

FRIENDS OF THE ARAVA INSTITUTE, LTD.

Financial Statements

Years Ended June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

FRIENDS OF THE ARAVA INSTITUTE, LTD.

FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to the Financial Statements	7

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Friends of the Arava Institute, Ltd.:

Opinion

We have audited the accompanying financial statements of Friends of the Arava Institute, Ltd. (FAI) (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Friends of the Arava Institute, Ltd. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FAI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 FAI's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FAI'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 FAI'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.

Kahn, Litwin, Kenya & Co., Ltd.

February 27, 2026

FRIENDS OF THE ARAVA INSTITUTE, LTD.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024



	2025	2024
Assets		
Cash and cash equivalents	\$ 1,831,241	\$ 1,788,845
Contributions receivable, net	51,132	131,053
Prepaid expenses and other assets	198,681	210,718
Investments	4,562,590	4,213,933
Right-of-use asset - operating lease	129,492	172,752
	\$ 6,773,136	\$ 6,517,301
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 117,291	\$ 112,932
Deferred revenue	102,030	75,477
Operating lease payable	130,989	172,782
Total liabilities	350,310	361,191
Net Assets:		
Without donor restrictions	3,432,211	3,346,734
With donor restrictions	2,990,615	2,809,376
Total net assets	6,422,826	6,156,110
Total Liabilities and Net Assets	\$ 6,773,136	\$ 6,517,301

FRIENDS OF THE ARAVA INSTITUTE, LTD.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2025 and 2024



	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions and grants	\$ 2,162,870	\$ 1,052,814	\$ 3,215,684	\$ 2,470,124	\$ 1,107,783	\$ 3,577,907
Donated securities	138,276	-	138,276	-	-	-
Investment return, net	210,381	-	210,381	209,577	-	209,577
Special event, net of direct expenses of \$67,350	-	-	-	116,427	75,000	191,427
Israel Ride income	29,732	190,802	220,534	22,924	363,640	386,564
Other income	3,135	-	3,135	5,828	-	5,828
Net assets released from restrictions	1,062,377	(1,062,377)	-	1,701,721	(1,701,721)	-
Total support and revenue	3,606,771	181,239	3,788,010	4,526,601	(155,298)	4,371,303
Expenses:						
Program services	3,205,378	-	3,205,378	3,154,106	-	3,154,106
Management and general	298,485	-	298,485	403,989	-	403,989
Fundraising	17,431	-	17,431	60,895	-	60,895
Total expenses	3,521,294	-	3,521,294	3,618,990	-	3,618,990
Change in net assets	85,477	181,239	266,716	907,611	(155,298)	752,313
Net Assets, beginning of year	3,346,734	2,809,376	6,156,110	2,439,123	2,964,674	5,403,797
Net Assets, end of year	\$ 3,432,211	\$ 2,990,615	\$ 6,422,826	\$ 3,346,734	\$ 2,809,376	\$ 6,156,110

See accompanying notes to the financial statements and independent auditors' report.

FRIENDS OF THE ARAVA INSTITUTE, LTD.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2025 and 2024



	2025					2024				
	Program Services		Management and General	Fundraising	Total	Program Services		Management and General	Fundraising	Total
	Israel Ride	Other				Israel Ride	Other			
Grants and other assistance	\$ -	\$ 2,178,958	\$ -	\$ -	\$ 2,178,958	\$ 42,685	\$ 1,801,360	\$ -	\$ -	\$ 1,844,045
Compensation and benefits	126,832	443,036	177,215	14,768	761,851	94,201	754,318	218,643	54,661	1,121,823
Consulting and professional fees	118,829	132,233	62,461	727	314,250	93,317	113,547	71,247	864	278,975
Information technology	24,017	15,717	6,287	524	46,545	29,773	25,998	7,536	1,884	65,191
Contribution write-off	-	-	-	-	-	-	-	60,000	-	60,000
Supplies and office expense	13,908	8,585	22,020	286	44,799	22,862	10,618	26,997	770	61,247
Occupancy	7,880	33,772	13,509	1,126	56,287	3,259	37,477	10,863	2,716	54,315
Travel and conferences	4,758	36,234	-	-	40,992	6,885	47,489	-	-	54,374
Meetings and events	22,270	31,376	12,920	-	66,566	11,480	28,633	8,703	-	48,816
Advertising	562	6,411	4,073	-	11,046	11,079	19,125	-	-	30,204
Total expenses	\$ 319,056	\$ 2,886,322	\$ 298,485	\$ 17,431	\$ 3,521,294	\$ 315,541	\$ 2,838,565	\$ 403,989	\$ 60,895	\$ 3,618,990

