

# The Alaska Community Foundation and Affiliate

Consolidated Financial Statements  
Years Ended December 31, 2024 and 2023

(With Independent Auditor's Report Thereon)

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# **The Alaska Community Foundation and Affiliate**

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Consolidated Financial Statements  
Years Ended December 31, 2024 and 2023  
(With Independent Auditor's Report Thereon)

# The Alaska Community Foundation and Affiliate

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## **Independent Auditor's Report**

Members of the Board of Directors  
The Alaska Community Foundation and Affiliate  
Anchorage, Alaska

### ***Opinion***

We have audited the consolidated financial statements of The Alaska Community Foundation and Affiliate (the Foundation), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024 and 2023, and the results of its operations 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). 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 Foundation 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, P.C.

Anchorage, Alaska  
September 19, 2025

## **Consolidated Financial Statements**

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# The Alaska Community Foundation and Affiliate

## Consolidated Statements of Financial Position

December 31,	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 21,422,726	\$ 23,809,609
Accounts receivable	612,127	532,964
Prepaid expenses	175,345	153,392
<b>Total Current Assets</b>	22,210,198	24,495,965
<b>Noncurrent Assets</b>		
Investments	208,200,917	175,409,573
Property and equipment, net	13,019,922	13,211,701
Operating lease right-of-use asset	376,573	499,543
Land - held for resale	78,786	78,444
Investment in beneficial interest	8,596,295	-
<b>Total Noncurrent Assets</b>	230,272,493	189,199,261
<b>Total Assets</b>	\$ 252,482,691	\$ 213,695,226
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 168,342	\$ 206,724
Accrued payroll liabilities	63,407	61,706
Refundable advance	2,007,116	1,660,517
Grants payable	887,785	832,187
Obligation under operating lease, current portion	128,515	120,692
<b>Total Current Liabilities</b>	3,255,165	2,881,826
Funds held for other organizations	25,532,053	24,284,487
Obligation under operating lease, long term portion	257,075	385,590
<b>Total Liabilities</b>	29,044,293	27,551,903
<b>Net Assets</b>		
Without donor restrictions	190,211,314	161,913,297
With donor restrictions	33,227,084	24,230,026
<b>Total Net Assets</b>	223,438,398	186,143,323
<b>Total Liabilities and Net Assets</b>	\$ 252,482,691	\$ 213,695,226

*See accompanying notes to consolidated financial statements.*

# The Alaska Community Foundation and Affiliate

## Consolidated Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Support:			
Contributions and bequests	\$ 23,988,011	\$ 1,035,543	\$ 25,023,554
Contribution revenue from beneficial interest	-	8,084,000	8,084,000
Grants	729,210	3,804,630	4,533,840
Less amounts raised or received on behalf of others	(1,290,468)	-	(1,290,468)
Net contributions and bequests raised	23,426,753	12,924,173	36,350,926
Other revenue:			
Administrative fee revenue	-	241,872	241,872
Other revenue	8,370	2,668,794	2,677,164
Foundation administrative fees charged to funds held for others	229,693	-	229,693
Investment income, net of expenses	22,174,496	1,618,167	23,792,663
Other revenue before allocation of investment income	22,412,559	4,528,833	26,941,392
Investment income allocated to funds held for others, net of expenses	(2,766,634)	-	(2,766,634)
Net other revenue	19,645,925	4,528,833	24,174,758
Net assets released from restrictions	8,455,948	(8,455,948)	-
Total support and revenue and net assets released from restrictions	51,528,626	8,997,058	60,525,684

**The Alaska Community Foundation and Affiliate**  
**Consolidated Statement of Activities, continued**  
**Year Ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Total grants and philanthropic distributions	15,625,577	-	15,625,577
Restricted programs and projects	4,942,856	-	4,942,856
<b>Total program service</b>	<b>20,568,433</b>	<b>-</b>	<b>20,568,433</b>
Support services:			
Management and general administrative	1,941,697	-	1,941,697
Development and fundraising	720,479	-	720,479
<b>Total support service</b>	<b>2,662,176</b>	<b>-</b>	<b>2,662,176</b>
<b>Total expenses</b>	<b>23,230,609</b>	<b>-</b>	<b>23,230,609</b>
Change in net assets	28,298,017	8,997,058	37,295,075
Net assets at beginning of year	161,913,297	24,230,026	186,143,323
Net assets at end of year	\$ 190,211,314	\$ 33,227,084	\$ 223,438,398

