

ACT FOR ALEXANDRIA
(a not-for-profit organization)

FINANCIAL STATEMENTS

Year Ended December 31, 2015
(with summarized comparative information for December 31, 2014)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
ACT for Alexandria
Alexandria, Virginia

We have audited the accompanying financial statements of ACT for Alexandria (ACT), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACT as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative information

We have previously audited ACT's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Renner and Company, CPA, P.C.

Alexandria, Virginia

August 26, 2016

ACT FOR ALEXANDRIA

STATEMENT OF FINANCIAL POSITION

December 31, 2015

(with comparative information as of December 31, 2014)

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	<u>\$ 2,322,874</u>	<u>\$ 2,711,788</u>
PROPERTY, NET	<u>8,378</u>	<u>12,246</u>
OTHER ASSETS		
Investments	7,997,450	7,966,183
Investment in partnerships	<u>858,377</u>	<u>869,813</u>
TOTAL OTHER ASSETS	<u>8,855,827</u>	<u>8,835,996</u>
TOTAL ASSETS	<u><u>\$ 11,187,079</u></u>	<u><u>\$ 11,560,030</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 17,378	\$ 3,959
Grants payable	-	300
Accrued vacation	4,288	8,627
Funds held for agencies	<u>-</u>	<u>3,305</u>
TOTAL CURRENT LIABILITIES	<u>21,666</u>	<u>16,191</u>
NET ASSETS		
Unrestricted - operating funds	198,105	186,471
Unrestricted - community funds	1,463,225	1,453,720
Unrestricted - donor-advised funds	9,493,125	9,892,695
Temporarily restricted	<u>10,958</u>	<u>10,953</u>
TOTAL NET ASSETS	<u>11,165,413</u>	<u>11,543,839</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 11,187,079</u></u>	<u><u>\$ 11,560,030</u></u>

See Notes to the Financial Statements.

ACT FOR ALEXANDRIA**STATEMENT OF ACTIVITIES****Year Ended December 31, 2015****(with summarized comparative information for the year ended December 31, 2014)**

	2015			2014
	Unrestricted	Temporarily Restricted	Total	
REVENUE				
Contribution revenue	\$ 2,079,366	\$ -	\$ 2,079,366	\$ 3,814,473
Investment (loss) income	(169,779)	5	(169,774)	499,577
Special event revenue	122,220	-	122,220	123,705
Other income	12,878	-	12,878	12,103
TOTAL REVENUE	<u>2,044,685</u>	<u>5</u>	<u>2,044,690</u>	<u>4,449,858</u>
EXPENSES				
Program services	<u>2,122,967</u>	<u>-</u>	<u>2,122,967</u>	<u>1,949,744</u>
Support services				
Management and general	96,360	-	96,360	80,835
Fundraising	<u>203,789</u>	<u>-</u>	<u>203,789</u>	<u>90,020</u>
Total support services	<u>300,149</u>	<u>-</u>	<u>300,149</u>	<u>170,855</u>
TOTAL EXPENSES	<u>2,423,116</u>	<u>-</u>	<u>2,423,116</u>	<u>2,120,599</u>
CHANGE IN NET ASSETS	(378,431)	5	(378,426)	2,329,259
NET ASSETS, beginning of year	<u>11,532,886</u>	<u>10,953</u>	<u>11,543,839</u>	<u>9,214,580</u>
NET ASSETS, end of year	<u>\$ 11,154,455</u>	<u>\$ 10,958</u>	<u>\$ 11,165,413</u>	<u>\$ 11,543,839</u>

See Notes to the Financial Statements.

ACT FOR ALEXANDRIA**STATEMENT OF CASH FLOWS****Year Ended December 31, 2015****(with comparative information for the year ended December 31, 2014)**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	\$ 2,214,463	\$ 3,710,028
Investment income	114,049	187,646
	<u>2,328,512</u>	<u>3,897,674</u>
Cash disbursed by operations		
Payments to employees and suppliers	2,408,598	2,137,300
	<u>(80,086)</u>	<u>1,760,374</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
	<u>(80,086)</u>	<u>1,760,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,023,645)	(2,208,539)
Proceeds from sale of investments	719,992	987,905
Purchase of property and equipment	(1,870)	(11,530)
Payment of funds held for other agencies	(3,305)	(10,094)
	<u>(308,828)</u>	<u>(1,242,258)</u>
NET CASH USED BY INVESTING ACTIVITIES		
	<u>(308,828)</u>	<u>(1,242,258)</u>
NET (DECREASE) INCREASE IN CASH	<u>(388,914)</u>	<u>518,116</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,711,788</u>	<u>2,193,672</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,322,874</u>	<u>\$ 2,711,788</u>
NON-CASH INVESTING ACTIVITIES		
Unrealized loss (gain) in market value of investments	\$ 384,370	\$ (40,222)
(Decrease) Increase in investment value	(384,370)	40,222
Donated investment partnership	-	(240,253)
Increase in investment value	-	240,253
	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements.

