TRUSTEES OF ELIOT SCHOOL

Financial Statements

Years Ended June 30, 2023 and 2022

CONTENTS

PozerskiHatch
&
COMPANY
certified public accountants

Independent Auditors' Report

To the Board of Directors
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, 2023 and 2022, 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, 2023 and 2022, 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 the that the financial statements were available to be issued.

190 Old Derby Street, Suite 210, Hingham, MA 02043

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.

Change in Accounting Principle

As discussed in Note 1, during the year ended June 30, 2023, the Organization adopted Accounting Standards Update No. 2016-02, *Leases*. Our opinion is not modified with respect to this matter.

Pozerski Hatch & Company, P.C.

Hingham, Massachusetts
October 9, 2023

TRUSTEES OF ELIOT SCHOOL

Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 303,667	$ 795,064
Accounts receivable	111,320	28,975
Investments	2,568,128	2,219,417
Prepaid and other expenses	35,011	18,260
Right to use asset - operating lease	219,731	-
Property and equipment, net	320,712	349,842
Total Assets	$ 3,558,569	$ 3,411,558
LIABILITIES AND NET ASSETS		
Accounts payable	$ 12,191	$ 12,589
Sub-lease deposit	2,030	2,030
Accrued expenses	85,263	10,145
Deferred revenue	144,176	123,721
Operating lease liability	221,569	-
Long-term debt	147,231	149,741
Total Liabilities	612,460	298,226
NET ASSETS		
Without donor restrictions	2,058,552	2,226,173
With donor restrictions	887,557	887,159
Total Net Assets	2,946,109	3,113,332
Total Liabilities and Net Assets	$ 3,558,569	$ 3,411,558

TRUSTEES OF ELIOT SCHOOL

Statements of Activities

For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES:						
Revenue and support						
Tuition and fees	$ 390,876	$ -	$ 390,876	$ 184,514	$ -	$ 184,514
Less financial assistance	(25,210)	-	(25,210)	(33,293)	-	(33,293)
Tuition and fees, net	365,666	-	365,666	151,221	-	151,221
Contracts	300,449	-	300,449	315,857	-	315,857
Grants	281,093	287,703	568,796	250,014	418,641	668,655
Contributions	106,010	148,732	254,742	238,109	55,096	293,205
Miscellaneous income	23,985	-	23,985	39,221	-	39,221
Contributions in-kind	19,534	-	19,534	2,228	-	2,228
Interest income	148	-	148	20,710	-	20,710
Net assets released from restrictions	501,724	(501,724)	-	348,060	(348,060)	-
Total revenue and support	1,598,609	(65,289)	1,533,320	1,365,420	125,677	1,491,097
EXPENSES						
Program services	1,268,847	-	1,268,847	1,019,512	-	1,019,512
Management and general	486,161	-	486,161	340,796	-	340,796
Fundraising	160,909	-	160,909	140,114	-	140,114
Total expenses	1,915,917	-	1,915,917	1,500,422	-	1,500,422
Change in net assets from operating activities	(317,308)	(65,289)	(382,597)	(135,002)	125,677	(9,325)
NONOPERATING ACTIVITIES:						
Paycheck protection program loan forgiveness	-	-	-	408,229	-	408,229
Net return (loss) on investments	149,687	65,687	215,374	(165,658)	(74,618)	(240,276)
Total nonoperating activities	149,687	65,687	215,374	242,571	(74,618)	167,953
CHANGE IN NET ASSETS	(167,621)	398	(167,223)	107,569	51,059	158,628
NET ASSETS, beginning of year	2,226,173	887,159	3,113,332	2,118,604	836,100	2,954,704
NET ASSETS, end of year	$ 2,058,552	$ 887,557	$ 2,946,109	$ 2,226,173	$ 887,159	$ 3,113,332

