THE LENNY ZAKIM FUND

The Lenny Zakim Fund
BRIDGING COMMUNITIES

FINANCIAL STATEMENTS

Years Ended December 31, 2025 and 2024

JOHNSON O'CONNOR

THE LENNY ZAKIM FUND
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JOHNSON O'CONNOR

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Lenny Zakim Fund

Opinion

We have audited the accompanying financial statements of The Lenny Zakim Fund, which comprise the statements of financial position as of December 31, 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 The Lenny Zakim Fund as of December 31, 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 The Lenny Zakim Fund 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 The Lenny Zakim Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 The Lenny Zakim Fund'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 The Lenny Zakim Fund'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 audits.

Johnson O'Connor Feron & Carucci LLP

Wakefield, Massachusetts
August 28, 2026

THE LENNY ZAKIM FUND
STATEMENTS OF FINANCIAL POSITION

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	$ 543,836	$ 534,523
Restricted cash	31,061	31,061
Investments	8,995,254	8,426,186
Contributions receivable	-	177,500
Prepaid expenses	26,192	25,008
Total assets	$ 9,596,343	$ 9,194,278
LIABILITIES AND NET ASSETS		
LIABILITIES		
Agency custodial account	$ 31,061	$ 31,061
Accounts payable and accrued expenses	9,038	2,729
Refundable advance	1,058	-
Total liabilities	41,157	33,790
NET ASSETS		
Without donor restrictions:		
Undesignated	510,546	277,090
Board-designated endowment	1,463,638	1,374,943
	1,974,184	1,652,033
With donor restrictions	7,581,002	7,508,455
Total net assets	9,555,186	9,160,488
Total liabilities and net assets	$ 9,596,343	$ 9,194,278

See notes to financial statements.

THE LENNY ZAKIM FUND
STATEMENT OF ACTIVITIES

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and grants	$ 602,503	$ 50,000	$ 652,503
Fundraising events, net of direct benefits to donors totaling $48,477	229,188	-	229,188
Contributed services and facilities, at fair value	61,818	-	61,818
Investment return, net	181,213	902,503	1,083,716
Endowment appropriations per spending policy	417,130	(417,130)	-
Net assets released from restrictions	462,826	(462,826)	-
Total revenues	1,954,678	72,547	2,027,225
EXPENSES			
Program services	1,073,671	-	1,073,671
Management and general	194,468	-	194,468
Fundraising	364,388	-	364,388
Total expenses	1,632,527	-	1,632,527
Change in net assets	322,151	72,547	394,698
NET ASSETS - BEGINNING OF YEAR	1,652,033	7,508,455	9,160,488
NET ASSETS - END OF YEAR	$ 1,974,184	$ 7,581,002	$ 9,555,186

See notes to financial statements.

THE LENNY ZAKIM FUND
STATEMENT OF ACTIVITIES

	Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and grants	$ 363,641	$ 125,000	$ 488,641
Fundraising events, net of direct benefits to donors totaling $43,781	197,989	-	197,989
Contributed services and facilities, at fair value	51,832	-	51,832
Investment return, net	148,425	690,134	838,559
Endowment appropriations per spending policy	180,351	(180,351)	-
Net assets released from restrictions	617,500	(617,500)	-
Total revenues	1,559,738	17,283	1,577,021
EXPENSES			
Program services	1,074,752	-	1,074,752
Management and general	200,616	-	200,616
Fundraising	227,584	-	227,584
Total expenses	1,502,952	-	1,502,952
Change in net assets	56,786	17,283	74,069
NET ASSETS - BEGINNING OF YEAR	1,595,247	7,491,172	9,086,419
NET ASSETS - END OF YEAR	$ 1,652,033	$ 7,508,455	$ 9,160,488

See notes to financial statements.

