

**Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Financial Statements
June 30, 2025 and 2024
With Independent Auditor's Reports**

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
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June 30, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors of
Massachusetts Bay Community College Foundation, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Massachusetts Bay Community College Foundation, Inc. (a component unit of Massachusetts Bay Community College) (the "Foundation"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Massachusetts Bay Community College Foundation, 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 ("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 Audit of the Financial Statements section of our report. We are required to be independent of Massachusetts Bay Community College Foundation, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the balances of investments have been restated. Our opinion is not modified with respect to this matter.

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 Foundation's ability to continue as a going concern within one year after the date 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 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 financial statements.

In performing an audit in accordance with GAAS and *Government 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 Foundation'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 Foundation'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2026 on our consideration of Massachusetts Bay Community College Foundation Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 Massachusetts Bay Community College Foundation Inc.'s 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 Massachusetts Bay Community College Foundation Inc.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC".

January 14, 2026

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Statements of Financial Position
June 30, 2025 and 2024

	(As Restated)	
	2025	2024
Assets		
Current assets		
Cash and equivalents	\$ 1,047,357	\$ 1,077,404
Grants receivable	50,029	139,027
Pledges receivable, net	5,901	43,888
Due from affiliate	333,333	-
Short-term investments	1,673,826	1,391,279
Prepaid expense	6,999	8,499
Accrued interest receivable	19,878	18,364
Total current assets	3,137,323	2,678,461
Other assets		
Long-term investments	4,683,276	4,271,694
Long-term pledges receivable, net discount	2,829	2,807
Total other assets	4,686,105	4,274,501
Total assets	\$ 7,823,428	\$ 6,952,962
Liabilities and Net Assets		
Liabilities		
Accrued expenses	\$ 4,213	\$ 4,053
Due to affiliate	57,453	48,000
Total liabilities	61,666	52,053
Net assets		
Net assets without donor restrictions	2,162,892	1,729,872
Net assets with donor restrictions	5,598,870	5,171,037
Total net assets	7,761,762	6,900,909
Total liabilities and net assets	\$ 7,823,428	\$ 6,952,962

The Notes to Financial Statements are an integral part of these statements.

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	Without Donor Restriction 2025	With Donor Restriction 2025	Total
Operating revenues			
Contributions of cash and other financial assets	\$ 425,362	\$ 654,472	\$ 1,079,834
Contributions of non-financial assets	150,965	-	150,965
Investment return, net	229,456	500,508	729,964
Loss on pledges receivable	-	(3,480)	(3,480)
Net assets released from restriction	723,667	(723,667)	-
Total operating revenues	1,529,450	427,833	1,957,283
Operating expenses			
Program services			
Scholarships and grants	498,375	-	498,375
Academic programs	443,267	-	443,267
Total program services	941,642	-	941,642
Supporting services			
Management and general	85,024	-	85,024
Fundraising	69,764	-	69,764
Total supporting services	154,788	-	154,788
Total operating expenses	1,096,430	-	1,096,430
Change in net assets	433,020	427,833	860,853
Net asset			
Beginning of year	1,729,872	5,171,037	6,900,909
End of year	\$ 2,162,892	\$ 5,598,870	\$ 7,761,762

The Notes to Financial Statements are an integral part of these statements.

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2025 and 2024

	Without Donor Restriction 2024	With Donor Restriction 2024	Total
Operating revenues			
Contributions of cash and other financial assets	\$ 343,150	\$ 949,209	\$ 1,292,359
Contributions of non-financial assets	204,832	-	204,832
Investment return, net	188,565	507,648	696,213
Net assets released from restriction	1,822,458	(1,822,458)	-
Total operating revenues	2,559,005	(365,601)	2,193,404
Operating expenses			
Program services			
Scholarships and grants	430,601	-	430,601
Academic programs	1,667,114	-	1,667,114
Total program services	2,097,715	-	2,097,715
Supporting services			
Management and general	78,383	-	78,383
Fundraising	93,953	-	93,953
Total supporting services	172,336	-	172,336
Total operating expenses	2,270,051	-	2,270,051
Changes in net assets	288,954	(365,601)	(76,647)
Net assets			
Beginning of year	1,440,918	5,536,638	6,977,556
End of year	\$ 1,729,872	\$ 5,171,037	\$ 6,900,909

The Notes to Financial Statements are an integral part of these statements.