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

TRUSTEES OF ELIOT SCHOOL

Statements of Functional Expenses
For the Years Ended June 30, 2023 and 2022

	2023				2022			
	Program services	Management & General	Fundraising	Total Expenses	Program services	Management & General	Fundraising	Total Expenses
Salaries and wages	$ 727,438	$ 246,436	$ 77,475	$ 1,051,349	$ 607,853	$ 190,164	$ 67,723	$ 865,740
Payroll taxes	57,550	19,497	6,129	83,176	51,831	16,215	5,775	73,821
Employee benefits	43,939	14,885	4,680	63,504	31,456	9,841	3,505	44,802
Retirement plan contributions	14,723	4,988	1,568	21,279	13,381	4,186	1,491	19,058
Total personnel expense	843,650	285,806	89,852	1,219,308	704,521	220,406	78,494	1,003,421
Consultants	127,552	47,410	40,761	215,723	75,377	32,850	48,609	156,836
Rent expense	42,693	21,347	-	64,040	28,333	14,167	-	42,500
Marketing	23,807	37,413	130	61,350	26,065	16,979	212	43,256
Tools and supplies	58,441	-	-	58,441	56,868	-	-	56,868
Depreciation and amortization	55,491	-	-	55,491	60,344	-	-	60,344
Printing	13,291	13,291	13,291	39,873	6,015	6,015	6,015	18,045
Repairs and maintenance	37,693	-	-	37,693	9,484	-	-	9,484
Office expenses	9,427	23,806	1,004	34,237	8,784	23,252	979	33,015
Professioanl fees	-	29,422	-	29,422	-	420	-	420
Travel and refreshments	13,484	3,750	11,148	28,382	11,052	-	5,221	16,273
Insurance	13,439	4,553	1,431	19,423	12,295	2,197	-	14,492
Utilities	10,551	4,465		15,016	8,905	3,498	-	12,403
Internet and telephone	5,193	1,759	553	7,505	-	7,825	-	7,825
Postage	7,475	-	-	7,475	-	6,889	-	6,889
Miscellaneous	1,968	2,221	2,634	6,823	1,764	1,764	-	3,528
Staff training	655	5,417	105	6,177	3,659	-	-	3,659
Interest	-	4,319	-	4,319	-	3,838	-	3,838
Other program expense	3,500	-	-	3,500	5,125	-	-	5,125
Fees and other	537	1,182	-	1,719	921	696	584	2,201
Total Expenses	$ 1,268,847	$ 486,161	$ 160,909	$ 1,915,917	$ 1,019,512	$ 340,796	$ 140,114	$ 1,500,422

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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (167,223)	$ 158,628
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Paycheck protection program loan forgiveness	-	(408,229)
Depreciation	55,491	60,344
Amortization of right to use asset	46,224	-
Net realized and unrealized losses on investments	(175,132)	226,312
(Increase) decrease in assets		
Accounts receivable	(82,345)	(12,075)
Employee rentention tax credit receivable	-	132,675
Prepaid and other expenses	(16,751)	(300)
Increase (decrease) in liabilities		
Accounts payable	(398)	(8,807)
Sub-lease deposit	-	(170)
Accrued expenses	75,118	(6,714)
Deferred revenue	20,455	123,721
Operating lease liability	(44,386)	-
Net cash provided (used) by operating activities	(288,947)	265,385
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(26,361)	(44,450)
Purchases of investments	(406,748)	(269,701)
Proceeds from sale of investments	233,169	31,037
Net cash used by investing activities	(199,940)	(283,114)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(2,510)	-
Net cash used by financing activities	(2,510)	-
Net decrease in cash current year activity	(491,397)	(17,729)
Cash and cash equivalents, beginning of year	795,064	812,793
Cash and cash equivalents, end of year	$ 303,667	$ 795,064
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 6,823	$ 3,838
Supplemental Disclosure of Noncash Information		
Right-to-use asset and operating lease obligation recognized	$ 265,955	$ -

1 - SUMMARY OF OPERATIONS AND 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.

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases*, which replaces numerous requirements in accordance with accounting principles generally accepted in the United States of America, regarding the accounting for operating and financing leases. The core principle of the new standard is that an organization will capitalize all leases with a term of one year or longer. The leases will be capitalized as a financing lease (similar to the previous capital lease accounting) or as a right to use operating lease. Management has adopted ASU 2016-02 for the year ended June 30, 2023. The amendments have been applied using the alternative transition option which resulted in the Organization recording a right to use asset and a corresponding operating lease liability of $265,955 at July 1, 2022.

