COLLEGE TRACK
(A Nonprofit Public Benefit Corporation)

Financial Statements
For the Years Ended June 30, 2026 and 2025
With Independent Auditor's Report



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

COLLEGE TRACK
(A Nonprofit Public Benefit Corporation)
Financial Statements
For the Years Ended June 30, 2026 and 2025

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MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
College Track

Opinion

We have audited the financial statements of College Track (a nonprofit public benefit corporation), which comprise the statements of financial position as of June 30, 2026 and 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of College Track 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 (GAAS). 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 College Track 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 College Track's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditor's 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 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 GAAS 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 GAAS, 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 College Track'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 College Track'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Mitchell Titus, LLP

October 14, 2026

COLLEGE TRACK
(A Nonprofit Public Benefit Corporation)
Statements of Financial Position
As of June 30, 2026 and 2025

	2026	2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 31,261,651	$ 29,820,150
Short-term investment	16,943,837	14,662,237
Promises to give and grants receivable, net, current portion	10,838,821	13,125,996
Other receivables	549,271	4,226
Prepaid expenses	2,495,212	2,320,302
Total current assets	62,088,792	59,932,911
Fixed assets, net	16,240,547	12,991,491
Right-of-use (ROU) assets	17,481,914	18,081,752
Other assets		
Deposits	564,020	534,653
Promises to give and grants receivable, net, long-term portion	15,984,861	21,820,395
Total other assets	16,548,881	22,355,048
Total assets	$ 112,360,134	$ 113,361,202
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 3,840,264	$ 3,168,365
Student bank book, current portion	1,235,876	1,507,352
Lease liabilities, current portion	2,359,525	2,067,930
Total current liabilities	7,435,665	6,743,647
Lease liabilities, long-term portion	17,573,968	18,113,383
Student bank book, long-term portion	416,487	1,815,750
Total liabilities	25,426,120	26,672,780
COMMITMENTS AND CONTINGENCIES		
Net assets		
Without donor restrictions:	59,844,255	49,087,855
With donor restrictions	27,089,759	37,600,567
Total net assets	86,934,014	86,688,422
Total liabilities and net assets	$ 112,360,134	$ 113,361,202

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

COLLEGE TRACK
(A Nonprofit Public Benefit Corporation)
Statement of Activities
For the Year Ended June 30, 2026
(With Summarized Financial Information for the Year Ended June 30, 2025)

		Without Donor Restrictions	With Donor Restrictions	Total 2026	Total 2025
REVENUE AND SUPPORT					
Foundation and trust support		$ 40,762,748	$ 1,878,526	$ 42,641,274	$ 35,698,035
Individual donations		355,041	110,229	465,270	1,468,927
Corporate support		325,181	434,554	759,735	9,720,355
Fundraising events					
Gross proceeds	$ 5,374,523				
Less: Event expenses	(1,401,971)				
Net event revenue		3,972,552	20,396	3,992,948	4,720,707
Realized gain (loss)		559,418	-	559,418	789,751
Government grants		553,000	-	553,000	664,462
In-kind support		355,592	-	355,592	533,647
Other		1,121,537	-	1,121,537	977,019
		48,005,069	2,443,705	50,448,774	54,572,903
Net assets released from restrictions		12,954,513	(12,954,513)	-	-
Total revenue and support		60,959,582	(10,510,808)	50,448,774	54,572,903
EXPENSES					
Program		39,653,520	-	39,653,520	37,265,856
General and administrative		6,230,378	-	6,230,378	6,123,542
Fundraising		4,319,284	-	4,319,284	3,996,041
Total expenses		50,203,182	-	50,203,182	47,385,439
Change in net assets		10,756,400	(10,510,808)	245,592	7,187,464
Net assets, beginning of year		49,087,855	37,600,567	86,688,422	79,500,958
Net assets, end of year		$ 59,844,255	$ 27,089,759	$ 86,934,014	$ 86,688,422

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

COLLEGE TRACK
(A Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended June 30, 2026
(With Summarized Financial Information for the Year Ended June 30, 2025)

