

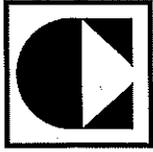
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

**ALEXANDRIA SEAPORT FOUNDATION**

**September 30, 2024**  
**(including comparative totals for September 30, 2023)**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Alexandria Seaport Foundation

We have audited the accompanying financial statements of the Alexandria Seaport Foundation (a nonprofit organization), which comprise the balance sheet as of September 30, 2024, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alexandria Seaport Foundation as of September 30, 2024, and the changes in its net assets and its functional expenses and cash flows for the years then ended in accordance with accounting standards 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 Statement section of our report. We are required to be independent of Alexandria Seaport Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

- Exercise professional judgement and maintain professional skepticism through 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 programs 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 Alexandria Seaport 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alexandria Seaport 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 Alexandria Seaport Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it was derived.

*Cougle Gray & Associates, P.C.*

Fairfax, Virginia  
March 17, 2025

**Alexandria Seaport Foundation**

**Balance Sheets**

**September 30, 2024 and 2023**

(See Independent Auditor's Report and notes to financial statements)

|   | <b>2024</b>         | <b>2023</b>         |
|---|---------------------|---------------------|
| <b>Assets</b>                               |                     |                     |
| <b>Current Assets</b>                       |                     |                     |
| Cash and cash equivalents                   | \$ 454,116          | \$ 200,341          |
| Pledges receivable                          | 120,617             | 202,000             |
| Accounts receivable                         | 2,239               | 4,369               |
| Right of use - office space, current        | 9,000               | 9,000               |
| Prepaid expenses                            | 8,336               | 7,306               |
| Total Current Assets                        | <u>594,308</u>      | <u>423,016</u>      |
| <b>Fixed Assets</b>                         |                     |                     |
| Property and equipment                      | 666,806             | 673,256             |
| Accumulated depreciation                    | <u>(419,240)</u>    | <u>(383,585)</u>    |
| Net Fixed Assets                            | 247,566             | 289,671             |
| Work in process                             | 49,456              | 22,411              |
| Cash and cash equivalents for long-term use | 562,422             | 369,156             |
| Investments                                 | 147,851             | 468,339             |
| Right of use - office space                 | 2,250               | 11,850              |
| Assets donated for sale                     | -                   | 4,000               |
| Security deposit                            | 1,150               | 1,150               |
|   | <u>763,129</u>      | <u>876,906</u>      |
| Total Assets                                | <u>\$ 1,605,003</u> | <u>\$ 1,589,593</u> |
| <b>Liabilities and Net Assets</b>           |                     |                     |
| <b>Current Liabilities</b>                  |                     |                     |
| Accounts payable                            | \$ 16,208           | \$ 21,654           |
| Accrued payroll                             | 17,219              | 13,684              |
| Accrued vacation                            | 16,147              | 1,369               |
| Deferred revenue                            | 8,158               | -                   |
| Lease liability - office space, current     | 9,450               | 8,850               |
| Total Current Liabilities                   | <u>67,182</u>       | <u>45,557</u>       |
| Lease liability - office space              | 2,400               | 11,850              |
|   | <u>69,582</u>       | <u>57,407</u>       |
| <b>Net Assets</b>                           |                     |                     |
| Without donor restrictions                  | 657,990             | 209,564             |
| With donor restrictions                     | 877,431             | 1,322,622           |
|   | <u>1,535,421</u>    | <u>1,532,186</u>    |
| Total Liabilities and Net Assets            | <u>\$ 1,605,003</u> | <u>\$ 1,589,593</u> |

**Alexandria Seaport Foundation**  
**Statement of Activities**  
**For the year ended September 30, 2024**  
**Comparative Totals for 2023**  
(See Independent Auditor's Report and notes to financial statements)