*See accompanying notes to consolidated financial statements.*

# The Alaska Community Foundation and Affiliate

## Consolidated Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Support:			
Contributions and bequests	\$ 22,221,352	\$ 767,811	\$ 22,989,163
Grants	304,889	2,447,736	2,752,625
Less amounts raised or received on behalf of others	(1,456,486)	-	(1,456,486)
Net contributions and bequests raised	21,069,755	3,215,547	24,285,302
Other revenue:			
Administrative fee revenue	-	40,000	40,000
Other revenue	8,352	2,923,854	2,932,206
Foundation administrative fees charged to funds held for others	224,345	-	224,345
Investment income, net of expenses	22,220,779	1,252,063	23,472,842
Other revenue before allocation of investment income	22,453,476	4,215,917	26,669,393
Investment income allocated to funds held for others, net of expenses	(2,891,756)	-	(2,891,756)
Net other revenue	19,561,720	4,215,917	23,777,637
Net assets released from restrictions	3,084,134	(3,084,134)	-
Total support and revenue and net assets released from restrictions	43,715,609	4,347,330	48,062,939

# The Alaska Community Foundation and Affiliate

## Consolidated Statement of Activities, continued Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Expenses:			
Program services:			
Total grants and philanthropic distributions	17,653,798	4,050,985	21,704,783
Restricted programs and projects	4,784,408	-	4,784,408
Total program service	22,438,206	4,050,985	26,489,191
Support services:			
Management and general administrative	2,132,188	-	2,132,188
Development and fundraising	683,297	-	683,297
Total support service	2,815,485	-	2,815,485
Total expenses	25,253,691	4,050,985	29,304,676
Change in net assets	18,461,918	296,345	18,758,263
Net assets at beginning of year	143,451,379	23,933,681	167,385,060
Net assets at end of year	\$ 161,913,297	\$ 24,230,026	\$ 186,143,323

*See accompanying notes to consolidated financial statements.*

**The Alaska Community Foundation and Affiliate**  
**Consolidated Statement of Functional Expenses**  
**Year Ended December 31, 2024**

	Program Services			Supporting Services			Total Program and Supporting Services
	Philanthropic Funds	Restricted Programs and Projects	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Grants and philanthropic distributions	\$ 14,928,420	\$ 3,276,999	\$ 18,205,419	\$ 31,420	\$ 4,500	\$ 35,920	\$ 18,241,339
Program distributions expense	-	2,580,779	2,580,779	-	-	-	2,580,779
Foundation administrative fees	2,577,293	236,097	2,813,390	-	-	-	2,813,390
Wages and benefits	-	705,115	705,115	1,226,457	564,072	1,790,529	2,495,644
Contracts	-	1,119,744	1,119,744	283,684	52,415	336,099	1,455,843
Facility	-	25,303	25,303	87,783	28,912	116,695	141,998
Depreciation	-	195,356	195,356	30,317	1,516	31,833	227,189
Supplies	-	10,806	10,806	32,649	14,423	47,072	57,878
Travel and conference	-	61,915	61,915	79,152	7,546	86,698	148,613
Communications and marketing	-	29,366	29,366	40,373	14,097	54,470	83,836
Telephone and internet	-	3,659	3,659	4,811	1,645	6,456	10,115
Equipment and maintenance	-	185,243	185,243	7,451	1,223	8,674	193,917
Special events	-	5,865	5,865	69,259	23,974	93,233	99,098
Insurance	-	15,640	15,640	6,542	2,317	8,859	24,499
Postage	-	901	901	12,858	992	13,850	14,751
Other	-	3,164	3,164	28,941	2,847	31,788	34,952
<b>Total operating expenses</b>	<b>17,505,713</b>	<b>8,455,952</b>	<b>25,961,665</b>	<b>1,941,697</b>	<b>720,479</b>	<b>2,662,176</b>	<b>28,623,841</b>
Less foundation administrative fees	(2,577,293)	(236,097)	(2,813,390)	-	-	-	(2,813,390)
Less amounts distributed on behalf of others	(2,579,842)	-	(2,579,842)	-	-	-	(2,579,842)
<b>Total Functional Expenses</b>	<b>\$ 12,348,578</b>	<b>\$ 8,219,855</b>	<b>\$ 20,568,433</b>	<b>\$ 1,941,697</b>	<b>\$ 720,479</b>	<b>\$ 2,662,176</b>	<b>\$ 23,230,609</b>

*See accompanying notes to consolidated financial statements.*

**The Alaska Community Foundation and Affiliate**  
**Consolidated Statement of Functional Expenses**  
**Year Ended December 31, 2023**