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Statements of Functional Expenses
Years Ended June 30, 2025 and 2024

Year Ended June 30, 2025	Program Services	Management and General	Fundraising	Total
Grants	\$ 918,387	\$ -	\$ -	\$ 918,387
Salaries and wages	23,255	54,232	69,764	147,251
Professional fees	-	29,104	-	29,104
Conferences, conventions and meetings	-	1,188	-	1,188
Insurance	-	500	-	500
	<u>\$ 941,642</u>	<u>\$ 85,024</u>	<u>\$ 69,764</u>	<u>\$ 1,096,430</u>

Year Ended June 30, 2024	Program Services	Management and General	Fundraising	Total
Grants	\$ 2,066,397	\$ -	\$ -	\$ 2,066,397
Salaries and wages	31,318	51,781	93,953	177,052
Office expenses	-	2,997	-	2,997
Professional fees	-	20,938	-	20,938
Conferences, conventions and meetings	-	2,167	-	2,167
Insurance	-	500	-	500
	<u>\$ 2,097,715</u>	<u>\$ 78,383</u>	<u>\$ 93,953</u>	<u>\$ 2,270,051</u>

The Notes to Financial Statements are an integral part of these statements.

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Operating activities		
Change in net assets	\$ 860,853	\$ (76,647)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Gains on investments	(581,136)	(545,609)
Loss on pledges receivable	3,480	-
Changes in assets and liabilities		
Prepaid expense	1,500	(8,499)
Accrued interest receivable	(1,514)	(18,364)
Grants receivable	88,998	750,639
Pledges receivable	34,485	32,916
Due to/from affiliate	(323,880)	(38,174)
Accrued expenses	160	4,053
Net cash provided by operating activities	<u>82,946</u>	<u>100,315</u>
Investing activities		
Proceeds from sales of investments	24,191	5,491,993
Purchase of investments	(137,184)	(5,289,787)
Net cash provided by (used in) investing activities	<u>(112,993)</u>	<u>202,206</u>
Net change in cash and equivalents	(30,047)	302,521
Cash and cash equivalents		
Beginning of year	1,077,404	774,883
End of year	<u><u>\$ 1,047,357</u></u>	<u><u>\$ 1,077,404</u></u>

The Notes to Financial Statements are an integral part of these statements.

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Notes to Financial Statements
June 30, 2025 and 2024

1. Nature of the Organization and Summary of Significant Accounting Policies

a. Organization

Massachusetts Bay Community College Foundation, Inc. (the "Foundation") is a not-for-profit corporation, classified under Section 501(c)(3) of the Internal Revenue Code, whose purpose is to raise funds to assist with the development and improvements of Massachusetts Bay Community College (the "College") and to enhance its reputation and visibility in the community. This is achieved through educational programs directed toward individuals, the community, and private and governmental organizations. The Foundation operates primarily in Massachusetts and receives most of its revenues from corporate and individual donations.

b. Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions.

The net assets of the Foundation are reported as follows:

Without Donor Restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Foundation. Net assets without donor restrictions may be designated for specific purposes by the Foundation or may be limited by contractual agreements with outside parties. In addition, net assets without donor restrictions includes board-designated endowment funds.

With Donor Restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of the Foundation or through the passage of time. 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. All 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 and changes in net assets as net assets released from donor restrictions.

The Foundation includes in its measure of operations all revenues and expenses that are integral to its program services and supporting services. Operating activities consist of those items attributable to the Foundation's ongoing purpose and the return earned on investments. Nonoperating activities are limited to other activities considered to be of a more unusual or nonrecurring nature. The measure of operations for the years ended June 30, 2025 and 2024 includes investment return appropriated for operations, increases or decreases in donor-restricted endowment funds, and contributions.

c. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of determining the value of pledges receivable and grants receivable.

