

ALIVE!, Inc.

Financial Statements
Including Uniform Guidance Reports
and Independent Auditor's Report

June 30, 2024 and 2023

ALIVE!, Inc.

Financial Statements
June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ALIVE!, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ALIVE!, Inc. (Alexandrians InVolved Ecumenically, referred to as "the Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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.

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2025 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Vienna, Virginia
February 20, 2025

ALIVE!, Inc.**Statements of Financial Position
June 30, 2024 and 2023**

	2024	2023
Assets		
Cash	\$ 243,875	\$ 222,115
Investments	1,340,651	2,642,511
Grants receivable	272,945	46,020
Inventory	165,414	225,471
Prepaid expenses	36,371	25,437
Property and equipment, net	345,395	415,958
Right-of-use assets – operating leases	48,707	85,370
Deposit	7,400	7,400
Total assets	<u>\$ 2,460,758</u>	<u>\$ 3,670,282</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 160,185	\$ 161,163
Refundable grant advances	-	577,469
Lease liabilities – operating leases	49,197	87,930
Total liabilities	<u>209,382</u>	<u>826,562</u>
Net Assets		
Without donor restrictions	2,244,768	2,843,720
With donor restrictions	6,608	-
Total net assets	<u>2,251,376</u>	<u>2,843,720</u>
Total liabilities and net assets	<u>\$ 2,460,758</u>	<u>\$ 3,670,282</u>

See accompanying notes.

ALIVE!, Inc.

Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	\$ 1,667,230	\$ 20,000	\$ 1,687,230
Federal grants	1,023,230	-	1,023,230
State and local grants	145,000	-	145,000
In-kind contributions	980,489	-	980,489
Special fundraising events	27,107	-	27,107
Investment return	167,607	-	167,607
Other income	1,391	-	1,391
Net assets released from restrictions	13,392	(13,392)	-
Total revenue and support	4,025,446	6,608	4,032,054
Expenses			
Program services:			
Food program	3,116,962	-	3,116,962
Family assistance	504,709	-	504,709
Eviction prevention	87,484	-	87,484
ALIVE! House	33,916	-	33,916
Furniture and housewares	55,286	-	55,286
Total program services	3,798,357	-	3,798,357
Supporting services:			
Management and general	658,538	-	658,538
Fundraising	167,503	-	167,503
Total supporting services	826,041	-	826,041
Total expenses	4,624,398	-	4,624,398
Change in Net Assets	(598,952)	6,608	(592,344)
Net Assets, beginning of year	2,843,720	-	2,843,720
Net Assets, end of year	\$ 2,244,768	\$ 6,608	\$ 2,251,376

See accompanying notes.

ALIVE!, Inc.

Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	\$ 1,779,744	\$ -	\$ 1,779,744
Federal grants	968,355	-	968,355
State and local grants	587,493	-	587,493
In-kind contributions	1,533,242	-	1,533,242
Special fundraising events	24,220	-	24,220
Investment return	100,401	-	100,401
Other income	35	-	35
	<hr/>	<hr/>	<hr/>
Total revenue and support	4,993,490	-	4,993,490
	<hr/>	<hr/>	<hr/>
Expenses			
Program services:			
Food program	2,823,916	-	2,823,916
Family assistance	606,830	-	606,830
Eviction prevention	778,506	-	778,506
ALIVE! House	96,474	-	96,474
Furniture and housewares	65,935	-	65,935
	<hr/>	<hr/>	<hr/>
Total program services	4,371,661	-	4,371,661
	<hr/>	<hr/>	<hr/>
Supporting services:			
Management and general	432,564	-	432,564
Fundraising	161,323	-	161,323
	<hr/>	<hr/>	<hr/>
Total supporting services	593,887	-	593,887
	<hr/>	<hr/>	<hr/>
Total expenses	4,965,548	-	4,965,548
	<hr/>	<hr/>	<hr/>
Change in Net Assets	27,942	-	27,942
	<hr/>	<hr/>	<hr/>
Net Assets, beginning of year	2,815,778	-	2,815,778
	<hr/>	<hr/>	<hr/>
Net Assets, end of year	<u>\$ 2,843,720</u>	<u>\$ -</u>	<u>\$ 2,843,720</u>

See accompanying notes.

