TRUSTEES OF ELIOT SCHOOL

Financial Statements

Years Ended June 30, 2025 and 2024

TRUSTEES OF ELIOT SCHOOL

Contents

PozerskiHatch & COMPANY
certified public accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Trustees of Eliot School

Opinion

We have audited the accompanying financial statements of Trustees of Eliot School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, as well as 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 Trustees of Eliot School as of June 30, 2025 and 2024, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Trustees of Eliot School, 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.

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 Trustees of Eliot School's ability to continue as a going concern for a period within one year after the date that the financial statements were available to be issued.

100 Ledgewood Place, Suite 304, Rockland, MA 02370

PozerskiHatch & COMPANY
certified public accountants

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' 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, due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 Trustees of Eliot School'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 Trustees of Eliot School'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.

Pozerski Hatch & Company, P.C.

Rockland, Massachusetts
November 15, 2025

TRUSTEES OF ELIOT SCHOOL
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 580,900	$ 459,569
Accounts receivable	70,598	103,300
Contributions receivable, net	336,313	402,699
Investments	1,389,966	2,255,079
Prepaid and other expenses	27,479	21,851
Right to use asset - operating lease	123,313	172,550
Property and equipment, net	524,152	493,785
Total assets	$ 3,052,721	$ 3,908,833
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 11,133	$ 19,748
Accrued expenses	102,537	114,779
Deferred revenue	167,499	154,400
Operating lease liability	124,627	174,426
Long term debt	139,684	143,499
Total liabilities	545,480	606,852
Net Assets		
Without donor restrictions	1,221,063	1,989,112
With donor restrictions	1,286,178	1,312,869
Total net assets	2,507,241	3,301,981
Total liabilities and net assets	$ 3,052,721	$ 3,908,833

The accompanying notes are an integral part of these financial statements.

TRUSTEES OF ELIOT SCHOOL
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities						
Revenue and support						
Tuition and fees	$ 596,060	$ -	$ 596,060	$ 462,615	$ -	$ 462,615
Less financial assistance	(42,144)	-	(42,144)	(33,861)	-	(33,861)
Tuition and fees, net	553,916	-	553,916	428,754	-	428,754
Contracts	215,844	-	215,844	206,830	-	206,830
Grants	35,636	337,056	372,692	515,241	706,104	1,221,345
Contributions	171,595	7,839	179,434	186,317	141,504	327,821
Other income	2,693	-	2,693	16,190	-	16,190
Contributions in-kind	59,456	-	59,456	8,881	-	8,881
Interest income	488	-	488	309	-	309
Net assets released from restrictions	415,758	(415,758)	-	213,074	(213,074)	-
Total revenue and support	1,455,386	(70,863)	1,384,523	1,575,596	634,534	2,210,130
Expenses						
Program	1,552,024	-	1,552,024	1,521,486	-	1,521,486
Management and general	458,836	-	458,836	371,845	-	371,845
Fundraising	317,044	-	317,044	252,414	-	252,414
Total expenses	2,327,904	-	2,327,904	2,145,745	-	2,145,745
Change in net assets from operating activities	(872,518)	(70,863)	(943,381)	(570,149)	634,534	64,385
Nonoperating activities						
Net return on investments	86,814	61,827	148,641	205,263	86,224	291,487
Net assets released from restrictions	17,655	(17,655)	-	295,446	(295,446)	-
Change in net assets from nonoperating activities	104,469	44,172	148,641	500,709	(209,222)	291,487
Change in net assets	(768,049)	(26,691)	(794,740)	(69,440)	425,312	355,872
Net assets, beginning of year	1,989,112	1,312,869	3,301,981	2,058,552	887,557	2,946,109
Net assets, end of year	$ 1,221,063	$ 1,286,178	$ 2,507,241	$ 1,989,112	$ 1,312,869	$ 3,301,981

TRUSTEES OF ELIOT SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2025 and 2024

