

SOUTHEASTERN LEGAL FOUNDATION, INC. Roswell, Georgia

Financial Statements *June 30, 2025*







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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees Southeastern Legal Foundation, Inc. Roswell, Georgia

Opinion

We have audited the accompanying financial statements of Southeastern Legal Foundation, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southeastern Legal Foundation, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Southeastern Legal Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Southeastern Legal 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.

Auditor's Responsibility 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 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 Southeastern Legal 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 Southeastern Legal 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.

October 27, 2025

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STATEMENT OF FINANCIAL POSITION As of June 30, 2025

ASSETS CURRENT ASSETS Cash and cash equivalents \$ 864,307 Restricted cash 66,893 Prepaid expenses and deposits 30,305 Investments 7,144,832 Total current assets 8,106,337 PROPERTY AND EQUIPMENT 294,870 **Property** Less: accumulated depreciation (85,172)Property and equipment, net 209,698 OTHER ASSETS Right of use assets - operating leases 11,708 8,327,743 Total assets LIABILITIES AND NET ASSETS **CURRENT LIABILITIES** Accounts payable \$ 11,418 Client trust funds payable 66,893 <u>4,384</u> Lease liability - operating leases Total current liabilities 82,695 LONG TERM LIABILITIES Lease liability - operating leases 7,324 Total long term liabilities 7,324 **NET ASSETS** Net assets without donor restrictions 8,237,724 Net assets with donor restrictions Total net assets 8,237,724

8,327,743

Total liabilities and net assets

STATEMENT OF ACTIVITIES For the year ended June 30, 2025

	Without Do Restriction		
REVENUE AND SUPPORT			
Direct Mail	\$ 496,6	519 \$ -	\$ 496,619
Grants	705,6		
Contributions	388,1	195 -	388,195
Investment income	103,2	210 -	103,210
Interest and dividend income	339,5	541 -	339,541
Other income	118,9	<u></u>	118,966
Total revenue and support	2,152,1	280,000	2,432,158
Net assets released from restrictions	280,0	000 (280,000	<u> </u>
EXPENSES			
Program services	2,053,0	89 -	2,053,089
Supporting services	174,1		174,101
Fundraising	97,9		97,924
Loss on disposal of assets	8	35 -	835
Total expenses	2,325,9	49	2,325,949
CHANGE IN NET ASSETS	106,2	09 -	106,209
NET ASSETS, beginning of year	8,131,5	15	8,131,515
NET ASSETS, end of year	\$ 8,237,72	<u> 24</u> \$ <u> </u>	\$ <u>8,237,724</u>

STATEMENT OF FUNCTIONAL EXPENSES For the year ended June 30, 2025

	Supporting Services				
	Management and				
	Pro	gram Services	General	Fundraising	Total
			,		
Bank service charges	\$	26,019 \$	1,445 \$	1,445 \$	28,909
Depreciation	,	11,307	628	628	12,563
Direct mail		324,222	-	36,025	360,247
Employee benefits		77,751	9,147	4,574	91,472
Insurance		5,743	-	-	5,743
Internet and computer expense		26,358	-	-	26,358
Lease expense - operating lease		4,698	261	261	5,220
Lease expenses - short term leases		763	42	42	847
Legal case expense		409,777	-	-	409,777
Office expense		31,894	1,772	1,772	35,438
Payroll taxes		48,124	9,023	3,008	60,155
Professional fees		338,460	14,251	3,563	356,274
Repairs and maintenance		13,405	745	745	14,895
Retirement plan contributions		23,814	4,465	1,488	29,767
Salaries and wages		703,592	131,924	43,975	879,491
Telephone and utilities		7,162	398	398	7,958
Total expenses	\$	2,053,089 \$	174,101 \$	97,924 \$	2,325,114