ALIVE!, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services						Supporting Services			Total
	Food Program	Family Assistance	Eviction Prevention	ALIVE! House	Furniture and Housewares	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Compensation	\$ 616,885	\$ 6,788	\$ 45,589	\$ 10,819	\$ 2,715	\$ 682,796	\$ 212,879	\$ 84,416	\$ 297,295	\$ 980,091
Payroll taxes	46,542	515	3,601	829	206	51,693	15,811	6,278	22,089	73,782
Employee benefits	30,655	338	2,314	544	135	33,986	10,407	4,268	14,675	48,661
Computer services	960	-	11,492	-	-	12,452	14,573	16,052	30,625	43,077
Depreciation	46,310	510	3,436	813	204	51,273	15,953	6,336	22,289	73,562
Financial assistance	-	496,160	18,618	2,399	-	517,177	-	-	-	517,177
Food and kitchen supplies	1,183,476	-	-	-	-	1,183,476	-	-	-	1,183,476
In-kind food	793,478	-	-	-	-	793,478	-	-	-	793,478
In-kind materials	-	-	-	-	49,891	49,891	-	-	-	49,891
In-kind rent	158,575	-	-	-	-	158,575	9,000	9,000	18,000	176,575
In-kind other contract services	-	-	-	200	-	200	30,538	-	30,538	30,738
Insurance	19,403	214	1,440	341	85	21,483	6,684	2,655	9,339	30,822
Maintenance	53,811	-	-	5,426	-	59,237	2,428	-	2,428	61,665
Marketing	2,628	-	-	-	-	2,628	5,225	6,909	12,134	14,762
Memberships	-	-	-	-	-	-	2,852	-	2,852	2,852
Occupancy	90,173	-	-	-	2,050	92,223	26,842	-	26,842	119,065
Office and other expense	1,011	-	-	-	-	1,011	16,106	2,554	18,660	19,671
Operating supplies	44,664	37	773	140	-	45,614	9,692	1,160	10,852	56,466
Professional fees	13,317	-	-	605	-	13,922	242,076	27,875	269,951	283,873
Staff development	151	147	221	53	-	572	21,035	-	21,035	21,607
Utilities	14,923	-	-	11,747	-	26,670	16,437	-	16,437	43,107
Total Expenses	\$ 3,116,962	\$ 504,709	\$ 87,484	\$ 33,916	\$ 55,286	\$ 3,798,357	\$ 658,538	\$ 167,503	\$ 826,041	\$ 4,624,398

See accompanying notes.

