

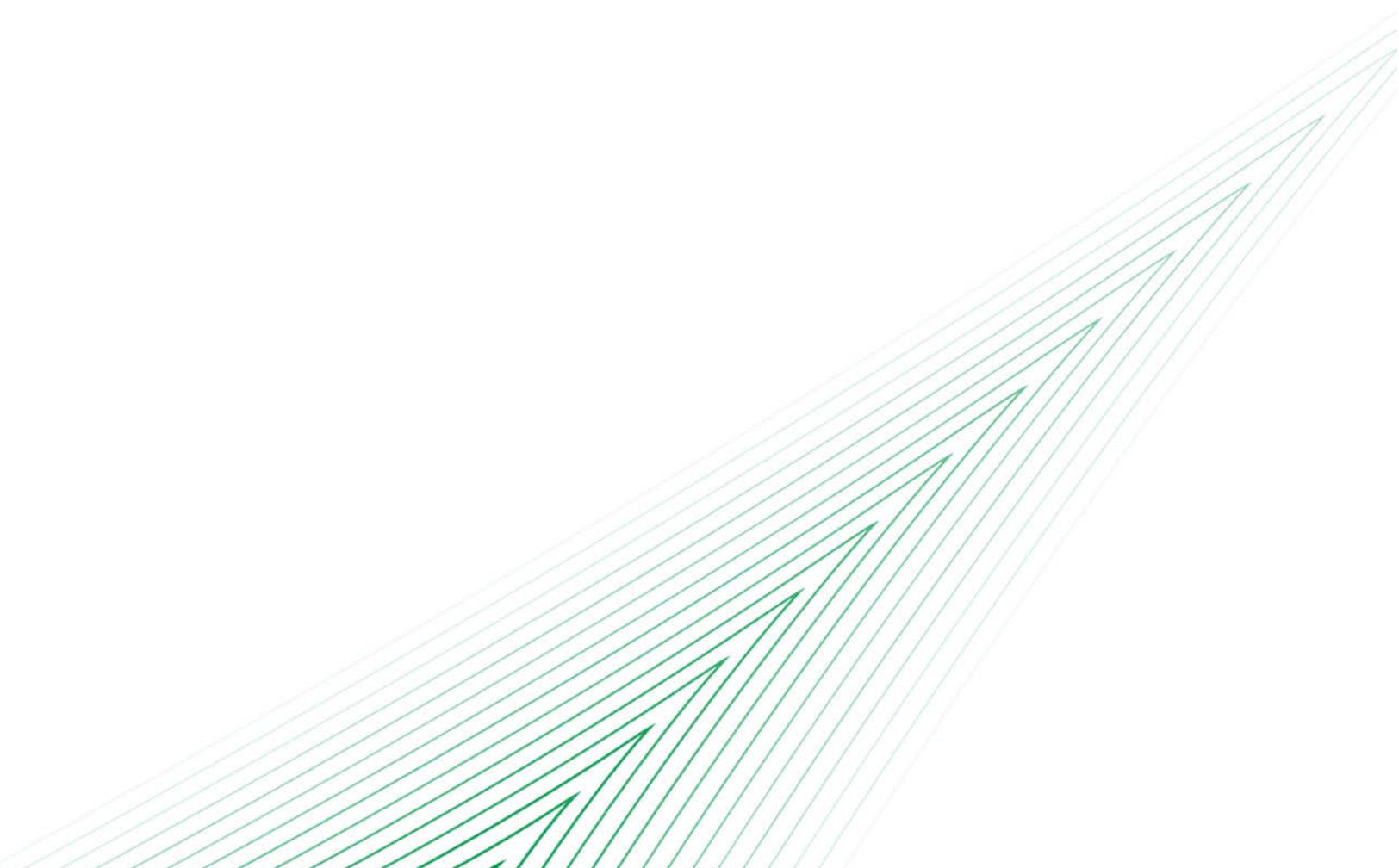


THE MANHATTAN STAR ACADEMY



**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2025 AND 2024



THE MANHATTAN STAR ACADEMY
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
YEARS ENDED JUNE 30, 2025 AND 2024

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Independent Auditors' Report

The Board of Trustees
The Manhattan Star Academy

Opinion

We have audited the financial statements of The Manhattan Star Academy ("MSA"), 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Manhattan Star Academy 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"). 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 MSA 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 MSA's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 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 MSA'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 MSA'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.

