TRUSTEES OF ELIOT SCHOOL

Financial Statements

Years Ended June 30, 2024 and 2023

TRUSTEES OF ELIOT SCHOOL

Contents

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, 2024 and 2023, 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

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
March 20, 2025

TRUSTEES OF ELIOT SCHOOL
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 459,569	$ 303,667
Accounts receivable	103,300	111,320
Contributions receivable,net	402,699	-
Investments	2,255,079	2,568,128
Prepaid and other expenses	21,851	35,011
Right to use asset - operating lease	172,550	219,731
Property and equipment, net	493,785	320,712
Total assets	$ 3,908,833	$ 3,558,569
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 19,748	$ 12,191
Sublease deposit	-	2,030
Accrued expenses	114,779	85,263
Deferred revenue	154,400	144,176
Operating lease liability	174,426	221,569
Long-term debt	143,499	147,231
Total Liabilities	606,852	612,460
Net Assets		
Without donor restrictions	1,989,112	2,058,552
With donor restrictions	1,312,869	887,557
Total net assets	3,301,981	2,946,109
Total liabilities and net assets	$ 3,908,833	$ 3,558,569

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

TRUSTEES OF ELIOT SCHOOL
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities						
Revenue and support						
Tuition and fees	$ 447,154	$ -	$ 447,154	$ 390,876	$ -	$ 390,876
Less financial assistance	(33,861)	-	(33,861)	(25,210)	-	(25,210)
Tuition and fees, net	413,293	-	413,293	365,666	-	365,666
Contracts	206,830	-	206,830	300,449	-	300,449
Grants	515,241	706,104	1,221,345	281,093	390,812	671,905
Contributions	186,317	141,504	327,821	106,010	45,623	151,633
Other income	16,190	-	16,190	23,985	-	23,985
Contributions in-kind	8,881	-	8,881	19,534	-	19,534
Interest income	309	-	309	148	-	148
Net assets released from restrictions	213,074	(213,074)	-	501,724	(501,724)	-
Total revenue and support	1,560,135	634,534	2,194,669	1,598,609	(65,289)	1,533,320
Expenses						
Program	1,506,025	-	1,506,025	1,268,847	-	1,268,847
Management and general	371,845	-	371,845	486,161	-	486,161
Fundraising	252,414	-	252,414	160,909	-	160,909
Total expenses	2,130,284	-	2,130,284	1,915,917	-	1,915,917
Change in net assets from operating activities	(570,149)	634,534	64,385	(317,308)	(65,289)	(382,597)
Nonoperating activities						
Net return on investments	205,263	86,224	291,487	149,687	65,687	215,374
Net assets released from restrictions	295,446	(295,446)	-	-	-	-
Change in net assets from nonoperating activities	500,709	(209,222)	291,487	149,687	65,687	215,374
Change in net assets	(69,440)	425,312	355,872	(167,621)	398	(167,223)
Net assets, beginning of year	2,058,552	887,557	2,946,109	2,226,173	887,159	3,113,332
Net assets, end of year	$ 1,989,112	$ 1,312,869	$ 3,301,981	$ 2,058,552	$ 887,557	$ 2,946,109

TRUSTEES OF ELIOT SCHOOL
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2024 and 2023