ALIVE!, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services						Supporting Services			Total
	Food Program	Family Assistance	Eviction Prevention	ALIVE! House	Furniture and Housewares	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Compensation	\$ 464,909	\$ 36,835	\$ 75,043	\$ 56,328	\$ 2,488	\$ 635,603	\$ 132,914	\$ 83,885	\$ 216,799	\$ 852,402
Payroll taxes	21,812	1,922	3,476	2,835	119	30,164	5,931	3,964	9,895	40,059
Employee benefits	36,906	2,968	5,631	4,400	198	50,103	10,930	6,662	17,592	67,695
Computer services	33	-	1,583	-	-	1,616	20,724	10,542	31,266	32,882
Depreciation	43,107	3,435	6,927	5,233	231	58,933	12,330	7,781	20,111	79,044
Financial assistance	-	557,037	677,757	1,302	-	1,236,096	-	-	-	1,236,096
Food and kitchen supplies	610,940	-	-	150	-	611,090	1,295	-	1,295	612,385
In-kind food	1,258,083	-	-	-	-	1,258,083	-	-	-	1,258,083
In-kind materials	-	-	-	-	61,168	61,168	-	-	-	61,168
In-kind rent	168,385	2,358	-	1,188	540	172,471	2,340	1,764	4,104	176,575
Insurance	13,437	1,071	2,160	1,631	72	18,371	3,843	2,425	6,268	24,639
Maintenance	50,488	-	-	11,911	-	62,399	9,813	-	9,813	72,212
Marketing	5,209	-	-	-	-	5,209	648	11,343	11,991	17,200
Memberships	200	-	-	-	-	200	3,679	55	3,734	3,934
Occupancy	81,421	1,204	2,429	1,834	81	86,969	4,321	2,727	7,048	94,017
Office and other expense	1,278	-	-	458	-	1,736	6,018	11,968	17,986	19,722
Operating supplies	46,695	-	-	1,665	1,034	49,394	14,872	547	15,419	64,813
Professional fees	9,476	-	3,500	-	-	12,976	168,577	17,660	186,237	199,213
Staff development	343	-	-	-	4	347	11,228	-	11,228	11,575
Utilities	11,194	-	-	7,539	-	18,733	23,101	-	23,101	41,834
Total Expenses	\$ 2,823,916	\$ 606,830	\$ 778,506	\$ 96,474	\$ 65,935	\$ 4,371,661	\$ 432,564	\$ 161,323	\$ 593,887	\$ 4,965,548

See accompanying notes.

ALIVE!, Inc.

Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ (592,344)	\$ 27,942
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	73,562	79,044
Net unrealized and realized gain on investments	(118,582)	(79,983)
Loss on disposal of property and equipment	1,938	3,317
Amortization of right-of-use assets – operating leases	72,653	60,680
Donated securities	(7,252)	(12,438)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(226,925)	(35,563)
Inventory	60,057	31,103
Prepaid expenses	(10,934)	(18,766)
Deposit	-	(3,500)
Increase (decrease) in:		
Accounts payable and accrued expenses	(978)	78,117
Refundable grant advances	(577,469)	190,298
Lease liabilities – operating leases	(74,723)	(58,120)
Net cash (used in) provided by operating activities	<u>(1,400,997)</u>	<u>262,131</u>
Cash Flows from Investing Activities		
Purchases of investments	(1,027,069)	(495,542)
Proceeds from sale of investments	2,454,763	244,721
Purchases of property and equipment	<u>(4,937)</u>	<u>(24,321)</u>
Net cash provided by (used in) investing activities	<u>1,422,757</u>	<u>(275,142)</u>
Net Increase (Decrease) in Cash	21,760	(13,011)
Cash, beginning of year	<u>222,115</u>	<u>235,126</u>
Cash, end of year	<u><u>\$ 243,875</u></u>	<u><u>\$ 222,115</u></u>
Noncash Transaction Arising from ASC 842 Adoption:		
Establishment of right-of-use assets – operating leases	<u>\$ 35,990</u>	<u>\$ 146,050</u>
Establishment of lease liabilities – operating leases	<u><u>\$ 35,990</u></u>	<u><u>\$ 146,050</u></u>

See accompanying notes.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

1. Nature of Operations

ALIVE!, Inc. (Alexandrians InVolved Ecumenically, referred to as “the Organization”) is a nonprofit organization that was incorporated in 1969 under the laws of the Commonwealth of Virginia to help people faced with emergency situations or long-term needs become capable of assuming self-reliant roles in the community. The Organization serves thousands of Alexandrians monthly with shelter; financial help for rent, utilities, medical care, and other critical needs; emergency food; and deliveries of donated furniture and housewares.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. The Organization reports contributions and grants restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Investments

Investments are recorded at fair value based on quoted market prices. Realized and unrealized gains and losses are reported in investment return in the accompanying statements of activities. Money market and short-term investment funds, held as a portion of the Organization’s investment portfolio, are not considered to be cash equivalents for purposes of cash flows.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Grants Receivable

Grants receivable consist of amounts due to be reimbursed to the Organization for expenses incurred under various grant agreements. All grants receivable are expected to be collected within one year and are recorded at net realizable value. No allowance for doubtful accounts is recorded, as management believes that all amounts are fully collectible.