|  | <u>Without donor<br/>Restrictions</u> | <u>With donor<br/>Restrictions</u> | <u>2024<br/>Total</u> | <u>2023<br/>Total</u> |
|--|---------------------------------------|------------------------------------|-----------------------|-----------------------|
| Revenues and Other Support:                              |                                       |                                    |                       |                       |
| Government awards  | \$ 52,513                             | \$ -                               | \$ 52,513             | \$ 30,335             |
| Program service revenue                                  | 6,306                                 | -                                  | 6,306                 | 4,885                 |
| Gifts from individuals, foundations,<br>and corporations | 487,306                               | 76,165                             | 563,471               | 802,189               |
| In-kind contributions                                    | 306,285                               | -                                  | 306,285               | 342,252               |
| Stock contribution                                       | 11,021                                | -                                  | 11,021                | 21,377                |
| Special events   | 37,410                                | -                                  | 37,410                | 26,863                |
| Interest and dividends                                   | 22,632                                | 21,495                             | 44,127                | 22,914                |
| Unrealized gain (loss) on investments                    | 22,022                                | -                                  | 22,022                | 42,519                |
| Realized gain (loss) on investments                      | 2,154                                 | -                                  | 2,154                 | 5,983                 |
| Net assets released from restriction:                    |                                       |                                    |                       |                       |
| Satisfaction of program restrictions                     | <u>542,851</u>                        | <u>(542,851)</u>                   | <u>-</u>              | <u>-</u>              |
| Total Revenues and Other Support                         | 1,490,500                             | (445,191)                          | 1,045,309             | 1,299,317             |
| Expenses:  |                                       |                                    |                       |                       |
| Program:   |                                       |                                    |                       |                       |
| Apprentice Program                                       | 783,078                               | -                                  | 783,078               | 685,861               |
| Commission Projects                                      | -                                     | -                                  | -                     | 57,590                |
| Community Outreach                                       | -                                     | -                                  | -                     | 14,034                |
| Management and general                                   | 154,590                               | -                                  | 154,590               | 254,002               |
| Fundraising  | 93,746                                | -                                  | 93,746                | 134,435               |
| Special events   | <u>10,660</u>                         | <u>-</u>                           | <u>10,660</u>         | <u>11,170</u>         |
| Total Expenses   | <u>1,042,074</u>                      | <u>-</u>                           | <u>1,042,074</u>      | <u>1,157,092</u>      |
| Change in Net Assets                                     | 448,426                               | (445,191)                          | 3,235                 | 142,225               |
| Net Assets, beginning of year                            | <u>209,564</u>                        | <u>1,322,622</u>                   | <u>1,532,186</u>      | <u>1,389,961</u>      |
| Net Assets, end of year                                  | <u>\$ 657,990</u>                     | <u>\$ 877,431</u>                  | <u>\$ 1,535,421</u>   | <u>\$ 1,532,186</u>   |

**Alexandria Seaport Foundation**  
**Statements of Cash Flows**  
**For the years ended September 30, 2024 and 2023**  
(See Independent Auditor's Report and notes to financial statements)

|   | 2024         | 2023       |
|---|--------------|------------|
| Cash flows from operating activities:   |              |            |
| Change in net assets  | \$ 3,235     | \$ 142,225 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:                          |              |            |
| Depreciation  | 42,106       | 44,884     |
| Stock contribution  | 11,021       | 21,377     |
| Unrealized loss (gain) on investments   | (22,022)     | (42,519)   |
| Realized loss (gain) on investments   | (2,154)      | (5,983)    |
| Non-cash donation of fixed assets   | -            | (24,500)   |
| Write-off of donated asset  | 4,000        | -          |
| (Increase) decrease in pledges receivable   | 81,383       | (42,500)   |
| (Increase) decrease in accounts receivable  | 2,130        | 44,273     |
| (Increase) decrease in prepaid expenses   | (1,030)      | 2,284      |
| (Increase) decrease in security deposit   | -            | (700)      |
| Increase (decrease) in payables   | 12,867       | (4,817)    |
| Increase (decrease) in deferred revenue   | 8,158        | -          |
| Net cash provided (used) by operating activities  | 139,694      | 134,024    |
| Cash flows from investing activities:   |              |            |
| Purchase of equipment and leasehold improvements  | -            | -          |
| Increase in work in process   | (27,045)     | (12,887)   |
| Proceeds from sale of investments   | 333,642      | 21,377     |
| Purchase of investments   | -            | (2,551)    |
| Net cash provided (used) by investing activities  | 306,597      | 5,939      |
| Cash flows from financing activities:   |              |            |
| (Increase) decrease in right of use asset   | 9,600        | 6,150      |
| Increase (decrease) in right of use liability   | (8,850)      | (6,300)    |
| Net cash provided (used) by financing activities  | 750          | (150)      |
| Net increase in cash  | 447,041      | 139,813    |
| Cash and cash equivalents, beginning of year  | 569,497      | 429,684    |
| Cash and cash equivalents, end of year  | \$ 1,016,538 | \$ 569,497 |
| Cash and cash equivalents - current   | 454,116      | 200,341    |
| Cash and cash equivalents for long-term use   | 562,422      | 369,156    |
|   | \$ 1,016,538 | \$ 569,497 |
| Non-cash transactions:  |              |            |
| During the year the Foundation had the following noncash transactions which were excluded from the statement of cash flows: |              |            |
| Fair market value of donated goods, services and supplies and rent  | \$ 306,285   | \$ 326,752 |
| Fair market value of non-cash contribution of fixed assets and other assets   | \$ -         | \$ 15,500  |
| Disposal of fixed assets  | \$ 6,450     | \$ 12,792  |
| Accumulated depreciation  | (6,450)      | (12,792)   |
| Loss on disposal  | \$ -         | \$ -       |
| Supplemental disclosures:   |              |            |
| Cash paid during the year for:  |              |            |
| Income taxes  | \$ -         | \$ -       |
| Interest expense  | \$ -         | \$ -       |