	2024				2023			
	Program	Management & General	Fundraising	Total Expenses	Program	Management & General	Fundraising	Total Expenses
Salaries and wages	$ 890,305	$ 101,818	$ 110,947	$ 1,103,070	$ 727,438	$ 246,436	$ 77,475	$ 1,051,349
Payroll taxes	73,697	8,428	9,184	91,309	57,550	19,497	6,129	83,176
Employee benefits	58,507	6,691	7,291	72,489	43,939	14,885	4,680	63,504
Retirement plan contributions	18,459	2,111	2,300	22,870	14,723	4,988	1,568	21,279
Total personnel expense	1,040,968	119,048	129,722	1,289,738	843,650	285,806	89,852	1,219,308
Consultants	113,182	121,650	75,996	310,828	127,552	47,410	40,761	215,723
Marketing, printing and postage	66,690	32,686	31,729	131,105	44,573	50,704	13,421	108,698
Rent	42,667	21,334	-	64,001	42,693	21,347	-	64,040
Tools and supplies	60,117	-	-	60,117	58,441	-	-	58,441
Office expenses	42,027	7,390	5,511	54,928	9,427	23,806	1,004	34,237
Depreciation and amortization	45,352	-	-	45,352	55,491	-	-	55,491
Technology	32,135	5,651	4,214	42,000	-	-	-	-
Professional fees	-	36,934	-	36,934	-	29,422	-	29,422
Insurance	19,271	3,389	2,527	25,187	13,439	4,553	1,431	19,423
Travel and refreshments	11,898	6,158	357	18,413	13,484	3,750	11,148	28,382
Utilities	7,578	8,716	994	17,288	10,551	4,465		15,016
Repairs and maintenance	14,145	-	-	14,145	37,693	-	-	37,693
Internet and telephone	5,873	1,033	770	7,676	5,193	1,759	553	7,505
Miscellaneous	4,092	602	449	5,143	5,468	2,221	2,634	10,323
Staff training	30	1,650	145	1,825	655	5,417	105	6,177
Interest	-	4,142	-	4,142	-	4,319	-	4,319
Fees and other	-	1,462	-	1,462	537	1,182	-	1,719
Total expenses	$ 1,506,025	$ 371,845	$ 252,414	$ 2,130,284	$ 1,268,847	$ 486,161	$ 160,909	$ 1,915,917

TRUSTEES OF ELIOT SCHOOL
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

		2024		2023
Cash Flows From Operating Actvities				
Change in net assets	$	355,872	$	(167,223)
Adjustments to reconcile change in net assets to net cash used by operating activities				
Depreciation		45,352		55,491
Amortization of right to use asset		47,181		46,224
Discount on contributions receivable		17,301		-
Net realized and unrealized gains on investments		(246,453)		(175,132)
(Increase) decrease in assets				
Accounts receivable		8,020		(82,345)
Contributions receivable		(420,000)		-
Prepaid and other expenses		13,160		(16,751)
Increase (decrease) in liabilities				
Accounts payable		7,557		(398)
Sublease deposit		(2,030)		-
Accrued expenses		29,516		75,118
Deferred revenue		10,224		20,455
Operating lease liability		(47,143)		(44,386)
Net cash used by operating activities		(181,443)		(288,947)
Cash Flows From Investing Activities				
Purchase of property and equipment		(218,425)		(26,361)
Purchases of investments		(174,663)		(406,748)
Proceeds from sale of investments		734,165		233,169
Net cash provided (used) by investing activities		341,077		(199,940)
Cash Flows From Investing Activities				
Payments on long-term debt		(3,732)		(2,510)
Net cash used by financing activities		(3,732)		(2,510)
Net change in cash and cash equivalents		155,902		(491,397)
Cash and cash equivalents, beginning of year		303,667		795,064
Cash and cash equivalents, end of year	$	459,569	$	303,667
Supplemental Disclosure of Cash Flow Information				
Cash paid for interest	$	4,142	$	4,319
Supplemental Disclosure of Noncash Information				
Right-to-use asset and operating lease obligation recognized	$	-	$	265,955

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

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 are classified as non-operating activities. Gifts and grants not directed to current operations such as gifts for capital improvements and facilities, are also classified as non-operating 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 June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses (bad debt). Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 include trade accounts receivable. The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

At each statement of financial position date, 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, 2024 and 2023. 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 no amounts written off during the years ended June 30, 2024 and 2023.

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. There were in-kind contributions of $8,881 and $19,534 for the years ended June 30, 2024 and 2023, respectively. In fiscal 2024 in-kind contributions consisted mainly of donated tools and supplies. In fiscal 2023, in-kind contributions consisted of supplies and tools, food for events, an auction item, and professional services.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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.

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.

The balances in the Organization's contract liabilities and receivables at June 30, 2024 and 2023 were as follows:

	2024	2023
Accounts receivable	$ 103,300	$ 111,320
Deferred revenue (contract liability)	$ 154,400	$ 144,176

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 and employee 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 $24,247 and $22,586 for the year ended June 30, 2024 and 2023, respectively.

Subsequent Events

We have evaluated subsequent events through March 20, 2025, which is the date the financial statements were available to be issued.