Inventory

Inventory is comprised of donated and purchased items and is valued using an estimated market valuation rate.

Property and Equipment

Property and equipment acquisitions with a cost in excess of \$500 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to 40 years. Expenditures for repairs and maintenance are expensed as incurred.

Operating Leases

The Organization determines if an arrangement is a lease at inception. Operating lease is included in right-of-use (ROU) assets, which represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, the Organization used a risk-free rate based on the information available at the commencement date in determining the present value of lease payments.

The ROU assets also include any lease payments made and exclude lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

The Organization recognizes contributions and grants as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

Cost-reimbursable grants, including federal, state, and local grants, are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Costs incurred in excess of cash received are reflected as grants receivable in the accompanying statements of financial position. Amounts received prior to incurring qualifying expenditures are reported as refundable grant advances in the accompanying statements of financial position.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Organization satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Specifically, for the various types of contracts, the Organization recognizes revenue as follows:

The Organization records special fundraising events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statements of activities as in-kind contributions.

The Organization receives in-kind contributions of nonfinancial assets from individual donors and other sources during the year. These assets include donated food, furniture and household goods, and rent. They are used to support the Organization's community assistance activities and are recognized as revenue and expense in the financial statements at their estimated fair values at the time of receipt.

In-kind contributions also include donated services that are considered specialized and can be estimated (e.g., professional accounting services) and that otherwise would be required to be paid for. These contributions also support the Organization's community assistance activities. They are recognized as revenue and expense at the time of receipt based on donor quotes of the amounts they would typically charge for their services.

Functional Allocation of Expenses

The costs of program and supporting services are reflected in the statements of activities according to their functional allocations as shown in the accompanying statements of functional expenses. The allocation of costs on these schedules is based on the programs and supporting services benefited. Accordingly, costs that directly benefit a specific program or supporting service (i.e., direct costs) are allocated directly to them, whereas other (indirect) costs are allocated across programs and services on the basis of estimates of staff time and effort.

Use of Estimates

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 presentation. These reclassifications have no effect on the change in net assets previously reported.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 20, 2025, the date the financial statements were available to be issued.

3. Liquidity and Availability

The Organization has established a reserve policy to maintain financial assets to cover operating expenses. As part of this liquidity management, management periodically reviews the Organization's liquid asset needs and invests in various investments including money market funds, mutual funds, and other funds.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30:

	2024	2023
Cash	\$ 243,875	\$ 222,115
Investments	1,340,651	2,642,511
Grants receivable	272,945	46,020
Total financial assets	1,857,471	2,910,646
Less: restricted by donors	(6,608)	-
Total available for general expenditures	<u>\$ 1,850,863</u>	<u>\$ 2,910,646</u>

4. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

5. Investments and Fair Value Measurements

The Organization follows Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at June 30:

	Level 1	Level 2	Level 3	Total
<u>2024:</u>				
Money market funds	\$ 103,233	\$ -	\$ -	\$ 103,233
Mutual funds	521,018	-	-	521,018
Bonds	716,400	-	-	716,400
Total investments	\$ 1,340,651	\$ -	\$ -	\$ 1,340,651
<u>2023:</u>				
Money market funds	\$ 1,514,352	\$ -	\$ -	\$ 1,514,352
Mutual funds	486,222	-	-	486,222
Bonds	404,796	-	-	404,796
Certificates of deposit	237,141	-	-	237,141
Total investments	\$ 2,642,511	\$ -	\$ -	\$ 2,642,511

ALIVE!, Inc.