ACT FOR ALEXANDRIA

STATEMENT OF CASH FLOWS

Year Ended December 31, 2015

(with comparative information for the year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ (378,426)</u>	<u>\$ 2,329,259</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Depreciation	5,738	5,201
Unrealized loss(gain) on investment	384,370	(40,222)
Realized gain on investment	(100,548)	(271,709)
Donated investment partnership	-	(240,253)
NET ADJUSTMENTS	<u>289,560</u>	<u>(546,983)</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING (USING) CASH		
ASSETS		
Prepaid expense	<u>-</u>	<u>570</u>
LIABILITIES		
Accounts payable	13,419	(12,092)
Grants payable	(300)	(7,640)
Accrued vacation	<u>(4,339)</u>	<u>(2,740)</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>8,780</u>	<u>(21,902)</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ (80,086)</u></u>	<u><u>\$ 1,760,374</u></u>

See Notes to the Financial Statements.

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE

Organization and Purpose

ACT for Alexandria (ACT) is a not-for-profit organization that began operations in 2004 and was incorporated in Virginia in January 2009. ACT seeks to raise the level and effectiveness of giving and engagement for the benefit of all in Alexandria. Any person, corporation or foundation may establish a donor-advised fund with ACT to engage in activities consistent with ACT's charitable purposes. Donors can make recommendations regarding grants from their donor-advised funds; however, ACT's Board of Directors is legally responsible for the donor-advised funds and for the grants made from these funds.

In addition to managing the donor-advised fund program, ACT also supports local not-for-profits through its capacity-building grant program. An annual grant process allows local not-for-profits to apply for funds from ACT to assist them in improving their capacity to better deliver their services. As such, ACT does not directly fund the programs of local not-for-profits, but instead seeks to strengthen the not-for-profits so they may provide more and better services in their areas of expertise.

Significant Accounting Policies

Basis of Accounting

ACT maintains its records on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Basis of Presentation

The financial statements are presented in accordance with accounting principles generally accepted in the United States for not-for-profit organizations. Under those principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Basis of Presentation (Continued)

Unrestricted Net Assets represent resources that are not subject to donor-imposed stipulations and are available for operations at management's discretion.

Temporarily Restricted Net Assets represent resources restricted by donors as to purpose or by the passage of time.

Permanently Restricted Net Assets represent resources whose use by ACT is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by action of ACT. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. ACT had no permanently restricted net assets at December 31, 2015.

Accounting principles generally accepted in the United States provide that if the governing body of an organization has unilateral power to redirect the use of a donor's contribution to another beneficiary, such contribution must be classified as unrestricted net assets. ACT's Board of Directors has this ability (variance power); however, it would only exercise this authority if circumstances render the donor's restrictions inconsistent with the charitable needs of the community or incapable of fulfillment. Accordingly, all contributions not classified as temporarily restricted are classified as unrestricted net assets in the accompanying financial statements.

Cash and Cash Equivalents

Cash consists of two checking accounts and a money market account. ACT considers highly liquid investments with an original maturity of three months or less as cash equivalents. Excluded from this definition of cash equivalents are such amounts that represent funds that have been accounted for as investments.

Investments

Investments are reported at fair value and realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in unrestricted net assets, unless the income or loss is restricted temporarily or permanently by donor restrictions or law. ACT invests in a variety of investments that are exposed to various risks, such as fluctuations in fair value and credit risk. It is reasonably possible that changes in risks in the near term could materially affect investment balances and amounts reported in the accompanying financial statements.

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Investment in Partnerships

The organization owns a minor interest in a number of investment partnerships which are accounted for at the lower of cost or fair value, and are not subject to fair value measurement.