	2025				2024			
	Program	Management and General	Fundraising	Total Expenses	Program	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 1,047,276	$ 162,500	$ 196,073	$ 1,405,849	$ 890,305	$ 101,818	$ 110,947	$ 1,103,070
Payroll taxes	62,221	54,066	6,234	122,521	73,697	8,428	9,184	91,309
Employee benefits	66,895	25,682	14,924	107,501	58,507	6,691	7,291	72,489
Retirement plan contributions	18,203	18,461	983	37,647	18,459	2,111	2,300	22,870
Total personnel expense	1,194,595	260,709	218,214	1,673,518	1,040,968	119,048	129,722	1,289,738
Consultants	47,657	16,385	39,789	103,831	113,182	121,650	75,996	310,828
Marketing, printing and postage	53,312	5,367	43,114	101,793	66,690	32,686	31,729	131,105
Professional fees	125	97,010	-	97,135	-	36,934	-	36,934
Office expenses	33,777	20,568	3,468	57,813	42,027	7,390	5,511	54,928
Rent	41,418	7,986	7,754	57,158	42,667	21,334	-	64,001
Depreciation and amortization	54,820	-	-	54,820	45,352	-	-	45,352
Tools and supplies	39,614	368	-	39,982	60,117	-	-	60,117
Insurance	12,722	8,941	390	22,053	19,271	3,389	2,527	25,187
Fees and other	20,061	2,440	1,489	23,990	15,461	1,462	-	16,923
Donations	22,000	-	-	22,000	-	-	-	-
Utilities	8,406	10,175	792	19,373	7,578	8,716	994	17,288
Repairs and maintenance	9,422	5,203	194	14,819	14,145	-	-	14,145
Credit losses	-	10,000	-	10,000	-	-	-	-
Internet and telephone	3,198	6,128	599	9,925	5,873	1,033	770	7,676
Staff training	4,258	1,580	844	6,682	30	1,650	145	1,825
Travel and refreshments	5,903	983	397	7,283	11,898	6,158	357	18,413
Interest	-	3,877	-	3,877	-	4,142	-	4,142
Miscellaneous	736	1,116	-	1,852	4,092	602	449	5,143
Technology	-	-	-	-	32,135	5,651	4,214	42,000
Total expenses	$ 1,552,024	$ 458,836	$ 317,044	$ 2,327,904	$ 1,521,486	$ 371,845	$ 252,414	$ 2,145,745

The accompanying notes are an integral part of these financial statements.

TRUSTEES OF ELIOT SCHOOL
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ (794,740)	$ 355,872
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation and amortization	54,820	45,352
Donated property and equipment	(59,456)	-
Amortization of right to use asset	49,237	47,181
Discount on contributions receivable	(10,964)	17,301
Net realized and unrealized gains on investments	(122,753)	(246,453)
(Increase) decrease in assets		
Accounts receivable	32,702	8,020
Contributions receivable	77,350	(420,000)
Prepaid and other expenses	(5,628)	13,160
Increase (decrease) in liabilities		
Accounts payable	(8,615)	7,557
Sublease deposit	-	(2,030)
Accrued expenses	(12,242)	29,516
Deferred revenue	13,099	10,224
Operating lease liability	(49,799)	(47,143)
Net cash used by operating activities	(836,989)	(181,443)
Cash Flows From Investing Activities		
Purchase of property and equipment	(25,731)	(218,425)
Purchases of investments	(40,260)	(174,663)
Proceeds from sale of investments	1,028,126	734,165
Net cash provided by investing activities	962,135	341,077
Cash Flows From Financing Activities		
Payments on long-term debt	(3,815)	(3,732)
Net cash used by financing activities	(3,815)	(3,732)
Net change in cash and cash equivalents	121,331	155,902
Cash and cash equivalents, beginning of year	459,569	303,667
Cash and cash equivalents, end of year	$ 580,900	$ 459,569
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 3,877	$ 4,142
Donated property and equipment	$ 59,456	$ -

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Trustees of Eliot School ("the Organization") is a Massachusetts nonprofit school that was founded in 1676 and incorporated in 1803, located in Jamaica Plain, Massachusetts. The Organization offers arts and crafts courses to people of all ages from the local and surrounding communities. Programs offered include: School & Community Partnership Programs, Teen Bridge Programs, Artists in Residence Programs and Professional Development Workshops.

Basis of Presentation

The Organization's financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and have been prepared on the accrual basis of accounting.