Notes to Financial Statements
June 30, 2024 and 2023

5. Investments and Fair Value Measurements (continued)

Investment return consists of the following for the years ended June 30:

	2024	2023
Interest and dividends	\$ 49,025	\$ 20,418
Net unrealized and realized gain	118,582	79,983
Total investment return	<u>\$ 167,607</u>	<u>\$ 100,401</u>

The Organization's investment portfolio is not actively managed, rather it is self-directed; therefore, the Organization did not incur any investment fees for the years ended June 30, 2024 and 2023.

6. Property and Equipment

Property and equipment consists of the following at June 30:

	2024	2023
Land	\$ 28,039	\$ 28,039
Building	685,887	685,887
Vehicles	214,965	258,910
Furniture and equipment	132,168	147,217
Total property and equipment	1,061,059	1,120,053
Less: accumulated depreciation	<u>(715,664)</u>	<u>(704,095)</u>
Property and equipment, net	<u>\$ 345,395</u>	<u>\$ 415,958</u>

7. Net Assets With Donor Restrictions

All net assets with donor restrictions at June 30, 2024 were restricted for *Capacity Building* program. There were no net assets with donor restrictions at June 30, 2023.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

8. Commitment and Contingencies

Government Grants

Funds received from federal and other government agencies are subject to an audit under the provisions of the grant agreements. The ultimate determination of amounts received under these grants is based upon the allowance of costs reported to and accepted by the oversight agencies. Until such grants are completed, a potential contingency exists to refund any amounts received in excess of allowable costs. The conditions for spending down the refundable grant advance portion of the American Rescue Plan Act grant at June 30, 2023 were met, and the expenses approved under the terms of the grant.

Operating Leases

In June 2012, the Organization entered into a lease agreement for office space in Alexandria, Virginia. The agreement is renewed annually. During fiscal year 2024, the monthly rent for this lease was \$3,500 from July 2023 to January 2024, and \$3,600 from February 2024 to June 2024. The Organization paid \$42,500 and \$27,036 under this lease for the years ended June 30, 2024 and 2023, respectively. The annual market rent for the space, however, is estimated to be \$18,000 more than the paid rent. For both years ended June 30, 2024 and 2023, the Organization recognized \$18,000 of in-kind revenue and expense. The Organization does not apply the recognition requirements under ASC Topic 842, *Leases*, to short-term leases, which are leases with terms of a year or less.

In January 2022, the Organization entered into a lease agreement for food hub space in Alexandria, Virginia, which commenced on March 1, 2022 and expired on February 28, 2024. The lease called for a base monthly rent of \$2,845. During fiscal year 2024, the lease was extended until February 28, 2025 with a base monthly rent of \$3,076.

The Organization maintains a lease agreement for food hub space at a different location in Alexandria, Virginia, which is set to expire on January 31, 2026. Monthly rent for the year ended June 30, 2024 was \$3,600.

Additionally, the Organization received donated warehouse space valued at \$158,575, which was recognized as in-kind revenue and expense for both years ended June 30, 2024 and 2023.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

8. Commitment and Contingencies (continued)

Operating Leases (continued)

Supplemental qualitative information related to all leases was as follows as of, and for the years ended June 30:

	2024	2023
Operating lease costs	\$ 61,935	\$ 58,707
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows	\$ 58,108	\$ 53,833
ROU assets obtained in exchange for lease obligations	\$ 35,990	\$ 146,050
Weighted-average remaining lease term (in years)	0.6	1.3
Weighted-average discount rate	4.58%	3.82%

Future minimum lease payments for the leases, and reconciliation to the statements of financial position, are as follows at June 30:

2025	\$ 49,808
Less: discount to present value at 4.58%	<u>(611)</u>
Present value of operating lease liabilities	<u><u>\$ 49,197</u></u>

9. Retirement Plan

The Organization provides a retirement plan for its employees through a Section 403(b) defined contribution plan. The plan covers all eligible employees upon completion of one year of service. The Organization contributes an amount equal to 2% of salaries for those employees with one to five years of service and 5% thereafter for each eligible employee. Retirement plan contributions for the years ended June 30, 2024 and 2023 were \$9,469 and \$8,190, respectively.