	Program	General and Administrative	Fundraising	Total 2026	Total 2025
PERSONNEL COSTS					
Compensation	$ 21,065,869	$ 2,943,337	$ 2,222,215	$ 26,231,421	$ 26,043,441
Payroll taxes	1,648,080	200,477	162,919	2,011,476	1,990,004
Employee benefits	3,328,136	364,578	257,995	3,950,709	3,682,827
Total personnel costs	26,042,085	3,508,392	2,643,129	32,193,606	31,716,272
OPERATING EXPENSES					
Occupancy	5,042,926	665,515	99,619	5,808,060	5,266,629
Scholarships	830,948	-	-	830,948	789,739
Professional services	1,336,671	537,104	554,043	2,427,818	2,319,378
General and administrative	689,382	714,074	433,881	1,837,337	1,266,481
Depreciation and amortization	868,457	216,210	-	1,084,667	928,453
Information technology	893,278	334,655	61,982	1,289,915	1,217,652
Program and office expenses	2,387,421	66,656	132,987	2,587,064	1,182,120
Travel and hospitality	1,190,907	161,668	275,063	1,627,638	2,223,172
Staff development and recruitment	158,652	26,104	118,580	303,336	237,145
Fleet and transportation	212,793	-	-	212,793	238,398
Total operating expenses	13,611,435	2,721,986	1,676,155	18,009,576	15,669,167
Total expenses	$ 39,653,520	$ 6,230,378	$ 4,319,284	$ 50,203,182	$ 47,385,439

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

COLLEGE TRACK
(A Nonprofit Public Benefit Corporation)
Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 245,592	$ 7,187,464
Adjustments to reconcile to net cash provided by operating activities		
Depreciation and amortization	1,084,667	928,453
Loss on disposal of fixed assets	154,840	-
Fixed assets acquired through contributed nonfinancial assets	(31,705)	-
Amortization of right-of-use asset	352,019	477,329
Changes in current assets and current liabilities		
(Increase) decrease in		
Promises to give and grants receivable	8,122,710	1,861,350
Other receivables	(545,045)	1,010
Prepaid expenses	(174,911)	(686,926)
Deposits	(29,367)	141,665
Increase (decrease) in		
Accounts payable and accrued liabilities	619,593	(118,640)
Student bank book	(1,670,739)	(2,849,214)
Net cash provided by operating activities	8,127,654	6,942,491
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) disposal of property and equipment, net	(4,404,553)	(3,036,815)
Short-term investments, net	(2,281,600)	1,310,003
Net cash used in investing activities	(6,686,153)	(1,726,812)
Net change in cash and cash equivalents	1,441,501	5,215,679
Cash and cash equivalents, at beginning of year	29,820,150	24,604,471
Cash and cash equivalents, at end of year	$ 31,261,651	$ 29,820,150
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-use assets obtained in exchange for new and modified operating lease liabilities	$ 2,618,099	$ 488,495
Fixed assets acquired through contributed nonfinancial assets	$ 31,705	$ -
Fixed asset additions included in accounts payable and accrued liabilities at year end	$ 275,645	$ -

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

NOTE 1 ORGANIZATION AND PURPOSE

College Track (the Organization), a nonprofit public benefit corporation, was incorporated in California in 1997. Its locations are in California, Colorado, Louisiana, Maryland, and Washington, DC.

The Organization is a comprehensive college completion program. Scholars benefit from a 10-year integrated program that helps them overcome obstacles on the path to earning a bachelor's degree and building a meaningful career. Scholars join College Track in high school and receive academic, financial, and personalized support that continues through college graduation. The program is designed to expand access to higher education so scholars can persist, graduate, and succeed in college and beyond. With a nationwide community of scholars, alumni, and staff, College Track provides the resources, networks, and support needed to equip scholars to graduate and pursue opportunities in college, career, and life.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with the Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities,* which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions whose restrictions are met in the same reporting period in which the contributions are recognized are reported as support within net assets without donor restrictions in the statement of activities. Contributions subject to restrictions that are not met within the same reporting period are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the restriction is satisfied.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Short-Term Investments

Short-term investments include all monies in securities with maturity dates of greater than three months and less than one year. Short-term investments are stated at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets. The Organization held $16,943,837 and $14,662,237 at June 30, 2026 and 2025, respectively, in U.S. Government securities.