THE LENNY ZAKIM FUND
STATEMENT OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2025			
	Program Services	Management and General	Fundraising	Total Expenses
Grants awarded	$ 658,711	$ -	$ -	$ 658,711
Payroll wages, taxes, and benefits	229,477	67,795	114,031	411,303
Professional fees	108,416	81,232	161,025	350,673
Programs/events	37,009	8,428	45,420	90,857
Fundraising event direct benefits to donors	-	-	48,477	48,477
Printing and reproduction	87	807	26,483	27,377
Contributed office space	20,875	-	-	20,875
Office	1,273	18,406	700	20,379
Advertising	15,000	-	-	15,000
Contributed auction items	-	-	14,443	14,443
Other	2,823	9,907	1,357	14,087
Bank service charges	-	5,603	-	5,603
Payroll service fee	-	2,221	-	2,221
Postage and delivery	-	69	929	998
Total expenses	1,073,671	194,468	412,865	1,681,004
Less: Direct benefit to donors at fundraising events	-	-	(48,477)	(48,477)
Total functional expenses	$ 1,073,671	$ 194,468	$ 364,388	$ 1,632,527

See notes to financial statements.

THE LENNY ZAKIM FUND
STATEMENT OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2024			
	Program Services	Management and General	Fundraising	Total Expenses
Grants awarded	$ 646,572	$ -	$ -	$ 646,572
Payroll wages, taxes, and benefits	195,814	67,448	107,044	370,306
Professional fees	115,417	95,686	55,625	266,728
Programs/events	57,474	2,128	40,365	99,967
Fundraising event direct benefits to donors	-	-	43,781	43,781
Printing and reproduction	1,561	1,611	22,797	25,969
Contributed office space	20,575	-	-	20,575
Office	9,686	16,241	497	26,424
Advertising	15,075	-	-	15,075
Contributed auction items	-	-	-	-
Other	12,578	10,141	198	22,917
Bank service charges	-	5,184	-	5,184
Payroll service fee	-	2,109	-	2,109
Postage and delivery	-	68	1,058	1,126
Total expenses	1,074,752	200,616	271,365	1,546,733
Less: Direct benefit to donors at fundraising events	-	-	(43,781)	(43,781)
Total functional expenses	$ 1,074,752	$ 200,616	$ 227,584	$ 1,502,952

See notes to financial statements.

THE LENNY ZAKIM FUND
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 394,698	$ 74,069
Adjustments to reconcile change in net assets		
to net cash used by operating activities:		
Amortization of discount on contributions receivable	-	(7,907)
Net realized and unrealized gain on investments	(910,073)	(667,886)
Increase (decrease) in operating assets:		
Contributions receivable	177,500	302,500
Other receivables	-	4,200
Prepaid expenses	(1,184)	(20,508)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	6,309	(6,539)
Refundable advance	1,058	(25,627)
Net cash used by operating activities	(331,692)	(347,698)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,302,057	1,953,953
Purchase of investments	(1,961,052)	(1,819,643)
Net cash provided by investing activities	341,005	134,310
Net increase (decrease) in cash and cash equivalents and restricted cash	9,313	(213,388)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	565,584	778,972
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 574,897	$ 565,584

The table below provides a reconciliation of cash and cash equivalents and restricted cash reported on the statements of financial position to the totals shown above in the statements of cash flows:

Cash and cash equivalents	$ 543,836	$ 534,523
Restricted cash	31,061	31,061
Total cash and cash equivalents and restricted cash	$ 574,897	$ 565,584

See notes to financial statements.

1. STATEMENT OF PURPOSE

The Lenny Zakim Fund (the Fund), formerly The Lenny Fund, is a not-for-profit organization which provides resources that enable and empower people and communities to effectively address social and economic injustice. The Fund supports organizations that improve educational opportunities for children, youth, and immigrants; promote positive youth development and prevent violence; promote social and economic justice and human and civil rights; and serve people facing medical challenges and/or physical or cognitive disabilities. The Fund supports organizations through financial grants, education, management assistance and coaching, and networking.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting –

The financial statements of the Fund have been prepared on the accrual basis of accounting. Accordingly, assets are recorded when the Fund obtains the rights of ownership or is entitled to claim receipt, and liabilities are recorded when the obligation is incurred.

