



Audited Financial Statements

St. Mary's High School
Foundation, Inc.

June 30, 2025

St. Mary's High School Foundation, Inc.

Audited Financial Statements

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Independent Auditors' Report on Financial Statements

Board of Trustees
St. Mary's High School Foundation, Inc.

Opinion

We have audited the accompanying financial statements of St. Mary's High School Foundation, Inc., which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and 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 St. Mary's High School Foundation, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and cash flows for the years then ended, in conformity 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 St. Mary's High School Foundation, Inc. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 St. Mary's High School Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

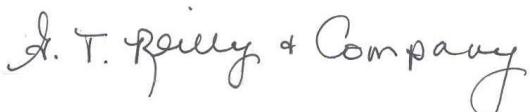
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 St. Mary's High School Foundation, Inc.'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 St. Mary's High School Foundation, Inc.'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.



G.T. Reilly & Company

Milton, Massachusetts
December 10, 2025

St. Mary's High School Foundation, Inc.

Statements of Financial Position

June 30

	<u>2025</u>	<u>2024</u>
Assets		
Cash	15,379	21,585
Investments, at fair value (Note 3)	3,267,924	3,141,528
Due from St. Mary's High School (Note 7)	100	-
Promises to give, net of discounts and allowances (Note 4)	-	129,598
Total Assets	<u>\$ 3,283,403</u>	<u>\$ 3,292,711</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	<u>\$ 20,000</u>	<u>\$ 15,002</u>
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Net Assets

Without donor restrictions	-	-
Donor restricted for the benefit of St. Mary's School (Notes 5 & 6)	<u>3,263,403</u>	<u>3,277,709</u>
	<u>3,263,403</u>	<u>3,277,709</u>

Total Liabilities and Net Assets	<u>\$ 3,283,403</u>	<u>\$ 3,292,711</u>
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St. Mary's High School Foundation, Inc.

Statements of Activities and Changes in Net Assets

For the Years Ended June 30

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Investment Returns						
Contributions of cash and other financial assets	\$ -	\$ 6,850	\$ 6,850	\$ -	\$ 68,970	\$ 68,970
Less writedowns and provision for uncollectible pledges	-	-	-	-	(46,178)	(46,178)
	-	6,850	6,850	-	22,792	22,792
Contributions restricted for endowment		43,650	43,650		1,000,000	1,000,000
Contributed services (Note 7)	88,693	-	88,693	90,911	-	90,911
Dividends and interest income	-	129,992	129,992	-	77,819	77,819
Unrealized net gain on investments	-	77,633	77,633	-	186,721	186,721
Realized net gain on investments	-	20,330	20,330	-	14,705	14,705
Net assets released from restrictions (Note 5)	292,761	(292,761)	-	474,127	(474,127)	-
Total Support and Investment Returns	381,454	(14,306)	367,148	565,038	827,910	1,392,948
Expenses						
Program:						
Payroll and benefits	22,173	-	22,173	22,728	-	22,728
Distributions to school	273,156	-	273,156	452,908	-	452,908
	295,329	-	295,329	475,636	-	475,636
General and Administrative:						
Payroll and benefits	22,173	-	22,173	22,728	-	22,728
Professional services and related travel	19,605	-	19,605	21,218	-	21,218
	41,778	-	41,778	43,946	-	43,946
Fundraising:						
Payroll and benefits	44,347	-	44,347	45,456	-	45,456
	44,347	-	44,347	45,456	-	45,456
Total Expenses	381,454	-	381,454	565,038	-	565,038
Change in Net Assets	-	(14,306)	(14,306)	-	827,910	827,910
Net Assets at Beginning of Year	-	3,277,709	3,277,709	-	2,449,799	2,449,799
Net Assets at End of Year	\$ -	\$ 3,263,403	\$ 3,263,403	\$ -	\$ 3,277,709	\$ 3,277,709

St. Mary's High School Foundation, Inc.

Statements of Cash Flows

For the Years Ended June 30

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (14,306)	\$ 827,910
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized and unrealized gains on investments	(97,963)	(201,426)
Contributions restricted for endowment	(43,650)	(1,000,000)
Changes in operating assets and liabilities:		
Promises to give, net	129,598	46,178
Due to/from St. Mary's High School	(100)	371,033
Accounts payable and accrued expenses	4,998	1,616
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(21,423)</u>	<u>45,311</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(191,446)	(1,128,273)
Sale of investments	163,013	92,600
NET CASH USED IN INVESTING ACTIVITIES	<u>(28,433)</u>	<u>(1,035,673)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	<u>43,650</u>	<u>1,000,000</u>
NET (DECREASE) INCREASE IN CASH	(6,206)	9,638
CASH AT BEGINNING OF YEAR	<u>21,585</u>	<u>11,947</u>
CASH AT END OF YEAR	<u>\$ 15,379</u>	<u>\$ 21,585</u>

St. Mary's High School Foundation, Inc.

