


***Financial Statements***
***For the Years Ended June 30, 2025 and 2024***

***OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.***

***Financial Statements***

***For the Years Ended June 30, 2025 and 2024***

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*Independent Auditors' Report*

To the Board of Directors
Oldways Preservation and Exchange Trust, Inc.
Boston, Massachusetts

***Opinion***

We have audited the accompanying financial statements of Oldways Preservation and Exchange Trust, Inc. (a nonprofit 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 positions of Oldways Preservation and Exchange Trust, Inc. 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oldways Preservation and Exchange Trust, Inc. 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 Oldways Preservation and Exchange Trust, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Oldways Preservation and Exchange Trust, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oldways Preservation and Exchange Trust, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*KellyVitaleRaffol, LLC*

Needham, Massachusetts
December 12, 2025

## *OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.*

### *Statements of Financial Position*

### *As of June 30, 2025 and 2024*

| | 2025 | 2024 |
|---|---|---|
| ***Assets*** | | |
| Cash and cash equivalents | $ 851,537 | $ 581,831 |
| Pledges receivable | 54,360 | 63,475 |
| Prepaid expenses | 163,789 | 100,104 |
| Fixed assets, net | 198,794 | 169,504 |
| Investments | 762,684 | 520,659 |
| Right-of-use asset, net | 150,401 | - |
| Security deposit | 12,000 | 12,000 |
| ***Total assets*** | $ 2,193,565 | $ 1,447,573 |
| ***Liabilities and Net Assets*** | | |
| *Liabilities:* | | |
| Accounts payable | $ 14,944 | $ 9,989 |
| Accrued expenses | 159,786 | 153,975 |
| Deferred revenue | 206,795 | 65,295 |
| Lease liability | 153,848 | - |
| ***Total liabilities*** | 535,373 | 229,259 |
| *Net Assets:* | | |
| Without donor restrictions | 1,069,946 | 576,898 |
| With donor restrictions | 588,246 | 641,416 |
| ***Total net assets*** | 1,658,192 | 1,218,314 |
| ***Total liabilities and net assets*** | $ 2,193,565 | $ 1,447,573 |

*See accompanying notes to financial statements.*

## *OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.*

### *Statements of Activities*

### *For the 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:*** | | | | | | |
| Grants and contributions | $ 36,987 | $ 1,184,707 | $ 1,221,694 | $ 67,326 | $ 1,240,277 | $ 1,307,603 |
| Government grant | 325,228 | - | 325,228 | - | - | - |
| Program fees | 800,532 | - | 800,532 | 561,816 | - | 561,816 |
| Publications | 68,792 | - | 68,792 | 58,715 | - | 58,715 |
| Licensing fees | 17,097 | - | 17,097 | 12,637 | - | 12,637 |
| Net investment income | 62,139 | - | 62,139 | 34,731 | - | 34,731 |
| Net assets released from restrictions | 1,237,877 | (1,237,877) | - | 1,159,493 | (1,159,493) | - |
| ***Total revenue and support*** | 2,548,652 | (53,170) | 2,495,482 | 1,894,718 | 80,784 | 1,975,502 |
| ***Expenses*** | | | | | | |
| Program services | 1,786,754 | - | 1,786,754 | 1,634,971 | - | 1,634,971 |
| General and administrative | 252,993 | - | 252,993 | 249,096 | - | 249,096 |
| Fundraising | 15,857 | - | 15,857 | 13,919 | - | 13,919 |
| ***Total expenses*** | 2,055,604 | - | 2,055,604 | 1,897,986 | - | 1,897,986 |
| ***Changes in net assets*** | 493,048 | (53,170) | 439,878 | (3,268) | 80,784 | 77,516 |
| ***Net assets, beginning of year*** | 576,898 | 641,416 | 1,218,314 | 580,166 | 560,632 | 1,140,798 |
| ***Net assets, end of year*** | $ 1,069,946 | $ 588,246 | $ 1,658,192 | $ 576,898 | $ 641,416 | $ 1,218,314 |

