of CGD's work is the policies of the United States and other industrial countries that affect development prospects in poor countries. CGD's research assesses the impact on poor people of globalization and of the policies of industrialized countries, developing countries and multilateral institutions.

CGD seeks to identify alternative policies that promote equitable growth and participatory development in low-income and transitional economies, and, in collaboration with civil society and private sector groups, seeks to translate policy ideas into policy reforms. CGD partners with other institutions in efforts to improve public understanding in industrial countries of the economic, political, and strategic benefits of promoting improved living standards and governance in developing countries.

On January 31, 2014, CGD established CGD Europe (CGDE) in the United Kingdom, which was incorporated as a "company limited by guarantee and not having a share capital" in accordance with The Companies Act of 2006. CGD is the sole member of CGDE. The mission of CGDE is to promote, for the public benefit, education and research into poverty, health, sustainable development, economics, good governance and transparency in public life and administration and public finance.

##### Program Services

CGD provides new research, data, consultations, public events and seminars, publications and policy proposals to help address global issues on health, education, technology, access to finance, migrations and other development issues.

##### Principles of Consolidation

The accounts of CGD have been consolidated with the CGDE (collectively, "CGD") in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated Organizations be consolidated. All intercompany transactions and balances have been eliminated in consolidation.

##### Basis of Presentation

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

## Center for Global Development and Affiliate

### Notes to Consolidated Financial Statements

December 31, 2025

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

##### Basis of Presentation (Continued)

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. There were no board designated net assets as of December 31, 2025.
- **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.

The consolidated 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CGD's consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived.

##### Cash and Cash Equivalents

CGD considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, CGD maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Additionally, as of December 31, 2025, CGD held \$7,889,103 of cash and cash equivalents in a local institution of the UK. Bank deposit accounts are insured by the Financial Services Compensation Scheme (FSCS) up to a limit of £85,000. At times during the year, CGD maintains cash balances in excess of the FSCS insurance limits. Management believes the risk in these situations to be minimal.

##### Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses, net of investment management fees, are included in investment return, net in the accompanying Consolidated Statement of Activities and Change in Net Assets.

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

**Center for Global Development and Affiliate**

**Notes to Consolidated Financial Statements**

**December 31, 2025**

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

**Grants and Contributions Receivable**

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants and contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in grants and contributions. All grants and contributions receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

**Other Receivables**

Other receivables primarily consists of amounts due within one year related to contract revenue. Other receivables are recorded at their net realizable value which approximates fair value. Other receivables are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions.

Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. There was no allowance for credit losses as of December 31, 2025.

**Property and Equipment**

Property and equipment in excess of \$5,000 are capitalized and stated at cost. The cost of maintenance and repairs is recorded as expenses are incurred. Property (office condominium) improvements are capitalized and amortized over the remaining useful life of the property. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining life term of the lease. Depreciation and amortization is computed using the straight-line method over the following estimated useful lives:

Property (office condominium)	39 years
Property improvements	39 years
Leasehold improvements	15 years
Equipment and furniture	7 years
Computer equipment and software	3 years
Website development	3 years

During the year ended December 31, 2025, Depreciation and amortization expense related to property and equipment totaled \$552,656.

**Center for Global Development and Affiliate**

**Notes to Consolidated Financial Statements**

**December 31, 2025**

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

**Impairment of Long-Lived Assets**

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable.

When considered impaired, the carrying amount of the assets is reduced, by a charge in the accompanying Consolidated Statement of Financial Position, to its current fair value. There was no impairment of long-lived assets recognized during the year ended December 31, 2025.

**Bond Financing and Condominium Purchase Fee**

In accordance with GAAP, CGD presents debt issuance costs in the consolidated financial statements as a direct deduction from the related debt liability. Amortization of these costs is reflected in depreciation and amortization expense in the accompanying Consolidated Statement of Functional Expenses.

Bond financing fees represent legal fees and other costs associated with obtaining the bond debt agreement. These fees are being amortized over the life of the debt (15 years), on a straight-line basis.

Office condominium purchase fees represent the costs incurred in negotiating the purchase of CGD's office space. Purchase fees are being amortized over the life of the debt (15 years), on a straight-line basis.