Notes to Financial Statements

June 30, 2025

Note 1 – Nature of Organization

St. Mary's High School Foundation, Inc. (St. Mary's School Foundation, or the "Foundation") was formed on April 22, 2002 for the purpose of raising funds in the form of contributions from individuals, corporations and other foundations to assist in and facilitate the renovation and improvement of the buildings comprising St. Mary's School (St. Mary's School, or the "School") in Lynn, Massachusetts, and to generally support the overall educational mission of the School. The Foundation and the School share a common membership on their respective Boards.

Note 2 – Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation – The accompanying financial statements of the Foundation are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) as they apply to not-for-profit organizations. The Foundation presents in its statement of financial position and its statement of activities and changes in net assets two classes of net assets based on the existence or absence of donor-imposed restrictions as discussed below.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of support, investment returns and expenses. Actual results may differ from those estimates. Estimates are involved in the determination of the fair values of certain investments and in the allocation of certain expenses to their functional purpose.

Net Assets Without Donor Restrictions – These are net assets available for use in operating the Foundation and not subject to donor restrictions for the direct benefit of St. Mary's School. At its discretion, the Board of Trustees may designate net assets without restrictions for specific purposes.

Net Assets With Donor Restrictions – These net assets are held for the sole benefit of St. Mary's School and may be subject to further donor-imposed restrictions as to the specific use by the School. Some specific donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time, the occurrence of events or the School's use of the funds as specified by the donor. Other donor-imposed restrictions may be perpetual in nature where the donor stipulates that the funds be maintained in perpetuity by the Foundation or the School, such as endowments.

Donor-restricted support is recorded as "net assets with donor restrictions" when received or pledged. When a temporary donor-imposed restriction expires, either by the distribution of the funds to the School, the use of the funds for the specified purpose or by the expiration of a time restriction, related amounts of "net assets with donor restrictions" are reclassified to "net assets without donor restrictions" and reported in the statement of activities as "net assets released from restrictions".

Contributions made with donor-imposed restrictions to maintain the principal in perpetuity, while allowing the use of income generated therefrom, are also classified as "net assets with donor restrictions". Income derived from the investment of these perpetual net assets is reported as an increase in "net assets without donor restrictions", or "net assets with donor restrictions", depending on the terms of the donor instrument. Unrealized gains or losses on perpetual net assets are reported as increases or decreases in "net assets with donor restrictions", unless the donor explicitly states otherwise.

See Note 5 regarding restrictions on net assets.

Note 2 – Significant Accounting Policies (Cont.)

Contributions – Nonreciprocal transactions where the Foundation receives cash, other assets or resources, are treated as contributions for accounting purposes if the grantor or donor does not receive a benefit of commensurate value in return. If the resource provider receives something or a benefit of commensurate value in return for the resources provided, the transaction, or part of it, is recognized as an exchange transaction. Exchange transactions include instances where a transfer of assets represents a payment from a third-party payer on behalf of an existing exchange transaction between the recipient and an identified customer receiving the benefit. However, where the benefit or potential benefit is received by the public or segments thereof, and the resource provider (such as an individual, foundation, government agency, corporation, or other entity) only receives indirect or incidental benefit that is not of commensurate value, the transaction is treated as a contribution for accounting purposes.

Distinguishing between contributions and exchange transactions determines the appropriate accounting and reporting for a transaction. Transactions determined to be contributions are reported as revenue or support with or without donor restrictions as described above, Basis of Accounting and Financial Statement Presentation.