ALIVE!, Inc.

Notes to Financial Statements June 30, 2024 and 2023

10. In-Kind Contributions

In-kind contributions consist of the following at June 30:

	2024	2023
In-kind food	\$ 734,562	\$ 1,273,829
In-kind rent	176,575	176,575
In-kind materials	38,614	82,838
In-kind other contract services	30,738	-
Total in-kind contributions	<u>\$ 980,489</u>	<u>\$ 1,533,242</u>

The difference between in-kind contributions and in-kind expenses is included in inventory which includes both donated and purchased items.

11. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code (IRC), the Organization is exempt from the payment of taxes on income other than net unrelated business income. No provisions for income tax are required for the years ended June 30, 2024 and 2023, as the Organization had no net unrelated business income. Contributions to the Organization are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has reviewed all open tax years for all tax jurisdictions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**SUPPLEMENTARY SCHEDULE AND REPORTS REQUIRED
BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
ALIVE!, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of ALIVE!, Inc. (Alexandrians InVolved Ecumenically, referred to as “the Organization”), which comprise the statement of financial position as of June 30, 2024; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements, and have issued our report thereon dated February 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Financial Reporting (continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rogers & Company PLLC". The signature is stylized, with a large, looped "R" and a cursive "ogers" followed by "& Company PLLC".

Vienna, Virginia
February 20, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Directors of
ALIVE!, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited ALIVE!, Inc.'s (Alexandrians InVolved Ecumenically, referred to as "the Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rogers & Company PLLC". The signature is stylized, with the "R" being particularly large and the "&" symbol being integrated into the flow of the text.

Vienna, Virginia
February 20, 2025

ALIVE!, Inc.

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Agency or Pass-Through Grant Number	Amount Paid to Subrecipients	Total Federal Expenditures
<u>Department of the Treasury</u>				
<i>Pass-Through Award from City of Alexandria:</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFR0122	\$ -	\$ 619,469
<i>Pass-through from Virginia Department of Agriculture and Consumer Services:</i>				
Coronavirus State And Local Fiscal Recovery Funds	21.027	SLFRP1026	-	389,426
Total ALN 21.027			-	1,008,895
<u>Department of Homeland Security</u>				
<i>Direct Award:</i>				
Emergency Food and Shelter National Board Program	97.024	877400-003	-	14,335
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 1,023,230</u>

See accompanying notes to the schedule of expenditures of federal awards.

ALIVE!, Inc.

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Organization under the programs of the federal government for the year ended June 30, 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Organization has elected not to use the 10% *de minimis* indirect cost rate, as allowed under the Uniform Guidance.

4. Non-Low Risk Auditee

In order to qualify as a low-risk auditee, the Organization must meet the conditions set by the Uniform Guidance for each of the preceding two audit periods.

The Organization did not require the Uniform Guidance audit for the year ended June 30, 2022 since the total expenditures of federal awards were below the Uniform Guidance threshold of \$750,000 for the year then ended. Therefore, the Organization did not qualify as a low-risk auditee for the year ended June 30, 2024 since a Uniform Guidance audit was not performed for each of the preceding two audit periods.

ALIVE!, Inc.

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over the major program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor’s report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ Yes X No

Identification of the major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster Title</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

ALIVE!, Inc.

**Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2024**

Section II – Findings – Financial Statement Audit

There were no financial statement findings reported during the 2024 audit.

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

There were no findings or questioned costs over major federal awards reported during the 2024 audit.

ALIVE!, Inc.

Corrective Action Plan
For the Year Ended June 30, 2024

There were no findings for the year ended June 30, 2024, and therefore, a corrective action plan was not needed.

ALIVE!, Inc.

Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

There were no findings or questioned costs reported for the June 30, 2023 audit.