**Alexandria Seaport Foundation**  
**Statement of Functional Expenses**  
**For the year ended September 30, 2024**  
**Comparative Totals for 2023**

(See Independent Auditor's Report and notes to financial statements)

|                                | Program Services  | Management and General | <u>Supporting Services</u> |                           | 2023 Total          |
|--------------------------------|-------------------|------------------------|----------------------------|---------------------------|---------------------|
|                                |                   |                        | Fundraising                | Total Supporting Services |                     |
| Consultants/professional fees  | \$ 270,632        | \$ 26,614              | \$ 900                     | \$ 27,514                 | \$ 298,146          |
| Salaries                       | 163,025           | 71,999                 | 40,863                     | 112,862                   | 275,887             |
| Apprentice salaries            | 127,568           | -                      | -                          | -                         | 127,568             |
| Depreciation                   | 41,813            | 210                    | 83                         | 293                       | 42,106              |
| Liability insurance            | 38,202            | 2,938                  | 948                        | 3,886                     | 42,088              |
| Contractors                    | 12,621            | 1,962                  | 22,500                     | 24,462                    | 37,083              |
| Legal and accounting           | 10,050            | 23,429                 | -                          | 23,429                    | 33,479              |
| Payroll taxes                  | 21,466            | 5,332                  | 2,936                      | 8,268                     | 29,734              |
| Rent                           | 18,693            | 7,456                  | 2,947                      | 10,403                    | 29,096              |
| Materials and supplies         | 21,164            | 2,431                  | 1,996                      | 4,427                     | 25,591              |
| Employee benefits              | 16,918            | 420                    | 972                        | 1,392                     | 18,310              |
| Office supplies and expense    | 1,791             | 2,602                  | 9,302                      | 11,904                    | 13,695              |
| Advertising                    | 3,624             | -                      | 4,289                      | 4,289                     | 7,913               |
| Apprentice support services    | 7,763             | -                      | -                          | -                         | 7,763               |
| Telephone/internet             | 4,251             | 601                    | 960                        | 1,561                     | 5,812               |
| Repairs and maintenance        | 5,666             | -                      | -                          | -                         | 5,666               |
| IT support                     | 3,760             | 995                    | 495                        | 1,490                     | 5,250               |
| Entertainment                  | 4,401             | 592                    | 158                        | 750                       | 5,151               |
| Transportation/travel          | 4,147             | 365                    | 13                         | 378                       | 4,525               |
| Training and development       | 2,463             | 500                    | -                          | 500                       | 2,963               |
| Postage and shipping           | 64                | 523                    | 2,354                      | 2,877                     | 2,941               |
| Dues                           | 229               | 1,148                  | 1,257                      | 2,405                     | 2,634               |
| Bank/credit card charges       | -                 | 1,234                  | 354                        | 1,588                     | 1,588               |
| Utilities                      | 694               | 631                    | 69                         | 700                       | 1,394               |
| Business taxes and licenses    | 873               | -                      | 350                        | 350                       | 1,223               |
| Printing                       | 437               | 548                    | -                          | 548                       | 985                 |
| Payroll service                | 193               | 726                    | -                          | 726                       | 919                 |
| Investment administrative fees | -                 | 1,334                  | -                          | 1,334                     | 1,334               |
| Scholarships                   | -                 | -                      | -                          | -                         | 570                 |
| Conference expenses            | -                 | -                      | -                          | -                         | -                   |
|                                | <u>\$ 783,078</u> | <u>\$ 154,590</u>      | <u>\$ 93,746</u>           | <u>\$ 248,336</u>         | <u>\$ 1,031,414</u> |
|                                |                   |                        |                            |                           | <u>\$ 1,145,922</u> |