FRIENDS OF THE ARAVA INSTITUTE, LTD.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024



	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	\$ 266,716	\$ 752,313
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated securities	(138,276)	-
Realized and unrealized (gains) losses on investments	28,233	(27,549)
Amortization of right-of-use operating lease asset	43,260	42,091
Contributions for long-term purposes	(36,000)	(140,000)
Changes in operating assets and liabilities:		
Contributions receivable	79,921	190,571
Prepaid expenses and other assets	12,037	(93,168)
Accounts payable and accrued expenses	4,359	(2,865)
Deferred revenue	26,553	(49,510)
Operating lease payable	(41,793)	(39,569)
Net cash provided by operating activities	245,010	632,314
Cash Flows from Investing Activities:		
Proceeds from sale of investments	11,110,160	1,000,286
Purchases of investments	(11,348,774)	(1,182,314)
Net cash used by investing activities	(238,614)	(182,028)
Cash Flows from Financing Activities:		
Contributions for long-term purposes	36,000	140,000
Net cash provided by financing activities	36,000	140,000
Net Increase in Cash and Cash Equivalents	42,396	590,286
Cash and Cash Equivalents, beginning of year	1,788,845	1,198,559
Cash and Cash Equivalents, end of year	\$ 1,831,241	\$ 1,788,845

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

1. Nature of Operations

Friends of the Arava Institute, Ltd. (FAI) (a not-for-profit organization), based in Newton, MA, supports environmental research, regional cooperation, and peacebuilding within Israel and across its borders, primarily through support of the Arava Institute for Environmental Studies (AIES) located on Kibbutz Ketura, Israel. While FAI’s mission covers a broad range of activities, it has historically focused on AIES by raising financial support, promoting public awareness, and recruiting North American students and interns.

Tuition collected by FAI and remitted to AIES is excluded from FAI’s revenue but counts toward its annual intended financial support to AIES. Program expenses primarily relate to recruitment and outreach. As of June 30, 2024, accounts payable and accrued expenses included \$1,250 due to AIES.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist the reader in understanding FAI’s financial statements. The financial statements and notes are representations of FAI’s management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Financial Statement Presentation

FAI prepares its financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, reports 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.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Donor-restricted contributions are reported as increases in net assets with donor restrictions. Net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions whenever a restriction is satisfied, or when the funds have been distributed to AIES, if earlier.

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less, except for money market funds included in investments.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. If material, unconditional promises to give that are expected to be collected after one year are discounted to their net present value using the interest rate for treasury bills applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are met. FAI evaluates its contributions receivable and establishes an allowance for doubtful accounts based on a history of past collection experience and current credit conditions. At June 30, 2025 and 2024, management determined an allowance was not necessary.

Investments and Fair Value Measurements

FAI measures its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by authoritative guidance, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities FAI has the ability to access.

Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include FAI's own data.

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

FAI reports investments at fair value on a recurring basis. The investments are classified as level 1 within the fair value hierarchy.

Money market funds – The carrying amount of money market funds is deemed to be a reasonable estimate of fair value.

Government bonds – the fair value of government bonds is determined using pricing models maximizing the use of observable inputs for similar securities.

Realized and unrealized gains and losses on investments are reported as changes in net assets without donor restrictions, unless gains and losses on investments are restricted by a donor’s explicit stipulation or by a law that extends a donor’s restriction.

Dividends and interest are recorded as received, which does not differ materially from the accrual basis. Purchases and sales of securities are recorded on the trade date.