CBIZ CPAs P.C.

New York, NY
December 19, 2025

**THE MANHATTAN STAR ACADEMY
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024**

	2025	2024
ASSETS		
Cash and cash equivalents (Note 2C)	\$ 1,686,243	\$ 67,334
Tuition receivable, net (Note 2D)	13,662,942	19,419,843
Prepaid expenses and other assets	337,141	264,626
Due from IHOPE (Note 5B)	-	1,811
Operating lease right-of-use assets (Note 7)	12,260,302	13,094,328
Property and equipment, net (Notes 2E and 4)	249,854	542,240
TOTAL ASSETS	\$ 28,196,482	\$ 33,390,182
LIABILITIES		
Accounts payable and accrued expenses	\$ 434,991	\$ 289,030
Accrued salaries and other benefits	893,856	867,919
Due to YAI (Note 6)	52,336	4,521,826
Note payable (Note 5A)	2,000,000	3,000,000
Deferred revenue (Note 2F)	923,855	463,632
Operating lease liabilities (Note 7)	13,864,796	14,778,033
TOTAL LIABILITIES	18,169,834	23,920,440
CONTINGENCIES (Note 8)		
NET ASSETS (Note 2B)		
Without donor restrictions	9,989,038	9,424,788
With donor restrictions	37,610	44,954
TOTAL NET ASSETS	10,026,648	9,469,742
TOTAL LIABILITIES AND NET ASSETS	\$ 28,196,482	\$ 33,390,182

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

THE MANHATTAN STAR ACADEMY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>
REVENUES AND SUPPORT						
Tuition (Note 2D)	\$ 19,411,201	\$ -	\$ 19,411,201	\$ 18,648,285	\$ -	\$ 18,648,285
Contributions (Note 2H)	78,604	-	78,604	92,737	-	92,737
Other income	33,607	-	33,607	274,071	-	274,071
Net assets released from restrictions (Notes 2H and 11)	<u>7,344</u>	<u>(7,344)</u>	<u>-</u>	<u>120,703</u>	<u>(120,703)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>19,530,756</u>	<u>(7,344)</u>	<u>19,523,412</u>	<u>19,135,796</u>	<u>(120,703)</u>	<u>19,015,093</u>
EXPENSES (Note 2I)						
Educational services	16,028,377	-	16,028,377	14,347,375	-	14,347,375
Management and general	2,906,095	-	2,906,095	2,693,730	-	2,693,730
Fundraising expenses	<u>32,034</u>	<u>-</u>	<u>32,034</u>	<u>31,775</u>	<u>-</u>	<u>31,775</u>
TOTAL EXPENSES	<u>18,966,506</u>	<u>-</u>	<u>18,966,506</u>	<u>17,072,880</u>	<u>-</u>	<u>17,072,880</u>
CHANGE IN TOTAL NET ASSETS	564,250	(7,344)	556,906	2,062,916	(120,703)	1,942,213
Net assets - beginning of year	<u>9,424,788</u>	<u>44,954</u>	<u>9,469,742</u>	<u>7,361,872</u>	<u>165,657</u>	<u>7,527,529</u>
NET ASSETS - END OF YEAR	<u>\$ 9,989,038</u>	<u>\$ 37,610</u>	<u>\$ 10,026,648</u>	<u>\$ 9,424,788</u>	<u>\$ 44,954</u>	<u>\$ 9,469,742</u>