	Program Services			Supporting Services			Total Program and Supporting Services
	Philanthropic Funds	Restricted Programs and Projects	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Grants and philanthropic distributions	\$ 19,536,919	\$ 4,050,985	\$ 23,587,904	\$ 76,895	\$ 500	\$ 77,395	\$ 23,665,299
Program distributions expense	-	2,837,507	2,837,507	-	-	-	2,837,507
Foundation administrative fees	2,393,040	299,726	2,692,766	-	-	-	2,692,766
Wages and benefits	-	718,816	718,816	1,255,116	522,821	1,777,937	2,496,753
Contracts	-	665,880	665,880	485,703	55,955	541,658	1,207,538
Facility	-	30,332	30,332	73,907	37,809	111,716	142,048
Depreciation	-	183,098	183,098	16,006	2,932	18,938	202,036
Supplies	-	16,831	16,831	30,012	12,268	42,280	59,111
Travel and conference	-	48,848	48,848	47,161	5,066	52,227	101,075
Communications and marketing	-	8,916	8,916	30,946	10,789	41,735	50,651
Telephone and internet	-	23,207	23,207	6,859	3,752	10,611	33,818
Equipment and maintenance	-	170,759	170,759	17,777	3,643	21,420	192,179
Special events	-	54,680	54,680	64,681	21,448	86,129	140,809
Insurance	-	20,907	20,907	5,760	2,730	8,490	29,397
Postage	-	1,201	1,201	10,402	624	11,026	12,227
Other	-	3,427	3,427	10,463	3,460	13,923	17,350
<b>Total operating expenses</b>	<b>21,929,959</b>	<b>9,135,120</b>	<b>31,065,079</b>	<b>2,131,688</b>	<b>683,797</b>	<b>2,815,485</b>	<b>33,880,564</b>
Less foundation administrative fees	(2,393,040)	(299,726)	(2,692,766)	-	-	-	(2,692,766)
Less amounts distributed on behalf of others	(1,883,122)	-	(1,883,122)	-	-	-	(1,883,122)
<b>Total Functional Expenses</b>	<b>\$ 17,653,797</b>	<b>\$ 8,835,394</b>	<b>\$ 26,489,191</b>	<b>\$ 2,131,688</b>	<b>\$ 683,797</b>	<b>\$ 2,815,485</b>	<b>\$ 29,304,676</b>

*See accompanying notes to consolidated financial statements.*

# The Alaska Community Foundation and Affiliate

## Consolidated Statements of Cash Flows

Years Ended December 31,	2024	2023
<b>Cash Flows from (for) Operating Activities</b>		
Change in net assets	\$ 37,295,075	\$ 18,758,263
Adjustments to reconcile change in net assets to net cash for operating activities:		
Depreciation	227,189	202,036
Noncash rent expense	122,970	118,288
Increase in beneficial interest	(8,596,295)	-
Unrealized loss (gain) on investments	(17,219,518)	(18,209,651)
Realized loss (gain) on investments	(943,765)	518,697
Interest and dividends	(5,463,917)	(6,081,354)
(Increase) decrease in assets:		
Accounts receivable	(79,163)	(475,204)
Prepaid expenses	(21,953)	(8,411)
Increase (decrease) in liabilities:		
Accounts payable	(38,382)	7,400
Accrued payroll liabilities	1,701	(27,234)
Refundable advance	346,599	798,016
Grants payable	55,598	201,044
Operating lease liability	(120,692)	(113,257)
Land - held for resale	(342)	(78,444)
Funds held for other organizations	1,247,566	2,240,775
Net cash from (for) operating activities	6,812,671	(2,149,036)
<b>Cash Flows for Investing Activities</b>		
Purchase of property and equipment	(35,410)	(216,001)
Purchase of investments	(9,309,257)	(19,929,677)
Proceeds from sales of investments	145,113	15,431,647
Net cash from (for) investing activities	(9,199,554)	(4,714,031)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(2,386,883)</b>	<b>(6,863,067)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>23,809,609</b>	<b>30,672,676</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>21,422,726</b>	<b>\$ 23,809,609</b>

*See accompanying notes to consolidated financial statements.*

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements Years Ended December 31, 2024 and 2023

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### 1. Operations and Summary of Significant Accounting Policies

#### *Operations*

The Alaska Community Foundation and Affiliate (ACF or the Foundation) was incorporated as a nonprofit organization in the State of Alaska in 1995. The primary purpose of a community foundation is to encourage philanthropy and strengthen communities. The Foundation's mission is: Inspiring the spirit of giving and connecting people, organizations and causes to strengthen Alaska's communities now and forever.

The Foundation receives a wide variety of gifts and, per the Foundation's gift acceptance policy, will bring all gifts into alignment with the investment policy in a prudent and timely manner.

#### *Basis of Presentation*

In accordance with the *Not-for-Profit Entities* Topic 958 of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), the Foundation is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions.

- Net assets without donor restrictions represent funds available for grants and expenses which are not otherwise limited by donor restrictions.
- Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time.

#### *Without Donor Restrictions*

Without Donor Restrictions is defined as that portion of net assets that has no use or time restriction. The by-laws of the Foundation include a variance provision giving the Board the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if, in the sole judgement of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. Based on that provision, the Foundation classifies contributions, except as noted below, as without donor restrictions for financial statement presentation.