During the year ended December 31, 2025, amortization expense for bond financing and office condominium purchase fees totaled \$34,830. Accumulated amortization aggregated \$430,880 as of December 31, 2025.

**Income Taxes**

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

CGD Europe is incorporated in the UK as a company limited by guarantee and not having share capital, whose charitable activities are not expected to give rise to taxable profits.

## Center for Global Development and Affiliate

### Notes to Consolidated Financial Statements

December 31, 2025

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

##### Grants and Contributions

The majority of CGD's revenue is received through awards from the foreign Governments, international Organizations, individuals, foundations and other entities. Grants and contributions are recognized in the appropriate category of net assets in the period received. CGD performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

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

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, CGD had no refundable advances as of December 31, 2025.

In addition, CGD has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. However, CGD had no conditional contributions to be received in future years as of December 31, 2025.

##### Contract Revenue

CGD's contract revenue is the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met.

CGD has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on stipulated price in the agreements. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. CGD's contracts with customers generally have initial terms of one year or less.

## Center for Global Development and Affiliate

### Notes to Consolidated Financial Statements

December 31, 2025

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

##### Use of Estimates

The preparation of the 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 at the date of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### Subgrants

Subgrants are reported as an expense at the time of award; any amounts awarded but not disbursed are included in accounts payable and accrued liabilities. All intercompany subgrants transaction activity between CGD and CGDE are eliminated in consolidation.

##### Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of CGD 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.

##### Investment Risks and Uncertainties

CGD 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 consolidated financial statements.

##### Foreign Currency Translation

The United States Dollar (USD) is the functional currency for CGD's worldwide operations. Transactions in currencies other than USD are translated into USD at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in non-USD are translated into USD at the exchange rate in effect as of the date of the accompanying Consolidated Statement of Financial Position.

## Center for Global Development and Affiliate

### Notes to Consolidated Financial Statements

December 31, 2025

#### 2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, CGD has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying Consolidated 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 CGD 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 were no transfers between levels in the fair value hierarchy during the year ended December 31, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Exchange-Traded Funds* - Valued at the closing price reported on the active market in which the funds are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by CGD 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 CGD are deemed to be actively traded.

The table below summarizes, by level within the fair value hierarchy, CGD's investments as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
<b>Exchange-Traded Funds</b>				
Domestic Stocks	\$ 15,162,090	\$ -	\$ -	\$ 15,162,090
<b>Mutual Funds</b>				
Real Estate Investment				
Index	23,838,408	-	-	23,838,408
<b>Total</b>	<u>\$ 39,000,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,000,498</u>

**Center for Global Development and Affiliate**

**Notes to Consolidated Financial Statements  
December 31, 2025**

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

Net investment return consisted of the following for the year ended December 31, 2025:

Interest and dividends	\$ 1,247,871
Unrealized gain	3,785,026
Realized gain	43,818
Investment management fees	(29,025)
<b>Net Investment Return</b>	<b>\$ 5,047,690</b>

**3. Grants and Contributions Receivable**

CGD has received written promises to give from various donors totaling \$7,723,491 as of December 31, 2025. Grants and contributions receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using a discount rate 3.32%. Grants and contributions receivable are expected to be collected as follows as of December 31, 2025:

Less than one year	\$ 3,128,981
One to five years	4,594,510
<b>Total</b>	<b>7,723,491</b>
Less: Allowance to discount balance to present value	(179,296)
<b>Grants and Contributions Receivable, Net</b>	<b>\$ 7,544,195</b>

**4. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following as of December 31, 2025:

Time Restricted	\$ 347,862
<b>Purpose Restricted:</b>	
Education	2,251,410
Sustainable Development Finance	6,762,286
CGD in Europe	2,336,584
Migration, Refugees and Humanitarian Assistance	5,590,674
Global Health	2,082,645
Women's Economic Empowerment	1,301,840
Development Policy	4,280,957
AI	1,486,429
Other Research	185,891
Market Shaping Accelerator	48,974
<b>Total purpose restricted</b>	<b>26,327,690</b>
<b>Total Net Assets With Donor Restrictions</b>	<b>\$ 26,675,552</b>