Property

Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation. Donated property and equipment is reported at fair value at the date of donation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	3-5 years
Furniture and fixtures	5 years

ACT's policy is to capitalize major additions and improvements over \$500. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

Funds Held for Agencies

ACT periodically acts as a fiscal agent for other agencies, agreeing to process receipts and disbursements for a contractual administrative fee. Amounts held for others represent current obligations of ACT. Receipts and disbursements processed for agencies are excluded from revenue and expenses but are summarized in the statement of cash flows.

Revenue recognition

Contributions

Contributions are recognized as revenue when promised and are recorded net of any current year allowance or discount activity. ACT reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to ACT's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as unrestricted if the restriction expires in the same reporting period in which the contribution is recognized.

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Revenue recognition (Continued)

Special event revenue

Revenue relating to special events held by ACT are recognized in the period the event takes place. Amounts received relating to future periods are recorded as deferred revenue in the accompanying financial statements.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited based on level of effort.

Unrestricted net assets

Unrestricted net assets consist of the following types of internally-designated funds:

Operating funds - funds available for the general operations of ACT. As of the year end, there is \$158,103 in funds available for operations.

ACT Community Fund - Funds to support and strengthen existing programs, as well as create new collaborative solutions to the City of Alexandria's pressing needs. As of year end, there is \$1,463,225 in funds designated by the donor for the community.

Donor-advised funds - Funds established by donor contributions that enable donors to make recommendations from time to time about the distributions from the funds. The donors' advice in the grant-making process is considered by ACT in making grants from these resources. As of year end, there is \$9,493,125 of donor-advised funds.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reportable 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.

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Income Taxes

ACT is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to exempt purpose. This code section enables ACT to accept donations that qualify as charitable contributions to the donor. ACT is subject to tax on net income from unrelated business activities. For the year ended December 31, 2015, ACT did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

ACT is not aware of any activities that would jeopardize its tax-exempt status that would require recognition in the accompanying financial statements, pursuant to Accounting Standards Codification (ASC) for Income Taxes. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If there are material omissions of income, tax returns may be subject to examination for up to six years. It is ACT's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. At December 31, 2015, ACT had no accruals for interest and/or penalties.

ACT's federal income tax returns (Form 990) for the years 2013, 2014, and 2015 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2015 and 2014 consisted of the following:

	2015	2014
Money market account	\$ 1,865,991	\$ 2,224,180
Business checking account	368,611	370,253
Affiliate checking account	88,272	117,355
	<u>\$ 2,322,874</u>	<u>\$ 2,711,788</u>

ACT has money market pools in the amount of \$1,954,263 and \$2,341,535 as of December 31, 2015 and 2014, respectively, held in Greater Horizons bank accounts.

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

2. CASH AND CASH EQUIVALENTS (Continued)

ACT maintains bank deposits that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limits and the Securities Investor Protection Corporation (SIPC). At December 31, 2015 and 2014, ACT had bank deposits in excess of FDIC and SIPC limits of \$2,088,361 and \$2,073,969, respectively.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

ACT follows Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, for financial assets and liabilities. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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. Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs used to measure fair value are categorized as follows:

Level 1 - quoted prices in active markets for identical securities or liabilities.

Level 2 - inputs, other than quoted prices, that are observable for the assets or liabilities either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 - unobservable inputs which are typically based on an organization's own assumptions, as there is little, if any, related market activity.

In determining the appropriate levels, ACT performs a detailed analysis of the assets and liabilities that are subject to the standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

Investments are reported at fair value. Such investments consist of a diversified portfolio of individual and pooled securities in common stock, exchange-traded funds, corporate bonds, and mutual funds.

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment management fees for the year ended December 31, 2015 and 2014 were \$31,372 and \$23,133 respectively, and are netted with investment income. Investment income is comprised of the following for the year ended December 31, 2015 and 2014:

	2015	2014
Interest and dividends	\$ 145,420	\$ 210,779
Realized gains on investments	100,548	271,709
Unrealized (loss) gains on investments	(384,370)	40,222
Investment management fees	(31,372)	(23,133)
	<u>\$ (169,774)</u>	<u>\$ 499,577</u>

The following table presents the ACT's fair value hierarchy for those assets measured at fair value on a recurring basis at December 31, 2015 and 2014:

	2015		
	Level 1	Level 2	Total
Cash and cash equivalents	\$ 155,288	\$ -	\$ 155,288
Certificate of deposit	-	12,500	12,500
Fixed mutual fund			
High yield bond	61,400	-	61,400
Intermediate-term bond	164,750	-	164,750
Nontraditional bond	38,860	-	38,860
Senior floating rate bond	11,589	-	11,589
Multisector bond	23,766	-	23,766
Short-term bond	309,259	-	309,259
Common stock			
Utilities	58,392	-	58,392
Financial	677,364	-	677,364
Technology	297,948	-	297,948
Healthcare	99,645	-	99,645
Services	305,464	-	305,464
Basic materials	90,004	-	90,004
Consumer goods	90,816	-	90,816
Equity exchange traded funds	172,207	-	172,207
Foreign equity exchange			
traded funds	2,344	-	2,344
Corporate bonds	-	134,004	134,004
Equity mutual funds			

ACT FOR ALEXANDRIA**NOTES TO FINANCIAL STATEMENTS****Year Ended December 31, 2015****(with comparative information as of December 31, 2014)****3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

	2015		Total
	Level 1	Level 2	
Small growth	33,110	-	33,110
Large growth	233,020	-	233,020
Mid-cap value	57,374	-	57,374
Large blend	587,120	-	587,120
Large value	289,441	-	289,441
Small cap	103,697	-	103,697
Small blend	58,937	-	58,937
Mid-cap growth	294,054	-	294,054
Real estate	83,088	-	83,088
Bank loan	8,163	-	8,163
Large cap	52,421	-	52,421
World allocation	12,063	-	12,063
Emerging markets	149,504	-	149,504
Mid-cap blend	17,671	-	17,671
Small value	24,147	-	24,147
Foreign large blend	65,611	-	65,611
Foreign large growth	74,402	-	74,402
Foreign small value	11,479	-	11,479
European stock	226,461	-	226,461
Fixed income exchange traded funds	36,192	-	36,192
Fixed income	911,042	-	911,042
Foreign fixed income funds	58,995	-	58,995
Balanced mutual funds			
U.S. Equities	1,839,672	-	1,839,672
Commodity funds	64,187	-	64,187
	<u>\$ 7,893,315</u>	<u>\$ 146,504</u>	<u>\$ 7,997,450</u>

ACT FOR ALEXANDRIA**NOTES TO FINANCIAL STATEMENTS****Year Ended December 31, 2015****(with comparative information as of December 31, 2014)****3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

	2014		
	Level 1	Level 2	Total
Cash and cash equivalents	\$ 205,372	\$ -	\$ 205,372
Certificate of deposit	-	35,325	35,325
Foreign equity funds	434,297	-	434,297
Common stock			
Utilities	20,847	-	20,847
Financial	807,147	-	807,147
Technology	270,702	-	270,702
Services	430,274	-	430,274
Healthcare	44,656	-	44,656
Basic materials	140,968	-	140,968
Consumer goods	75,070	-	75,070
Equity exchange traded funds	111,297	-	111,297
Foreign equity exchange traded funds	6,948	-	6,948
Real estate investment trusts	4,457	32,198	36,655
Corporate bonds	-	145,788	145,788
Equity mutual funds			
Small growth	33,014	-	33,014
Large growth	219,537	-	219,537
Large blend	608,573	-	608,573
Large value	265,282	-	265,282
Mid-cap value	59,052	-	59,052
Small cap	103,768	-	103,768
Small blend	65,554	-	65,554
Mid-cap growth	295,002	-	295,002
Large cap	50,551	-	50,551
Small value	10,164	-	10,164
Mid-cap blend	20,778	-	20,778
Real estate	16,923	-	16,923
Foreign large blend	11,881	-	11,881
World allocation	12,772	-	12,772
Emerging markets	48,877	-	48,877
Foreign large growth	10,959	-	10,959
Foreign small growth	3,790	-	3,790
Fixed income exchange traded funds	11,044	-	11,044
Fixed income	1,064,480	397,627	1,462,107

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	2014		Total
	Level 1	Level 2	
Foreign fixed income funds	42,910	-	42,910
Balanced mutual funds			
U.S. equities	1,816,116	-	1,816,116
Commodity funds	-	32,183	32,183
	<u>\$ 7,365,066</u>	<u>\$ 643,121</u>	<u>\$ 7,966,183</u>

4. INVESTMENT PARTNERSHIPS

As of December 31, 2015, ACT was invested in minor interests of a number of investment partnerships. Each partnership operates in accordance with the terms of a limited partnership agreement. The partnerships' investment objectives vary, but generally seek to maximize risk adjusted returns over the long term horizon by employing a strategy under which the partnerships invest in multiple asset classes, including traditional assets (such as marketable equity, fixed income and other securities) and alternative assets (such as real estate, commodities, private equity and venture capital investments).