*See accompanying notes to financial statements.*

## *OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.*

### *Statements of Cash Flows*

### *For the Years Ended June 30, 2025 and 2024*

| | 2025 | 2024 |
|---|---|---|
| ***Cash Flows from Operating Activities:*** | | |
| Changes in net assets | $ 439,878 | $ 77,516 |
| Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 18,954 | 2,300 |
| Net realized and unrealized (gain) loss on investments | (46,740) | (22,774) |
| Changes in: | | |
| Pledges receivable | 9,115 | (3,675) |
| Prepaid expenses | (63,685) | 1,963 |
| Accounts payable | 4,955 | (44,929) |
| Accrued expenses | 5,811 | 4,418 |
| Deferred revenue | 141,500 | (11,960) |
| Right-to-use asset and lease liability, net | 4,683 | - |
| ***Net cash provided by operating activities*** | 514,471 | 2,859 |
| ***Cash Flows from Investing Activities:*** | | |
| Purchase of investments | (667,278) | (124,852) |
| Proceeds from sales of investments | 471,993 | 112,957 |
| Investment in fixed assets | (48,244) | (5,401) |
| ***Net cash used in investing activities*** | (243,529) | (17,296) |
| ***Cash Flows from Financing Activities:*** | | |
| Principal payments on finance lease | (1,236) | - |
| ***Net cash used by financing activities*** | (1,236) | - |
| ***Change in cash and cash equivalents*** | 269,706 | (14,437) |
| ***Cash and cash equivalents, beginning of year*** | 581,831 | 596,268 |
| ***Cash and cash equivalents, end of year*** | $ 851,537 | $ 581,831 |

*See accompanying notes to financial statements.*

## *OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.*

### *Statements of Functional Expenses*

### *For the Years Ended June 30, 2025 and 2024*

| | *2025* | | | | *2024* | | | |
|---|---|---|---|---|---|---|---|---|
| | *Program Services* | *General and Administrative* | *Fundraising* | *Total* | *Program Services* | *General and Administrative* | *Fundraising* | *Total* |
| Salaries | $ 806,002 | $ 106,928 | $ 12,309 | $ 925,239 | $ 783,594 | $ 104,909 | $ 10,442 | $ 898,945 |
| Payroll taxes | 62,704 | 8,319 | 958 | 71,981 | 69,207 | 9,266 | 922 | 79,395 |
| Fringe benefits | 61,737 | 8,190 | 943 | 70,870 | 61,598 | 8,247 | 821 | 70,666 |
| ***Personnel Cost*** | 930,443 | 123,437 | 14,210 | 1,068,090 | 914,399 | 122,422 | 12,185 | 1,049,006 |
| Bank fees | 11,964 | 1,127 | - | 13,091 | 11,077 | 168 | - | 11,245 |
| Books and publications | 78 | - | - | 78 | 133 | - | - | 133 |
| Conferences and events | 75,339 | - | - | 75,339 | 75,622 | - | - | 75,622 |
| Consultants | 106,582 | 67,962 | - | 174,544 | 69,464 | 64,482 | - | 133,946 |
| Contributions | 8,000 | - | - | 8,000 | 10,000 | - | - | 10,000 |
| Depreciation | 16,512 | 2,190 | 252 | 18,954 | 2,005 | 268 | 27 | 2,300 |
| Design | 3,984 | - | - | 3,984 | 2,474 | - | - | 2,474 |
| Dues and subscriptions | 22,102 | 2,843 | - | 24,945 | 26,831 | 3,093 | - | 29,924 |
| Equipment rental and repair | 6,082 | 807 | 93 | 6,982 | 8,208 | 1,099 | 109 | 9,416 |
| Facility maintenance | 915 | 121 | 14 | 1,050 | 1,525 | 204 | 20 | 1,749 |
| Insurance | 5,298 | 10,694 | - | 15,992 | 5,969 | 10,478 | - | 16,447 |
| Marketing | 240 | - | - | 240 | 1,213 | - | - | 1,213 |
| Meetings | 20,831 | 8,995 | - | 29,826 | 13,231 | 6,412 | - | 19,643 |
| Office expenses | 5,550 | 103 | - | 5,653 | 11,511 | 361 | - | 11,872 |
| Parking | 3,506 | 465 | 54 | 4,025 | 3,138 | 420 | 42 | 3,600 |
| Processing fees | 6,602 | 876 | 101 | 7,579 | 7,907 | 1,059 | 105 | 9,071 |
| Postage and delivery | 3,305 | 1,481 | - | 4,786 | 271 | 4,711 | - | 4,982 |
| Printing | 34,229 | - | - | 34,229 | 31,056 | - | - | 31,056 |
| Professional fees | 20,448 | 17,500 | - | 37,948 | 2,597 | 15,862 | - | 18,459 |
| Rent | 66,256 | 8,522 | 981 | 75,759 | 98,958 | 12,898 | 1,284 | 113,140 |
| Supplies | 554 | 326 | - | 880 | 1,281 | 149 | - | 1,430 |
| Telephone | 11,754 | 1,298 | 149 | 13,201 | 11,750 | 1,332 | 133 | 13,215 |
| Travel | 425,300 | - | - | 425,300 | 323,100 | - | - | 323,100 |
| Utilities | 223 | 29 | 3 | 255 | 1,071 | 143 | 14 | 1,228 |
| Website | 657 | 4,217 | - | 4,874 | 180 | 3,535 | - | 3,714 |
| ***Total expenses*** | $ 1,786,754 | $ 252,993 | $ 15,857 | $ 2,055,604 | $ 1,634,971 | $ 249,096 | $ 13,919 | $ 1,897,985 |