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note A - Nature of Organization**

Alexandria Seaport Foundation ("the Foundation") is a 501(c)(3) non-profit corporation founded in 1982 to celebrate the City's maritime heritage and engage the community in traditional wooden boat building and usage. In 1993, the Foundation implemented the Apprentice Program, a workforce development program designed to improve the lives of young people in need of direction. The Foundation's funding comes from a combination of gifts from individuals and corporations, as well as foundation and government grants. A very small portion may come from program revenue.

The Foundation operates out of multiple locations. The Seaport Center, a floating two-story building, provides an apprentice workshop upstairs, a wooden boat-building workshop downstairs, and docks for on-the-water activities and boat use. The administrative staff is located in an office building two blocks from the Seaport Center.

The work of the Foundation is described below:

**Apprentice Program**

Through the building and use of wooden boats and positive adult mentoring, the Foundation provides young men and women, ages 18-23, the life, career and educational skills necessary to become productive, self-sufficient adults. This full-time, paid apprenticeship program uses a three-phase curriculum which contains equal amounts of "hard" and "soft" skills and is approximately 6 months in duration, depending upon the individual needs of the apprentice. The program has two full-time staff who work directly with the apprentices and a large group of dedicated volunteers. As of September 30, 2024, the Foundation considers all program activities to fall under the Apprentice Program.

**Commission Projects**

The Foundation uses commission projects as a training ground for the apprentices as well as a source of revenue. The commission projects include new boat construction, boat restoration and other carpentry projects.

**Community Outreach**

ASF engages in an array of activities designed to connect with the community, honor Alexandria's maritime heritage and activate the local waterfront.

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Method of Accounting

The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

2. Financial Statement Presentation

The financial statements are presented in accordance with U.S. generally accepted accounting principles for nonprofit organizations. Under those principles, ASF is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions represent resources that are not subject to donor-imposed stipulations and are available for operations at management's discretion.

Net Assets With Donor Restrictions represent resources restricted by the donor as to purpose or by the passage of time. As of September 30, 2024 and 2023, the Foundation had net assets with donor restrictions totaling \$877,431 and \$1,322,622, respectively.

3. Contributions

All contributions and net revenue from fund raising events are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class.

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

4. Pledges Receivable

Pledges receivable consist of amount pledged by donors to be received in subsequent years. The Foundation considers all pledges collectible and, therefore, has not recorded an allowance for doubtful accounts.

5. Accounts Receivable

Accounts receivable consists of a reimbursement and contributions made prior to year-end that had not been received. The Foundation considers all amounts collectible and, therefore, has not recorded an allowance for doubtful accounts.

6. Income Taxes

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions.

The Foundation follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for the Foundation for the year ended September 30, 2024.

The Foundation's tax returns are subject to possible examination by taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

7. Property, Equipment and Depreciation

The Foundation capitalizes property and equipment over \$250. Property and equipment are recorded at cost at the date of acquisition. Donations of property and equipment are recorded as support at their estimated fair value at the date of the gift. The assets are depreciated on a straight-line basis over their estimated useful lives.

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

8. Investments

The Foundation has investments in agency funds. Agency funds are funds established with the ACT for Alexandria whereby the Foundation selects the investment pool and ACT for Alexandria manages it. The agency funds are exclusively used for the Foundation's benefit. The agency funds are recognized at fair value on the balance sheet. The Foundation also has investments in publicly traded stock

9. Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

10. Cash and cash equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

11. Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note C – Date of Management's Review**

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 17, 2025, the date that the financial statements were available to be issued.

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note D - Liquidity**

ASF maintains a liquid cash balance in checking and savings accounts in an amount necessary to meet its anticipated expenditures for approximately 2 months.

ASF reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of ASF's monthly financial reporting process.

