Delta Institute and Affiliates

Consolidated Financial Report

June 30, 2025

Contents

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Delta Institute and Affiliates

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Delta Institute and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2025 and 2024 and the related consolidated statements of activities and changes in net assets (deficiency in net assets), functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 audits conducted in accordance with GAAS and *Government 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 consolidated financial statements.

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To the Board of Directors
Delta Institute and Affiliates

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025 on our consideration of Delta Institute and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Delta Institute and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delta Institute and Affiliates' internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 29, 2025

Consolidated Statement of Financial Position

June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 471,046	$ 1,407,336
Receivables:		
Accounts receivable	210,898	89,691
Grants receivable	715,981	390,079
Total receivables	926,879	479,770
Prepaid expenses	4,523	-
Total current assets	1,402,448	1,887,106
Property and Equipment - Net (Note 5)	43,731	42,567
Beneficial Interest in Trust (Note 11)	6,270,913	5,845,298
Right-of-use Asset - Operating	555,353	597,706
Total assets	**$ 8,272,445**	**$ 8,372,677**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 183,740	$ 245,985
Contract liabilities	40,025	49,775
Accrued liabilities	286,817	269,344
Current portion of long-term debt (Note 9)	513,089	509,220
Current portion of lease liability - Operating	57,168	55,382
Total current liabilities	1,080,839	1,129,706
Lease Liability - Operating - Net of current portion	565,001	604,495
Other Long-term Liabilities		
Revolving loan fund - Cook County, Illinois	174,299	174,299
Long-term debt (Note 9)	136,911	140,780
Total liabilities	1,957,050	2,049,280
Net Assets		
Without donor restrictions	(579,927)	(295,772)
With donor restrictions (Note 6)	6,895,322	6,619,169
Total net assets	6,315,395	6,323,397
Total liabilities and net assets	**$ 8,272,445**	**$ 8,372,677**

See notes to consolidated financial statements.

Consolidated Statement of Activities and Changes in Net Assets (Deficiency in Net Assets)

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Contributions	$ 229,689	$ 890,000	$ 1,119,689	$ 249,773	$ 679,000	$ 928,773
Government grants	1,145,727	-	1,145,727	977,577	-	977,577
Contract fees	207,099	-	207,099	276,868	-	276,868
Interest and other income	34,351	-	34,351	33,654	-	33,654
Investment income from beneficial interest in trust	224,851	-	224,851	242,391	-	242,391
Change in fair value of beneficial interest in trust	-	425,615	425,615	-	390,086	390,086
Total revenue and support	1,841,717	1,315,615	3,157,332	1,780,263	1,069,086	2,849,349
Net assets released from restrictions	1,039,462	(1,039,462)	-	918,836	(918,836)	-
Total revenue, support, and net assets released from restrictions	2,881,179	276,153	3,157,332	2,699,099	150,250	2,849,349
Expenses						
Program services	2,132,106	-	2,132,106	1,805,346	-	1,805,346
Support services:						
General and administrative	701,688	-	701,688	593,071	-	593,071
Fundraising	331,540	-	331,540	283,732	-	283,732
Total expenses	3,165,334	-	3,165,334	2,682,149	-	2,682,149
(Decrease) Increase in Net Assets	(284,155)	276,153	(8,002)	16,950	150,250	167,200
Net Assets (Deficiency in Net Assets) - Beginning of year	(295,772)	6,619,169	6,323,397	(312,722)	6,468,919	6,156,197
Net Assets (Deficiency in Net Assets) - End of year	**$ (579,927)**	**$ 6,895,322**	**$ 6,315,395**	**$ (295,772)**	**$ 6,619,169**	**$ 6,323,397**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Support Services: General and Administrative	Support Services: Fundraising	Support Services: Total	Total
Salaries	$ 809,874	$ 416,648	$ 227,771	$ 644,419	$ 1,454,293
Payroll taxes and benefits	155,751	80,127	43,804	123,931	279,682
Total salaries and related expenses	965,625	496,775	271,575	768,350	1,733,975
Rent and utilities	72,462	37,279	20,379	57,658	130,120
Information technology	42,679	21,957	12,003	33,960	76,639
Equipment	1,261	649	355	1,004	2,265
Depreciation	8,457	4,351	2,377	6,728	15,185
Organizational insurance	9,825	5,054	2,764	7,818	17,643
Communications	-	-	4,489	4,489	4,489
Office expenses	4,285	2,204	1,205	3,409	7,694
Legal/Accounting	-	106,390	-	106,390	106,390
Meetings/Conferences	5,816	2,992	3,252	6,244	12,060
Travel	20,563	10,579	5,783	16,362	36,925
Interest	4,284	2,204	1,205	3,409	7,693
Bank and other fees	1,326	682	374	1,056	2,382
Miscellaneous	20,549	10,572	5,779	16,351	36,900
Contractor fees and other project expenses	974,974	-	-	-	974,974
Total functional expenses	**$ 2,132,106**	**$ 701,688**	**$ 331,540**	**$ 1,033,228**	**$ 3,165,334**