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Notes to Financial Statements
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d. Cash and Cash Equivalents

Cash and equivalents include all cash on deposit with banks and short-term investments with original maturities of three months or less.

e. Grants and Pledges Receivable

Grants Receivable

Grants receivable consist mainly of amounts due from grantors in the normal course of business. Allowances for doubtful accounts are determined by considering the financial condition and other economic factors affecting grantors, the Foundation, and their industries. As of the statements of financial position dates, management concludes an allowance for doubtful accounts was not required.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. Allowances for doubtful accounts are determined by considering the financial condition and other economic factors affecting customers, the Foundation, and their industries. As of June 30, 2025 and 2024, management concluded an allowance for doubtful accounts was not required.

f. Investments

Investments are initially reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment returns in the statements of activities and changes in net assets.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities and changes in net assets in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

g. Fair Value Measurements

Promulgations of the Financial Accounting Standards Board have established a framework for measuring fair value, which provides a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation 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; and
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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

The asset 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.

Massachusetts Bay Community College Foundation, Inc.
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June 30, 2025 and 2024

The following is a description of the valuation methods used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Fixed income funds, equity funds, and real asset funds: Valued at quoted prices for identical assets or liabilities in active markets that the Foundation has ability to access.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

h. Income Taxes

The Foundation has been notified by the Internal Revenue Service that it meets the qualifications to be classified as a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. As a not-for-profit entity exempt from income taxes, the Foundation may, however, be subject to tax on unrelated business income.

Accounting principles generally accepted in the United States of America require an entity to assess the probability that a tax position has a "more likely than not" sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized. Tax returns are routinely open for review by the tax authorities for three years from tier due date. In certain circumstances, the statute of limitations may remain open indefinitely.

i. Endowment Funds

Massachusetts law requires not-for-profit organizations and other entities that receive donor contributions to operate in conformity with its enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). In the absence of overriding explicit donor stipulations, UPMIFA prescribes guidelines for expenditures of donor-restricted funds and focuses on the prudent spending of the entire donor-restricted fund, including accumulated earnings, rather than the historical dollar concept. UPMIFA's requirement that amounts may be appropriated for expenditure only after careful consideration of the seven factors outlined in its spending guidelines is bolstered by its intent to have the governing board of the organization make its decisions in light of the donor's intended purpose of the endowment fund, stipulated or otherwise.

UPMIFA requires donor-restricted funds to be classified in accordance with their restrictions. Gains on endowment funds and other amounts permitted to be disbursed in accordance with the donors' stipulations must be classified as net assets with donor restrictions until approved for expenditure by the Foundation. Earnings on endowment funds that have not yet been specifically approved for expenditure, but will be, must be classified as net assets with donor restrictions until approved for expenditure by the Foundation.

The Foundation's Board of Directors classifies donor-restricted funds and earnings thereon in accordance with applicable state law as interpreted by the Attorney General. Endowment fund assets are appropriated for expenditure in accordance with the directions and/or intent of the donor. The Foundation's investment policy for endowment funds is intended to preserve capital to the extent possible and provide a reasonably predictable stream of revenue to provide appropriate funding to the programs supported by endowment funds.

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June 30, 2025 and 2024

From time to time, the fair values of endowment fund assets may, due to unfavorable market fluctuations, fall below the level that donors require to be retained for a perpetual duration. The decline below the required perpetual duration, commonly referred to as "underwater", is reported as losses within net assets with donor restrictions. The Board of Directors has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of June 30, 2025 and 2024, the Foundation has no endowment funds with an aggregate fair value less than donor-stipulated levels, which are commonly referred to as "underwater".

j. Contributions

Contributions are recognized as revenue when the conditions contained in the respective agreements have been met. Contributions are conditional if there is a barrier that must be overcome before the recipient is entitled to the asset transferred and the donor has the right to request the asset back if it was not used properly.

Unconditional contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding the purpose and how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

k. Contributions of Non-financial Assets

The College provides accounting and development personnel to the Foundation without charge. During the years ended June 30, 2025 and 2024, the Foundation recognized revenue and related expenses of \$147,251 and \$177,052, respectively, of which the Foundation has included as contributions of non-financial asset revenue and the related in-kind payroll expense for contributed services received from the College based on the fair value of comparable services provided by third parties. The in-kind professional services expense was utilized during the periods and the breakout of the expense by category is contained in the statements of functional expenses.