Use of Estimates –

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

Date of Management's Review –

Subsequent events have been evaluated through August 28, 2026, the date the financial statements were available to be issued.

Cash and Cash Equivalents and Restricted Cash –

The Fund considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Restricted cash represents amounts maintained under a fiscal agency arrangement with a donor who holds variance power to determine the beneficiary of the funds.

Investments –

Investments are reported at fair value. Changes in fair value are reflected in the statements of activities. Cash and cash equivalents held for investment purposes are considered investments. Investment return restricted by a donor are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the investment return are recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments –

The Fund follows ASC 820-10, *Fair Value Measurements*, which applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the assets and liabilities, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

ASC 825-10, *Financial Instruments*, permits an entity to measure many financial instruments and certain other assets and liabilities at fair value or on an instrument-by-instrument basis. The Fund has not adopted any of the additional fair value options allowed in the standard. Management has determined that the fair value of its financial instruments not carried at fair value, including cash, prepaid expenses, and miscellaneous liabilities, are substantially equivalent to their carrying values as of December 31, 2025 due to their relatively short-term nature.

Contributions Receivable –

Contributions receivable consist of unconditional promises to give to be collected over a donor specified term. The Fund uses the allowance method to account for uncollectible contributions receivable based on management's estimate of possible bad debts. Contributions and grants receivable due beyond one year are discounted to present value using a risk-free rate based on the yield of a U.S. Treasury security with a maturity similar to the expected collection period. These discounts are ratably amortized over the life of the contributions receivable and are recorded as contributions and grants revenue in the statements of activities. There were no contributions receivable at December 31, 2025. Management believes all contributions receivable at December 31, 2024 are fully collectible and due within one year; therefore, no allowance or discount on contributions receivable was recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Agency Custodial Account –

Agency custodial account on the statements of financial position represent the value of funds received by the Fund on behalf of a donor who retains variance power over the funds and determines the beneficiary of the funds. The Fund's policy is to recognize the funds received and an offsetting liability until the funds are distributed to the ultimate beneficiary, at which time the asset and liability are removed from the Fund's books.

Net Assets –

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor (or certain grantor) imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Fund reports contributions restricted by donors as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition –

Fundraising event ticket sales, sponsorships and auction sales are recognized in the period in which the fundraising event takes place. Fundraising event ticket sales, sponsorships and auction sales recognized as performance obligations were satisfied at a point in time during the years ended December 31, 2025 and 2024 totaled $38,588 and $53,024, respectively. Fundraising event revenue is reported net of the cost of direct benefits to donors on the statements of activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued) –

Contributions, including grants, are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Conditional promises to give and conditional grants are not recognized as revenue until the conditions on which they depend have been substantially met. Amounts received before donor-imposed conditions have been met are reflected in the statements of financial position as a refundable advance.

The Fund's in-kind contributions consist primarily of donated securities, facilities, goods, and professional services. Donations of securities, facilities, goods, and professional services are recorded at fair value based on the value of the contribution at the date of donation. The Fund's policy is to sell donated securities nearly immediately upon receipt. The Fund follows ASC 958-230, *Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows,* which provides that such contributions should be classified as cash flows from operating activities in the statements of cash flows unless the donor restricts the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities. There were no donated securities received or sold during the years ended December 31, 2025 and 2024.

The Fund recognizes donated services that credit or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In addition, a substantial number of volunteers donate significant amounts of their time in the furtherance of the Fund's programs. The value of this contributed time is not reflected in the accompanying financial statements, since is does not meet the recognition criteria in accordance with U.S. GAAP.

Functional Expenses –

The Fund allocates expenses on a functional basis among its programs and supporting services. Supporting services are those related to operating and managing the Fund and its programs on a day-to-day basis and are composed of the following:

Management and general – includes all activities related to the Fund's internal management and accounting for program services.

Fundraising – includes activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Fund's programs.