Center for Global Development and Affiliate

Notes to Consolidated Financial Statements  
December 31, 2025

**5. Net Assets Released from Donor Restrictions**

The following net assets with donor restrictions were released for donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended December 31, 2025:

Passage of Time	\$ 2,403,350
<b>Purpose Restricted:</b>	
Global Health	2,207,728
CGD in Europe	4,638,931
Migration, Refugees and Humanitarian Assistance	654,535
Sustainable Development Finance	3,451,389
AI	420,925
Women's Economic Empowerment	1,795,559
U.S. Development Policy	1,433,879
Education	904,530
Market Shaping Accelerator	393,275
Other Research	246,867
<b>Total purpose restrictions met</b>	<u>16,147,618</u>
<b>Total Net Assets Released from Donor Restrictions</b>	<u><u>\$ 18,550,968</u></u>

**6. Liquidity and Availability**

CGD regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. CGD is substantially supported by restricted contributions. As a donor's restriction requires resources to be used in a particular manner or in a future period, CGD must maintain sufficient resources to meet those responsibilities to its donors. Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position comprise the following:

Cash and cash equivalents	\$ 27,029,277
Investments	39,000,498
Grants and contributions receivable	3,128,981
Other receivables	3,421
<b>Total financial assets available within one year</b>	<u>69,162,177</u>
Less: Purpose-restricted donor funds	<u>(26,327,690)</u>
<b>Financial Assets Available for Use Within One Year</b>	<u><u>\$ 42,834,487</u></u>

CGD maintained financial assets of \$42,834,487 as of December 31, 2025, to conduct general operations during the next calendar year. These assets include cash, investments, and receivables. CGD does not have Board designated funds or other endowments.

CGD's goal is to maintain financial assets to meet at least six months of normal operating expenses.

## Center for Global Development and Affiliate

### Notes to Consolidated Financial Statements December 31, 2025

#### 7. Lease Commitments

CGD follows FASB ASC 842 for leases. CGD 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. CGD has also elected to use a risk-free rate of 3.63% as the lease discount rate for all leases as allowed under FASB ASC 842.

CGDE entered into a five-year lease agreement commencing on March 28, 2023 and expiring on March 27, 2028. Base rent for the office space is £188,264 per year (approximately \$234,000).

Total CGDE lease expense during the year ended December 31, 2025 was \$248,228, which is included in "Occupancy" in the accompanying Consolidated Statement of Functional Expenses. Total cash paid was approximately \$233,000. The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2025:

Year Ending December 31,	
2026	\$ 233,447
2027	233,447
2028	38,908
	<hr/>
	505,802
Less: Imputed interest	(18,615)
	<hr/>
	487,187
Less: Current portion	(220,107)
<b>Long-Term Portion</b>	<hr/>
	<b>\$ 267,080</b>
	<hr/>

#### 8. Long-Term Debt

During 2013, CGD entered into a debt agreement to provide funding to acquire and renovate new office space (office condominium), which was purchased in June 2013 for \$13,520,918. The debt is collateralized by the condominium office space at 2055 L Street, NW, Washington, D.C. Additionally, the debt agreements contain various covenants, which among other things, place restrictions on CGD's ability to incur additional indebtedness and requires CGD to maintain certain financial ratios and submit various financial reports throughout their fiscal year.

#### **Tax-Exempt Bonds Payable**

During 2013, the District of Columbia issued \$13,360,000 of Revenue Bonds (Center for Global Development Issue Series 2013) on behalf of CGD at which time CGD entered into a loan and trust agreement with the District of Columbia and SunTrust Bank. The bonds bear an annualized fixed interest rate of 3.318% and are to be repaid on a monthly basis at principal plus accrued interest.

Although the bond term is a 15-year period, the redemption schedule is amortized over a 30-year period starting on June 1, 2013. The bonds mature on June 1, 2028, at which time a balloon payment of the remaining outstanding principal (\$8,085,056) plus interest will be due.