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services	Support Services: General and Administrative	Support Services: Fundraising	Support Services: Total	Total
Salaries	$ 735,161	$ 376,048	$ 182,745	$ 558,793	$ 1,293,954
Payroll taxes and benefits	137,536	70,352	34,188	104,540	242,076
Total salaries and related expenses	872,697	446,400	216,933	663,333	1,536,030
Rent and utilities	74,997	38,362	18,643	57,005	132,002
Information technology	36,553	18,697	9,086	27,783	64,336
Equipment	1,421	727	353	1,080	2,501
Depreciation	9,681	4,952	2,406	7,358	17,039
Organizational insurance	10,007	5,119	2,488	7,607	17,614
Communications	-	-	10,620	10,620	10,620
Office expenses	4,299	2,199	1,069	3,268	7,567
Legal/Accounting	-	35,316	-	35,316	35,316
Meetings/Conferences	5,755	2,944	3,495	6,439	12,194
Travel	17,728	9,068	4,407	13,475	31,203
Interest	4,230	2,163	1,051	3,214	7,444
Bank and other fees	1,057	541	263	804	1,861
Miscellaneous	53,278	26,583	12,918	39,501	92,779
Contractor fees and other project expenses	713,643	-	-	-	713,643
Total functional expenses	**$ 1,805,346**	**$ 593,071**	**$ 283,732**	**$ 876,803**	**$ 2,682,149**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (8,002)	$ 167,200
Adjustments to reconcile (decrease) increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	15,185	17,039
Change in value of beneficial interest in trust	(425,615)	(390,086)
Lease costs accrued, not paid	4,645	6,431
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Grants and miscellaneous receivables	(447,109)	210,735
Prepaid expenses	(4,523)	-
Accounts payable and accrued liabilities	(44,772)	162,977
Contract liabilities	(9,750)	(31,288)
Net cash and cash equivalents (used in) provided by operating activities	(919,941)	143,008
Cash Flows Used in Investing Activities - Purchase of property and equipment	(16,349)	(41,242)
Net (Decrease) Increase in Cash and Cash Equivalents	(936,290)	101,766
Cash and Cash Equivalents - Beginning of year	1,407,336	1,305,570
Cash and Cash Equivalents - End of year	**$ 471,046**	**$ 1,407,336**

Note 1 - Nature of Business

Delta Institute (Delta) is chartered as an Illinois not-for-profit corporation and began operations on July 1, 1998. Delta collaborates with communities to solve complex environmental challenges across the Midwest.

The Delta Redevelopment Institute (REDI) is chartered as an Illinois not-for-profit corporation and began operations in December 1998. REDI facilitates Brownfield redevelopment in the metropolitan Chicago area by addressing predevelopment barriers.

The Delta P2E2 Center, LLC (P2/E2) is a single-member limited liability company formed by Delta in 2004 to provide technical assistance and financing to support the implementation of pollution prevention and energy efficiency measures.

The Delta Revere Program, LLC (Revere) is a single-member limited liability company formed by Delta on June 1, 2005 to act as the designated lender under the Revere Community Affordable Housing Grant Program Agreement dated May 12, 2005 by and between Delta and the Comer Science and Education Foundation (Comer). Loans are made to eligible homebuyers to induce development of affordable housing and to combat community deterioration in the neighborhood and community surrounding the Revere school in Chicago, Illinois.

Note 2 - Significant Accounting Policies

Principles of Consolidation

Through June 30, 2025, Delta had economic interest in and exercised control over the activities of REDI. Delta owns 100 percent of P2/E2 and Revere. Accordingly, the consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. All significant intercompany accounts and transactions have been eliminated as of and for the years ended June 30, 2025 and 2024. The consolidated entity is referred to as the "Organization."

Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable from customers are stated at invoice amounts. The Organization calculates the allowance using an expected loss model that considers the Organization’s actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Organization considers fluctuations in past-due amounts and industry trends when making adjustments for reasonable and supportable forecasts. Amounts deemed to be uncollectible are charged to the provision for credit losses in the period that such a determination is made.