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Fund. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The allocation of payroll wages, taxes and benefits are allocated based on estimates of time and effort.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes –

The Fund is organized and operated exclusively for charitable and educational purposes. Income related to these purposes is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Unrelated business income would be taxable according to applicable Internal Revenue Code sections. The Fund had no unrelated business income for the years ended December 31, 2025 and 2024.

The Fund regularly reviews and evaluates its tax positions taken in its filed returns and recognizes the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. The Fund has evaluated its tax positions and determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements

Advertising Costs –

The Fund expenses advertising costs as incurred. During the years ended December 31, 2025 and 2024, the Fund incurred advertising costs totaling $15,000 and $15,075, respectively, all of which were contributed by a third party as described in Note 9.

3. CONCENTRATIONS OF CREDIT AND MARKET RISK

Financial instruments that potentially subject the Fund to concentrations of credit and market risk consist principally of cash and cash equivalents and restricted cash, investments, and contributions receivable and contributions and grants revenue.

Cash and Cash Equivalents and Restricted Cash –

The Fund maintains its cash and cash equivalents and restricted cash in bank deposit accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed the federally insured limits. The Fund has not experienced losses in any of these accounts.

Investments –

The Fund invests in securities which are exposed to market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes on the value of such investments, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the financial statements.

Contributions Receivable and Contributions and Grants Revenue –

Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations supportive of the Fund's mission. There were no contributions receivable at December 31, 2025. At December 31, 2024, 100% of the Fund's contributions receivable were due from two donors. For the years ended December 31, 2025 and 2024, one and three donors accounted for approximately 27% and 41% of contributions and grants revenue, respectively.

4. LIQUIDITY AND AVAILABILITY

The following table reflects the Fund's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or because the donor has set aside the funds for a specific time period or purpose.

	December 31,	
	2025	2024
Financial assets:		
Cash and cash equivalents	$ 543,836	$ 534,523
Restricted cash	31,061	31,061
Investments	8,995,254	8,426,186
Contributions receivable	-	177,500
Financial assets, at year end	9,570,151	9,169,270
Less those unavailable for general expenditure within one year, due to:		
Agency custodial account	31,061	31,061
Board-designated endowment less subsequent year estimated appropriation	1,399,381	1,346,356
Donor-designated endowment less subsequent year estimated appropriation	6,546,120	6,262,875
Donor restricted net assets for time	76,917	422,243
Donor restricted net assets for purpose and time	648,574	630,609
Donor restricted net assets for purpose	-	62,500
	8,702,053	8,755,644
Financial assets available to meet cash needs for general expenditure within one year	$ 868,098	$ 413,626

The Fund considers donor-restricted contributions and grants for ongoing, major, and central operating programs to be available for general expenditures when the related restrictions are expected to be satisfied in the normal course of operations within one year. Financial assets unavailable for general expenditure include amounts subject to donor restrictions, board designations, agency funds, or endowment amounts that are not expected to be available for use within one year. In managing liquidity, the Fund regularly monitors resources needed to support operating expenses, program grants, and other ongoing activities over the subsequent twelve-month period. Accordingly, the board-designated endowment above has been reduced by $64,257 and $28,587, respectively, as of December 31, 2025 and 2024, and the donor-designated endowment above has been reduced by $309,391 and $130,228, respectively, as of December 31, 2025 and 2024, which equal the amounts expected to be appropriated by the Fund for general expenditures in the subsequent fiscal year. Although the Fund does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary.

5. INVESTMENTS AND INVESTMENT RETURN, NET

Investments consist of the following:

	December 31,	
	2025	2024
Mutual funds	$ 8,532,633	$ 7,881,535
Government and agency bonds	336,030	354,037
Domestic equity securities	100,530	154,115
Cash and cash equivalents	26,061	36,499
	$ 8,995,254	$ 8,426,186

Investment return, net consisted of the following:

	Years Ended December 31,	
	2025	2024
Net unrealized gain	$ 716,075	$ 500,158
Interest and dividend income	203,144	199,771
Net realized gain	193,998	167,728
Investment fees	(29,501)	(29,098)
	$ 1,083,716	$ 838,559

6. FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended December 31, 2025 and 2024.

Mutual funds, domestic equity securities and government and agency bonds – The fair value of mutual funds, domestic equity securities and government and agency bonds is based on quoted market prices, when available, or market prices provided by recognized broker dealers.