*See accompanying notes to financial statements.*

## *Note 1. Nature of Activities*

The Organization was organized on November 11, 1988 as a not-for-profit corporation under Massachusetts General Laws, Chapter 180. The purpose of the Organization is to preserve and promote the healthy and traditional eating and drinking habits, healthy lifestyles, and good aqua and agricultural practices by providing scientific and educational programs, conferences and publications for consumers, media and health professionals.

## *Note 2. Summary of Significant Accounting Policies*

### *Basis of Presentation*

As required by the FASB Accounting Standards Codification, the Organization's 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- or certain grantor- imposed restrictions. Some donor-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.

### *Use of Estimates and Assumptions*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

### *Cash and Cash Equivalents*

The Organization considers cash and cash equivalents to be cash on hand, cash in operating bank accounts, and money market funds. The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

***Note 2. Summary of Significant Accounting Policies (Continued)***

***Revenue Recognition and Deferred Revenue***

The Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a non-exchange transaction in which a resource provider does not receive commensurate value in return for the resources transferred (i.e. a contribution).

If the transfer of assets is determined to be an exchange transaction, the Organization follows FASB Accounting Standards Codification ("ASC") 606 for recognizing revenue from contracts with customers. The Organization identifies both the performance obligation and the transaction price and recognizes this earned revenue when the performance obligations are considered to be met. Accordingly, the Organization recognizes earned revenue in the statements of activities and changes in net assets from:

- Program fees (which are registration fees to attend culinary travel tours hosted by the Organization) when the tour happens,
- Publications (gross sales of books, brochures, menus, etc., when the items are shipped) and
- From licensing the use of diet curriculums and materials during the licensing period.

If the transfer of assets is determined to be a contribution, the Organization follows FASB ASC 958-605 and evaluates whether the contribution is conditional, meaning the agreement includes both (1) one or more measurable performance barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized until the conditions have been substantially met. The Organization recognizes unconditional contributions when cash, securities, or other assets; an unconditional promise to give; or notification of a beneficial interest is received.

