

**MINNDEPENDENT**

**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**

For The Years Ended  
June 30, 2026 and 2025

Draft 08.19.2026

**MINNDEPENDENT**  
**TABLE OF CONTENTS**

---

|                                   | <u>Page<br/>Number</u> |
|-----------------------------------|------------------------|
| Independent Auditor's Report      | 1                      |
| <b>FINANCIAL STATEMENTS</b>       |                        |
| Statements of Financial Position  | Statement 1 3          |
| Statements of Activities          | Statement 2 4          |
| Statements of Functional Expenses | Statement 3 5          |
| Statements of Cash Flows          | Statement 4 7          |
| Notes to Financial Statements     | 8                      |

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
MINNDEPENDENT  
Edina, Minnesota

### Opinion

We have audited the accompanying financial statements of MINNDEPENDENT (a nonprofit organization), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, 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 MINNDEPENDENT as of June 30, 2026 and 2025, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MINNDEPENDENT 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 MINNDEPENDENT's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



## Auditor's Responsibilities for the Audit of 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 MINNDEPENDENT'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 MINNDEPENDENT'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.

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

<DATE>

**MINNDEPENDENT**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2026 and 2025

**Statement 1**

|                                                   | 2026                      | 2025                    |
|---------------------------------------------------|---------------------------|-------------------------|
| Assets:                                           |                           |                         |
| Current assets:                                   |                           |                         |
| Cash and cash equivalents                         | \$692,565                 | \$649,263               |
| Certificates of deposit                           | 250,000                   | 250,000                 |
| Accounts receivable                               | 1,256                     | -                       |
| Accrued interest receivable                       | 5,908                     | 3,970                   |
| Contributions receivable                          | 52,113                    | 20,949                  |
| Prepaid expenses                                  | 23,517                    | 23,112                  |
| Total current assets                              | <u>1,025,359</u>          | <u>947,294</u>          |
| Property and equipment:                           |                           |                         |
| Furniture and equipment                           | 20,999                    | 23,021                  |
| Website design                                    | 12,726                    | 12,726                  |
| Less: Accumulated depreciation                    | (29,327)                  | (35,588)                |
| Total property and equipment                      | <u>4,398</u>              | <u>159</u>              |
| Other assets:                                     |                           |                         |
| Operating lease right-to-use asset                | <u>52,837</u>             | <u>12,592</u>           |
| Total assets                                      | <u><u>\$1,082,594</u></u> | <u><u>\$960,045</u></u> |
| Liabilities and net assets:                       |                           |                         |
| Current liabilities:                              |                           |                         |
| Accounts payable                                  | \$11,580                  | \$12,871                |
| Accrued liabilities                               | 1,885                     | 1,731                   |
| Deferred revenue                                  | 11,060                    | 11,235                  |
| Operating lease liability, current                | 14,965                    | 8,912                   |
| Total current liabilities                         | <u>39,490</u>             | <u>34,749</u>           |
| Long-term liabilities:                            |                           |                         |
| Operating lease liability, net of current portion | <u>42,485</u>             | <u>2,685</u>            |
| Total liabilities                                 | <u>81,975</u>             | <u>37,434</u>           |
| Net assets:                                       |                           |                         |
| Without donor restrictions:                       |                           |                         |
| Undesignated                                      | 65,727                    | 25,670                  |
| Board designated for operating reserves           | 415,265                   | 369,849                 |
| With donor restrictions                           | <u>519,627</u>            | <u>527,092</u>          |
| Total net assets                                  | <u>1,000,619</u>          | <u>922,611</u>          |
| Total liabilities and net assets                  | <u><u>\$1,082,594</u></u> | <u><u>\$960,045</u></u> |