STATEMENT OF CASH FLOWS For the year ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 106,209
Adjustments to reconcile change in net assets to net cash provided by operating	
activities:	10.563
Depreciation (Gains) losses on investments	12,563 (47,173)
Impairment of other asset	27,622
Loss on disposal of assets	835
(Increase) decrease in assets:	
Prepaid expenses	(13,259)
Increase (decrease) in liabilities:	
Accounts payable	899
Accrued expenses Client trust funds payable	(1,050) 194
• •	
Total adjustments	 (19,369)
Net cash provided by operating activities	 86,840
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(1,261)
Distributions from investment in partnership	872,382
Proceeds from investments	181,570
Purchase of investments	 (789,665)
Net cash provided by investing activities	 263,026
NET DECREASE IN CASH	349,866
Cash, cash equivalents and restricted cash, beginning of year	 581,334
Cash, cash equivalents, and restricted cash, end of year	\$ 931,200

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Southeastern Legal Foundation, Inc. ("the Foundation") is a nonprofit organization whose mission is to make grants, or provide and assist in legal representation on behalf of the citizens of the United States of America on matters of public interest at all levels of the judicial and administrative process. The Foundation also conducts nonpartisan studies and research to collect, compile, and publish full and fair presentation of the facts, information and statistics concerning the effects of various government activities upon the social and economic institutions of the citizens of the United States. The Foundation provides these services through grants and contributions from both the private and public sectors.

Basis of Accounting

The Foundation utilizes the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit-Entities*. Accordingly, the Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions.

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Foundation. As of June 30, 2025, net assets without donor restrictions were \$8,237,724.

Net assets with donor restrictions are amounts subject to donor-imposed stipulations that may, or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires or the Foundation has satisfied the restriction, donor restricted net assets are reclassified to non-donor restricted net assets. Net assets with donor restrictions were \$0 for the year ended June 30, 2025.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the year ended June 30, 2025 include valuations of leases.

Revenue Recognition

The Foundation generates revenue from grant income which is recognized when the Organization fulfills its obligations specified in the underlying grant agreements. These grant agreements may be recognized as conditional contributions, restricted or unrestricted contributions, or exchange transactions. When grants are determined to be conditional contributions they are recognized in revenue when those conditions have been met. Grant funds received for which conditions have not yet been met are reported as liabilities on the Statement of Financial Position. Grants determined to be restricted or unrestricted contributions are recognized as revenue when the grant is awarded.

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For grant agreements determined to be exchange transactions, the Foundation recognizes certain revenue from contracts with grantors in accordance with ASC Topic 606 Revenue from Contracts with Customers. ASC 606 provides for a five-step model for recognizing revenue from contracts with customers as follows:

- 1. Identify the contract
- 2. Identify the performance obligations
- 3. Determine the transaction price
- 4. Allocate the transaction price
- 5. Recognize revenue

Revenue is disaggregated based on the timing of the transfer of goods and services and the type of goods and services transferred. The transaction price is the amount of consideration to which the Foundation expects to be entitled in exchange for transferring goods and services to the customer. The transaction price generally includes fixed amounts but may from time to time include variable amounts to the extent that a significant reversal of revenue recognized will not occur when the uncertainty associated with variable consideration is subsequently resolved, that is, it is probable and estimable.

Generally, the Foundation's contracts with customers contain one performance obligation. Performance obligations related to contracts with customers for grant agreements where performance obligations are for educational services at a specific date are satisfied at a point in time because the performance of the contract typically creates or enhances an asset that the customer controls as the asset is delivered to the customer. Performance obligations related to other grant agreements where educational services are performed over a period of time are satisfied over time because the performance of the contract typically creates or enhances an asset that the customer controls as the asset is created or provided over time. Revenue is recognized as performance obligations are satisfied and control of the promised goods and / or service is transferred to the customer. Revenue that is recognized at a point in time as control is transferred to the customers is done by measuring the progress toward complete satisfaction of the performance obligation using the units delivered output method which is generally the best depiction of transfer of control. For revenue that is recognized over time as control is transferred to the customers is done by measuring the progress toward complete satisfaction of the performance obligation using the costs incurred-to-date input method which is generally the best depiction of transfer of control.