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.

1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Nonoperating activities are limited to resources that generate investment income and other activities considered to be of a more unusual or nonrecurring nature.

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.

1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts. The Organization periodically evaluates the adequacy of the allowance which is based on past experience and an assessment of current economic conditions. Accounts receivable are charged off to the allowance when deemed uncollectible. There was no allowance for doubtful accounts at June 30, 2023 and 2022.

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

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 school'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 has recently 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.

1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. There were in-kind contributions of $19,534 and $2,228 for the years ended June 30, 2023 and 2022 respectively. In fiscal 2023, in-kind contributions consisted of supplies and tools, food for events, an auction item, and professional services. In fiscal 2022 in-kind contributions consisted of a donated drill press and supplies.

Fair 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.

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.

1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 evenly over the contract term, which is the period as 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.

Revenue for the years ended June 30, 2023 and 2022 were recognized as follows:

	2023	2022
Recognized over time	$690,100	$506,299
Recognized at a point of time	-	-
Total	$690,100	$506,299

The balances in the Organization's contract liabilities and receivables at June 30, 2023 and 2022 were as follows:

	2023	2022
Accounts receivable	$111,320	$ 28,975
Deferred revenue (contract liability)	$144,176	$123,721

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 presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

1 - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, payroll taxes and benefits), 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 $22,586 and $24,155 for the year ended June 30, 2023 and 2022 respectively.

Subsequent Events

We have evaluated subsequent events through October 9, 2023, which is the date the financial statements were available to be issued.

2 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	2023	2022
Building and improvement	$ 368,669	$ 366,073
Machinery and equipment	262,456	238,691
Furniture and fixtures	67,936	67,936
Website	161,948	161,948
	861,009	834,648
Accumulated depreciation	(540,297)	(484,806)
Property and equipment, net	$ 320,712	$ 349,842

Depreciation expense was $55,491 and $60,344 for the years ended June 30, 2023 and 2022, respectively.

TRUSTEES OF ELIOT SCHOOL
Notes to Financial Statements

3 – INVESTMENTS

Investments are stated at fair value. The majority of investments consist of publicly traded common stock, mutual funds, exchange traded funds (ETFs) and corporate and government bonds. Cost, fair value and cumulative unrealized gains and losses are as follows at June 30, 2023:

	Cost	Fair Value	Unrealized Gain/(Loss)
Cash and cash equivalents	$ 104,011	$ 104,011	$ -
Stocks and mutual funds	1,176,856	1,747,543	570,687
Fixed income	748,670	716,574	(32,096)
	$ 2,029,537	$ 2,568,128	$ 538,591

Cost, fair values and cumulative unrealized gains and losses are as follows at June 30, 2022:

	Cost	Fair Value	Unrealized Gain/(Loss)
Cash and cash equivalents	$ 51,504	$ 51,504	$ -
Stocks and mutual funds	1,205,750	1,582,625	376,875
Fixed income	615,327	585,288	(30,039)
	$ 1,872,581	$ 2,219,417	$ 346,836

In addition, net return (loss) on investments consisted of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Interest and dividend income	$ 53,929	$ 39,947
Net realized and unrealized gains (losses) on investments	175,132	(266,335)
Investment management fees	(13,687)	(13,888)
Investment income (loss), net	$ 215,374	$ (240,276)

Changes in investments during fiscal year 2023 are as follows:

	Without Donor Restriction	With Donor Restriction		Total
		Capital	Scholarships	
Investments, beginning of year	$ 1,571,259	$ 187,656	$ 460,502	$ 2,219,417
Contributions received	115,340	-	43,790	159,130
Investment return, net	149,687	18,985	46,702	215,374
Withdrawals	(10,256)	-	(15,537)	(25,793)
Investments, end of year	$ 1,826,030	$ 206,641	$ 535,457	$ 2,568,128

3 – INVESTMENTS (Continued)

Changes in investments during fiscal year 2022 are as follows:

	Without Donor Restriction	With Donor Restriction		Total
		Capital	Scholarships	
Investments, beginning of year	$1,536,966	$196,701	$473,399	$2,207,066
Contributions received	209,317	12,154	48,230	269,701
Investment loss, net	(165,658)	(21,199)	(53,419)	(240,276)
Withdrawals	(9,366)	-	(7,708)	(17,074)
Investments, end of year	$1,571,259	$187,656	$460,502	$2,219,417