6. FAIR VALUE MEASUREMENTS (Continued)

The following table is a summary of investments that the Fund measures at fair value on a recurring basis:

	December 31, 2025			
Description	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blend funds	$ 2,707,893	$ -	$ -	$ 2,707,893
Bond funds	3,362,172	-	-	3,362,172
Growth funds	2,059,030	-	-	2,059,030
Value funds	259,596	-	-	259,596
Emerging market funds	143,942	-	-	143,942
Total mutual funds	8,532,633	-	-	8,532,633
Government and agency bonds	336,030	-	-	336,030
Domestic equity securities	100,530	-	-	100,530
Cash and cash equivalents	26,061	-	-	26,061
Total investments	$ 8,995,254	$ -	$ -	$ 8,995,254

	December 31, 2024			
Description	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blend funds	$ 2,749,925	$ -	$ -	$ 2,749,925
Bond funds	2,708,026	-	-	2,708,026
Growth funds	1,973,213	-	-	1,973,213
Value funds	310,864	-	-	310,864
Emerging market funds	139,507	-	-	139,507
Total mutual funds	7,881,535	-	-	7,881,535
Government and agency bonds	354,037	-	-	354,037
Domestic equity securities	154,115	-	-	154,115
Cash and cash equivalents	36,499	-	-	36,499
Total investments	$ 8,426,186	$ -	$ -	$ 8,426,186

7. ENDOWMENT FUNDS

The Fund follows guidance on the net asset classifications and financial statement disclosures related to donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) which was enacted by the Commonwealth of Massachusetts effective June 30, 2009. As such, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Fund interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Fund retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board in a manner that is consistent with the standards of prudence prescribed by UPMIFA and in accordance with the Fund's spending policy. The Fund's policy prohibits spending from underwater endowment funds.

In accordance with UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Fund, and (7) the Fund investment policies.

Investment Return Objectives, Risk Parameters and Strategies – The Fund has adopted investment and spending policies approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Fund's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through asset class and industry diversification. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Fund targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

Spending Policy – The Fund's spending policy involves the utilization of a spending rate determined at the discretion of the Board, not to exceed a spending rate of 5% of the average 30-month portfolio value as measured at quarter end December 31st of the preceding fiscal year. In no event will the Board authorize spending that will cause the value of the endowment assets to decrease below the principal. As a result of that calculation, a portion of cumulative investment earnings (including realized and unrealized gains and investment income) would be allocated to net assets without donor restrictions. During the years ended December 31, 2025 and 2024, the Board appropriated $506,841 and $219,138 of investment earnings, respectively, to net assets with donor restrictions and net assets without donor restrictions pursuant to the spending policy.

7. ENDOWMENT FUNDS (Continued)

Following is a summary of endowment net asset composition by type of fund:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Endowment Net Assets
Donor restricted funds	$ -	$ 6,855,511	$ 6,855,511
Board designated funds	1,463,638	-	1,463,638
Endowment funds	$ 1,463,638	$ 6,855,511	$ 8,319,149

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Endowment Net Assets
Donor restricted funds	$ -	$ 6,393,103	$ 6,393,103
Board designated funds	1,374,943	-	1,374,943
Endowment funds	$ 1,374,943	$ 6,393,103	$ 7,768,046

Following is a summary of the changes in endowment net assets for the years ended December 31, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, December 31, 2023	$ 1,265,305	$ 5,883,320	$ 7,148,625
Investment return, net	148,425	690,134	838,559
Appropriation of investment earnings for expenditure	(38,787)	(180,351)	(219,138)
Endowment net assets, December 31, 2024	1,374,943	6,393,103	7,768,046
Contributions to endowment	-	50,000	50,000
Investment return, net	178,406	829,538	1,007,944
Appropriation of investment earnings for expenditure	(89,711)	(417,130)	(506,841)
Endowment net assets, December 31, 2025	$ 1,463,638	$ 6,855,511	$ 8,319,149

7. ENDOWMENT FUNDS (Continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor requires the Fund to retain. Deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies at December 31, 2025 and 2024.