Net Asset Classifications

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.
>
> *Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates certain resources be maintained in perpetuity. All other donor-restricted contributions 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.

Estimates

The preparation of financial statements in conformity with GAAP requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Investment income and the related gains/losses on investments are classified as nonoperating activities. Gifts and grants not directed to current operations such as gifts for capital improvements and facilities, are also classified as nonoperating activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to be cash on deposit at banks and short-term investments with maturities, when purchased, of three months or less. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization monitors exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

Grants and Contributions

Grants and contributions, including unconditional promises to give, are recognized in the period received. Contributions receivable that are, in effect, “unconditional promises to give” are recorded at the present value of future cash flows. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the barrier has been met and there is no additional right of return. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Support from unrestricted grants and contributions is recorded without donor restrictions. Support from restricted grants and contributions is recorded as with donor restrictions. When a restriction expires, the net assets are reclassified to the net assets without donor restrictions.

Contract Revenue

The Organization operates some of its programs under various contracts with the Commonwealth of Massachusetts. Revenue is recognized as services are provided and is recorded at the estimated net realizable amounts.

Accounts Receivable

In July 2025, the FASB issued *Accounting Standards Update (ASU) 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The Organization has elected the practical expedient permitted under ASU 2025-05 and assumes that economic conditions existing as of the statement of financial position date do not change for the remaining life of all current accounts receivable and current contract assets under ASC Topic 606 as of June 30, 2025 and the accounting policy election to consider subsequent collection activity, along with the date through which collection activity was considered, which was September 15, 2025.

The Organization records accounts receivable for unconditional rights to consideration arising from performance under contracts with customers. At date of the statements of financial position presented, the Organization recognizes an expected allowance for bad debt (credit losses). In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, experience with the customers and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for bad debt as the Organization's portfolio segment has remained constant since the Organization's inception.

There was no allowance for bad debt as of June 30, 2025 and 2024. The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized as an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. There were $10,000 of accounts receivable written off during the year ended June 30, 2025. There were no amounts written off during the year ended June 30, 2024.

Investments

Investments are reported at fair value. Fair value is 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.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains (losses) include the Organization's gains and losses on investments bought and sold as well as held during the year.

Property and Equipment

Purchased property and equipment is recorded at cost and donated property and equipment is recorded at fair market value when received. Maintenance, repairs and minor renewals are expensed as incurred. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in change in net assets. Depreciation is computed using the straight-line method over the estimated useful lives of the related asset. Estimated lives are as follows:

Building and improvements	5-40 years
Machinery and equipment	5-20 years
Furniture and fixtures	7-10 years
Website	3 years
Database	3 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land and Building

On May 30, 1690, John Eliot gifted 75 acres of land in what was then known as the Township of Roxbury, Massachusetts for the sole purpose of establishing a school for the teaching and instruction of children who were unable to attend existing schools. Over the years, certain parcels of land were sold to cover the Organization's operating costs and at present, the Organization's holdings have been reduced to approximately 40,000 square feet of land. Over the years, the costs incurred in connection with the construction of the school building have been fully depreciated so that there is no present book value. The City of Boston assessed the Organization's property at $1,212,800 consisting of land in the amount of $753,800 and buildings at $459,000 based on the formula used for real estate tax assessment purposes. There are no known liens or encumbrances on the land and building.

Donated Services and In-Kind Contributions

The Organization may record various types of in-kind support including professional services, advertising, and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and (c) would typically need to be purchased if not provided by donations. Contributions of tangible assets are recognized at fair market value when received. For the year ended June 30, 2025, there were in-kind contributions of $59,456 consisting of donated projects costs that were capitalized for renovations. For the year ended June 30, 2024, there were in-kind contributions of $8,881 consisting mainly of donated tools and supplies.

Tuition and Contract Revenue

The Organization recognizes revenue at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring goods or services to its students using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the Organization satisfies a performance obligation

A substantial portion of the Organization's revenue is derived from student tuition and fees and contracts. The Organization satisfies its performance obligations for tuition and fees and contracts evenly over the contract term, which is the period instruction is provided. The stated rates do not vary over the contracts; therefore, the contracts do not contain variable consideration. The Organization requires a deposit for tuition. The remaining tuition is paid in advance of the class.