#### *With Donor Restrictions*

With Donor Restrictions is defined as that portion of net assets that consist of a restriction on the specified use or the occurrence of a certain future event. Contributions unconditionally promised, including irrevocable planned gifts, which are scheduled to be received more than one year in the future, are recorded at fair value, classified as with donor restriction until the funds are received, and are discounted at a rate commensurate with the risks involved. Net assets consisting of the initial fair value of the gifts where the donor has specified that the assets donated are to be retained in an endowment, providing a permanent source of revenue for charitable purposes are classified as with donor restrictions. The accumulation of assets, above historic gift value, in donor restricted endowment funds is classified as with donor restriction until appropriated for use based on the Foundation's spending policy. The Foundation also receives grants from charitable foundations and local agencies for initiatives and special projects for which purpose restrictions apply. Such grants and contributions are recorded as with donor restrictions until the purpose restrictions are met. When the purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restrictions net assets and reported as net assets released from restrictions.

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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### ***Principles of Consolidation***

The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiary, ACF Properties LLC, which was funded to receive contributions of real estate. All material intra-entity transactions have been eliminated.

### ***Basis of Accounting***

For purposes of the statement of cash flows, the Foundation considers all unrestricted liquid investments with an initial maturity of three months or less to be cash equivalents.

The Foundation follows Generally Accepted Accounting Principles (GAAP), when preparing consolidated financial statements and accounting for contributions received and contributions made. GAAP establishes standards for general purpose external consolidated financial statements.

It requires that those consolidated financial statements provide certain basic information that focuses on the entity as a whole and meets the common needs of external users of those statements.

Under GAAP, contributions and pledges are recorded in the period received in the appropriate class of net assets based upon any donor-imposed stipulations.

### ***Cash and Cash Equivalents***

For purposes of the Statements of Cash Flows, the Foundation considers highly liquid investments with original maturities of three months or less to be cash equivalents.

### ***Investments***

Investments in marketable securities are reported at fair value in the Statements of Financial Position. Unrealized gains and losses and interest earned on investments are recorded as donor-restricted or without donor restricted investment earnings. All investment earnings are recorded in the Statements of Activities.

### ***Accounts and Grants Receivable***

Accounts receivable are recorded on the accrual basis when the goods and services are billed and are considered delinquent or uncollectible on a case-by-case basis by management. The Foundation records an allowance for credit losses for the estimated uncollectible portion of the accounts receivable. This estimate is based on management's historical collection experience and a review of current accounts receivable. Management deems all receivables fully collectible; therefore, no allowance has been established at December 31, 2024 and 2023. Receivables are charged off when all collection efforts have been exhausted.

### ***Prepaid Expenses***

Payments made to vendors for services that will benefit periods beyond the year end are recorded as prepaid expenses.

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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### *Property and Equipment*

Property and equipment are stated at cost or estimated fair value if donated. Expenses for maintenance and repairs are charged to expense as incurred, and expenses for major renovations are capitalized. All expenses for property and equipment in excess of \$5,000 are capitalized. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis of 3-40 years.

### *Funds*

Contributions and assets received by the Foundation are placed in a variety of fund types within the Foundation. These funds will be utilized to further the charitable mission of the Foundation, the donor, or the fund's purpose depending upon the fund type. These funds may be long-term in nature, wherein the Foundation will preserve the principal (original gifts) and allow the responsible spending of a portion of the earnings in the fund, or they may be shorter-term in nature wherein the Foundation will allow spending of the gifts and earnings within the fund. The Foundation's fund agreements include various provisions regarding the type of fund, any restrictions, and a variance provision giving the Board the power to modify the fund.

Types of funds:

- Donor-Advised Funds (DAFs):
  - Funds where the donor retains advisory privileges regarding grant recommendations.
- Designated Funds:
  - Donors designate one or more specific charities to receive ongoing support which cannot be changed once the fund is created. Provides funding to the named nonprofit(s), managed by the Foundation.
- Field-of-Interest Funds:
  - Supports a broad area of interest (e.g., education, arts, environment). Grants awarded within the scope defined by the fund's creation, managed by the Foundation.
- Scholarship Funds:
  - Used to provide educational scholarships to individuals. May involve an external selection committee following the fund's eligibility criteria, managed by the Foundation.
- Unrestricted Funds or Foundation Funds:
  - Not restricted by donors; used at the discretion of the foundation's board/staff, including operating funds. Allows flexible response to emerging community needs.
- Agency Funds (Nonprofit Organizational Funds):
  - Funds held on behalf of nonprofit organizations. Assets received from an organization that names itself or its affiliate as the beneficiary of the funds the Foundation records as liabilities rather than as contributions.
- Project Funds:
  - Established to support specific, time-bound charitable initiatives, often in partnership with individuals, groups or communities. These funds are typically

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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restricted in nature and are used to carry out defined programs that align with the Foundation's mission.

- Restricted/Grant Funds:
  - Established through the receipt of grants from public or private foundations, government agencies, or other donors that are subject to donor-imposed restrictions. These restrictions may relate to the purpose (used for a specific program, project or charitable activity), time (expended over a certain period), or may require certain oversight or compliance reporting. These funds will be recognized and classified as "with donor restrictions."