ASF's financial assets available within one year to meet cash needs for general expenditures through September 30, 2025 are as follows:

|  |                  |
|--|------------------|
| Financial assets   |                  |
| Cash and cash equivalents  | \$1,016,538      |
| Less amounts not available within one year   | <u>(562,422)</u> |
| Financial assets available within one year<br>for general expenditures within one year | <u>\$454,116</u> |

**Note E – Property and Equipment**

Property and equipment at September 30, 2024 and 2023 consists of the following:

|                                | 2024              | 2023              |
|--------------------------------|-------------------|-------------------|
| Floating pier                  | \$ 9,610          | \$ 9,610          |
| Boats                          | 343,769           | 343,769           |
| Exhibit items/library          | 4,750             | 9,500             |
| Educational materials          | 1,200             | 1,200             |
| Office equipment/furniture     | 18,175            | 18,175            |
| Tools/equipment                | 58,347            | 58,347            |
| Vehicles/storage containers    | 24,353            | 26,053            |
| Seaport Center                 | <u>206,602</u>    | <u>206,602</u>    |
|                                | 666,806           | 673,256           |
| Less: Accumulated Depreciation | <u>(419,240)</u>  | <u>(383,585)</u>  |
| Net Book Value                 | <u>\$ 247,566</u> | <u>\$ 289,671</u> |

Depreciation expense for the year ended September 30, 2024 and 2023 totaled \$42,106 and \$44,884, respectively.

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note F– Investments**

The adjusted basis and fair value as of September 30, 2024 and 2023 are as follows:

|                               | Adjusted<br>Basis | Fair Value       | Unrealized<br>Gains (Losses) |
|-------------------------------|-------------------|------------------|------------------------------|
| <b>September 30, 2024</b>     |                   |                  |                              |
| Agency funds                  | \$ 121,412        | \$ 144,356       | \$ 21,944                    |
| Publicly traded stock         | 3,417             | 3,495            | 78                           |
|                               | <u>\$124,829</u>  | <u>\$147,851</u> | <u>\$22,022</u>              |
| <br><b>September 30, 2023</b> |                   |                  |                              |
| Agency funds                  | \$ 425,820        | \$ 468,339       | \$ 42,519                    |

The Agency Fund is managed by ACT for Alexandria and consists of equity funds and fixed income funds.

Investment income for the years ended September 30, 2024 and 2023 consists of the following:

|                        | 2024            | 2023            |
|------------------------|-----------------|-----------------|
| Interest               | \$ 44,127       | \$ 22,914       |
| Realized gain (loss)   | 2,154           | 5,983           |
| Unrealized gain (loss) | 22,022          | 42,519          |
|                        | <u>\$68,303</u> | <u>\$71,416</u> |

**Note G – Fair Value Measurements**

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note G – Fair Value Measurements, continued**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at September 30, 2024 and 2023:

| <b><u>Description</u></b> | <b><u>Fair Value</u></b> | <b><u>Significant Observable<br/>Inputs (Level 1)</u></b> |
|---------------------------|--------------------------|---|
| <b>September 30, 2024</b> |                          |   |
| Agency funds              | \$144,356                |   |
| Publicly traded stock     | <u>3,495</u>             |   |
|                           | <u>\$147,851</u>         | <u>\$147,851</u>  |
| <b>September 30, 2023</b> |                          |   |
| Agency funds              | <u>\$468,339</u>         | <u>\$468,339</u>  |

The carrying amounts reflected in the balance sheet for cash, accounts receivable, and, accounts payable approximates fair value due to the short maturities of those instruments.

**Note H – Donated Assets and Services**

Contributions of donated non-cash assets are recorded at their fair market values in the period received. For the year ended September 30, 2024, the Foundation received rent valued at \$16,070, supplies valued at \$1,416, professional services valued at \$288,800, and stock valued at \$11,021. For the year ended September 30, 2023, the Foundation received rent valued at \$13,380, supplies valued at \$5,585, fixed assets valued at \$15,500, professional services valued at \$307,787, and stock valued at \$21,377.

Unpaid volunteers contribute their time to forward the Organization's program services. Those donated services do not meet the criteria for recognition as donated services under generally accepted accounting principles, and no value has been included in these financial statements.

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note I – Operating Leases**

The Foundation entered into a lease for office space commencing January 1, 2023. The lease is for a 3-year term with base monthly rent of \$700 and increases of \$50 per month each year. Under Accounting Standard Codification 842, the lease is classified as a Type B operating lease and is reflected as a right of use asset and a right of use liability on the accompanying financial statements. The asset and liability will be amortized over the life of the lease.