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

**MINNDEPENDENT****STATEMENTS OF ACTIVITIES****Statement 2**

For the Years Ended June 30, 2026 and 2025

|                                       | 2026                          |                            |                    | 2025                          |                            |                  |
|---------------------------------------|-------------------------------|----------------------------|--------------------|-------------------------------|----------------------------|------------------|
|                                       | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total              | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total            |
| Revenues:                             |                               |                            |                    |                               |                            |                  |
| Support:                              |                               |                            |                    |                               |                            |                  |
| Contributions                         | \$80,322                      | \$44,775                   | \$125,097          | \$74,688                      | \$42,968                   | \$117,656        |
| Grants                                | 111,875                       | 170,000                    | 281,875            | 64,000                        | 175,000                    | 239,000          |
| Sponsorships                          | 92,100                        | -                          | 92,100             | 90,305                        | -                          | 90,305           |
| Revenue:                              |                               |                            |                    |                               |                            |                  |
| Member dues                           | 221,665                       | -                          | 221,665            | 214,613                       | -                          | 214,613          |
| Program income                        | 28,220                        | -                          | 28,220             | 36,645                        | -                          | 36,645           |
| Interest income                       | 25,237                        | -                          | 25,237             | 30,315                        | -                          | 30,315           |
| Other income                          | 142                           | -                          | 142                | -                             | -                          | -                |
| Net assets released from restrictions | 222,240                       | (222,240)                  | -                  | 196,997                       | (196,997)                  | -                |
| Total revenues                        | <u>781,801</u>                | <u>(7,465)</u>             | <u>774,336</u>     | <u>707,563</u>                | <u>20,971</u>              | <u>728,534</u>   |
| Expenses:                             |                               |                            |                    |                               |                            |                  |
| Program expenses:                     |                               |                            |                    |                               |                            |                  |
| Public policy                         | 54,564                        | -                          | 54,564             | 63,414                        | -                          | 63,414           |
| Educational conferences               | 99,210                        | -                          | 99,210             | 107,893                       | -                          | 107,893          |
| Member services                       | 141,020                       | -                          | 141,020            | 141,667                       | -                          | 141,667          |
| STEM                                  | 150,112                       | -                          | 150,112            | 156,316                       | -                          | 156,316          |
| Fundraising expenses                  | 59,056                        | -                          | 59,056             | 59,807                        | -                          | 59,807           |
| Administrative expenses               | 192,366                       | -                          | 192,366            | 169,410                       | -                          | 169,410          |
| Total expenses                        | <u>696,328</u>                | <u>0</u>                   | <u>696,328</u>     | <u>698,507</u>                | <u>0</u>                   | <u>698,507</u>   |
| Increase (decrease) in net assets     | 85,473                        | (7,465)                    | 78,008             | 9,056                         | 20,971                     | 30,027           |
| Net assets - beginning of year        | 395,519                       | 527,092                    | 922,611            | 386,463                       | 506,121                    | 892,584          |
| Net assets - end of year              | <u>\$480,992</u>              | <u>\$519,627</u>           | <u>\$1,000,619</u> | <u>\$395,519</u>              | <u>\$527,092</u>           | <u>\$922,611</u> |