### *Fair Value of Financial Instruments*

The Foundation discloses its estimate of the fair value of material financial instruments, including those recorded as assets or liabilities in its consolidated financial statements.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) investments, (3) receivables, net, (4) certain other current assets, (5) accounts payable, and (6) other current liabilities. The carrying amounts reported in the Statements of Financial Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities except for the Foundation's investments. The carrying amounts of the Foundation's investments were determined based on quoted market prices when available.

Included in investment related line items in the consolidated financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or for certain bonds and preferred stock when carried at the lower of cost or market.

The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Fair values are based on quoted market prices when available.

The Foundation's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methods and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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- Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Foundation's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

### ***Compensated Absences***

Annual leave is accrued as earned and recorded as an expense in the period earned.

### ***Leases***

The Foundation has operating leases for office facilities. The Foundation determines if an arrangement contains a lease at inception based on whether the Foundation has the right to control the asset during the contract period and other facts and circumstances. If the arrangement is a lease, the Foundation determines whether the lease should be classified as an operating or a finance lease. The Foundation recognizes a right-of-use ("ROU") asset and a lease liability based on the present value of the future minimum lease payments over the lease term at the commencement date.

ROU assets represent the right to use an underlying asset for the lease term and the lease liabilities represent the liability to make lease payments arising from the lease. ROU assets and lease liabilities are generally recognized at the commencement date based on the present value of discounted lease payments over the lease term. As the Foundation's leases do not provide an implicit rate, the Foundation uses the risk-free rate based on the information available at the commencement date in determining the present value of discounted lease payments.

### ***Support and Revenue***

Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"), revenue is recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration the Foundation expects to be entitled to receive in exchange for those goods and services.

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# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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In addition, contributions received are accounted for in accordance with FASB ASC Topic 958-605, Not-for-Profit Entities—Revenue Recognition (“ASC 958-605”), which requires contributions to be recognized as revenue when they are received or unconditionally promised, and classified as either with or without donor restrictions depending on the existence and nature of any donor-imposed stipulations.

Revenues from exchange transactions are recognized as performance obligations are satisfied, which in most cases are as related costs are incurred.

*Fund Administration Fees:* Fees for services include charges to the individual funds for administration and managing the investments. Fees are recognized at the time the services are provided by the Foundation on a monthly or quarterly basis.

*Contributions:* Unconditional promises to give cash and other assets to the Foundation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at the fair value at the date the condition is met. The gifts are reported as with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified as without donor restriction net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met the same year as received are reported as without donor restricted contributions in the accompanying consolidated financial statements.

*Grants:* Contributions reported on the statements of activities include grants and other contributions from corporations, foundations and individuals, as well as grants from the State of Alaska.

*Investment Income:* Investment income reported on the statements of activities includes interest, dividends, and realized and unrealized gains and losses on investments.

*Other Income:* Other revenue reported on the statements of activities consists primarily of Pick.Click.Give. donations. Pick.Click.Give. is a program that allows Alaskans filing for their Permanent Fund Dividend (PFD) online to donate a portion or all of their dividends to eligible charitable and educational organizations, including the Foundation. Donations received through this program are recognized as revenue when the Foundation is notified of the donor designations and the amounts are determinable.

### ***Functional Allocation of Expenses***

Expenses which apply to more than one functional category (i.e. Program Services, Management & General, and Fundraising) have been allocated based on the time spent on these functions by specific employees as reflected in their timesheets. Indirect expenses such as facility costs are allocated based on square footage used by functional departments. Certain marketing material costs or special events costs are allocated based on the percentage of the publication or marketing technology devoted to each functional area. Other indirect expenses, such as information technology and supplies are allocated based on the overall number of staff in the various functional categories, and the utilization of the expense category by the staff. All other costs are charged directly to the appropriate functional category.

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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### *Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Actual results could differ from those estimates.

### *In-kind Contributions*

Donated services are recognized as contributions in accordance with FASB ASC 958, Accounting for Contributions Received and Contributions Made, if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. In-kind contributions for space, supplies, and professional services are recorded in the statement of activities at market value and recognized as revenue and expenses in the period they are received, except for donated equipment, which is recorded as revenue in the period received and the asset is depreciated over its estimated useful life. The Foundation received \$24,029 and \$11,423 of in-kind contributions in 2024 and 2023, respectively.

### *Income Tax Status*

The Foundation is a nonprofit corporation exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code whereby only unrelated business income, as defined by Section 512(a)(1) of the Internal Revenue Code, is subject to Federal income tax.

The Foundation applies the provisions of ASC No. 740 relating to accounting for uncertainty in income taxes. The Foundation annually reviews its tax returns and positions taken in accordance with the recognition standards. The Foundation believes that it has no uncertain tax position which would require disclosure or adjustment as of December 31, 2024 or 2023.

