HISTORIC ALEXANDRIA FOUNDATION, INC.

Financial Statements as of
August 31, 2025
Together with
Accountant's Compilation Report

Bonadio & Co., LLP
Accounting, Consulting & More

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ACCOUNTANT'S COMPILATION REPORT

August 6, 2026

To the Board of Trustees of
Historic Alexandria Foundation, Inc.:

Management is responsible for the accompanying financial statements of Historic Alexandria Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

We are not independent with respect to Historic Alexandria Foundation, Inc.

Bonadio & Co. LLP

2711 Centerville Road,
Suite 100
Wilmington, DE 19808
p (302) 656-6632
f (302) 656-1811

www.bonadio.com

HISTORIC ALEXANDRIA FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2025
(See Accountant's Compilation Report)

ASSETS		
Cash and cash equivalents	$	23,680
Prepaid expenses		1,073
Donated antique furniture		44,600
Investments		1,813,645
Land and building		900,000
Total Assets	$	2,782,998
LIABILITIES		
Accounts payable	$	840
Accrued expenses		4,650
Total Liabilities		5,490
NET ASSETS		
Without donor restrictions		1,677,508
With donor restrictions		1,100,000
Total Net Assets		2,777,508
Total Net Assets and Liabilities	$	2,782,998

The accompanying notes are an integral part of these statements.

HISTORIC ALEXANDRIA FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2025
(See Accountant's Compilation Report)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Contributions/ donations	$ 118,426	$ -	$ 118,426
Gifts in kind - legal services	144,434	-	144,434
Membership dues	38,745	-	38,745
Plaque applications	2,450	-	2,450
Rental income - Alexandria Academy	40,728	-	40,728
Special events revenue	55,125	-	55,125
Less: costs of direct benefits to donors	(46,459)	-	(46,459)
Net revenues from special events	8,666	-	8,666
Investment earnings, net	238,680	-	238,680
Total revenue and support	592,129	-	592,129
EXPENSES:			
Advocacy program	231,377	-	231,377
Alexandria Academy program	7,604	-	7,604
Total Program	238,981	-	238,981
Management and general	83,126	-	83,126
Fundraising	25,110	-	25,110
Total expenses	347,217	-	347,217
CHANGE IN NET ASSETS	244,912	-	244,912
NET ASSETS - beginning of year	1,432,596	1,100,000	2,532,596
NET ASSETS - end of year	$ 1,677,508	$ 1,100,000	$ 2,777,508

The accompanying notes are an integral part of these statements.

HISTORIC ALEXANDRIA FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2025
(See Accountant's Compilation Report)

	Advocacy Program	Alexandria Academy Program	Total Program	Management and General	Fundraising	Total
Accounting	$ -	$ -	$ -	$ 9,406	$ -	$ 9,406
Bank fees	-	-	-	1,802	-	1,802
Fundraising events	-	-	-	-	46,459	46,459
Grants	35,743	-	35,743	-	-	35,743
Information technology	-	-	-	9,773	-	9,773
Insurance	-	-	-	6,476	-	6,476
Legal	14,200	-	14,200	-	-	14,200
Legal services - gifts in kind	144,434	-	144,434	-	-	144,434
Miscellaneous expenses	-	-	-	160	-	160
Occupancy	-	-	-	12,685	-	12,685
Office expenses	-	725	725	15,735	-	16,460
Photography	37,000	-	37,000	-	-	37,000
Plaque program	-	-	-	95	-	95
Repairs and maintenance	-	6,879	6,879	-	-	6,879
Salaries	-	-	-	24,900	24,900	49,800
Taxes licenses	-	-	-	2,094	210	2,304
Total expenses by function	231,377	7,604	238,981	83,126	71,569	393,676
Less: cost of direct benefit to donors	-	-	-	-	(46,459)	(46,459)
Total expenses on statement of activities and changes in net assets	$ 231,377	$ 7,604	$ 238,981	$ 83,126	$ 25,110	$ 347,217

The accompanying notes are an integral part of these statements.