As noted above, the majority of the Organization's revenue is satisfied over time. There are no financing components in the Organization's revenue stream and payments are due under one year, therefore a significant financing component is presumed not to exist.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tuition and Contract Revenue (Continued)

The balances in the Organization's contract liabilities and receivables at June 30, 2025 and 2024 were as follows:

	2025	2024
Accounts receivable	$ 70,598	$ 103,300
Deferred revenue (contract liability)	$ 167,499	$ 154,400

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated include employee compensation and benefits (consisting of salaries and wages, payroll taxes, employee benefits and retirement plan contributions), rent and various other program and administrative costs. These expenses have been allocated on the basis of estimated time and effort.

Tax Status

The Organization is an exempt organization under Internal Revenue Code Section 501(c)(3) and is not considered a private foundation. The Organization is also exempt from Massachusetts income taxes.

The Organization has identified its tax status as a tax-exempt entity as a tax position; however, it has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. Its federal and state income tax returns are generally open for examination for the past three years.

Advertising

Advertising costs are expensed as incurred. Advertising expense was $5,706 and $24,247 for the year ended June 30, 2025 and 2024, respectively.

Subsequent Events

Management has evaluated subsequent events through November 15, 2025, which is the date the financial statements were available to be issued.

NOTE 2 – CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net of allowance for uncollectible pledges and unamortized discount, are summarized as follows at June 30, 2025 and 2024:

	2025	2024
Unconditional promises expected to be collected in:		
Less than one year	$ 222,650	$ 150,000
One to five years	120,000	270,000
	342,650	420,000
Less unamortized discount	(6,337)	(17,301)
	$ 336,313	$ 402,699

Discount rates used to present value the estimated cash flows from contributions receivable was 2.75%.

At June 30, 2025, approximately 99% of the contributions receivable balance was due from two donors. At June 30, 2024, 100% of the contributions receivable balance was due from one donor.

NOTE 3 – INVESTMENTS AND FAIR MARKET VALUE MEASUREMENTS

The Organization reports required types of financial instruments in accordance with the fair value standards. These 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 valuation techniques) to determine fair value. Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for financial instruments measured at fair value:

Cash and cash equivalents – The carrying value of cash equivalents approximates fair value because the maturities are less than three months.

US Treasuries – Fair value is determined using the market approach, which is based on quoted prices established by major securities markets.

NOTE 3 – INVESTMENTS AND FAIR MARKET VALUE MEASUREMENTS (CONTINUED)

Corporate bonds – Corporate bonds are valued based on yields currently available on comparable securities of issuers with similar durations and credit ratings.

Equity securities and fixed income – Fair value is based on quoted market prices in active markets.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

Cost, fair value and cumulative unrealized gains and losses are as follows at June 30, 2025 and 2024:

2025	Cost	Fair Value	Unrealized Gain/(Loss)
Cash and cash equivalents	$ 83,542	$ 83,542	$ -
Stocks and mutual funds	596,086	1,050,824	454,738
Fixed income	244,702	255,600	10,898
	$ 924,330	$ 1,389,966	$ 465,636

2024	Cost	Fair Value	Unrealized Gain/(Loss)
Cash and cash equivalents	$ 135,227	$ 135,227	$ -
Stocks and mutual funds	975,012	1,648,183	673,171
Fixed income	488,988	471,669	(17,319)
	$ 1,599,227	$ 2,255,079	$ 655,852

In addition, net return on investments consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividend income	$ 38,015	$ 60,154
Net realized and unrealized gains on investments	122,753	246,453
Investment management fees	(12,127)	(15,120)
Total	$ 148,641	$ 291,487

NOTE 3 – INVESTMENTS AND FAIR MARKET VALUE MEASUREMENTS (CONTINUED)

Changes in investments during fiscal year 2025 are as follows:

	Without Donor Restriction	With Donor Restriction		Total
		Capital	Scholarships	
Investments, beginning of year	$ 1,480,099	$ 65,359	$ 709,621	$ 2,255,079
Contributions and redesignations	(31,893)	-	34,139	2,246
Investment return, net	86,814	5,348	56,479	148,641
Withdrawals	(991,000)	-	(25,000)	(1,016,000)
Investments, end of year	$ 544,020	$ 70,707	$ 775,239	$ 1,389,966