The Foundation received contributed non-financial assets of goods and supplies during the years ended June 30, 2025 and 2024 which are recognized in the statement of activities and changes in net assets. For the years ended June 30, 2025 and 2024, the Foundation recognized revenue and related in-kind program services expenses in the amount of \$3,715 and \$27,780, respectively. Non-financial assets received were valued on the donor provided fair market value for the same or similar item and the breakout of the expense by category is contained in the statements of functional expenses.

l. Functional Allocation of Expenses

Expenses are categorized by program services, management and general, or fundraising on a direct identification basis, where practical, and on a percentage allocation basis based on a management's judgement. Salaries and wages are allocated based upon time and effort.

m. Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation. Unrealized and realized gains and losses on investments previously presented separately on the statements of cash flows were combined into a single line.

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Notes to Financial Statements
June 30, 2025 and 2024

2. Correction of Error

The Foundation determined that it had improperly classified long-term investments held in the endowment as current assets within the June 30, 2024 financial statements. Investments with the intention to be held in excess of one-year should be classified as non-current in accordance with generally accepted accounting principles in the United States of America. There was no effect on net assets as of June 30, 2024 and July 1, 2023. The effects of the correction of the error on the June 30, 2024 Statement of Financial Position was to increase non-current investments from \$1,789,633 to \$4,271,694 and to decrease current investments from \$3,873,340 to \$1,391,279.

3. Cash and Cash Equivalents

The Treasurer of the Commonwealth oversees the financial management of the Massachusetts Municipal Depository Trust ("MMDT"), an external investment pool for cities, towns and other state and local agencies within the Commonwealth. MMDT operates as a qualifying external investment pool and is valued by MMDT's management on an amortized cost where the net asset value is \$1 per share. At June 30, 2025 and 2024, the Foundation had \$538,908 and \$250,637, respectively, invested with MMDT, which is included in cash and equivalents.

4. Pledges Receivable

Pledges receivable at June 30, 2025 and 2024 are as follows:

	2025	2024
Due in less than one year	\$ 5,901	\$ 43,888
Due in one to five years	2,829	5,397
Total	8,730	49,285
Less: Discounts to net present value	-	2,590
Present value of receivable	8,730	46,695
Less: Current portion	5,901	43,888
Pledges receivable, net of current portion	\$ 2,829	\$ 2,807

5. Investments

The following is a summary of investments at June 30, 2025 and 2024:

	Fair Value 2025	Fair Value 2024
Mutual funds	\$ 113,206	\$ 111,615
Fixed income funds	1,970,007	1,840,824
Equity funds	4,145,628	3,590,619
Real asset funds	128,261	119,915
	\$ 6,357,102	\$ 5,662,973

As of June 30, 2025 and 2024, all investments are Level 1 investments and are valued at quoted market value of the shares held at fiscal year-end.

Massachusetts Bay Community College Foundation, Inc.
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Notes to Financial Statements
June 30, 2025 and 2024

6. Net Assets

Net Assets Without Restrictions

Net assets without donor restrictions comprise the receipt of funds relating to activities the Foundation engages in that are not restricted in nature, and gains on endowed net assets. Net assets without restrictions as of June 30, 2025 and 2024 were \$2,162,892 and \$1,729,872, respectively.

Net Assets With Restrictions

Net assets with restrictions consist of the following at June 30, 2025 and 2024:

	2025	2024
Donor Restricted (for purpose)	\$ 3,893,943	\$ 3,483,981
Endowment (for perpetuity)	1,704,927	1,687,056
	<u>\$ 5,598,870</u>	<u>\$ 5,171,037</u>

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the purposes specified by the donors. For the years ended June 30, 2025 and 2024, \$723,667 and \$1,822,458, respectively, were released from restrictions for scholarships.