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

**MINDEPENDENT**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended June 30, 2026 and 2025

**Statement 3**  
**Page 1 of 2**

|                             | 2026             |             |           |                  |             |                |
|-----------------------------|------------------|-------------|-----------|------------------|-------------|----------------|
|                             | Program Expenses |             |           | Support Services |             |                |
|                             | Public           | Educational | Member    | STEM             | Fundraising | Administration |
|                             | Policy           | Conferences | Services  |                  |             |                |
|                             |                  |             |           |                  |             | Total          |
| Expenses:                   |                  |             |           |                  |             |                |
| Salary and benefits         | \$16,857         | \$40,252    | \$116,774 | \$44,012         | \$50,351    | \$93,454       |
| Outside services            | 21,080           | 4,500       | -         | 52,214           | -           | -              |
| Equipment related           | 1,212            | 2,900       | 8,212     | 3,141            | 3,530       | 7,856          |
| Rent, utilities and parking | 733              | 1,634       | 6,362     | 2,446            | 2,641       | 10,342         |
| Telephone                   | 71               | 171         | 481       | 186              | 209         | 365            |
| Legal and accounting        | -                | -           | -         | -                | -           | 72,069         |
| Depreciation                | -                | -           | -         | -                | -           | 558            |
| Office and general          | 1,606            | 4,195       | 1,687     | 904              | 941         | 964            |
| Postage                     | -                | 7           | -         | -                | 23          | 125            |
| Printing                    | -                | 1,401       | -         | -                | -           | 644            |
| Meals and entertainment     | 7                | -           | 353       | -                | 846         | 7              |
| Mileage and parking         | 238              | 27          | 698       | -                | 150         | 178            |
| Insurance                   | -                | -           | -         | -                | -           | 3,279          |
| Meetings and conferences    | -                | 43,169      | 16        | 4,747            | -           | 274            |
| Dues and subscriptions      | 12,655           | 278         | 1,833     | 53               | 58          | 1,718          |
| Advertising                 | 105              | 676         | 4,604     | 272              | 307         | 533            |
| Grants                      | -                | -           | -         | 42,137           | -           | -              |
| Total expenses              | \$54,564         | \$99,210    | \$141,020 | \$150,112        | \$59,056    | \$192,366      |
|                             |                  |             |           |                  |             | \$696,328      |

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

**MINDEPENDENT**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended June 30, 2026 and 2025

**Statement 3**  
**Page 2 of 2**

|                             |  | 2025             |                         |                 |                  |           |
|-----------------------------|--|------------------|-------------------------|-----------------|------------------|-----------|
|                             |  | Program Expenses |                         |                 | Support Services |           |
|                             |  | Public Policy    | Educational Conferences | Member Services | STEM             | Total     |
| Expenses:                   |  |                  |                         |                 |                  |           |
| Salary and benefits         |  | \$23,957         | \$39,071                | \$115,561       | \$41,050         | \$346,806 |
| Outside services            |  | 30,385           | 5,200                   | -               | 60,450           | 99,660    |
| Equipment related           |  | 1,683            | 2,689                   | 7,952           | 2,803            | 24,008    |
| Rent, utilities and parking |  | 1,963            | 3,093                   | 9,333           | 3,319            | 27,596    |
| Telephone                   |  | 102              | 164                     | 475             | 168              | 1,424     |
| Legal and accounting        |  | -                | -                       | -               | -                | 71,541    |
| Depreciation                |  | -                | -                       | -               | -                | 1,899     |
| Office and general          |  | 928              | 3,985                   | 2,468           | 470              | 8,681     |
| Postage                     |  | -                | -                       | -               | -                | 167       |
| Printing                    |  | -                | 1,123                   | -               | -                | 632       |
| Meals and entertainment     |  | 68               | -                       | 298             | 7                | 1,755     |
| Mileage and parking         |  | 516              | 372                     | -               | -                | 1,347     |
| Insurance                   |  | -                | -                       | -               | -                | 908       |
| Meetings and conferences    |  | -                | 50,807                  | 361             | -                | 1,706     |
| Dues and subscriptions      |  | 3,678            | 593                     | 2,769           | 3,284            | 54,657    |
| Advertising                 |  | 134              | 796                     | 2,450           | 56               | 7,582     |
| Grants                      |  | -                | -                       | -               | 354              | 4,415     |
|                             |  |                  |                         |                 | 44,355           | 44,355    |
| Total expenses              |  | \$63,414         | \$107,893               | \$141,667       | \$156,316        | \$698,507 |
|                             |  |                  |                         |                 | \$59,807         | \$169,410 |