Conditional Grants and Contributions – Conditional grants and contributions are not recognized as revenue or support until they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Promises to Give – Promises to give to the Foundation that are, in effect, “unconditional” are recorded at the present value of future cash flows. Promises to give that are to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional support in accordance with donor-imposed restrictions, if any, on the contributions and grants. Unless otherwise stated by the donor, promises to give over a period of years are considered “time restricted” to the period in which the payments are pledged to be made. Promises to give are stated net of an allowance for doubtful collection, when considered necessary, which would be reported on the face of the statement of financial position. The allowance is established via a charge to operations. On a periodic basis, management evaluates recorded promises to give to the Foundation and establishes or adjusts its allowance to an amount it believes will be adequate to absorb possible losses on amounts that may become uncollectible, based on evaluations of the collectability of individual accounts, history of prior loss experience, and on current economic conditions. (See Note 4)

Contributed Services and Other Nonfinancial Assets – Contributed services are recognized as both support and expense at their estimated fair values if they create or enhance nonfinancial assets or if they require specialized skills that would need to be purchased if they were not donated. Support arising from services provided to the Foundation from the School has been recognized in the accompanying statements of activities, with an equal amount recognized as expense at the estimated cost incurred by the affiliate providing services which would have been purchased by the Foundation if not contributed (see Note 7).

The Foundation did not receive any other contributed nonfinancial assets during the years ended June 30, 2025 or 2024.

Cash – For the purpose of classification in the statements of financial position and cash flows, cash consists of amounts on-hand and in bank accounts, including time deposits with original maturities of 90 days or less. Restricted cash accounts are excluded from this classification.

Fair Value Measurements – Fair value measurement standards apply to assets and liabilities that are measured at fair value on a recurring basis, and to determine any fair value disclosures. The standards apply to certain other existing accounting pronouncements that require or permit fair value measurements. Fair value measurement principles apply to the reporting of the Foundation’s investments (see Note 3).

Note 2 – Significant Accounting Policies (Cont.)

Investments – The Foundation's investments are reported at fair value. Changes in fair value are reflected in the statements of activities as net unrealized gains (losses) on investments. (See Note 3)

Expenses by Nature and Function – The statement of activities and changes in net assets reports the Foundation's expenses by both their natural classification and by their function, either program or supporting functions (general and administrative or fundraising). Certain expenses are charged directly to the program or supporting function to which they relate. Other expenses require allocation to programs and/or supporting functions, which is made on a reasonable basis that is consistently applied in the accompanying financial statements. The expenses that are allocated include salaries and wages, payroll taxes and benefits, which are allocated on the basis of estimated efforts.

Tax-Exempt Status – The Foundation is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to income taxation.

Evaluation of Subsequent Events – Management has evaluated subsequent events involving the Foundation for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2025 through December 10, 2025, the date the accompanying financial statements were available to be issued.

Note 3 – Investments

Summary of Investments - Investments consist of the following:

		Cost	Unrealized Gains	Fair Value
<u>June 30, 2025:</u>				
	<u>Investments in Common Investment Fund</u>	<u>\$ 2,788,977</u>	<u>\$ 478,947</u>	<u>\$ 3,267,924</u>
<u>June 30, 2024:</u>				
	Investments in Common Investment Fund	\$ 2,740,214	\$ 401,314	\$ 3,141,528

The investment in the Common Investment Fund represents shares in a mutual fund established by the Roman Catholic Archbishop of Boston, a Corporation Sole (RCAB), to provide a common investment pool in which it and other related entities may participate.

The Common Investment Fund invests nearly all of its funds in the RCAB Collective Investment Partnership (the “Investment Partnership”). The investment objective of the Investment Partnership is to maximize long-term total return, primarily by investing in equity securities, investment grade debt and fixed income securities. The make-up of the Investment Partnership’s investments at June 30, 2025 (the most recently issued audited financial statement of the Partnership) was 38% domestic common stocks, 21% fixed-income securities, 27% private investments and 14% mutual funds and other investments.

The Foundation currently receives a quarterly dividend from the Common Investment Fund equaling 1% of the prior quarter’s fair value (4% annually). These dividends are reinvested on a quarterly basis.

Fair Value Measurements – Generally accepted accounting principles establish a three-level fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value, giving the highest priority to Level 1 measurements. The three levels of the fair value hierarchy are: Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Note 3 – Investments (Cont.)

Unit values in the Common Investment Fund (CIF) do not have quoted prices in active markets or significant other observable inputs that have quoted market prices, although the Foundation can redeem its investments at the net asset values per share. The Foundation estimates the net asset value of its unit holdings in the CIF based on the Foundation's share of the underlying net asset value ("NAV") of the CIF investment portfolio, which is considered a practical expedient to determining the fair value under fair value accounting standards.

The underlying investments of the Investment Partnership are primarily equity and fixed-income securities (U.S. Government and agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly through mutual funds and private entities. The fair value of the Investment Partnership's investments in actively-traded domestic securities is determined by State Street Corporation, which obtains bid price quotations from independent pricing services on most securities. For those securities whose prices are not available through independent pricing services, fair value is estimated by bid price quotations obtained by State Street Corporation from principal makers in those securities, or as determined in good faith by management of the Investment Partnership. The fair values of private investments and commingled funds is determined using the NAV per share as a practical expedient.