Contributions received are recorded as revenue with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is satisfied), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

The Organization's membership dues are non-exchange transactions and fall under the scope of FASB ASC 958-605, and therefore are recorded as grants and contributions with donor restrictions in the statements of activities and changes in net assets, and are released from restriction over the term of the membership period (generally 12 months).

Deferred revenue represents program fee income for future years that was received prior to year-end. These amounts are deferred and recognized over the periods to which the fee relates.

***Note 2. Summary of Significant Accounting Policies (Continued)***

***Fixed Assets***

Fixed assets, having a cost in excess of $1,000 and having an estimated useful life of at least three years, are capitalized at cost. Donations of fixed assets are recorded as support revenue at their estimated fair value. Depreciation is calculated using the straight line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized. Equipment and the website are depreciated over estimated useful lives of three years.

***Income Taxes***

The Organization qualifies as a tax-exempt organization under the Internal Revenue Code (IRC) section 501(c)(3) and as such has no federal income tax liability. In addition, the Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation.

***Functional Allocation of Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon time studies. Occupancy costs and depreciation expense are also allocated based on these percentages, as they reasonably approximate allocations based on square footage. Other expenses allocated based on these percentages include: equipment rental and repair, and telephone.

***Investments***

The Organization reports investments in equity securities and certificates of deposit (CDs) with readily determinable fair values in the statements of financial position at fair value. Investment income from these assets is included in the change in net assets as a change in net assets without donor restrictions

### *Note 3. Concentration of Credit Risk*

The Organization maintains its cash and cash equivalent balances at four financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures balances in non-interest bearing and other deposit accounts as an aggregate balance at each financial institution up to $250,000. Any balances above the FDIC are fully insured by Depositor's Insurance Fund (DIF) for one institution. As of June 30, 2025 and 2024, the Organization had $182,962 and $24,309, respectively, in cash over the limit.

The Organization maintains a brokerage account for future investing that consist of money market funds, equities and other marketable securities. The Securities Investor Protection Corporation (SIPC) insures balances up to $500,000 for these brokerage accounts. As of June 30, 2025 and 2024, the Organization had $77,755 and $20,659, respectively, in uninsured balances in the brokerage account.

### *Note 4. Pledges Receivable*

The Organization has received unconditional promises to give related to membership and sponsorship pledges. As of June 30, 2025, all promises to give were expected to be received in one year and any allowance or discount is expected to be immaterial and has not been recorded. The balance as of June 30, 2025 and 2024 was $54,360 and $63,475, respectively.

### *Note 5. Net Assets with Donor Restrictions*

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by the donor. As of June 30, 2025, and 2024, net assets of $588,246 and $641,416, respectively, are restricted for programmatic purposes that are expected to be met in fiscal year 2026 and were met in 2025, respectively.

### *Note 6. Defined Contribution Plan*

The Organization has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b) of the IRC for the benefit of eligible employees. Salaried employees with 30 hours or more service during any consecutive 12-month period commencing with date of employment, or anniversary date, are eligible to participate in this plan. Under the Plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. The Organization is required to match employee contributions up to 3% of the employee's salary. The plan has a five-year vesting window for the employer portion of contributions. During the fiscal year ended June 30, 2025, and 2024, the Organization contributed $23,096 and $24,586, respectively, to the employee plans.

### *Note 7. Liquidity and Availability of Financial Assets*

The following reflects the Organization's financial assets at June 30, reduced by any amounts that are not available for general use because of donor-imposed restrictions within one year of the statement of financial position dates:

| | *2025* | *2024* |
|---|---|---|
| Financial assets: | | |
| Cash and cash equivalents | $ 851,537 | $ 581,831 |
| Pledge receivables | 54,360 | 63,475 |
| Investments | 762,684 | 520,659 |
| ***Financial assets available to meet cash needs for general expenditures within one year*** | $ 1,668,581 | $ 1,165,965 |

As part of its liquidity management plan, the Organization invests excess cash in interest-bearing and other investment accounts. The Organization relies on annual donations/membership revenue to fund its operations and program activities. The Organization also has various sources of earned revenue (program fees, license fees, and publication sales) as well.