HISTORIC ALEXANDRIA FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2025
(See Accountant's Compilation Report)

CASH FLOW FROM OPERATING ACTIVITIES:	
Contributions and donations received	$ 118,426
Membership dues received	38,745
Rental income received	40,728
Cash received from program services	11,116
Cash paid to employees and vendors	(214,365)
Net cash flow from operating activities	(5,350)
CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of investments	(214,747)
Proceeds from sale of investments	105,000
Interest received	127,596
Net cash flow from financing activities	17,849
NET CHANGE IN CASH AND CASH EQUIVALENTS	12,499
CASH AND CASH EQUIVALENTS - beginning of year	11,181
CASH AND CASH EQUIVALENTS - end of year	$ 23,680
NON CASH ACTIVITY - gifts in-kind, legal services	$ 144,434

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

Nature of Activities
The mission of the Historic Alexandria Foundation, Inc. (the “Foundation”) is to protect historic structures and artifacts associated with the City of Alexandria, Virginia. Through advocacy, grants, awards, and recognition programs, the Foundation encourages public participation and appreciation of Alexandria’s cultural heritage. Since its founding in 1954, the Foundation has raised millions of dollars for surveys of historic architecture, protection of endangered buildings, restoration of museum properties, and conservation of important historical artifacts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Net Assets
The financial statement presentation follows the recommendations of GAAP. The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net asset with donor restrictions. A description of the two net asset categories follows:

Net assets without donor restrictions are not subject to donor-imposed restrictions. These net assets may be designated for specific purposes by action of the Board of Trustees.

Net assets with donor restrictions are subject to donor-imposed restrictions that can be fulfilled by actions of the Foundation pursuant to those restrictions or that expire by the passage of time. This category also includes net assets subject to donor-imposed restrictions that they be maintained in perpetuity by the Foundation.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 except for cash and cash equivalents held within managed investment portfolios.

The Foundation maintains cash balances at two financial institutions. At times, cash balances may exceed federally insured limits. The Foundation has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash and cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Foundation is exempt from federal income tax, except on unrelated business income, under Section 501(c)(3) of the Internal Revenue Code as amended. During the year ended August 31, 2025, the Foundation did not realize any unrelated business income.

The Foundation is a public charity under Section 509(a) and is not subject to private foundation excise tax on net investment income.

The Foundation's policy is to expense all interest and penalties as incurred, if any. No amounts of interest or penalties were recognized by the Foundation during the year ended August 31, 2025.

Gifts In-Kind

The Foundation recognizes the fair value of donated services received if such services create or enhance the value of a non-financial asset or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Foundation uses volunteers extensively in its programs and advocacy work but not all volunteer services meet this recognition criteria.

Membership Dues

The Foundation recognizes membership revenue over the applicable membership period as the related membership benefits and access are provided to members. Amounts received in advance of the membership period, if any, are recorded as deferred revenue and recognized as revenue in the period to which the membership relates.

Advertising

Advertising costs are expensed as paid. Printing and reproduction costs for mailings and other materials during the year ended August 31, 2025 amounted to $9,128.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that have been allocated are primarily office expenses and salaries. These have been allocated based on management's estimate hours spent in specific areas for salary and overall usage by area for office expenses.

Capitalized Assets

Capitalized assets consist of a historical building and the associated land. The building is the historic Alexandria Academy building which dates to 1785, and has a carrying value of $900,000, including the land. This asset is not depreciated due to its historic nature and the Foundation's continual effort to restore, protect, and preserve the building in line with its core mission.

The Foundation will consider major purchases over $10,000 for capitalization but generally expense purchases of minor equipment. Donated assets will be capitalized at their fair market value on date of donation if the assets are significant enough to be capitalized. Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, costs and accumulated depreciation are eliminated from the accounts, and resulting gains or losses are included in operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Antique Furniture

The Foundation receives donations of antique furniture and similar items that may be sold to museums, educational institutions, and other organizations for use in exhibitions, displays, or other program-related activities. Donated items are recognized as contribution revenue and inventory at their estimated fair value on the date of donation and are subsequently reported at the lower of their recorded carrying value or net realizable value. Management periodically evaluates the items for indications of reduced value, including changes in market conditions, physical condition, or expected demand, and records write-downs when carrying amounts exceed net realizable value. No such write-downs were recognized during the year, as management determined that the estimated net realizable value of the inventory exceeded its recorded carrying value.

The Foundation may also loan certain items to museums, nonprofit organizations, or other institutions for temporary display, exhibition, research, or educational purposes; however, such loans do not transfer ownership, and the items remain recorded as Donated Antique Furniture until sold or otherwise disposed of.

Investments

In accordance with GAAP, investments are reported at fair value. Investment securities are exposed to various risks such as interest rate, 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 the investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Investments are carried at quoted market values as of August 31, 2025. The invested funds are considered reserves against future capital maintenance and other needs and are not restricted by donors or by the board of directors as endowment funds. The unrealized holding gains and losses from the Foundation's marketable equity securities are recognized as a component of change in net assets within the accompanying statement of activities. Realized gains and losses from the Foundation's marketable debt and equity securities are also recognized as a component of change in net assets, using the specific identification method.