The Foundation classifies all interest and penalties related to tax contingencies as income tax expense. As of December 31, 2024 and 2023, there were no accrued interest or penalties. The Foundation files tax returns in the U.S. Federal Jurisdiction and the State of Alaska.

### *Liquidity*

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; such support has historically represented a significant portion of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation also considers the administrative fees it charges all funds at the Foundation to support its general expenditures and annual operations. General expenditures include administrative and general expenses, fundraising expenses, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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The Foundation manages its cash available to meet general expenditures following these guiding principles:

- An operating budget within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that grant commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The table below presents financial assets available for general expenditures within one year at December 31, 2024:

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Financial assets at year-end:	
Cash and cash equivalents	\$ 21,422,726
Lease and other receivables	612,127
Investments (liquid within 90 days)	208,200,917
Less refundable advance, grants payable and amounts held for other organizations	(28,426,954)
Less amounts held for donor restrictions	(24,630,789)
<b>Total Financial Assets</b>	<b>\$ 155,347,125</b>

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### ***Reclassifications***

Certain amounts presented in the 2023 financial statements have been reclassified to conform to the 2024 presentation. These reclassifications have no effect on the previously recorded net income (loss).

### ***Subsequent Events***

Management has evaluated the existence of subsequent events through September 19, 2025, the date which the consolidated financial statements were available for issuance.

## **2. Cash and Cash Equivalents**

The Foundation maintains cash balances at financial institutions located in Anchorage, Alaska, which are insured by the FDIC up to \$250,000 at December 31, 2024 and 2023. Any amounts exceeding FDIC insurance coverage are uncollateralized and uninsured and represent a concentration of credit risk. Uninsured and uncollateralized amounts were \$2,035,227 and \$1,395,197 respectively, at December 31, 2024 and 2023.

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# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

### 3. Fair Value Measurements/Investments

Certain assets of the Foundation as carried at net asset value (NAV).

The following tables provide information as of December 31, 2024 and 2023 about the Foundation's financial assets and liabilities measured at fair value on a recurring basis.

<i>December 31, 2024</i>	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Money market / cash sweeps	\$ 10,100,997	\$ -	\$ -	\$ 10,100,997
Certificate of deposit	-	1,917,162	-	1,917,162
U.S. treasuries	-	21,012,351	-	21,012,351
Short term bonds	-	5,053,233	-	5,053,233
Municipal obligations	-	6,014,547	-	6,014,547
Corporate obligations	-	28,012	-	28,012
US Agency Funds	-	8,538,180	-	8,538,180
Asset back securities	-	4,232,928	-	4,232,928
<b>Common equity:</b>				
Consumer discretionary	11,125,785	-	-	11,125,785
Consumer Staples	5,953,650	-	-	5,953,650
Energy	4,157,932	-	-	4,157,932
Financials	17,583,729	-	-	17,583,729
Health care	11,256,279	-	-	11,256,279
Industrials	11,215,116	-	-	11,215,116
Information technology	26,141,937	-	-	26,141,937
Materials	3,127,909	-	-	3,127,909
Real estate	2,889,695	-	-	2,889,695
Telecom	7,904,019	-	-	7,904,019
Utilities	2,688,400	-	-	2,688,400
Other	91,575	-	-	91,575
Debt bonds	-	173,215	-	173,215
Diversified hedged strategies	405,441	2,205,029	4,060,693	6,671,163
Private real estate	-	-	6,866,105	6,866,105
Private equity	-	-	3,020,137	3,020,137
Private debt	-	-	6,398,457	6,398,457
Closely held stock	-	-	9,503,856	9,503,856
<b>Total at fair value</b>	<b>114,642,464</b>	<b>49,174,657</b>	<b>29,849,248</b>	<b>193,666,369</b>
Investments carried at net asset value	-	-	-	14,534,548
<b>Total</b>	<b>\$ 114,642,464</b>	<b>\$ 49,174,657</b>	<b>\$ 29,849,248</b>	<b>\$ 208,200,917</b>