8. NET ASSETS

Net assets are as follows:

	December 31, 2025	December 31, 2024
Without donor restrictions:		
Unrestricted	$ 510,546	$ 277,090
Board-designated endowment	1,463,638	1,374,943
	1,974,184	1,652,033
With donor restrictions:		
Accumulated and unappropriated endowment earnings	3,876,073	3,463,665
Endowment corpus	2,979,438	2,929,438
Subject to the passage of time and expenditure for a specified purpose	648,574	630,609
Subject to the passage of time	76,917	422,243
Subject to expenditure for a specified purpose	-	62,500
	7,581,002	7,508,455
Total net assets	$ 9,555,186	$ 9,160,488

Net assets released from restrictions consisted of the following:

	Years Ended December 31, 2025	Years Ended December 31, 2024
Subject to the passage of time	$ 345,326	$ 365,000
Subject to expenditure for a specified purpose	62,500	197,500
Subject to the passage of time and expenditure for a specified purpose	55,000	55,000
Total net assets released from donor restrictions	$ 462,826	$ 617,500

9. CONTRIBUTED SERVICES, GOODS AND FACILITIES

The Fund recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. During fiscal years December 31, 2025 and 2024, the Fund received donated services for design, advertising and training services. Donated services are valued at the prevailing market rates charged for those services. The Fund also received contributions of auction items for an annual special event that were never sold and were retained by the Fund as of year end. Donated goods are valued at the wholesale prices that would be received for selling similar products.

The Fund has office space that is contributed by a law firm. Donated space is valued at the fair value of similar properties available in commercial real estate listings.

Contributed services, goods and facilities consisted of the following:

	Year Ended December 31, 2025			
Program or Supporting Service	Donated Services	Donated Goods	Donated Space	Total
Program	$ 15,000	$ -	$ 20,875	$ 35,875
Fundraising	11,500	14,443	-	25,943
Total	$ 26,500	$ 14,443	$ 20,875	$ 61,818

	Year Ended December 31, 2024			
Program or Supporting Service	Donated Services	Donated Goods	Donated Space	Total
Program	$ 15,375	$ -	$ 20,575	$ 35,950
Fundraising	11,500	4,382	-	15,882
Total	$ 26,875	$ 4,382	$ 20,575	$ 51,832

There were no donor-imposed restrictions associated with the contributed services, goods and facilities.

10. RETIREMENT PLAN

The Fund provides a 401(k) retirement savings plan (the Plan) covering substantially all employees. All full-time salaried employees with one full year of service are eligible to participate. Under the terms of the Plan, employees may contribute up to the lesser of 100% of their salary or a dollar amount prescribed by the Internal Revenue Service, which is then invested in a wide array of core investment options selected by the employee. The Fund contributes 3% of the employee's salary. The contribution made by the Fund for the years ended December 31, 2025 and 2024 totaled $4,504 and $4,206, respectively.

11. CONDITIONAL CONTRIBUTIONS

The Fund is awarded conditional grants that require the Fund to meet certain barriers under the respective grant agreements before the Fund is entitled to recognize contributions and grants revenue. Conditional grant commitments for which the related barriers had not been substantially met and therefore had not been recognized as contributions and grants revenue totaled $250,000 as of December 31, 2025. The Fund did not have any conditional grant commitments as of December 31, 2024.

101 Edgewater Drive
Suite 210
Wakefield, MA 01880

T (781) 914-3400

www.johnsonoconnor.com