Center for Global Development and Affiliate

Notes to Consolidated Financial Statements

December 31, 2025

**8. Long-Term Debt (Continued)**

As of December 31, 2025, the total outstanding balance of the bonds payable was as follows:

Bonds Payable	\$ 9,029,172
Less: Deferred financing costs, net of accumulated amortization of \$430,880	(91,565)
<b>Bonds Payable, Net</b>	<u><u>\$ 8,937,607</u></u>

Interest expense incurred during the year ended December 31, 2025 totaled \$311,766, and is included in "Occupancy" in the accompanying Consolidated Statement of Functional Expenses.

Principal payments on the bonds are due as follows:

<b>Year Ending December 31,</b>	
2026	\$ 376,924
2027	390,992
2028	8,169,691
<b>Total</b>	<u><u>\$ 8,937,607</u></u>

**9. Retirement Plan**

CGD sponsors a 403(b) retirement plan that is available to employees who meet certain eligibility requirements. CGD contributes 15% of each eligible employee's earnings to the Plan, subject to legal limits. During the year ended December 31, 2025, CGD contributed \$940,976 to the Plan, which is included in Employee salaries and benefits in the accompanying Consolidated Statement of Functional Expenses.

CGDE operates a defined contribution pension plan. The assets of the Plan are held separately from those of CGDE in an independently administered fund. During the year ended December 31, 2025, CGDE did not make contributions to the Plan.

**10. Grant Commitments**

CGD was awarded a three-year (2022-2025) grant by the IKEA Foundation in the amount of \$2,000,000. The purpose of this grant is Improving Refugees and Forces Migrants' Socio-Economic Wellbeing. Total expenses incurred through December 31, 2025 under this grant totaled \$2,000,000.

**11. Concentration of Revenue**

Approximately 25% of CGD's support and revenue (and 50% of CGD's total gross grants and contributions receivable) for the year ended December 31, 2025 was derived from awards received by a single donor.

**Center for Global Development and Affiliate**

**Notes to Consolidated Financial Statements**

**December 31, 2025**

**11. Concentration of Revenue (Continued)**

CGD has no reason to believe that the relationship with this donor will be discontinued in the foreseeable future. However, any interruption of this relationship (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect CGD's ability to finance ongoing operations.

**12. Subsequent Events**

In preparing these consolidated financial statements, CGD has evaluated events and transactions for potential recognition or disclosure through April 28, 2026, the date the consolidated financial statements were issued.

## **Supplemental Information**

Center for Global Development and Affiliate

Consolidating Schedule of Financial Position  
As of December 31, 2025

ASSETS

	CGD	CGDE	Eliminations	Total
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 19,140,174	\$ 7,889,103	\$ -	\$ 27,029,277
Investments	39,000,498	-	-	39,000,498
Grants and contributions receivable	3,401,541	49,949	(322,509)	3,128,981
Other receivables	-	3,421	-	3,421
Prepaid expenses	159,100	133,242	-	292,342
<b>Total current assets</b>	<u>61,701,313</u>	<u>8,075,715</u>	<u>(322,509)</u>	<u>69,454,519</u>
<b>FIXED ASSETS</b>				
Office condominium and improvements	16,404,932	-	-	16,404,932
Equipment	-	284,237	-	284,237
Furniture	1,664,993	-	-	1,664,993
Computer equipment and software	103,881	-	-	103,881
Website development	562,254	-	-	562,254
Leasehold improvements	-	8,970	-	8,970
Accumulated depreciation and amortization	(7,163,326)	(192,253)	-	(7,355,579)
<b>Net fixed assets</b>	<u>11,572,734</u>	<u>100,954</u>	<u>-</u>	<u>11,673,688</u>
<b>NONCURRENT ASSETS</b>				
Right-of-use asset, net	445,037	-	-	445,037
Grants and contributions receivable, net	4,415,214	-	-	4,415,214
<b>Total noncurrent assets</b>	<u>4,860,251</u>	<u>-</u>	<u>-</u>	<u>4,860,251</u>
<b>Total Assets</b>	<u>\$ 78,134,298</u>	<u>\$ 8,176,669</u>	<u>\$ (322,509)</u>	<u>\$ 85,988,458</u>