Changes in investments during fiscal year 2024 are as follows:

	Without Donor Restriction	With Donor Restriction		Total
		Capital	Scholarships	
Investments, beginning of year	$ 1,826,030	$ 206,641	$ 535,457	$ 2,568,128
Contributions and redesignations	(1,194)	500	115,204	114,510
Investment return, net	205,263	27,264	58,960	291,487
Withdrawals	(550,000)	(169,046)	-	(719,046)
Investments, end of year	$ 1,480,099	$ 65,359	$ 709,621	$ 2,255,079

As of June 30, 2024, there was $26,300 owed from operating cash to the restricted scholarship fund investment account.

The following table sets forth by level, within the fair value hierarchy, the Organization’s investments at fair value at June 30, 2025:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 83,542	$ -	$ -	$ 83,542
Common stock	747,312	-	-	747,312
Mutual funds and ETFs:				
Equity	303,512	-	-	303,512
Fixed income	76,978	-	-	76,978
Corporate bonds	-	148,300	-	148,300
US Treasuries	-	30,322	-	30,322
	$ 1,211,344	$ 178,622	$ -	$ 1,389,966

NOTE 3 – INVESTMENTS AND FAIR MARKET VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value at June 30, 2024:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 135,227	$ -	$ -	$ 135,227
Common stock	1,210,363	-	-	1,210,363
Mutual funds and ETFs:				
Equity	437,820	-	-	437,820
Fixed income	200,764	-	-	200,764
Corporate bonds	-	169,705	-	169,705
US Treasuries	-	101,200	-	101,200
	$ 1,984,174	$ 270,905	$ -	$ 2,255,079

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2025 and 2024:

	2025	2024
Building and improvements	$ 646,603	$ 482,431
Machinery and equipment	267,134	267,134
Furniture and fixtures	67,936	67,936
Website	161,948	161,948
Software database	21,000	21,000
Construction in process	-	78,985
	1,164,621	1,079,434
Accumulated depreciation	(640,469)	(585,649)
Property and equipment, net	$ 524,152	$ 493,785

Depreciation and amortization expense was $54,820 and $45,352 for the years ended June 30, 2025 and 2024, respectively.

NOTE 5 – LINE OF CREDIT

On May 2, 2019 the Organization entered into a Line of Credit and Security Agreement with a bank in the amount of $150,000 or 70% of pledged collateral. The loan is secured by the assets of the Organization and can be used for working capital purposes only. The terms of the loan stipulate interest compounded using the Wall Street Journal Prime Rate. In October of 2024, the Organization terminated the line of credit.

On March 5, 2025, the Organization entered into a new Line of Credit and Security Agreement with a different bank in the amount of $200,000. The line is secured by a certificate of deposit and can be used for working capital purposes only. The terms of the loan stipulate interest is compounded using the bank's prime rate plus 1.50% (9.00% at June 30, 2025). There were no borrowings outstanding under this agreement as of June 30, 2025.

NOTE 6 – LONG TERM DEBT

The Organization has an Economic Injury Disaster Loan (EIDL) dated June 26, 2020 due to the Small Business Administration (SBA) payable in monthly installments beginning June 26, 2022 of $641 including interest computed at a rate of 2.75%, final payment due June 26, 2052, secured by the assets of the Organization. The balance on the loan at June 30, 2025 and 2024 was $139,684 and $143,499, respectively.

At June 30, 2025 aggregate maturities of long term debt are as follows:

Years ending June 30:		
2026	$	3,921
2027		4,031
2028		4,143
2029		4,258
2030		4,377
Thereafter		118,954
Total long term debt	$	139,684

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2025 and 2024 were available for the following purposes:

		2025		2024
Scholarship fund	$	775,239	$	735,921
Contribution receivable, net		331,163		402,699
Capacity building		75,000		-
Capital fund		70,707		65,359
Diversity initiatives		34,069		50,000
Artist in residence		-		30,000
Teen Bridge		-		18,890
Fiscal sponsor funds		-		10,000
Total net asset with donor restrictions	$	1,286,178	$	1,312,869