Grants Receivable

Grants receivable are valued at management's estimate of the amount that will ultimately be collected. An allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Organization's historical collection experience. No allowance was deemed necessary at June 30, 2025 and 2024.

Note 2 - Significant Accounting Policies (Continued)

Beneficial Interest in Trust

The Organization has funds held by the Chicago Community Trust from which income is received based on the Organization's share. The interest in the trust is stated at the estimated fair value based on the percentage of the trust designated to the Organization applied to the total fair value of the trust, which is based primarily on quoted market prices of the trust's underlying assets. The Organization's share of such trust's assets is included in the consolidated statement of financial position as beneficial interest in trust and is classified as net assets with donor restrictions, as the funds are restricted in perpetuity.

Property and Equipment

Property and equipment with individual values in excess of $1,000 are recorded at cost when purchased or at fair value at the date of donation and are depreciated on a straight-line basis over their estimated useful lives. Estimated lives are five years for furniture and equipment and the remaining lease term for leasehold improvements. Costs of maintenance and repairs are charged to expense when incurred.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

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, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets (deficiency in net assets) as net assets released from restrictions.

Government Grants

Revenue received for grants is considered a nonexchange transaction and is recognized as the conditions of the grants have been met. As of June 30, 2025 and 2024, the Organization is eligible to receive and recognize $3,972,443 and $2,462,963, respectively, of these conditional contributions upon the occurrence of future qualifying expenses. Grant funding received in advance of conditions being met is recorded as refundable advances.

Note 2 - Significant Accounting Policies (Continued)

Contract Fees

The Organization derives contract fees from management and consulting service contracts. The nature of the Organization's promise in exchange for contract fees is to provide management and environmental consulting. Revenue is recognized ratably over time as services are provided to the customers or as labor hours are incurred. When the Organization has the right to consideration in an amount that directly corresponds to the value received to date by the customer, management has adopted the practical expedient in Accounting Standards Codification 606-10-55-18 to recognize revenue in the amount to which the Organization has a right to invoice.

Invoices are generally due within 30 days after an invoice is sent to a customer. At times, the Organization may collect cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing a contract liability. There were contract liabilities of $81,063 and accounts receivable of $142,188 as of July 1, 2023.

Leases

The Organization has one operating lease, as described at Note 7. The Organization recognizes expense for operating leases on a straight-line basis over the lease term. The Organization has no short-term operating leases with a lease term of one year or less.

The Organization elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for the lease.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of functional expenses. Expenses are charged to program services and support services on an actual basis when available. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Expenses deemed to be indirect to employee work, such as professional services, are considered to be management and general expenses. Other expenses utilized by all employees, such as occupancy, utilities, and supplies, are also allocated on the basis of time and effort. Costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes

Delta and REDI are exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. P2/E2 and Revere are disregarded for tax purposes and are included in Delta's tax return. Delta and REDI have both been classified as other than private foundations by the Internal Revenue Service.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including December 29, 2025, which is the date the consolidated financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The Organization has $1,397,925 and $1,887,106 of financial assets available within one year of June 30, 2025 and 2024 to meet cash needs for general expenditure consisting of cash and cash equivalents of $471,046 and $1,407,336 and grants and miscellaneous receivables of $926,879 and $479,770, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date, as the donor purpose restrictions are expected to be released within one year. The receivables are subject to implied time restrictions but are expected to be collected within one year.

The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 60 days of normal operating expenses, which are, on average, approximately $310,000 and $275,000 at June 30, 2025 and 2024, respectively. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization has a committed line of credit in the amount of $250,000 at June 30, 2025, which it could draw upon if needed, as further described in Note 4. The Organization has a beneficial interest in trust of $6,270,913 and $5,845,298 as of June 30, 2025 and 2024, respectively. The amount over the corpus of the fund is available for use to cover operating expenses upon board of directors and donor approval.

Note 4 - Line of Credit

Under a line of credit agreement opened with a bank in 2021, the Organization has available borrowings of $250,000. Interest is payable monthly at a rate of 1.00 percent above the prime rate (an effective rate of 8.50 and 9.00 percent at June 30, 2025 and 2024, respectively). The line of credit is collateralized by substantially all of the Organization's assets. Under the agreement with the bank, the Organization is subject to certain covenants, including maintaining net worth of at least $5,000,000 and an annual 30-day cleanup. There were no borrowings as of June 30, 2025 and 2024.