Center for Global Development and Affiliate

Consolidating Schedule of Financial Position  
As of December 31, 2025

LIABILITIES AND NET ASSETS

	CGD	CGDE	Eliminations	Total
<b>CURRENT LIABILITIES</b>				
Bonds payable	\$ 376,924	\$ -	\$ -	\$ 376,924
Accounts payable and accrued liabilities	855,156	985,889	(322,509)	1,518,536
Operating lease liability	220,107	-	-	220,107
<b>Total current liabilities</b>	<u>1,452,187</u>	<u>985,889</u>	<u>(322,509)</u>	<u>2,115,567</u>
<b>NONCURRENT LIABILITIES</b>				
Bonds payable, net	8,560,683	-	-	8,560,683
Operating lease liability, net	267,080	-	-	267,080
<b>Total noncurrent liabilities</b>	<u>8,827,763</u>	<u>-</u>	<u>-</u>	<u>8,827,763</u>
<b>Total liabilities</b>	<u>10,279,950</u>	<u>985,889</u>	<u>(322,509)</u>	<u>10,943,330</u>
<b>NET ASSETS</b>				
Without donor restrictions	42,688,715	4,149,148	1,531,713	48,369,576
With donor restrictions	25,165,633	3,041,632	(1,531,713)	26,675,552
<b>Total net assets</b>	<u>67,854,348</u>	<u>7,190,780</u>	<u>-</u>	<u>75,045,128</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 78,134,298</u>	<u>\$ 8,176,669</u>	<u>\$ (322,509)</u>	<u>\$ 85,988,458</u>

**Center for Global Development and Affiliate**

**Consolidating Schedule of Activities and Change in Net Assets  
For the Year Ended December 31, 2025**

	<u>CGD</u>	<u>CGDE</u>	<u>Eliminations</u>	<u>Total</u>
<b>SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS</b>				
Grants and contributions	\$ 2,615,547	\$ 2,069,865	\$ (641,517)	\$ 4,043,895
Net investment return	5,047,690	-	-	5,047,690
Contract revenue	233,406	-	-	233,406
Other income	352,067	-	-	352,067
Net assets released from donor restrictions	15,144,554	6,369,079	(2,962,665)	18,550,968
<b>Total support and revenue without donor restrictions</b>	<u>23,393,264</u>	<u>8,438,944</u>	<u>(3,604,182)</u>	<u>28,228,026</u>
<b>EXPENSES</b>				
Program Services	15,346,843	7,661,051	(3,891,574)	19,116,320
<b>Supporting Services:</b>				
Management and General	3,204,886	1,437,859	(601,965)	4,040,780
Fundraising	628,745	162,270	-	791,015
<b>Total supporting services</b>	<u>3,833,631</u>	<u>1,600,129</u>	<u>(601,965)</u>	<u>4,831,795</u>
<b>Total expenses</b>	<u>19,180,474</u>	<u>9,261,180</u>	<u>(4,493,539)</u>	<u>23,948,115</u>
Change in net assets without donor restrictions before other item	4,212,790	(822,236)	889,357	4,279,911
<b>OTHER ITEM</b>				
Foreign currency exchange (loss) gain	(144)	477,420	-	477,276
<b>Change in net assets without donor restrictions</b>	4,212,646	(344,816)	889,357	4,757,187
Net assets without donor restrictions at beginning of year	38,476,069	4,493,964	642,356	43,612,389
<b>Net Assets Without Donor Restrictions at End of Year</b>	<u>\$ 42,688,715</u>	<u>\$ 4,149,148</u>	<u>\$ 1,531,713</u>	<u>\$ 48,369,576</u>
<b>SUPPORT AND REVENUE WITH DONOR RESTRICTIONS</b>				
Grants and contributions	\$ 23,360,123	\$ 7,290,639	\$ (3,852,022)	\$ 26,798,740
Net assets released from donor restrictions	(15,144,554)	(6,369,079)	2,962,665	(18,550,968)
<b>Change in net assets with donor restrictions</b>	<u>8,215,569</u>	<u>921,560</u>	<u>(889,357)</u>	<u>8,247,772</u>
Net assets with donor restrictions beginning of year	16,950,064	2,120,072	(642,356)	18,427,780
<b>Net Assets With Donor Restrictions at End of Year</b>	<u>\$ 25,165,633</u>	<u>\$ 3,041,632</u>	<u>\$ (1,531,713)</u>	<u>\$ 26,675,552</u>