Leases

FAI leases its office space under an operating lease agreement with an unrelated third party. This operating lease is included in right-of-use (ROU) asset – operating lease and operating lease payable on the accompanying statements of financial position.

ROU assets represent FAI’s right to use an underlying asset for the lease term and lease liabilities represent FAI’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. If a lease does not provide an implicit rate, FAI uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments.

The ROU asset also includes any lease payments made and excludes lease incentives. FAI’s lease terms include options to extend or terminate the lease when it is reasonably certain FAI will exercise that option. Lease cost for lease payments is recognized on a straight-line basis over the lease term. FAI’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Revenue and Support Recognition

Contributions and Grants – FAI recognizes contributions and grants in the year in which the contribution or grant is made. Contributions and grants are recorded either as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions of donated non-cash assets are recorded at their fair value in the period received.

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

Israel Ride Income and Special Event Revenue – Revenue from performance obligations satisfied at a point in time consists of program registration fees related to the annual Israel Ride, which are recorded in the period in which the Israel Ride occurs, and special event revenue which is recognized when the events take place. The Israel Rides scheduled to occur during the fiscal years of 2024 and 2025 were cancelled and donors had the ability to donate their registration fees. All registration fees were either donated to FAI by the donors, refunded or included in deferred revenue to use for the next ride. Program registration fees and sponsorships received for a future period are deferred until the ride takes place. Program registration fees and other related services fees included in deferred revenue at June 30, 2025 and 2024 were \$88,705 and \$75,477, respectively. Deferred revenue at June 30, 2023 was \$124,987.

Donated Services – Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by FAI. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Grants and Other Assistance

Grants and other assistance are recognized within program services in the statements of activities when funds raised for the benefit of AIES are distributed to AIES.

Advertising Costs

Advertising costs incurred in the production and printing of FAI’s literature are charged to expense as incurred.

Allocation of Expenses

FAI’s operating costs have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated based on personnel cost.

Income Taxes

FAI is exempt from income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. Management believes that FAI operates in a manner consistent with its tax-exempt status at both the state and federal levels.

FAI annually files IRS Form 990, *Return of Organization Exempt From Income Tax*, reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These information returns are subject to review by the taxing authorities, generally for a period of three years after they were filed. FAI currently has no tax examinations in progress.

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 financial statement presentation.

Subsequent Events

Management has evaluated subsequent events through February 27, 2026, which is the date these financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2025 and 2024:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 1,831,241	\$ 1,788,845
Contributions receivable, net	51,132	131,053
Investments	4,562,590	4,213,933
Financial assets, end of year	6,444,963	6,133,831
Less those unavailable for general expenditure within one year, due to:		
Time and purpose restrictions	2,971,483	2,760,323
Contributions receivable due after one year	19,132	49,053
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,454,348	\$ 3,324,455

FAI's financial assets available for general expenditure consist of funds intended to be used to cover short-term operating expenses, including its AIES grant program. These financial assets are invested with the purpose of preserving assets to cover operating expenses and realizing earnings in a way that allows for immediate liquidity to meet FAI's ongoing programmatic and operational needs.

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

4. Contributions Receivable

Contributions receivable consist of unconditional promises to give from donors to support FAI’s charitable mission.

At year-end, long-term pledges receivable have been discounted at 3.01% to reflect the present value of those receivables. Contributions receivable consisted of the following at June 30, 2025 and 2024:

	2025	2024
Gross contributions receivable	\$ 52,000	\$ 134,000
Unamortized discount at 3.01%	(868)	(2,947)
Contributions receivable, net	\$ 51,132	\$ 131,053

Contributions receivables are expected to be received as follows:

	2025	2024
Within one year	\$ 32,000	\$ 82,000
One to two years	10,000	32,000
Two to three years	10,000	10,000
Three to four years	-	10,000
Total	\$ 52,000	\$ 134,000

5. Investments

Investments are presented in the statement of financial position at their aggregate fair value and consist of the following at June 30, 2025 and 2024:

	2025	2024
<u>Level 1</u>		
Money market funds	\$ 3,540,825	\$ 613,616
<u>Level 2</u>		
Government bonds	1,021,765	3,600,317
Total investments at fair value	\$ 4,562,590	\$ 4,213,933

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

Investment return, net, consists of the following:

	2025	2024
Interest and dividends	\$ 238,614	\$ 182,028
Realized and unrealized gains (losses)	(28,233)	27,549
Investment return, net	\$ 210,381	\$ 209,577

6. Right-of-Use Asset and Lease Payable

FAI leases its office space under an operating lease which expires in April 2028.