Risks and Uncertainties – The Foundation's investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with these investment securities, and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the Statement of Financial Position and the Statement of Activities.

Note 4 – Promises to Give

Promises to give to the Foundation at June 30, 2024 consisted of pledges raised for the Foundation's capital campaign program and are summarized as follows:

Amounts expected to be collected in less than one year	\$ 259,198
Amounts expected to be collected in one to five years	-
	259,198
Less allowance for uncollectible promises to give	(129,600)
Recorded net value of promises to give	<u>\$ 129,598</u>

At June 30, 2024, promises to give from two individuals, approximately \$150,000 and \$75,000, represented 58% and 29% of the total gross promises to give, respectively. The Foundation's remaining promises to give represented donor pledges from various individuals, corporations, and foundations.

There are no promises to give to the Foundation at June 30, 2025.

Note 5 – Net Assets with Restrictions

The following is a summary of the Foundation's net assets that are donor-restricted for the benefit and support of St. Mary's School and its students at June 30:

	<u>2025</u>	<u>2024</u>
Temporary in nature	\$ 1,663,285	\$ 1,721,241
Perpetual in nature	<u>1,600,118</u>	<u>1,556,468</u>
	<u>\$ 3,263,403</u>	<u>\$ 3,277,709</u>

Note 5 – Net Assets with Restrictions (Cont.)

Net assets with donor restrictions which are temporary in nature include amounts that are restricted for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
St. Mary's School, scholarships & financial aid	\$ 228,048	\$ 286,256
St. Mary's School, capital campaign	-	135,352
St. Mary's School, college scholarships for students	292,525	284,602
St. Mary's School, general support and operating expenses	1,040,965	943,221
Accumulated income on endowment funds	<u>101,747</u>	<u>71,810</u>
	<u><u>\$ 1,663,285</u></u>	<u><u>\$ 1,721,241</u></u>

Donor restricted net assets include the following endowment funds, which are required to be maintained in perpetuity, the income from which is expendable to support scholarships for students of the School at June 30:

	<u>2025</u>	<u>2024</u>
Joseph M. Hines Estate	\$ 168,487	\$ 168,487
Schickling Family Scholarship Fund	109,500	109,500
Corcoran Scholarship in Honor of Eleanor Wessell	231,516	229,516
Terri Maguire Scholarship Fund	49,015	48,965
Violet Essery Memorial Scholarship Fund	1,000,000	1,000,000
Jack King '66 Memorial Scholarship Fund	<u>41,600</u>	<u>-</u>
	<u><u>\$ 1,600,118</u></u>	<u><u>\$ 1,556,468</u></u>

Donor restricted net assets, including restricted contributions received during the year, were released and used for the following purposes during the years ended June 30:

	<u>2025</u>	<u>2024</u>
Scholarships & financial aid	\$ 153,513	\$ 83,100
Capital campaign	-	360,309
College scholarships for students	9,500	9,500
General support and operating expenses	<u>129,748</u>	<u>21,218</u>
	<u><u>\$ 292,761</u></u>	<u><u>\$ 474,127</u></u>

The capital campaign for the School was for the purpose of creating Arts, Teaching and Student Life facilities and for the acquisition of property that created space for academic offerings as well as for increasing the School's endowment, which included providing more scholarships and financial aid to students of the School.

Note 6 – Endowments

The Foundation's net assets that are perpetual in nature consist of endowment funds established to support scholarships to students of the School (see Note 5). Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 6 – Endowments (Cont.)

Interpretation of Relevant Law – The Foundation has historically viewed the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the Foundation to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. This is regarded as the “historic dollar value” of the endowment fund. Also included in net assets with donor restrictions is the accumulated appreciation on the donor restricted endowment funds which are available for expenditure in a manner consistent with donor intentions and the standard of prudence prescribed by UPMIFA.

Funds with Deficiencies – From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the “historic dollar value”. Deficiencies of this nature are reported by a charge to net assets with donor restrictions. Deficiencies may result from unfavorable market fluctuations that occurred. For the years ended June 30, 2025 and 2024, one fund with a fair market value of approximately \$140,000 for both years had a deficiency of approximately \$28,000 in each of these years.