Fair Value

GAAP establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GAAP are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

- Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

All of the Foundation's investments are considered valued using Level 1 values.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Foundation determines if an arrangement is a lease under GAAP at inception. The Foundation reassesses the determination of whether an arrangement is a lease if the terms and conditions of the contract are changed. The Foundation's leasing arrangements with tenants all have lease terms of 12 months or less and do not include either purchase or renewal options. These leases are all accounted for as operating leases, recognized on the straight-line basis over the lease term.

The Foundation elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for them as a single lease component. Non-lease components may consist of maintenance, utilities and other operating expenses. The Foundation has also elected to not apply the recognition requirements of ASC 842 to short-term leases, whose lease terms are for less than 12 months, and will instead recognize these lease payments on a straight-line basis over the lease term consistent with ASC 840.

The Organization elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for them as a single lease component. Non-lease components may consist of maintenance, utilities and other operating expenses.

3. LIQUIDITY AND AVAILABILITY

The Foundation's policy is to maintain financial assets to meet requirements for general expenditures. The following financial assets were expected to be available for general expenditure at August 31, 2025:

Cash and cash equivalents	$ 23,680
Investments	1,813,645
	1,837,325
Less: amounts with donor restrictions	(200,000)
Total available assets	$ 1,637,325

The Foundation may draw funds from its investment accounts as needed to cover operating expenses.

4. INVESTMENTS

Investments consisted of the following as of August 31, 2025:

Investments	
Mutual funds	$ 1,813,645

Investment income was composed of the following for the year ended August 31, 2025:

Interest and dividends	$ 127,596
Realized and unrealized gains (losses)	123,931
Investment fees	(12,847)
Total	$ 238,680

5. FAIR VALUE MEASUREMENTS

The table below sets forth information about the level within the fair value hierarchy at which the Foundation's investments were measured at August 31, 2025:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Investments				
Mutual funds	$ 1,813,645	$ -	$ -	$ 1,813,645

6. NET ASSETS WITH DONOR RESTRICTIONS

In prior years, the Foundation received the historic Alexandria Academy in Alexandria, Virginia. The building was valued at $523,000 and the land was valued at $377,000. The building and land were received subject to restrictions on their use. The combined balance of $900,000 remains in net assets with donor restrictions as of August 31, 2025.

Total net assets with donor restrictions as of August 31, 2025 are as follows:

Building	$ 523,000
Land	377,000
Funds donated for Academy building upkeep and repairs	200,000
	$ 1,100,000

7. CONCENTRATIONS OF REVENUE

Of the $118,426 in cash contributions and donations recognized during the year ended August 31, 2025, approximately 84% or $100,000 of these donations were received from one donor.

8. GIFTS-IN-KIND

Donated Services
Legal professionals from the law firm Sidley Austin, LLP donated many hours of professional legal services to the Foundation in defending against prohibited waterfront development in Alexandria. During the year ended August 31, 2025, these pro bono legal services were valued at $144,434 based on actual time spent at standard billing rates for legal services in the Alexandria, Virginia market.

The value has been recognized in the financial statements as both contributed revenue and expense since they are skilled services which the Foundation would otherwise have had to pay for.

9. LEASES

Lessor

The Foundation's leasing activities consist of leasing multi-purpose space within Alexandria Academy to another local nonprofit organization on a month-to-month basis for educational purposes. The Foundation received $3,394 per month for a total of $40,728 for the year ended August 31, 2025.

	2025
Operating lease income	$ 40,728

Lessee

The Foundation is a lessee of office space on a month to month basis. The Foundation paid between $1,039 and $1,070 per month for a total of $12,685 for the year ended August 31, 2025.

10. SUBSEQUENT EVENTS

In February 2026, the National Park Service (NPS) rejected the City of Alexandria's proposed Waterfront Park pump station, reaffirming that the project violated height and land-use restrictions established in a binding 1981 federal settlement. Throughout 2025, the Foundation and its legal counsel repeatedly alerted the City that the proposal conflicted with these longstanding covenants and would require federal and court approval to modify. Despite the Foundation's warnings, the City proceeded, and NPS ultimately confirmed that the restrictions remain enforceable in perpetuity. As a result, the pump station will not move forward as proposed, preserving the waterfront consistent with the protections the Foundation worked to uphold.

Management has evaluated subsequent events through August 6, 2026, the date the financial statements were dated and available to be issued.