Subsequent to the inception of a contract, the transaction price could change for various reasons, including a credit that can be applied to amounts owed, or that will be owed, or a full or partial refund. Changes that are accounted for as an adjustment to existing performance obligations are allocated on the same basis at contract inception. Otherwise, changes are accounted for as separate performance obligations and the separate transaction price is allocated as discussed above.

Contract costs include costs directly related to contract performance, such as labor and supplies, and those indirect costs related to contract performance, such as indirect labor, supplies, and depreciation. Both direct and indirect contract costs are are charged to their functional expense category as they are incurred.

Contract assets consist of unbilled receivables on contracts where all performance obligations have been met. Based on historical experience, the collection risk related to contract assets are low. When events or conditions indicate that it is probable that the amounts outstanding become unbillable, the transaction price and associated contract asset is reduced.

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract liabilities consist of performance obligations not yet completed but for which amounts have been billed and or received.

The Foundation may have obligations to return funds received from a grantor for non-compliance with the grant contract.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted cash

Restricted cash consists of an account representing unclaimed awards from a previously closed legal case that have not been distributed to the plaintiffs. The Foundation maintains these funds in a separate interest on lawyers' trust account as required with a corresponding client trust funds payable of \$66,893.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the determination in the change in net assets.

Contributed Goods and Services

Donated goods and services are reported as contributions at their estimated fair value on the date of receipt and reported as expenses when utilized. Donated goods and services are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated services are used by the Foundation to conduct activities and events. Donated goods may be sold depending upon their nature and use to the Foundation.

Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the useful lives of the assets. Property and equipment consists of the building, furniture and fixtures, and computer equipment which have a useful life between five and forty years. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the current year's changes in net assets. Repairs and maintenance charges, which do not significantly extend the useful lives of the assets, are charged to expense as incurred, while major replacements and betterments are capitalized.

Leases

The Foundation determines if an arrangement is a lease at inception. The Foundation uses the following primary accounting provisions to classify transactions as financing or operating leases. Leases meeting any of these conditions are accounted for as financing leases, those that meet none, as operating leases.

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 1. Review of the lease term to determine if it is for a major part of the economic life of the underlying asset.
- 2. Review of the present value of the lease payments to determine if they are equal to, or greater than, substantially all of the fair market value of the underlying asset at the inception of the lease.
- 3. Review of the lease agreement to determine if there is an option to purchase the underlying asset that the Foundation is reasonably certain to exercise, or, if the ownership of the underlying asset transfers to the Foundation at the end of the lease term.
- 4. Review of the underlying asset to determine if it is highly specialized or would have no alternative use to the lessor after the lease term.

Right-of-use (ROU) assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Variable lease payments represent expenses incurred for the lease because of changes in facts or circumstances occurring after the commencement date.

Lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. ROU assets are recorded starting with lease liability amount and include adjustments as required under the standard. ROU assets are amortized over the lease term. Amortization of the ROU assets are recorded as lease expense under operating leases and as amortization expenses under finance leases. Lease payments under operating leases are recognized as expenses on a straight-line basis over the lease term. Interest expense included in lease payments under financing leases is recognized as expenses when incurred. Variable lease costs not included in the calculation of the ROU asset and lease liability at the commencement date are recognized as expenses when incurred.

The Foundation has elected, by class of underlying asset, to not separate non-lease components from lease components and instead, to account for each separate lease component and the non-lease component(s) as a single lease component. This election applies to all of the Foundation's leases.

The Foundation elects to use the risk-free discount rate for all leases that don't already have an explicit or implicit rate included in the lease, and to use this rate instead of the Foundation's incremental borrowing rate. The risk-free rate is determined using a comparable period with that of the lease term and is elected by class of underlying assets. The Foundation is applying this policy to all of the Foundation's leases.

The Foundation has elected for short-term leases, defined as leases with a term of twelve months or less, to recognize the lease payments in profit or loss on a straight-line basis over the lease term and associated variable lease payments (if any) in the period in which the obligation for those payments is incurred. This policy election is made by class of underlying asset to which the right of use relates.