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets released from restriction for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Time – pledges	$ 150,000	$ -
Teen Bridge	93,017	48,016
School partnerships	72,992	66,300
Artist in residence	30,000	-
Scholarship fund	25,000	-
Fiscal sponsorships	22,500	-
Capital improvements	17,655	126,400
Diversity initiatives	15,931	-
Other	6,318	11,159
Capital fund	-	169,046
Emerging leaders	-	35,000
Career Pathways	-	25,000
Program supplies and tools	-	20,099
Racial equity working group	-	7,500
Total net asset released from donor restrictions	$ 433,413	$ 508,520

NOTE 8 – OPERATING LEASE

On June 28, 2017, the Organization entered into a 64-month lease agreement with Amory Street Trust covering 1,530 square feet of office space located at 253 Armory Street, Jamaica Plain, Massachusetts. The terms of the lease stipulate a security deposit and last month's rent. In February 2022, the Organization extended their lease through October 31, 2027 with monthly rent ranging from $4,530 - $4,680. Total rent expense for the years ended June 30, 2025 and 2024 was $57,158 and $64,001, respectively. The remaining lease term at June 30, 2025 is 2.25 years. Fixed rental payments under this lease for the remaining term of the lease are as follows:

Year ending June 30:	
2026	$ 56,160
2027	56,160
2028	18,720
Total future minimum lease payments	131,040
Less imputed interest	(6,413)
Total	$ 124,627

The current and long term portions as of June 30, 2025 and 2024 were as follows:

	2025	2024
Current portion of operating lease liability	$ 51,926	$ 49,799
Long term portion of operating lease liability	72,701	124,627
Total	$ 124,627	$ 174,426

NOTE 8 – OPERATING LEASE (CONTINUED)

The Organization used the private company option of using the risk-free interest rate to determine the present value lease assets and liability. The rate used was 4.19%, in effect at the lease commencement date. In addition, the Organization subleased a portion of their space through January 2024. The sublease agreement expired in January 2024 and was not renewed.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of its programs as well as the conduct of services undertaken to support those activities to be general expenditures.

At June 30, 2025 and 2024, financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date consist of the following:

	2025	2024
Cash and cash equivalents	$ 580,900	$ 459,569
Investments	1,389,966	2,255,079
Accounts receivable	70,598	103,300
Contributions receivable, net	336,313	402,699
Less amounts subject to donor restrictions	(1,286,178)	(1,312,869)
Total financial assets available within one year	$ 1,091,599	$ 1,907,778

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also has a line of credit (see Note 5) that allows for additional borrowings of up to $200,000 for working capital purposes if needed.

NOTE 10 – RETIREMENT PLAN

The Organization entered into an agreement with the Commonwealth of Massachusetts Office of the Treasurer and Receiver General to participate in the Massachusetts Defined Contribution 401(K) CORE plan. All employees are eligible to participate in the plan. In accordance with the terms of the Plan, eligible employees may elect to defer up to 6% of compensation the first year with a 1% escalation each year thereafter up to 15%. The Organization has elected to match 100% of the employees' elective deferrals that do not exceed the first 3% of the employees' compensation for the year plus 50% of the elective deferrals that do not exceed the next 2% of the employees' compensation. The Organization's contributions to the Plan were $37,647 and $22,870 for the years ended June 30, 2025 and 2024, respectively.

NOTE 11 – CONCENTRATIONS

For the years ended June 30, 2025 and 2024, approximately 50% of grant and contributions revenue was from three donors and one donor, respectively.

NOTE 12 – FINANCIAL CONDITION

The School experienced a significant loss in fiscal 2025 and has had decreases in their investment balances due to the withdrawal of funds to cover the losses from operations for the past few years. The School has a new Executive Director in fiscal 2025 and is seeking to increase program revenues. Additionally, the School is entering its 350th anniversary year in fiscal 2026 which it hopes will bolster contributions. In fiscal 2026, the Organization is budgeting for another operating loss that will be funded without an additional withdrawal from their investments without donor restrictions with hopes of bridging the gap through fundraising and reduction of expenses, before returning to a balanced budget by fiscal 2027.