TRUSTEES OF ELIOT SCHOOL
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CONTRIBUTIONS RECEIVABLE, NET

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

		2024
Unconditional promises expected to be collected in:		
Less than one year	$	150,000
One to five years		270,000
		420,000
Less allowance for uncollectible contributions receivable		-
Less unamortized discount		(17,301)
	$	402,699

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

At June 30, 2024, 100% of the contributions receivable balance was due from one donor. There were no contributions receivable at June 30, 2023.

NOTE 3 – INVESTMENTS AND FAIR MARKET VALUE MEASUREMENTS

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, 2024 and 2023:

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

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

In addition, net return on investments consisted of the following for the years ended June 30, 2024 and 2023:

		2024		2023
Interest and dividend income	$	60,154	$	53,947
Net realized and unrealized gains on investments		246,453		175,132
Investment management fees		(15,120)		(13,705)
Total	$	291,487	$	215,374

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

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.

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	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

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	437,819	-	-	437,819
Fixed income	200,765	-	-	200,765
Corporate bonds	-	169,705	-	169,705
US Treasuries	-	101,200	-	101,200
	$ 1,984,174	$ 270,905	$ -	$ 2,255,079

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, 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

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2024 and 2023:

	2024	2023
Building and improvements	$ 482,431	$ 368,669
Machinery and equipment	267,134	262,456
Furniture and fixtures	67,936	67,936
Website	161,948	161,948
Database	21,000	-
Construction in process	78,985	-
	1,079,434	861,009
Accumulated depreciation	(585,649)	(540,297)
Property and equipment, net	$ 493,785	$ 320,712

Depreciation expense was $45,352 and $55,491 for the years ended June 30, 2024 and 2023, 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. As of June 30, 2024 and 2023, there was no outstanding balance. In October of 2024, the Organization terminated the line of credit.

NOTE 6 – LONG TERM DEBT

Economic Injury Disaster Loan (EIDL)

The Organization has 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, 2024 and 2023 was $143,499 and $147,231, respectively.

At June 30, 2024 aggregate maturities of long-term debt are as follows:

Years ending June 30:		
2025	$	3,815
2026		3,921
2027		4,034
2028		4,143
2029		4,258
Thereafter		123,328
Total Debt	$	143,499

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2024 and 2023 were available for the following purposes:

		2024		2023
Scholarship fund	$	735,921	$	543,928
Contribution receivable, net		402,699		-
Capital fund		65,359		209,129
Indigenous land project		50,000		50,000
Artist in residence		30,000		-
Teen Bridge		18,890		1,000
Fiscal sponsor funds		10,000		-
Capital improvements		-		40,000
Emerging leaders		-		35,000
Racial equity working group		-		7,500
Other		-		1,000
Total net asset with donor restrictions	$	1,312,869	$	887,557

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets released from restriction for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
Capital fund	$ 169,046	$ -
Capital improvements	126,400	13,909
School partnerships	66,300	142,575
Teen Bridge	48,016	114,398
Emerging leaders	35,000	101,000
Career Pathways	25,000	-
Program supplies and tools	20,099	-
Racial equity working group	7,500	-
Artist in residence	-	41,200
EdVestors	-	28,000
Professional development	-	22,000
Scholarship fund	-	15,537
Other	11,159	23,105
Total net asset with donor restrictions	$ 508,520	$ 501,724

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. The remaining lease term at June 30, 2024 is 3.25 years. Fixed rental payments under this lease for the remaining term of the lease are as follows:

Year ending June 30:	
2025	$ 56,160
2026	56,160
2027	56,160
2028	18,720
Total future minimum lease payments	187,200
Less imputed interest	(12,774)
Total	$ 174,426

The current and long term portions as of June 30, 2024 and 2023 were as follows:

	2024	2023
Current portion of operating lease liability	$ 49,799	$ 47,143
Long term portion of operating lease liability	124,627	174,426
Total	$ 174,426	$ 221,569

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, 2024 and 2023, 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:

	2024	2023
Cash and cash equivalents	$ 459,569	$ 303,667
Investments	2,255,079	2,568,128
Accounts receivable	103,300	111,320
Contributions receivable, net	402,699	-
Less amounts subject to donor restrictions	(1,312,869)	(887,557)
Total financial assets available within one year	$ 1,907,778	$ 2,095,558

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.

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 $22,870 and $21,279 for the years ended June 30, 2024 and 2023, respectively.