Costs incurred to bring a leased asset to the condition and location necessary for its intended use are expensed as incurred.

Where the Foundation is leasing a portion of a larger asset, the Foundation estimates the fair value of the portion of the underlying asset being leased when applying the lease classification criteria.

Income Taxes

The Foundation is a non-profit organization which has been determined by the Internal Revenue Service to be exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foundation's income tax returns are subject to examination by the appropriate regulatory authorities and remain open for examination for a period of three years after the respective filing deadlines of those returns.

Functional and Programmatic Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional and programmatic basis in the statement of changes in net assets. Accordingly, certain costs not directly chargeable have been allocated among the program and supporting services expenses and funds benefited.

Fair Value of Financial Instruments

The Foundation's financial instruments, are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

Other Income

As a result of its operations, the Foundation may receive court-sanctioned attorneys' fee awards. These amounts, when received, are included in other income along with income from other miscellaneous sources. During the year ended June 30, 2025, the Foundation received \$101,451 in attorneys fee award.

2. FAIR VALUE MEASUREMENTS

The Foundation applies the provisions of Fair Value Measurements and Disclosures (FASB ASC 820) to its recurring and nonrecurring measurements. Non-recurring assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances and on a period basis. In accordance with FASB ASC 820, the fair value of financial instruments is based on market trading information, where available. Absent published market values for an instrument or other assets, management uses observable market data to arrive at its estimates of fair value.

Fair value is defined as an exit price, representing the amount 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. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

<u>Level 1</u> - Quoted prices for identical assets or liabilities in active markets.

<u>Level 2</u> - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; or market - corroborated inputs.

<u>Level 3</u> - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

2. FAIR VALUE MEASUREMENTS (continued)

All of the investments held by the Foundation for the year ended June 30, 2025 are considered Level 1 and Level 2 investments. There have been no changes in the methodologies used, and no transfers in or out of the levels within the fair value hierarchy for the year ended June 30, 2025. The Foundation's investments consist of mutual funds and exchange traded funds, which are valued at the closing price of the active market in which the security is traded, and is valued on a recurring basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair values of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth a summary of the Foundation's investments that were measured at fair value on a recurring basis as of:

Fair Value Measurements at the End of the Reporting Period Using:

			•	Quoted Prices in Active Markets for Identical		Significant Other Observable	Į	Significant Jnobservable
	_6	30/2025	Α	Assets (Level 1)	In	puts (Level 2)	In	puts (Level 3)
Recurring fair value measurements:								
Mutual Funds	\$	256,806	\$	256,806	\$	-	\$	-
Exchange Traded Funds		626,613		626,613		-		-
Real Estate Income Trust		956,755		-		956,755		-
Stock and Mutual Funds - Equity		1,404,822		1,404,822		-		-
Treasury and Corporate Bonds		3,899,836	_	3,899,836	_	-	_	
Total recurring fair value								
measurements	\$ <u>_</u>	7,144,832	\$	256,806	\$_	956,755	\$_	

3. INVESTMENT - OTHER

As of June 30, 2024, the Foundation had a minority share investment in a private equity limited partnership. During the year ended June 30, 2025, the Foundation received final distributions and was no longer invested in the partnership. During the year ended June 30, 2025, the Foundation recognized income of \$56,037.

4. INVESTMENT INCOME

Investment income consists of the following:

Net realized and unrealized gains	\$	47,173
Income from partnership		56,037
Dividends and interest	_	339,541
Total investment income	\$	442,751

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Building	\$	248,551
Furniture and fixtures		34,087
Computer equipment	_	12,232
Total cost		294,870
Less: accumulated depreciation	_	(85,172)
Property and equipment, net	\$_	209,698

Depreciation expense for the year ended June 30, 2025 was \$12,563.