Endowment Investment Policy – The Foundation has adopted an investment philosophy which, combined with the spending rate of the School, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods. Under the Foundation’s Investment Policy and spending rate, both of which are approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation has invested its endowment investment portfolio in the Common Investment Fund, which in-turn invests in the Collective Investment Partnership.

The Investment Committee of the RCAB is responsible for selecting the investment managers of the Collective Investment Partnership. The Investment Committee’s investment rationale is to include an array of different strategy and investment managers for the Collective Investment Partnership’s portfolio to reduce overall volatility while providing investment returns above industry benchmarks. (See Note 3, Investments, for more details on the Foundation’s investments and how they are valued.)

Note 6 – Endowments (Cont.)

Endowment composition by type of net asset as of June 30 is as follows:

	Donor-Restricted		
	Temporary in Nature	Perpetual in Nature	Total
<u>For the year ended June 30, 2025:</u>			
Endowment net assets at beginning of year	\$ 71,810	\$ 1,556,468	\$ 1,628,278
Contributions	-	43,650	43,650
Interest and dividends	67,848	-	67,848
Realized net gain on investments	7,679	-	7,679
Unrealized net gain on investments	42,923	-	42,923
Appropriation of endowment assets for expenditure	(88,513)	-	(88,513)
Endowment net assets at end of year	\$ 101,747	\$ 1,600,118	\$ 1,701,865
<u>For the year ended June 30, 2024:</u>			
Endowment net assets at beginning of year	\$ (507)	\$ 556,468	\$ 555,961
Contributions	-	1,000,000	1,000,000
Interest and dividends	23,220	-	23,220
Realized gain on investments	2,884	-	2,884
Unrealized net gain on investments	70,313	-	70,313
Appropriation of endowment assets for expenditure	(24,100)	-	(24,100)
Endowment net assets at end of year	\$ 71,810	\$ 1,556,468	\$ 1,628,278

Note 7 – Related Party Transactions

All of the Foundation's investments are in the Common Investment Fund of the RCAB (see Note 3).

As discussed in Note 1, the School is the sole beneficiary of the Foundation. The Foundation and the School have common Board membership. At June 30, 2025, \$100 is due from the School to the Foundation.

Additionally, during the year ended June 30, 2025, the School provided supporting services to the Foundation for program, general and administrative, and fundraising functions. The value of these services was estimated to be \$88,693, which has been recorded as contributed services (\$90,911 during 2024).

Note 8 – Financial Instruments and Concentrations of Credit Risk

The Foundation's financial instruments that potentially subject it to concentrations of credit risk consist of cash, investments and donor promises to give. A summary of financial instrument and other concentrations follows:

The Foundation maintains its cash accounts in a high-quality financial institution, generally in amounts that are not in excess of FDIC insured limits.

The Foundation also has cash accounts, approximately \$6,000, on deposit with the RCAB at June 30, 2025. These funds are uninsured and pooled with other related organizations' funds in the RCAB's revolving loan fund.

Note 8 – Financial Instruments and Concentrations of Credit Risk (Cont.)

The Foundation's investments in the Common Investment Fund, \$3,267,924 at June 30, 2025, consists substantially of an investment in the RCAB Collective Investment Partnership, a mutual fund administered by the RCAB, whose investments are described in Note 3.

During the years ended June 30, 2025 and 2024, the Foundation received \$41,600 and \$1,000,000 of endowment contributions from unrelated individuals, which represents approximately 82% and 94% of the Foundation's net contributions of cash and other financial assets, respectively.

Note 9 – Liquidity and Availability of Resources

The Foundation's financial assets available for general expenditure within one year of the statement of financial position date are comprised of the following at June 30:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash	\$ 15,379	\$ 21,585
Investments	3,267,924	3,141,528
Promises to give, net	-	129,598
Total financial assets	3,283,303	3,292,711
Less amount of donor restricted net assets:		
Donor restricted endowment funds	(1,600,118)	(1,556,468)
Donor time or purpose restricted net assets	(1,663,285)	(1,721,241)
	(3,263,403)	(3,277,709)
Financial assets available to meet general expenditures over the next twelve months	\$ 19,900	\$ 15,002

As a Foundation with the purpose of raising funds in the form of contributions to assist in supporting the School, the Foundation's principal program expense is the distribution of contributed funds to the School. The Foundation's general operating expenses approximated \$108,000 and \$112,000 for the years ended June 30, 2025 and 2024, respectively. The majority of these expenses were in the form of contributed services (Note 7). Management expects to receive additional support through contributed services and investment earnings over the next twelve months to assist with general operating expenses of the Foundation over that same period.