Redemption of ACT's interests in the investment partnerships is generally permissible on a monthly or quarterly basis, with a 30-90 day notice. ACT had no unfunded commitments as of December 31, 2015 and 2014.

5. PROPERTY

Property and depreciation for the year ended December 31, 2015 and 2014 consisted of the following:

	2015		
	Cost	Depreciation expense	Accumulated depreciation
Computers and equipment	\$ 28,332	\$ 5,698	\$ 19,954
Furniture and fixtures	1,195	40	1,195
	<u>\$ 29,527</u>	<u>\$ 5,738</u>	<u>\$ 21,149</u>

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

5. PROPERTY (CONTINUED)

	2014		
	Cost	Depreciation expense	Accumulated depreciation
Computers and equipment	\$ 26,462	\$ 4,962	\$ 14,256
Furniture and fixtures	1,195	239	1,155
	<u>\$ 27,657</u>	<u>\$ 5,201</u>	<u>\$ 15,411</u>

6. UNRESTRICTED NET ASSETS

Changes in unrestricted net assets at December 31, 2015 and 2014 were as follows:

	Balance 1/1/2015	Contributions to/investment income (loss)	Grants/other expenses from	Balance 12/31/2015
Operating funds	\$ 186,471	\$ 606,373	\$ 594,739	\$ 198,105
Commodity funds	1,453,720	606,818	597,313	1,463,225
Donor-advised funds	9,892,695	1,050,340	1,449,910	9,493,125
	<u>\$ 11,532,886</u>	<u>\$ 2,263,531</u>	<u>\$ 2,641,962</u>	<u>\$ 11,154,455</u>

	Balance 1/1/2014	Contributions to/investment income (loss)	Grants/other expenses from	Balance 12/31/2014
Operating funds	\$ 80,616	\$ 614,568	\$ 508,713	\$ 186,471
Commodity funds	1,311,388	416,488	274,156	1,453,720
Donor-advised funds	7,897,387	3,484,317	1,489,009	9,892,695
	<u>\$ 9,289,391</u>	<u>\$ 4,515,373</u>	<u>\$ 2,271,878</u>	<u>\$ 11,532,886</u>

ACT FOR ALEXANDRIA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2015

(with comparative information as of December 31, 2014)

7. TEMPORARILY RESTRICTED NET ASSETS

Research Grants

At December 31, 2015 and 2014, temporarily restricted net assets were available for the following programs:

	Balance 1/1/2015	Additions	Releases	Balance 12/31/2015
ACT ABLE Fund	\$ 5,182	\$ 2	\$ -	\$ 5,184
ACT Now Fund	5,771	3	-	5,774
	<u>\$ 10,953</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 10,958</u>
	Balance 1/1/2014	Additions	Releases	Balance 12/31/2014
ACT ABLE Fund	\$ 5,181	\$ 1	\$ -	\$ 5,182
ACT Now Fund	5,770	1	-	5,771
	<u>\$ 10,951</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 10,953</u>

8. COMMITMENTS - OFFICE LEASE

In April 2013, ACT entered into a sub-lease agreement for office space which expired in May 2016. The base monthly rent is \$2,200 and increases annually by 3%. Aggregate future minimum lease payments as of December 31, 2015 are \$11,670. Subsequent to May 2016, ACT continues to occupy the office space on a month-to-month basis.

9. CONCENTRATIONS OF REVENUE AND SUPPORT RISK

For year ended December 31, 2015 ACT received \$649,555 from three donors which is approximately 32% of its total revenue and support. Any significant reduction in revenues may adversely impact ACT's financial position and ability to carry out its existing program activities.

10. SUBSEQUENT EVENTS

In preparing these financial statements, ACT has evaluated events and transactions for potential recognition or disclosure through August 26, 2016, the date the financial statements were available to be issued.