6. INTANGIBLE ASSETS

The Foundation had intangible assets resulting from their participation in a direct mail and list rental program. No useful life is determinable and the value was adjusted annually based on independent valuations. As of June 30, 2025, the balance remaining from the prior year was impaired and a loss of \$27,622 was recognized and included in direct mail expenses in the statement of functional expenses.

7. NET ASSETS WITH DONOR RESTRICTIONS

There were no assets with donor restrictions at June 30, 2025.

Net assets released from donor restrictions are as follows at June 30, 2025:

Saving America's Schools	\$280,000
Total	\$ 280,000

8. NET ASSETS LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash	\$ 864,307
Investments	7,144,832
Total	\$ 8,009,139

The Foundation has a goal to maintain a cash balance to meet several months of operating expenses which were on average \$192,713 per month for the year ended June 30, 2025 (excluding non-cash expenses such as depreciation expense). The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

9. LEASES

The Foundation has an operating lease for equipment with an initial term of five years. The Foundation's

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

9. LEASES (continued)

lease agreement does not contain material residual value guarantees or material restrictive covenants and does not contain any variable lease payment requirements. There are no specified options to renew and therefore no options to extend have been included in the calculation of the Foundation's right-of-use asset and liabilities.

Lease costs consist of the following as of June 30:

Lease Costs:

Operating lease cost	\$ 5,220
Variable lease cost	847
Total lease cost	\$6,067

Short term lease expense above excludes expenses relating to leases with a lease term of one month or less. The amount above includes the expense on the previous lease agreement.

Other information regarding the leases as of June 30, 2025 is as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows - operating leases

\$ 5,220 2.59 years 10.3 %

Weighted-average discount rate – operating leases

The lease-related assets and liabilities as of June 30 are as follows:

Weighted-average remaining lease term – operating leases

	Balance Sheet Classification	
Assets:		
Operating lease assets	Operating lease right-of-use assets	\$ 11,708
Total lease assets		\$ 11,708
Liabilities:		
Current:		
Operating	Operating lease liabilities - current	\$ 4,384
Long-term:		
Operating	Operating lease liabilities - long-term	 7,324
Total lease liabilities		\$ 11,708

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

9. LEASES (continued)

Undiscounted future minimum rental payments for the next five years are as follows:

	-	perating Leases
2026	\$	5,360
2027		5,360
2028		1,940
2029		484
Total minimum lease payments		13,144
Less: amount of lease payments representing interest		(1,436)
Present value of future minimum lease payments		11,708
Less: current portion		(4,384)
Long-term lease obligations	\$	7,324

10. RETIREMENT PLAN

The Foundation has a safe harbor Internal Revenue Code Section 401(k) retirement plan (the "Plan") that covers substantially all employees. Participants may elect to defer a percentage of their compensation each year, up to the statutory maximum amount. In general, the safe harbor matching contribution for participants is up to a maximum of 4% of their earnings. The Foundation may elect to make an additional discretionary contribution. As of June 30, 2025, the amount of employer safe harbor match and discretionary contributions were \$29,767. For the year ended June 30, 2025, no discretionary contribution was made.

11. COMMITMENTS

The Foundation executed an agreement with an unrelated party to be provided direct mail fundraising counsel and assistance. The agreement terminates December 31, 2039 unless either party terminates with 90 days notice. Pursuant to the terms of the agreement, the unrelated party receives coordination fees and commissions as defined in exchange for its services.

The Foundation may execute independent contractor agreements for various services. These agreements vary in term and amount.

12. CONCENTRATIONS

Cash and cash equivalents

The Foundation maintains its cash and cash equivalents with federally insured financial institutions. At times during the year, the balances at these financial institutions may have exceeded the FDIC insured limit of \$250,000.

NOTES TO THE FINANCIAL STATEMENTS June 30, 2025

12. CONCENTRATIONS (continued)

Revenue

For the year ended June 30, 2025, two grants from one donor accounted for 23% of revenue.

13. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through October 27, 2025, the date on which the financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the report date but prior to the filing of this report that would have a material impact on the financial statements.