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

**MINNDEPENDENT****STATEMENTS OF CASH FLOWS**

For the Years Ended June 30, 2026 and 2025

**Statement 4**

|                                                                                             | 2026      | 2025      |
|---------------------------------------------------------------------------------------------|-----------|-----------|
| Cash flows from operating activities:                                                       |           |           |
| Change in net assets                                                                        | \$78,008  | \$30,027  |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |           |           |
| Depreciation                                                                                | 558       | 1,899     |
| Noncash operating lease expense                                                             | 5,608     | (285)     |
| Change in assets and liabilities:                                                           |           |           |
| Accounts receivable                                                                         | (1,256)   | -         |
| Contributions receivable                                                                    | (31,164)  | 27,206    |
| Accrued interest receivable                                                                 | (1,938)   | (939)     |
| Prepaid expenses                                                                            | (405)     | (12,258)  |
| Accounts payable                                                                            | (1,291)   | 871       |
| Accrued liabilities                                                                         | 154       | 223       |
| Deferred revenue                                                                            | (175)     | (1,395)   |
| Net cash provided by operating activities                                                   | 48,099    | 45,349    |
| Cash flows from investing activities:                                                       |           |           |
| Purchases of property and equipment                                                         | (4,797)   | -         |
| Purchase of certificates of deposit                                                         | (375,000) | (250,000) |
| Proceeds from certificates of deposit                                                       | 375,000   | 265,000   |
| Net cash (used in) provided by investing activities                                         | (4,797)   | 15,000    |
| Net increase in cash and cash equivalents                                                   | 43,302    | 60,349    |
| Cash and cash equivalents - beginning of year                                               | 649,263   | 588,914   |
| Cash and cash equivalents - end of year                                                     | \$692,565 | \$649,263 |

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

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. NATURE OF ACTIVITIES**

Founded in 1976, MINNDEPENDENT (the Organization) is the largest membership organization serving independent and private schools in Minnesota. Our mission is to connect and strengthen Minnesota's independent schools through exceptional training, resources, and advocacy so they can be student-centered and mission-driven. The Organization brings member schools together for connection, collaboration, capacity building, critical resources access and collective action. The Organization increases the sector's capacity for collective action through programming, partnerships, and public policy initiatives. The Organization builds relationships with donors, funders, and collaborative partners to support targeted programs. The Organization believes every student deserves and needs to benefit from its programs, services, education research, and public policy support. The Organization is viewed as the connector to the sector for private schools related to membership and resources. The Organization has developed strong and mature relationships with the Minnesota Department of Education as the first call for topics and issues that may have impact and effect on the nonpublic schools of Minnesota.

**B. BASIS OF PRESENTATION**

These financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP), which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**C. CONTRIBUTIONS AND RESTRICTIONS**

Contributions received are recorded as an increase in net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions. Accordingly, net assets of the Organization 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 (or certain grantor) restrictions. This category includes funds that have been internally designated by the Organization.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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 donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources were restricted has been fulfilled, or both.

At June 30, 2026 and 2025, the Organization had no net assets with donor restrictions that were permanent in nature.

**D. CASH AND CASH EQUIVALENTS**

For purposes of the statements of cash flows, cash and cash equivalents is defined as the checking and savings accounts of the Organization and short-term investments with original maturity dates of three months or less. Bank balances may exceed FDIC coverage from time-to-time throughout the year.

#### **E. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES**

The Organization estimates the allowance for credit losses on trade accounts receivables on a collective basis when receivables share similar risk characteristics. The estimate is based primarily on historical loss experience, adjusted as necessary for current economic conditions and other relevant qualitative factors. Receivables with known collectability issues or that do not share similar risk characteristics are evaluated on an individual basis.

The Organization has elected the practical expedient permitted under U.S. GAAP to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. Management also considers subsequent cash collections on accounts receivable, through the date the financial statements are available to be issued, in evaluating the adequacy of the allowance.

Based on these factors, management determined that expected credit losses were not material as of June 30, 2026 and 2025, and accordingly no allowance for credit losses was recorded.

#### **F. PROPERTY AND EQUIPMENT**

The Organization capitalizes all property and equipment acquisitions in excess of \$500. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method over an estimated useful life of five years. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. Website design is amortized over five years using the straight-line method. Amortization expense is included with depreciation. Depreciation expense for each of the years ended June 30, 2026 and 2025 was \$558 and \$1,899.