Following is a schedule of amortization of the right of use asset for the remaining lease term for years ended September 30:

|       |                 |
|-------|-----------------|
| 2025  | \$9,000         |
| 2026  | <u>2,250</u>    |
| Total | <u>\$11,250</u> |

**Note J – Net Assets With Donor Restrictions**

Net Assets With Donor Restrictions at September 30, 2024 and 2023 are available for the following purposes:

|                            | 2024              | 2023                |
|----------------------------|-------------------|---------------------|
| Educational Boat Building  | \$ 16,583         | \$ 16,583           |
| ASF Building Lives Fund    | -                 | 372,611             |
| ASF Scholarship Fund       | 144,356           | 119,049             |
| Building to Teach          | 2,460             | 2,460               |
| AFHS Grant                 | 8,158             | 16,929              |
| Apprentice Appreciation    | 550               | 550                 |
| Apprentice Driving Lessons | 350               | 350                 |
| Even scale                 | 120               | -                   |
| Seaport Center Expansion   | 580,737           | 588,090             |
| Pledges receivable         | 120,617           | 202,500             |
| Joe Youcha Legacy Fund     | <u>3,500</u>      | <u>3,500</u>        |
|                            | <u>\$ 877,431</u> | <u>\$ 1,322,622</u> |

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
(See Independent Auditor's Report)

**Note K – Related Party Transactions**

Contributions from members of the Board of Directors totaled \$152,014 and \$207,655 for the years ended September 30, 2024 and 2023, respectively.

**Note L – Concentration**

During the year ended September 30, 2024, ASF received approximately 11% of total support from one donor. Also, during the year ended September 30, 2024, in-kind contributions accounted for 29% of total contributions.

During the year ended September 30, 2023, ASF received approximately 24% of total support from two donors. Also, during the year ended September 30, 2023, in-kind contributions accounted for 26% of total contributions.

**Note M – Building Lives Fund**

During the year ended September 30, 2019, the Foundation received a grant of \$366,174 to establish the "ASF Building Lives Fund" to benefit the Foundation's core programs. The fund is managed by ACT for Alexandria and ASF will receive distributions from the net income of the fund's investments for the first five years. Those distributions are available for use only for the core programs of ASF. During the year ended September 30, 2023, the fund sustained net investment gains totaling \$45,275 and investment fees totaled \$4,054. During the year ended September 30, 2022, the fund sustained net investment losses totaling \$49,619 and investment fees totaled \$4,231. During the year ended September 30, 2023, distributions to the Foundation totaled \$60,000. During the year ended September 30, 2024, the Foundation took control of the fund. Distributions from the fund totaled \$372,611.

**Note N – Apprentice Scholarship Fund**

During the year ended September 30, 2019, the Foundation received a grant of \$10,000 to establish the "ASF Apprentice Scholarship Fund" to benefit men and women who have completed or are currently enrolled in the Apprentice program at ASF. In addition to the initial contribution, the initial donor pledged to match up to \$50,000 of additional contributions made through December 31, 2019. The fund is managed by ACT for Alexandria and scholarship awards are determined by an advisory committee made up of ASF board and staff members. During the year ended September 30, 2024, the fund sustained net investment gains totaling \$27,211 and investment fees totaled \$1,334. Scholarships awarded totaled \$570. During the year ended September 30, 2023, the fund sustained net investment gains totaling \$11,529 and investment fees totaled \$1,110. Contributions during the year totaled \$19,175 and scholarships awarded totaled \$1,391.

**Alexandria Seaport Foundation**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**  
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**Note O - Retirement Plan**

On January 1, 2018, the Foundation established a Simple IRA plan to benefit employees with a salary greater than \$5,000. The Foundation may make a matching contribution of up to three percent of the employees' salary reduction contributions. During the year ended September 30, 2023, the matching contribution totaled \$1,267. The contribution is included with employee benefits on the accompanying financial statements.

Effective January 1, 2023, the Foundation has switched to a 403(b) plan with a 4% matching contribution. Matching contributions totaled \$1,336 and \$3,598 for the years ended September 30, 2024 and 2023, respectively.

**Note P – Subsequent Events**

As part of an expansion to the Apprentice program, the Foundation is planning construction of an additional building. Construction on the building is expected to commence in the Summer of 2025 and be completed by the end of 2025. The Foundation is raising funds for construction. Donor restricted funds for the additional building totaled \$580,737 and \$588,090 as of September 30, 2024 and 2023, respectively.