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

**THE MANHATTAN STAR ACADEMY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	Year Ended June 30, 2025				Year Ended June 30, 2024			
	Educational Services	Management and General	Fundraising	Total 2025	Educational Services	Management and General	Fundraising	Total 2024
Salaries	\$ 9,108,975	\$ 676,081	\$ -	\$ 9,785,056	\$ 8,867,891	\$ 682,758	\$ -	\$ 9,550,649
Payroll taxes and employee benefits (Note 10)	1,807,829	134,180	-	1,942,009	1,723,419	132,690	-	1,856,109
Total salaries and related costs	10,916,804	810,261	-	11,727,065	10,591,310	815,448	-	11,406,758
Contracted services	331,320	218,557	-	549,877	143,296	138,649	-	281,945
Professional fees	-	154,969	-	154,969	8,816	58,485	-	67,301
Management support services (Note 6)	-	1,018,707	27,436	1,046,143	-	1,009,365	29,361	1,038,726
Program recreational and supplies	198,646	-	-	198,646	167,911	-	-	167,911
Food	2,678	6,454	-	9,132	7,293	3,368	-	10,661
Transportation	3,489	839	-	4,328	3,637	894	-	4,531
Office and equipment expense	91,870	55,288	-	147,158	95,285	45,077	-	140,362
Staff development and expenses	91,516	9,723	-	101,239	124,453	13,235	-	137,688
Occupancy (Note 7)	1,949,294	184,580	-	2,133,874	1,995,400	188,946	-	2,184,346
Repairs and maintenance	256,893	14,005	-	270,898	284,824	15,528	-	300,352
Insurance	-	58,928	-	58,928	-	58,665	-	58,665
Utilities	224,141	21,221	-	245,362	206,117	19,517	-	225,634
Telephone	4,611	30,523	-	35,134	3,122	32,233	-	35,355
Information technology	38,098	4,362	-	42,460	31,504	3,607	-	35,111
Depreciation and amortization (Note 4)	290,948	1,438	-	292,386	321,488	1,438	-	322,926
Bad debt (Note 2D)	1,628,069	-	-	1,628,069	357,640	-	-	357,640
Mortgage and capital interest (Note 5)	-	220,458	-	220,458	-	236,272	-	236,272
Miscellaneous	-	95,782	4,598	100,380	5,279	53,003	2,414	60,696
TOTAL EXPENSES	\$ 16,028,377	\$ 2,906,095	\$ 32,034	\$ 18,966,506	\$ 14,347,375	\$ 2,693,730	\$ 31,775	\$ 17,072,880

**THE MANHATTAN STAR ACADEMY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 556,906	\$ 1,942,213
Adjustments to reconcile change in net assets to net cash provided by (used in) in operating activities:		
Depreciation and amortization	292,386	322,926
Bad debt	1,628,069	357,640
Reduction in carrying amount of right-of-use assets – operating leases	(79,211)	(12,391)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Tuition receivable	4,128,832	(4,156,956)
Pledges receivables	-	92,644
Prepaid expenses and other assets	(72,515)	(26,415)
Due from IHOPE	1,811	(1,811)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	145,961	(157,372)
Accrued salaries and other benefits	25,937	119,621
Due to YAI	(4,469,490)	1,330,604
Deferred revenue	460,223	42,165
	2,618,909	(147,132)
Net Cash Provided by (Used in) Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	-	(10,327)
	-	(10,327)
Net Cash Used in Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments on loan	(1,000,000)	-
	(1,000,000)	-
Net Cash Used in Financing Activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,618,909	(157,459)
Cash and cash equivalents - beginning of year	67,334	224,793
	\$ 1,686,243	\$ 67,334
CASH AND CASH EQUIVALENTS - END OF YEAR		
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 220,458	\$ 236,272

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

**THE MANHATTAN STAR ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Manhattan Star Academy (“MSA”) offers a continuum of care for school-age children with a diverse range of diagnoses, including global developmental delays, autism spectrum disorders and speech and language disorders. MSA offers a dynamic school environment that encourages students to build on each other’s strengths and to learn from one another. MSA was incorporated in June 1998 and began operations on July 1, 2010.

MSA is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is supported primarily by tuition income. MSA has an equivalent exemption from income tax at the state and local levels.

MSA is an independent agency that is part of the Young Adult Institute, Inc. (“YAI”) Network, which is a network of non-profit agencies operating programs and services for children and adults with developmental disabilities throughout New York City, the Hudson Valley, Long Island and California. Effective July 1, 2019, YAI became the sole corporate member of MSA.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of Accounting and Use of Estimates*** – MSA’s financial statements are prepared on the accrual basis of accounting. MSA adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. ***Basis of Net Assets Presentation*** – MSA maintains its net assets under the following classes:

Without Donor Restrictions – This represents net assets not subject to donor-imposed stipulations and that have no time restrictions. Such resources are available for support of MSA’s operations over which the Board of Trustees has discretionary control.

With Donor Restrictions – This represents net assets subject to donor-imposed stipulations that will be met by actions of MSA and/or by the passage of time. When a stipulated time restriction ends or purpose restriction is accomplished, such 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.

C. ***Cash and Cash Equivalents*** – MSA considers highly liquid debt instruments with maturities of three months or less, when acquired, to be cash equivalents.