The Organization has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operation. Accordingly, these assets have been included above.

### *Note 8. Conditional Grant*

During the year ended, June 30, 2024, the Organization filed for the Employee Retention Tax Credit (ERTC). The ERTC, a credit against certain payroll taxes allowed to an eligible employer for qualifying wages, was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The ERTC is considered a conditional grant, as an organization only qualifies for the transfer of assets if it has overcome the barrier of eligibility. Laws and regulations concerning government programs, including the Employee Retention Tax Credit established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERTC, and it is not possible to determine the impact (if any) this would have upon the Organization. As of June 30, 2025, the Organization has collected all of the expected grant in the amount of $325,228.

### *Note 9. Fair Value Measurements of Investments*

Financial Accounting Standards Board Statement ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB Statement ASC 820 are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of investments appearing on the statement of financial position has the following valuation approaches as defined by FASB ASC 820 hierarchy and presented in the following table as of June 30:

| | *2025* | *2024* |
|---|---|---|
| Quoted prices in active market for identical assets (Level 1): | | |
| Investments in securities, at fair value | $ 738,695 | $ 493,373 |
| Quoted prices in non-active market (Level 2): | | |
| Corporate bonds, at fair value | $ 23,989 | $ 27,286 |

***Note 10. Fixed Assets***

Property and equipment consist of the following as of June 30:

| | 2025 | 2024 |
|---|---|---|
| Equipment | $ 12,411 | $ 65,300 |
| Website | 300,989 | 257,500 |
| | 313,400 | 322,800 |
| Accumulated depreciation | 114,606 | 153,296 |
| ***Property and equipment, net*** | $ 198,794 | $ 169,504 |

Depreciation expense for the year ended June 30, 2025 and 2024, was $18,954 and $2,300, respectively.

***Note 11. Lease Commitments***

On May 23, 2022, the Organization extended their program and office space lease for an additional two years through June 2024. The amended lease agreement did not include any options to extend the lease. However, during the year ended June 30, 2025, the Organization and the landlord agreed to an "addendum" under which the Organization began leasing a smaller space in the same building for 3 years, commencing on July 1, 2024. The agreement specifies monthly rental payments in the amount of $5,450 for the first year, and contains 5% escalations for each of the second and third years. Rent expense for the years ended June 30, 2025 and 2024 was $113,139 and $103,842, respectively.

On March 10, 2025, the Organization entered into a 60-month finance lease agreement for a copier that requires monthly payments of $375 a month.

The components of the lease expense, lease term and discount for the year ended June 30, 2025, are as follows:

| | Operating Lease | Financing Lease |
|---|---|---|
| Lease cost | $ 68,724 | $ 1,358 |
| Interest expense | $ - | $ 264 |
| Right-of-use asset | $ 192,742 | $ 20,372 |
| Less: accumulated amortization | (61,355) | (1,358) |
| ***Right-of-use asset, net*** | $ 131,387 | $ 19,014 |
| Weighted-average remaining lease term, in years | 2 | 4.67 |
| Weighted-average discount rate | 4.58% | 3.98% |

***Note 11. Lease Commitments (Continued)***

The future minimum rental commitments for these leases at June 30, 2025 are as follows:

| | ***Operating Lease*** | ***Financing Lease*** |
|---|---|---|
| Years ending June 30: | | |
| 2026 | $ 68,670 | $ 4,500 |
| 2027 | 72,103 | 4,500 |
| 2028 | - | 4,500 |
| 2029 | - | 4,500 |
| 2030 | - | 3,000 |
| Total undiscounted lease payments | 140,773 | 21,000 |
| Less: discount to net present value | (6,062) | (1,863) |
| ***Present value of lease liability*** | $ 134,711 | $ 19,137 |

***Note 12. Subsequent Events***

The Organization has evaluated subsequent events through December 10, 2025, which is the date the financial statements were available to be issued.