#### **G. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **H. LEASES**

For any lease with an initial term in excess of 12 months, the related leased asset and liability are recognized on the statements of financial position as either operating or finance leases at the inception of an agreement where it is determined that a lease exists. The Organization has elected to exclude short-term leases for all classes of underlying assets from balance sheet recognition. A lease is considered to be short-term if it contains a lease term of 12 months or less. Lease expense related to short-term leases is recognized on a straight-line basis over the term of the lease. The Organization may enter into leases that contain both lease and non-lease components. The Organization has not elected the practical expedient to combine lease and non-lease components.

Operating lease assets are included in operating lease right-of-use ("ROU") assets. ROU assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make lease payments arising from the related operating lease. Finance leases are included in property and equipment and finance lease liabilities. These assets and liabilities are recognized based on the present value of future payments over the lease term at the commencement date. The Organization has elected to use the risk-free rate as the discount factor in lieu of determining the incremental borrowing rate for all classes of underlying assets when the implicit rate is not readily determinable.

## I. TAX STATUS

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, any unrelated business income may be subject to taxation. The Organization has not had any material unrelated business income.

A tax expense or benefit from an uncertain income tax position (including tax-exempt status) may be recognized only when it is more likely than not that the position will be sustained upon examination by taxing authorities. Management believes the Organization has no uncertain income tax positions that would result in an accrual, expense or benefit under the more likely than not standard.

## J. REVENUE AND REVENUE RECOGNITION

The Organization recognizes contributions and support revenue when cash or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barriers, and right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization has various contributions which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Organization has met certain performance requirements and/or has incurred expenditures in compliance with specific contract provisions. Amounts received prior to meeting certain performance requirements and/or incurring qualifying expenditures are reported as refundable advances in the statements of financial position. There are no contributions that have not been recognized as of June 30, 2026 and 2025, respectively.

Member dues are exchange transactions with member schools and are used for the operating expenses of the Organization and certain direct and indirect program expenses. Revenue is recognized over time, as the underlying services are provided over the membership period. Program income are exchange transactions and revenue is recognized at a point in time, when the underlying conference, seminar or event occurs. Amounts collected during registration are considered deferred until the event is held, and then recognized as revenue.

Balances relating to transactions recognized in accordance with ASC 606 are as follows:

|                     | <u>June 30, 2026</u> | <u>June 30, 2025</u> | <u>July 1, 2024</u> |
|---------------------|----------------------|----------------------|---------------------|
| Accounts receivable | \$1,256              | \$ -                 | \$ -                |
| Deferred revenue    | 11,060               | 11,235               | 12,630              |

## K. FUNCTIONAL EXPENSE ALLOCATION

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization charges all expenses that are directly related to a program to the specific program when incurred. However, there are certain expenses that are shared or attributable to more than one program or support function. They are salaries, payroll taxes, unemployment taxes, life and health insurance, pension plan, rent and utilities, contract parking, telephone, equipment service contracts, equipment lease, computer software and services, PayPal and merchant fees and office supplies. These expenses have been allocated among the programs and supporting services benefited based on actual FTE (full time equivalent).

## L. CONDITIONAL GRANTS AWARDED

The Organization awards grants on an annual basis. Typically, a portion of each grant is not paid until the recipient has met certain conditions. Grant expense is recognized when the conditions are met. Conditional grants awarded but not recognized at June 30, 2026 and 2025 were \$13,504 and \$8,870 respectively.

---

**Note 2     LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date are as follows:

|                             | <u>2026</u>        | <u>2025</u>      |
|-----------------------------|--------------------|------------------|
| Cash and cash equivalents   | \$692,565          | \$649,263        |
| Certificates of deposit     | 250,000            | 250,000          |
| Accounts receivable         | 1,256              | -                |
| Accrued interest receivable | 5,908              | 3,970            |
| Contributions receivable    | <u>52,113</u>      | <u>20,949</u>    |
|                             | <u>\$1,001,842</u> | <u>\$924,182</u> |

None of the Organization's financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure. As part of the Organization's liquidity management plan, the Board has designated funds set aside in an operating reserve which may be drawn upon in the event of an unanticipated liquidity need. As of June 30, 2026, and 2025, there were \$415,265 and \$369,849, respectively, designated for an operating reserve. These amounts are included in the cash and cash equivalents and certificates of deposit amounts above.