The related cost of the ROU asset and accumulated amortization are as follows:

	2025	2024
Right-of-use asset - operating lease	\$ 255,137	\$ 255,137
Less accumulated amortization	125,645	82,385
Total right-of-use asset - operating lease	\$ 129,492	\$ 172,752

Lease cost for each of the years ended June 30, 2025 and 2024 totaled \$47,689.

Other information related to the lease for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Operating cash flows from operating leases	\$ 46,222	\$ 45,168
Weighted average remaining lease term	2.83 years	3.83 years
Weighted average discount rate	2.88%	2.88%

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

Future minimum lease payments as of June 30, 2025 are as follows:

<u>Year Ending</u>	
June 30, 2026	\$ 47,277
June 30, 2027	48,331
June 30, 2028	41,008
Total future minimum lease payments	<u>136,616</u>
Less imputed interest	<u>5,627</u>
Operating lease payable	<u><u>\$ 130,989</u></u>

7. Trust Income Beneficiary

FAI is an income beneficiary in a trust (the Trust), the assets of which are not in FAI's possession, and is entitled to a portion of the annual distributions from the Trust. The Trust has variance power over the endowment fund; therefore, it is not reported as an asset in the accompanying financial statements. FAI received \$30,995 and \$34,784 of distributions from the Trust during the years ended June 30, 2025 and 2024, respectively, which is included in contributions and grants without donor restrictions on the statements of activities. Distributions from the Trust are for general use by FAI; however, all funds must be used within the United States or its possessions.

FAI is also the income beneficiary in irrevocable Arava Institute for Environmental Studies Endowment Funds (the Funds), the assets of which are in the possession of and managed by a third-party fund. Three donors established the Funds to support general operations and scholarships for students from diverse backgrounds seeking to study and/or do environmental research at AIES. FAI received \$46,000 and \$56,000 of distributions from the Funds during the years ended June 30, 2025 and 2024, respectively, which is included in contributions and grants without donor restrictions on the statements of activities.

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows at June 30, 2025 and 2024:

	2025	2024
Time-restricted	\$ 5,304	\$ 46,426
Restricted for Specified Purpose:		
New Campus at AIES	2,491,525	2,455,100
Scholarships	40,937	79,927
Israel Ride	197,040	151,106
Dialogue Programs	179,658	56,250
Center for Applied Environmental Diplomacy	76,151	20,567
Total net assets with donor restrictions	\$ 2,990,615	\$ 2,809,376

As of June 30, 2025, the time-restricted amount above includes a contribution from a donor to be used where needed most through 2026.

9. Retirement Plan

FAI is a member of the Massachusetts Defined Contribution CORE Plan, a multi-employer 401(k) plan sponsored by the Commonwealth of Massachusetts. For the years ended June 30, 2025 and 2024, employer matching contributions were approximately \$25,700 and \$36,500, respectively.

10. Concentrations of Risk

The financial instruments that potentially subject FAI to concentrations of risk consist of cash and cash equivalents, contributions receivable and investments.

FAI maintains its operating accounts at one financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time, FAI's cash balance may exceed this limit. Cash balances in excess of \$250,000 are generally uninsured.

FRIENDS OF THE ARAVA INSTITUTE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended June 30, 2025 and 2024

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and that such changes could materially affect investment balances and activity included in the financial statements.

At June 30, 2025, 98% of the contributions receivable balance was due from two donors. At June 30, 2024, 97% of the contributions receivable balance was due from four donors. Management has performed an analysis of those receivables and does not believe that significant credit risk exists.