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2025	2024	Depreciable Life - Years
Machinery and equipment	$ -	$ 4,689	5
Furniture and fixtures	128,028	106,989	5
Leasehold improvements	3,768	3,768	Lease term
Total cost	131,796	115,446	
Accumulated depreciation	88,065	72,879	
Net property and equipment	$ 43,731	$ 42,567	

Depreciation expense for 2025 and 2024 was $15,185 and $17,039, respectively.

Note 6 - Net Assets

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2025	2024
Subject to expenditures for a specified purpose:		
Resilient Communities - Great Revers	$ -	$ 107,004
Resilient Communities - Port	-	40,521
Resilient Communities - GLPF	-	189,944
Resilient Communities - HHF	-	21,228
Resilient Communities - McDougal	172,578	-
Land Stewardship - Walton Foundation	34,533	111,075
Land Stewardship - Erb Foundation	-	81,863
Land Stewardship - Oberweiler	20,809	-
Land Stewardship - Walder	-	178,272
Land Stewardship - Brach	-	9,850
Land Stewardship - Lumpkin	1,584	24,114
Land Stewardship - Legacy	-	10,000
Builders Initiative Foundation	394,905	-
Total subject to expenditures for a specified purpose	624,409	773,871
Beneficial interest in trust	6,270,913	5,845,298
Total	$ 6,895,322	$ 6,619,169

Note 7 - Operating Lease

The Organization is obligated under an operating lease for office space, expiring in June 2036. The right-of-use asset and related lease liability have been calculated using a discount rate of 2.75 percent. In addition to the base rent, the Organization must pay its proportionate share of certain expenses and real estate taxes.

Future minimum annual commitments under the operating lease are as follows:

Years Ending June 30	Amount
2026	$ 57,168
2027	58,955
2028	60,741
2029	62,528
2030	64,314
Thereafter	423,400
Total	727,106
Less amount representing interest	104,937
Present value of net minimum lease payments	622,169
Less current obligations	57,168
Long-term obligations under capital leases	$ 565,001

Note 7 - Operating Lease (Continued)

Rent expense amounted to $130,121 and $132,002 as of June 30, 2025 and 2024, respectively.

Note 8 - Retirement Plan

Delta offers a 401(k) plan to all employees meeting the eligibility requirements defined in the plan. The plan allows for elective employee contributions up to the amount set by federal law and a mandatory employer contribution limited to 3 percent of eligible compensation. Delta also contributes 1 percent of eligible compensation if the employee contributes at least 1 percent of eligible compensation. Total organization contributions charged to retirement costs in 2025 and 2024 were $50,438 and $44,258, respectively.

Note 9 - Long-term Debt

Long-term debt at June 30 is as follows:

	2025	2024
P2/E2 - Note payable, Bank of America, unsecured, requiring monthly interest-only payments of 3 percent per annum and due in full on August 15, 2012. The principal amount of the note may be used to finance the redevelopment of programs supporting environmental quality and energy efficiency. As of the report date, the bank has not indicated intentions to call or forgive the note. Accrued interest on the note payable amounted to $201,875 and $186,875 as of June 30, 2025 and 2024, respectively	$ 500,000	$ 500,000
Note payable to the Small Business Administration (SBA) in monthly installments of $641, including fixed interest at 2.75 percent, beginning in January 2023. The note is collateralized by substantially all of the Organization's assets and is due in July 2050	150,000	150,000
Total	650,000	650,000
Less current portion	513,089	509,220
Long-term portion	$ 136,911	$ 140,780

The balance of the above debt matures as follows:

Years Ending	Amount
2026	$ 513,089
2027	3,977
2028	4,088
2029	4,202
2030	4,318
Thereafter	120,326
Total	$ 650,000

Interest expense for 2025 and 2024 was $22,692 and $22,444, respectively.

Note 10 - Concentration of Credit Risk

The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions that may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts.

Note 10 - Concentration of Credit Risk (Continued)

The Organization receives substantially all funding from a relatively small group of government, foundation, and corporate donors. There is a risk that this funding could be curtailed, in which case the Organization would seek alternative funding or reduce its scale of operations.

Note 11 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at June 30, 2025 and 2024 and the valuation techniques used by the Organization to determine those fair values:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
Beneficial interest in trust	$ -	$ -	$ 6,270,913	$ 6,270,913

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
Beneficial interest in trust	$ -	$ -	$ 5,845,298	$ 5,845,298

The net unrealized gains and losses of $425,615 and $390,086 for the years ended June 30, 2025 and 2024, respectively, are reported as the change in fair value of beneficial interest in trust on the consolidated statement of activities and changes in net assets (deficiency in net assets).