**Note 3     RETIREMENT PLAN**

The Organization sponsors a defined contribution salary reduction retirement plan that covers all full-time employees. The plan provides for a 6% employer contribution based on all eligible employee compensation. Pension expense for the years ended June 30, 2026 and 2025 were \$18,006 and \$17,291, respectively.

**Note 4     NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATIONS**

As of June 30, 2026 and 2025, the Board had designated \$415,265 and \$369,849 respectively, into an operating reserve to use when appropriate and as needed to ensure the stability of the mission, programs, employment, and ongoing operations of the Organization.

**Note 5     NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted as follows:

|                     | <u>2026</u>      | <u>2025</u>      |
|---------------------|------------------|------------------|
| Time restricted     | \$22,113         | \$31,666         |
| Purpose restricted: |                  |                  |
| Strategic planning  | 241,302          | 242,927          |
| STEM                | 252,937          | 252,499          |
| CRM platform        | <u>3,275</u>     | <u>-</u>         |
| Total               | <u>\$519,627</u> | <u>\$527,092</u> |

**Note 6 OPERATING LEASES**

The Organization leases an office facility and certain equipment at various terms under long-term, non-cancelable operating leases. The leases expire at various dates through 2030. The office facility lease requires the Organization to pay real estate taxes and other operating expenses.

The weighted-average remaining lease term is 3.72 years and 1.27 years for the years ended June 30, 2026 and 2025, respectively. The weighted-average discount rate is 3.74% and 3.31% for the years ended June 30, 2026 and 2025, respectively.

Total operating lease expense for the years ended June 30 is as follows:

|                         | <u>2026</u>     | <u>2025</u>     |
|-------------------------|-----------------|-----------------|
| Operating lease expense | <u>\$16,138</u> | <u>\$16,158</u> |

The following table summarizes supplemental cash flow information for the years ended June 30:

|                                                                                | <u>2026</u>     | <u>2025</u>     |
|--------------------------------------------------------------------------------|-----------------|-----------------|
| <u>Right of use assets obtained in exchange for new lease liabilities:</u>     |                 |                 |
| Operating leases                                                               | <u>\$56,035</u> | <u>\$ -</u>     |
| <u>Cash paid for amounts included in the measurement of lease liabilities:</u> |                 |                 |
| Operating cash flows from operating leases                                     | <u>\$11,526</u> | <u>\$16,158</u> |

The future maturities of lease liabilities are as follows:

| <u>Year Ended June 30,</u>      |                 |
|---------------------------------|-----------------|
| 2027                            | \$16,808        |
| 2028                            | 15,988          |
| 2029                            | 15,507          |
| 2030                            | <u>13,196</u>   |
| Total lease payments            | 61,499          |
| Less: Present value of discount | <u>(4,049)</u>  |
| Present value of lease payments | <u>\$57,450</u> |

**Note 7 CONTINGENCIES**

**PPP LOANS AND LOAN FORGIVENESS**

The Organization received two Paycheck Protection Program (PPP) loans of \$59,500 and \$70,830, which were fully forgiven in January 2021 and August 2021, respectively. The expenditures made under the PPP loan program are subject to review and audit by the SBA for six years from the date the loan was forgiven. Management believes that any liability for disallowances, which may arise as a result of an audit, would not be material.

**EMPLOYEE RETENTION CREDIT**

During the year ended June 30, 2023, the Organization recognized Employee Retention Credit (ERC) revenue of \$69,003, which was fully collected during the year ended June 30, 2024. ERC revenue is subject to review and audit by the IRS for three years from the date of filing.

**Note 8 SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated for recognition or disclosure the events or transactions that occurred through <DATE>, the date the financial statements were available to be issued.