4 – FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2023:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 104,011	$ -	$ -	$ 104,011
Common stock	1,237,583	-	-	1,237,583
Mutual funds and ETFs:				
Equity	509,960	-	-	509,960
Fixed income	179,974	-	-	179,974
Corporate bonds	-	188,601	-	188,601
US Treasuries	-	347,999	-	347,999
	$ 2,031,528	$ 536,600	$ -	$ 2,568,128

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at June 30, 2022:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 51,504	$ -	$ -	$ 51,504
Common stock	977,595	-	-	977,595
Mutual funds and ETFs:				
Equity	605,030	-	-	605,030
Fixed income	166,353	-	-	166,353
Corporate bonds	-	181,913	-	181,913
US Treasuries	-	237,022	-	237,022
	$ 1,800,482	$ 418,935	$ -	$ 2,219,417

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. As of June 30, 2023 and 2022, there was no outstanding balance.

6 – LONG TERM DEBT

Economic Injury Disaster Loan (EIDL)

As of June 30, 2023 and 2022 the Organization had an 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, 2023 and 2022 was $147,231 and $149,741, respectively.

At June 30, 2023 aggregate maturities of long-term debt are as follows:

Years ending June 30		Amount
2024	$	3,712
2025		3,815
2026		3,921
2027		4,034
2028		4,143
Thereafter		127,606
Total Debt	$	147,231

Paycheck Protection Program Loans

In April 2020 and March 2021, the Organization applied for and received forgivable Paycheck Protection Program Loans in the amount of $202,692 and $205,537, respectively, as provided under the Federal Coronavirus Aid, Relief and Economic Security Act. Under the terms of the loans, the balances were forgivable to the extent the proceeds were used for certain qualified costs and that certain employment levels are maintained.

In fiscal 2022, the Organization applied for and was granted full forgiveness on both of these loans. Upon receipt of legal release from obligation and meeting the related barriers to performance, the Organization recognized the $408,229 as revenue.

7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2023 and 2022 were available for the following purposes:

	2023	2022
Scholarship fund	$ 543,928	$ 461,515
Capital fund	209,129	190,144
Capital improvements	40,000	-
Emerging leaders	35,000	-
School partnership programs	-	68,000
Teen Bridge program	1,000	60,000
Professional development	-	22,000
Racial Equity working group	7,500	7,500
Indigenous land project	50,000	50,000
EdVestors funding	500	28,000
Other	500	-
Total net asset with donor restrictions	$ 887,557	$ 887,159

8 – COMMITMENTS

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. Fixed rental payments under this lease for the remaining term of the lease are as follows:

Year ending June 30:	
2024	$ 55,560
2025	56,160
2026	56,160
2027	56,160
2028	18,720
Total future minimum lease payments	242,760
Less imputed interest	(21,191)
Total	$ 221,569

The current and long term portions as of July 1, 2022 (ASU 2016-02 implementation date) and June 30, 2023 were as follows:

	June 30, 2023	July 1, 2022
Current portion of operating lease liability	$ 47,143	$ 44,386
Long term portion of operating lease liability	174,426	221,569
Total	$ 221,569	$ 265,955

In addition, the Organization subleases a portion of their space through January 2024. Future minimal sublease income is $10,500 for fiscal 2024.

9 - LIQUIDITY

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, 2023 and 2022, 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:

		2023		2022
Cash and cash equivalents	$	303,667	$	795,064
Investments		2,568,128		2,219,417
Accounts receivable		111,320		28,975
Less amounts subject to donor restrictions		(887,557)		(887,159)
Total financial assets available within one year	$	2,095,558	$	2,156,297

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. In the event of an unanticipated liquidity need, the Organization can also draw upon its line of credit.

10 – RETIREMENT PLAN

The Organization entered into an agreement with the Commonwealth of Massachusetts Office of the Treasurer and Receive 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 contribution to the Plan was $21,279 and $19,058 for the years ended June 30, 2023 and 2022.