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

<i>December 31, 2023</i>	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Money market / cash sweeps	\$ 10,643,894	\$ -	\$ -	\$ 10,643,894
Certificate of deposit	-	1,121,020	-	1,121,020
U.S. treasuries	-	20,246,101	-	20,246,101
Short term bonds	-	5,691,053	-	5,691,053
Municipal obligations	-	30,400	-	30,400
Corporate obligations	-	7,204,251	-	7,204,251
US Agency Funds	-	2,827,007	-	2,827,007
Asset back securities	-	2,031,905	-	2,031,905
<b>Common equity:</b>				
Consumer defensive	9,953,159	-	-	9,953,159
Consumer cyclical	5,129,105	-	-	5,129,105
Energy	3,781,523	-	-	3,781,523
Financials	13,166,020	-	-	13,166,020
Health care	10,297,451	-	-	10,297,451
Industrials	9,685,519	-	-	9,685,519
Information technology	21,122,020	-	-	21,122,020
Materials	3,091,609	-	-	3,091,609
Real estate	2,559,414	-	-	2,559,414
Telecom	6,201,574	-	-	6,201,574
Utilities	2,123,858	-	-	2,123,858
Other	80,955	-	-	80,955
Debt bonds	-	173,985	-	173,985
Diversified hedged strategies	364,064	4,170,289	2,642,578	7,176,931
Private real estate	220,378	246,383	6,518,234	6,984,995
Private equity	-	2,211	707	2,918
Private debt	341,799	1,914,943	206,726	2,463,468
Closely held stock	-	-	8,225,545	8,225,545
<b>Total at fair value</b>	<b>98,762,342</b>	<b>45,659,548</b>	<b>17,593,790</b>	<b>162,015,680</b>
Investments carried at net asset value	-	-	-	13,393,893
<b>Total</b>	<b>\$ 98,762,342</b>	<b>\$ 45,659,548</b>	<b>\$ 17,593,790</b>	<b>\$ 175,409,573</b>

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

Reconciliations of assets and liabilities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) for the year ending December 31, 2024 and 2023 are as follows:

	Fair value investments
<b>Balance</b> at December 31,2022	\$ 13,863,163
<u>Change in value due to appraisal/redemption</u>	<u>3,730,627</u>
<b>Balance</b> at December 31, 2023	17,593,790
<u>Change in value due to appraisal/redemption</u>	<u>12,255,458</u>
<b>Balance</b> at December 31, 2024	<b>\$ 29,849,248</b>

Investments consisting of closely held stock are recorded at fair value based on an appraisal using valuation techniques such as the sales-comparison approach and income approach. Unobservable inputs include market comparable rates.

The Foundation's accounting policy is to recognize transfers between levels of their fair value hierarchy on the date of the event or change in circumstances that caused the transfer.

The Foundation invests in various investment securities. 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 investment securities will occur in the near term and that such change could materially affect the amount reported in the statement of financial position.

#### 4. Investment Income (Loss)

Investment income (loss) is comprised of the following at December 31:

	2024	2023
Realized gain (loss)	\$ 943,765	\$ (518,697)
Unrealized gain	17,731,303	18,209,651
Interest and dividend income	5,464,427	6,081,354
<b>Total investment income (loss)</b>	<b>24,139,495</b>	<b>23,772,308</b>
<b>Less: investment expenses</b>	<b>346,832</b>	<b>299,466</b>
<b>Total investment income (loss), net of expenses</b>	<b>\$ 23,792,663</b>	<b>\$ 23,472,842</b>

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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### 5. Property, Equipment, and Donated Land

Property and equipment is comprised of the following at December 31:

	2024	2023
Land	\$ 8,490,000	\$ 8,490,000
Building	5,123,063	5,123,063
Furniture and equipment	534,315	500,628
Software	46,071	46,071
<b>Total property and equipment</b>	<b>14,193,449</b>	<b>14,159,762</b>
<b>Accumulated depreciation</b>	<b>(1,173,527)</b>	<b>(948,062)</b>
	<b>\$ 13,019,922</b>	<b>\$ 13,211,701</b>

Depreciation expense was \$227,189 and \$202,036 for the years ended December 31, 2024 and 2023, respectively. The donated land is not depreciated.

In June 2020, BP Alaska Exploration, Inc. made a lasting contribution to the Alaska nonprofit and educational community by donating the BP Energy Center to The Alaska Community Foundation and Affiliate. The property consists of a 13,500 sq. ft conference and meeting center, along with a 5.6-acre lot containing the building and parking facilities, with a fair value of \$13,610,000. As part of the transaction, an unrestricted fund was converted for ACF's use to operate and manage the property for a 20-year term.

Land held for resale was donated to ACF in 2023 in the amount of \$78,786. The donated land is not depreciated.

### 6. Description of Program and Supporting Services

#### *Philanthropic Funds*

Funds expended from the holdings of endowed or nonendowed charitable funds for the sole purpose of making grants to 501(c)(3) charitable organizations in perpetuity or otherwise.

#### *Restricted Programs and Projects*

Restricted programs are funds expended by the Foundation when it serves as the fiscal sponsor for a partner entity that is not a 501(c)(3) organization to enable a charitable project to move forward for the community. There are some projects that the Foundation expends funds for that are unrestricted that are also included in this program.

#### *Management and General*

Funds expended for the administration and general operations of the Foundation.

#### *Fundraising*

Funds expended to solicit donations or contributions to the Foundation.