D. ***Tuition and Allowance for Uncollectible Receivables*** – Tuition receivable consists of unpaid tuition balances. Interest is not accrued or recorded on outstanding balances. MSA determines whether an allowance for uncollectible accounts should be provided for tuition receivable. Such estimate is based on management’s assessment of the aged basis of its receivables, current economic conditions, collections subsequent to year end and historical experience. As of June 30, 2025 and 2024, MSA determined that an allowance of \$1,598,530 and \$1,181,526, respectively, was necessary for tuition receivable. MSA wrote off \$1,211,065 and \$92,644 of accounts receivable for the years ended June 30, 2025 and 2024.

**THE MANHATTAN STAR ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tuition and fees are recorded as revenue in the period in which the tuition and fees relate to the school year. Deferred tuition is tuition payments committed prior to June 30, but which are applicable to the following academic year. These amounts are deferred and recognized as revenue in the fiscal year that educational services are provided.

The analysis of the allowance for credit losses for the year ended June 30, 2025 is as follows:

Balance beginning of the year		\$ 1,181,526
Write-offs		(1,211,065)
Provisions during the year		<u>1,628,069</u>
		<u>\$ 1,598,530</u>

- E. **Property and Equipment, Net** – Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease. Property and equipment is capitalized by MSA provided its cost is \$5,000 or more and its useful life is greater than one year.
- F. **Deferred Revenue** – MSA receives deposits and prepayments from students in advance of the upcoming school year. These deposits are recorded as liabilities and are applied against the students’ tuition in the period in which they are earned. All deposits are expected to be earned in the next fiscal year. Deferred revenue as of June 30, 2025 and 2024, amounted to \$ \$923,855 and \$463,632, respectively.
- G. **Revenue Sources and Recognition** – Service revenue is derived from contracts with customers. Revenue is reported at the amount that reflects the consideration to which MSA expects to be entitled in exchange for providing the contracted services. Service revenue from tuition and fees is recognized after the services are performed or after MSA has completed its portion of the contract.
- H. **Contributions** – Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. MSA reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, such 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. Contributions are accounted for under Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*.
- I. **Functional Expenses** – The costs of providing program and supporting services of MSA have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain expenses have been allocated among the program and supporting services benefited. The expenses that are allocated include depreciation and amortization, which is allocated on a prorated basis, as well as payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.
- J. **Prior Period Revenue** – There are occasions when funding source reimbursements for prior years are adjusted in the current year. Such adjustments may be due to retroactive rate adjustments, funding source audit findings, additional monies available over and above original contract amounts, rate appeal results, etc. There were adjustments of \$0 and \$19,348, included in other income on the statement of activities, for the years ended June 30, 2025 and 2024, respectively.
- K. **Prior Period Revenue** – Certain items in the June 30, 2024 financial statements have been reclassified to conform with the June 30, 2025 presentation. These changes had no impact on the net assets previously reported.

**THE MANHATTAN STAR ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

MSA regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maintain a balanced budget. MSA has various sources of liquidity at its disposal, including cash and cash equivalents and tuition receivables that provide funding for operations and expenditures as needed. The financial assets available to meet general expenditures over the next 12 months were as follows as of June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,686,243	\$ 67,334
Tuition receivable, net	13,662,942	19,419,843
Net assets with donor restrictions	<u>(37,610)</u>	<u>(44,954)</u>
	<u>\$ 15,311,575</u>	<u>\$ 19,442,223</u>

MSA strives to maintain liquid financial assets sufficient to cover expenditures. Tuition revenue from funders are expected to cover most expenses. YAI is the sole corporate member of MSA, which can aid when there are unanticipated shortfalls.

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following as of June 30:

	2025	2024	Estimated Useful Lives
Leasehold improvements	\$ 2,540,352	\$ 2,540,352	5-15 Years
Furniture and fixtures	434,749	434,749	5-15 Years
Equipment	<u>289,242</u>	<u>289,242</u>	3- 5 Years
Total cost	<u>3,264,343</u>		
<u>Less: Accumulated depreciation and amortization</u>	<u>(3,014,489)</u>	<u>(2,722,103)</u>	
Property and equipment, net	<u>\$ 249,854</u>	<u>\$ 542,240</u>	

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 amounted to \$292,386 and \$322,926, respectively. There were no disposals of property and equipment during 2025 and 2024.