Promises to Give and Grants Receivable

Promises to give and grants receivable represent the net realizable amount the Organization expects to receive. The Organization has accrued an allowance for doubtful accounts in the amounts of $225,000 and $300,000 at June 30, 2026 and 2025, respectively. In addition, the Organization has accrued a discount on long-term promises to give and grants in the amounts of $2,508,108 and $3,317,546 at June 30, 2026 and 2025, respectively.

Fair Value Measurements

The Organization's financial instruments include cash and cash equivalents, and short-term investments. The carrying amount of these financial instruments has been estimated by management to approximate fair value using Level 1 inputs. Fair value is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date." When determining the inputs used to measure fair value, the highest priority is given to observable inputs and lowest priority is given to unobservable inputs. Accounting Standards Codification 820-10, *Fair Value Measurement*, establishes a fair value hierarchy to prioritize the inputs used in measuring fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair Value Measurements

Level 1: Quoted prices for identical assets and liabilities in active markets.

Level 2: Observable inputs other than Level 1, which include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets and liabilities.

Fixed Assets

Fixed asset additions in excess of $10,000 are recorded at cost, or if donated, at fair value on the date of donation. Significant property and equipment purchases are capitalized and depreciated over their respective useful lives, which range from three to 30 years. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

Revenue Recognition

The Organization receives contributions and grants from corporations, governmental entities, charitable organizations, and individuals.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, at June 30, 2026 and 2025, contributions of approximating $600,000 and $1,025,000, respectively, have not been recognized in the accompanying statement of activities because the condition(s) on which they depend have not yet been met.

A portion of the Organization's revenue is derived from cost-reimbursable government grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. No amounts have been received in advance under the cost-reimbursable government grants.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated Facilities Use, Equipment, Supplies and Services (In-kind)

The Organization records donated facilities use, equipment, and supplies or services at their estimated fair value on the date of receipt if they meet the criteria for recognition. In-kind services, use of facilities and supplies or equipment was $355,592 ($80,592 in program services and $275,000 in program facilities usage) for the year ended June 30, 2026, as reflected in the accompanying financial statements.

Student Bank Book Balance

The Organization provided high school scholars the opportunity to earn up to $5,600 in Bank Book scholarship funds based on achievements in academics, student life, and college preparation, through fiscal year 2023. Scholars active in the College Track program can access up to one-fourth of their balance each year for eligible educational expenses (*e.g.*, tuition, books, fees) for up to four years post high school graduation. The accrued Bank Book balances of $1,652,363 and $3,323,102 as of June 30, 2026 and 2025, respectively, represent amounts earned by scholars that are expected to be distributed by June 30, 2028.

Income Tax Status

The Organization has received exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service, along with the related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Organization has no unrelated business income, and management has analyzed tax positions taken and has concluded that, as of June 30, 2026, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception. The Organization has various operating leases for its program and office spaces in various locations throughout the United States, with remaining lease terms between November 2026 and April 2036. Operating lease assets and liabilities are recognized based on the present value of future lease payments over the lease term at the commencement date.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

As the Corporation's leases do not provide an implicit rate, the Organization estimates its incremental borrowing rates based on information available at the commencement date in determining the present value of future payments. Lease expense for the net present value of payments is recognized on a straight-line basis over the lease term.

Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of functional expenses, which presents the natural classification of detail of expenses by function. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include the costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time spent in the functional area.

Comparative Financial Information and Reclassifications

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2025, from which the summarized information was derived.

NOTE 3 PROMISES TO GIVE AND GRANTS RECEIVABLE

Promises to give and grants receivable that are expected to be collected within one year are recorded at their net realizable value. Those that are expected to be received in periods greater than one year are recorded at the discounted present value of the future cash flow.