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

### 7. Net Assets with Donor Restrictions

Net assets with donor restrictions consists of a mixture of fund investments and property. With donor restriction net assets consist of the following at December 31:

	2024	2023
BP Energy Center Fund	\$ 19,344,015	\$ 19,254,177
Endeavor Foundation	8,596,295	-
Nudlaghi Leadership Institute - Silver Salmon Camp Fund	1,985,047	1,119,254
Pick. Click. Give	1,112,688	998,606
Wrangell Scholarship Fund	432,471	423,179
Progressive & Social Justice Fund	418,083	466,330
AFN Marketplace Fund	288,602	270,126
Sitka Scholarship Fund	286,110	301,513
Homelessness Solutions Journalism	216,664	229,334
Alaska Center for Excellence in Journalism (ACEJ)	181,983	122,887
Housing Alaskans: A Public & Private Partnership	123,052	39,724
Alaska Cultural Trust	78,548	25,754
Western Alaska Disaster Recovery Fund	41,667	352,114
Other	121,859	627,028
<b>Total</b>	<b>\$ 33,227,084</b>	<b>\$ 24,230,026</b>

Net assets were released from restrictions by satisfying the relevant requirements related to those restrictions as specified on the fund agreements.

In 2020, the Foundation took ownership of the BP Energy Center building and related fund with certain restrictions.

### 8. Leasing Arrangements

The Foundation entered into a lease that was executed November 1, 2012 and terminating on October 31, 2022. In 2022, the Foundation signed an amendment to extend the original lease until October 31, 2027. During 2014, The Foundation's lease provided for month-to-month occupancy. Terms of the agreement provide for monthly payments of \$1.48 per square foot, or \$9,216 for space and utilities and increases of 3% per year. In 2015, the Foundation signed an amendment to increase the amount of space rented. Terms of this amendment provide for additional monthly payments of \$1.53 per square foot, or \$3,288 for space and utilities and increases of 3% per year.

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# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

The following summarizes the line items in the balance sheet which include amounts for operating leases for the years ended:

	2024	2023
Operating lease right-of-use assets	\$ 376,573	\$ 499,543
Current portion of operating lease liabilities	128,515	120,692
Long term portion of operating lease liabilities	257,075	385,590
<b>Total operating lease liabilities</b>	<b>\$ 385,590</b>	<b>\$ 506,282</b>

### *Quantitative Information About Operating Leases*

The following table provides quantitative information concerning the Corporation's operating leases at December 31 for the years ended:

Lease cost	2024	2023
Operating lease cost	\$ 138,320	\$ 135,566
<b>Other Information</b>	<b>2024</b>	<b>2023</b>
Weighted-average remaining lease term (in years) - Operating leases	2.83	3.83
Weighted-average discount rate applied (%) - Operating leases	4.01%	4.01%

Following is a maturity analysis of annual undiscounted cash flows for lease liabilities as of the December 31, 2024.

	Operating Leases
2025	\$ 141,156
2026	144,078
2027	122,143
<b>Total</b>	<b>407,377</b>
Interest expense	(21,787)
<b>Amounts recognized in the balance sheet</b>	<b>\$ 385,590</b>

# The Alaska Community Foundation and Affiliate

## Notes to Consolidated Financial Statements

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### 9. Related Parties

On October 1, 2012, the Foundation entered into an office lease agreement with SJ/JL Calais Office I, LLC. the Foundation's significant grantor is an 11.6% beneficial owner in the SJ/JL Calais Office I, LLC. A portion of the grantor's share of income from this partnership is used to offset and reduce the office space lease payments for the Foundation. The lease payments for 2024 were \$127,932 and \$135,794 in 2023.

### 10. Contingencies

Amounts received or receivable from grantors are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of the Foundation. However, management believes that such claims, if any, would not be significant.

### 11. Pension Plan

The Alaska Community Foundation and Affiliate has a 401(k) defined contribution plan with John Hancock, which covers full-time employees. Effective January 1, 2021, the Plan was changed to a safe-harbor plan, whereby the matching contribution is required. Under the Plan, the Foundation provides an employer matching contribution of 100% of the employee contribution up to 3% of wages, and an additional 50% of the employee contribution for the next 2% of wages after 12 months of service. Employer contributions under the plan totaled \$60,880 and \$66,103 for the years ended 2024 and 2023, respectively.

### 12. Endeavor Foundation

In 2024, Alaska Community Foundation ("ACF") transferred funds to the Endeavor Foundation ("Endeavor") a separate foundation established for charitable purposes as a supporting organization to ACF. ACF continues to hold a beneficial interest in Endeavor. The mission of Endeavor is to serve as a supporting organization for ACF. Endeavor works in partnership with ACF to strengthen Alaska's communities by providing support to Alaskan individuals, organizations, and charitable initiatives.

As of December 31, 2024, ACF held a beneficial interest in Endeavor of \$8,596,295. Of the amount, Endeavor had investments in real estate properties totaling \$34,563,000 as of December 31, 2024.

Endeavor determines the fair value of the real estate properties investment using Level 3 inputs based on a December 27, 2024 valuation prepared by Paradigm Forensics, LLC, an independent valuation firm.

While Endeavor believes its valuation method is appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could have a significant effect on the estimated fair value amounts.