NOTE 5 – RELATED-PARTY TRANSACTIONS

- A. YAI is the sole corporate member of MSA. MSA borrowed on the YAI and its Affiliates' line of credit to fund operations during 2025 and 2024. Note payable outstanding amounted to \$2,000,000 and \$3,000,000 as of June 30, 2025 and 2024, respectively and is included as note payable in the statements of financial position. The line of credit is collateralized by YAI's accounts receivable and matures in April 2026. The line of credit has provisions for debt covenants under YAI and its Affiliates on a consolidated basis. YAI and its Affiliates are on a consolidated basis are in compliance for each of the years ended June 30, 2025 and 2024.
- B. MSA, The International Academy of Hope ("IHope") and Premier Healthcare, Inc. ("PHC") have a sibling affiliation in the YAI network, whereby YAI is sole member of the organizations. There was no amount due from IHope as of June 30, 2025. Due from IHope as of June 30, 2024 amounted to \$1,811, and is included as Due from IHOPE in the statement of financial position.

**THE MANHATTAN STAR ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 6 – DUE TO AFFILIATES

MSA has a management agreement with YAI to provide management services which include, but are not limited to: accounting and financial operations, administrative and program support, human resources, education and training, information technology, general management and a limited amount of fundraising support. For the years ended June 30, 2025 and 2024, MSA incurred a management support service charge of \$1,046,143 and \$1,038,726, respectively. The total amounts outstanding as of June 30, 2025 and 2024 were \$52,336 and \$4,521,826, respectively, and are included in due to YAI on the statements of financial position.

NOTE 7 – OPERATING LEASES

MSA has three noncancelable operating lease agreements expiring at varying dates through 2035 for real and personal property principally under long-term operating leases and for copying/printing equipment. MSA assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

As of June 30, 2025 and 2024, the right-of-use (“ROU”) asset had a balance of \$12,260,302 and \$13,094,328, respectively, as shown in the statements of financial position; the lease liability totaled \$13,864,796 and \$14,778,033, respectively, as shown in the statements of financial position. The lease liabilities were calculated utilizing MSA’s incremental borrowing rate of 3.25% for leases in effect at the initial adoption date of July 1, 2020. The weighted average of the remaining lease term is 148 months, and the weighted average discount rate is 3.25%.

The future minimum rentals under lease agreements as of June 30, 2025 are as follows:

	<u>Real Property</u>	<u>Equipment</u>	<u>Total</u>
2026	\$ 2,296,688	\$ 7,772	\$ 2,304,460
2027	1,479,789	1,572	1,481,361
2028	1,524,183	1,124	1,525,307
2029	1,569,908	600	1,570,508
2030	1,617,005	-	1,617,005
Thereafter	<u>7,580,496</u>	<u>-</u>	<u>7,580,496</u>
Total lease payment	16,068,069	11,068	16,079,137
Less: Present value discount	<u>(2,213,943)</u>	<u>(398)</u>	<u>(2,214,341)</u>
	<u>\$ 13,854,126</u>	<u>\$ 10,670</u>	<u>\$ 13,864,796</u>

Rent expense for the years ended June 30, 2025 and 2024 amounted to \$2,128,694 and \$2,167,793, respectively.

NOTE 8 – CONTINGENCIES

MSA believes it has no uncertain tax positions as of June 30, 2025 and 2024 in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 9 – CONCENTRATION OF CREDIT RISK

Cash and cash equivalents that potentially subject MSA to a concentration of credit risk include cash accounts with a bank that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to \$250,000 per depositor, per insured financial institution. As of June 30, 2025 and 2024, there was approximately \$1,639,000 and \$0, respectively, of cash that exceeded FDIC limits.

**THE MANHATTAN STAR ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 – RETIREMENT PLAN

On July 1, 2015, MSA adopted the YAI Network Affiliates 401(a) Plan (the “Plan”). Employees are eligible to participate in the Plan upon completion of one year of service after July 1, 2015 and when the employee worked at least 1,000 hours. Contributions to the Plan are based on amounts determined in accordance with the Internal Revenue Code Section 415. For the years ended June 30, 2025 and 2024, retirement expense amounted to \$126,471 and \$135,718, respectively.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

MSA’s net assets with donor restrictions subject to expenditure for the specified purpose, purchase of adaptive equipment, amounted to \$37,610 and \$44,954 as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, MSA released net assets with donor restrictions of \$7,344 and \$120,703, respectively.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through December 19, 2025, the date the financial statements were available to be issued.