NOTE 3 PROMISES TO GIVE AND GRANTS RECEIVABLE *(continued)*

Promises to give and grants receivable at June 30 are due as follows:

	2026	2025
Promises to give and grants receivable		
Amount due within one year	$ 11,063,821	$ 13,425,996
Allowance for doubtful accounts	(225,000)	(300,000)
Due within two to five years	12,492,970	16,287,941
Due within six to 10 years	6,000,000	8,850,000
Discount on long-term receivables (4.44%-5.48%)	(2,508,109)	(3,317,546)
	$ 26,823,682	$ 34,946,391

NOTE 4 FIXED ASSETS

Fixed assets at June 30 are comprised of the following:

	2026	2025
Land	$ 1,100,000	$ 1,100,000
Building	5,137,603	5,137,603
Furniture and fixtures	2,419,872	2,108,446
Equipment	1,986,288	1,906,224
Vehicles	591,476	591,475
Leasehold improvements	10,338,735	6,270,279
Software and website development	308,000	278,000
Construction-in-progress	1,980,948	2,766,446
Total fixed assets	23,862,922	20,158,473
Less: Accumulated depreciation and amortization	(7,622,375)	(7,166,982)
Total fixed assets, net	$ 16,240,547	$ 12,991,491

Depreciation and amortization expense for the years ended June 30, 2026 and 2025, is $1,084,667 and $928,453, respectively.

NOTE 5 NET ASSETS

Net assets consisted of the following at June 30, 2026 and 2025:

	June 30, 2026	June 30, 2025
Without donor restrictions		
Undesignated	$ 51,015,023	$ 49,087,855
Board-designated for capital projects	8,829,232	-
Total without donor restrictions	59,844,255	49,087,855
With donor restrictions	27,089,759	37,600,567
Total net assets	$ 86,934,014	$ 86,688,422

In October 2025, the Board of Directors established a reserve of net assets without donor restrictions designated to support the Organization's long-term facilities and infrastructure. Uses of the reserve include facility acquisition, construction, and major renovations; deferred maintenance and facility upgrades; and major technology and equipment investments. Because these net assets are without donor restrictions, the Board retains full authority to modify or remove the designation, including reallocation to general operating or other unrestricted purposes. Activity in the reserve for the year ended June 30, 2026, was as follows:

Board-Designated Net Assets for Capital Projects

	2026
Balance, beginning of year	$ -
Amount designated by the Board	12,200,000
Amounts released for designated purposes	(3,370,768)
Balance, end of year	$ 8,829,232

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Activity for net assets with donor restrictions for the year ended June 30, 2026, is comprised of the following and reflects releases that are reflected in net assets without donor restrictions in the statements of activities:

	June 30, 2025	Awards	Releases	June 30, 2026
SF redevelopment	$ 1,000,000	$ -	$ -	$ 1,000,000
Future operations	36,241,449	2,096,787	12,721,995	25,616,241
General operations	207,951	5,430,179	5,287,587	350,543
Student programs	146,667	-	29,617	117,050
Scholarships	4,500	38,000	36,575	5,925
Total	$ 37,600,567	$ 7,564,966	$ 18,075,774	$ 27,089,759

Awards and releases above include $5,121,261 of donor-restricted contributions received and released in the same reporting period, which are reported within net assets without donor restrictions in the statement of activities in accordance with the Organization's accounting policy (Note 2). Accordingly, awards and releases presented above exceed the corresponding amounts on the face of the statement of activities by that amount.

During the year ended June 30, 2012, the Organization received a $1,000,000 grant from the Redevelopment Agency of the City and County of San Francisco for use in the seismic upgrades and renovation of the San Francisco College Track facility. The amount will remain a grant as long as the Organization abides by the terms and conditions as outlined in the development agreement, and the use of the San Francisco College Track property is devoted to assisting underserved high school students in San Francisco realize increased levels of high school graduation, college eligibility and enrollment, and college graduation rates.

NOTE 7 COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Organization leases program and office spaces in various locations throughout the United States under operating leases through April 30, 2036.

The Organization recognizes lease liabilities and their corresponding right-of-use (ROU) assets at the commencement date, and initially measures the lease liabilities and ROU assets using the present value of lease payments over the defined lease term discounted using the incremental borrowing rate or risk-free rate.

As of June 30, 2026, the Organization had ROU assets valued at $17,481,914. The Organization recognized ROU liabilities as of June 30, 2026, of $19,933,493.

NOTE 7 COMMITMENTS AND CONTINGENCIES *(continued)*

Lease Commitments *(continued)*

A maturity analysis of future lease payments under operating leases (with remaining terms in excess of one year) at June 30, 2026, is as follows:

Year Ended June 30,	Amount
2027	$ 3,327,689
2028	3,353,615
2029	3,078,279
2030	2,776,136
2031	2,492,139
2032 and thereafter	9,443,975
Obligation, gross	24,471,833
Liability accretion	(4,538,340)
Total obligation, net of liability accretion	$ 19,933,493

The weighted-average of the remaining lease term is approximately 4.53 years. The weighted-average discount rate of the leases is 3.73%

Rent expense for the years ended June 30, 2026 and 2025, was $2,879,001 and $2,846,082, respectively.

Contingencies

Grant awards require the fulfillment of certain conditions as set forth in the instruments of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants it is compelled to adjust its objectives and policies to accommodate the terms of the grants. Management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 8 LOAN MANAGEMENT AGREEMENT

The Organization has established a loan management agreement with a credit facility up to $20,000,000 secured and based upon the value of securities held within a pledged account with Merrill Lynch. Should the Organization access the credit, the interest rate is based upon SOFR (Secured Overnight Financing Rate) plus a spread rate of 1%.

NOTE 9 CONCENTRATION OF CREDIT RISK

At June 30, 2026 and 2025, the Organization had deposits of approximately $8,167,937 and $4,313,218, respectively, in banks exceeding federally insured limits. These amounts have not been reduced by items recorded in the accounts not yet clearing the bank.

At June 30, 2026 and 2025, concentrations exist in accounts receivable as 69% and 60% of receivables, respectively, are due from three funders each year. Additionally, 65% and 68% of the total revenue and support for the years ended June 30, 2026 and 2025, respectively, were contributed by three donors each year. The loss of this level of support could have an effect on the Organization's ability to continue operations in their current manner.

NOTE 10 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, comprise the following:

Cash and cash equivalents	$ 31,261,651
Short-term investments	16,943,837
Promises to give and grants receivable	26,823,682
Total financial assets	75,029,170
Less: Amounts not available to be used within one year	
Promises to give and grants receivable due after one year	(15,984,861)
Net assets with restrictions that will not be met in one year	(7,584,651)
Board-designated net assets for capital projects	(8,829,232)
	(32,398,744)
Financial assets available to meet cash needs for general expenditures within one year	$ 42,630,426

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements, if available, in short-term investments.

The Organization's Board of Directors has designated $8,829,232 of net assets without donor restrictions for capital projects. These amounts are not intended to be used for general expenditure. Since the designation is self-imposed rather than donor-imposed, the Board may modify or remove the designation, and the amounts could be made available for general expenditure if the Board approves their release.

NOTE 11 EMPLOYEE BENEFITS

In 2006, the Organization adopted a 401(k) profit-sharing plan. All employees are eligible for coverage under the plan after completing the required hours and length of service. The plan matches $0.25 per $1.00, up to 4% for participating employees. Employees gain an immediate 100% vested right to employer matching or profit sharing. The Organization may contribute to the plan through the profit-sharing option. In 2026 and 2025, the Organization matched employee deferrals only. Total employer match expense for the years ended June 30, 2026 and 2025, was $835,113 and $805,041, respectively.

The Organization accrues vacation expense for full-time staff members. The total accrued vacation payable liability at June 30, 2026 and 2025, is $1,304,928 and $1,265,613, respectively, and is reflected in the accounts payable and accrued liabilities in the accompanying statements of financial position.

NOTE 12 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 14, 2026, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2026, have been incorporated into these financial statements herein.