7. Endowment

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	2025		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 1,629,875	\$ 4,379,560	\$ 6,009,435
Contributions and transfers	562,558	17,871	580,429
Amount appropriated	(231,552)	(107,866)	(339,418)
Investment return, net	202,014	500,508	702,522
Endowment net assets, end of year	<u>\$ 2,162,895</u>	<u>\$ 4,790,073</u>	<u>\$ 6,952,968</u>

	2024		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 1,340,920	\$ 3,866,972	\$ 5,207,892
Contributions and transfers	398,809	61,083	459,892
Amount appropriated	(270,081)	(56,143)	(326,224)
Investment return, net	160,227	507,648	667,875
Endowment net assets, end of year	<u>\$ 1,629,875</u>	<u>\$ 4,379,560</u>	<u>\$ 6,009,435</u>

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Notes to Financial Statements
June 30, 2025 and 2024

8. Related Party Transactions

As of June 30, 2025, the Foundation was owed \$333,333 from the College for private and state grants received and contributions. As of June 30, 2025 and 2024, the Foundation owed the College \$57,453 and \$48,000, respectively, for private grants received.

9. Concentrations, Risks and Uncertainties

Cash

The Foundation maintains cash balances at several financial institutions, and at times during the year these balances may exceed the federally insured limit. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Foundation's financial condition, results of operations, and cash flows. At June 30, 2025 and 2024, uninsured amounts were \$538,908 and \$509,383, respectively.

Investments

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. The Foundation's holding of mutual funds and stock equities are held in a brokerage account with a national brokerage firm. These accounts are protected by the Securities Investor Protection Corporation ("SIPC"). In the event of broker-dealer failure, up to \$500,000 in these accounts will be protected from loss. The SIPC insurance does not protect against market losses on investments. The Foundation's investments in common pooled funds are not covered under SIPC insurance.

Contributions

For the years ended June 30, 2025 and 2024, two donors represented 45% and 27% of the total contributions, respectively.

10. Liquidity and Availability of Resources

The following represents the Foundation's financial assets available to meet general expenditures within one year at June 30, 2025 and 2024:

	(As Restated)	
	2025	2024
Financial assets at year-end		
Cash and equivalents	\$ 1,047,357	\$ 1,077,404
Investments, short-term	1,673,826	1,391,279
Accrued interest receivable	19,878	18,364
Grants receivable	50,029	139,027
Pledges receivable	5,901	43,888
Due from affiliate	333,333	-
Total financial assets available	3,130,324	2,669,962
Less: Amounts not available to be used within one year		
Net assets with donor restrictions	5,598,870	5,171,037
Less: Donor-restricted net assets included as other assets	4,686,105	4,274,501
	912,765	896,536
Total financial assets available within one year for general expenditure	\$ 2,217,559	\$ 1,773,426

The Foundation reviews its cash position on a regular basis to ensure that adequate funds are on hand to meet expenses. If funds are needed for expenses, management can liquidate a portion of the short-term investment portfolio, seek additional donations, or manage its discretionary expenses to meet its cash needs. At June 30, 2025 and 2024, management believes that the Foundation had no liquidity issues.

Massachusetts Bay Community College Foundation, Inc.
(A Component Unit of Massachusetts Bay Community College)
Notes to Financial Statements
June 30, 2025 and 2024

11. Subsequent Events

Management has evaluated subsequent events through January 14, 2026, the date for which the financial statements were available for issuance. Management did not identify any events subsequent to June 30, 2025 requiring disclosure in these financial statements.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

To the Board of Directors of
Massachusetts Bay Community College Foundation, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Massachusetts Bay Community College Foundation Inc. (a component unit of Massachusetts Bay Community College) ("the Foundation"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control described below as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

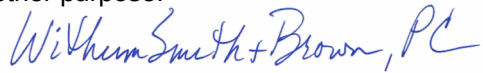
As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Foundation's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's response to the finding identified in our audit and described above. The Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

January 14, 2026

Current Year Findings

Finding 2025-001

Criteria

Investments with the intention to be held in excess of one-year should be classified as non-current under generally accepted accounting principles in the United States of America (U.S. GAAP).

Condition

The Foundation has determined that it had improperly classified long-term investments held in the endowment as current within the June 30, 2024 financial statements.

Cause

Year-end financial reporting procedures did not identify the need to reclassify endowment investments to noncurrent assets.

Effect

The misclassification resulted in current investments being overstated and noncurrent investments being understated by \$2,482,061 at June 30, 2024.

Recommendation

We recommend that the Foundation implement enhanced year-end financial reporting procedures, including review checklists and supervisory review, to ensure that investments with the intention to be held in excess of one-year are classified as noncurrent assets.

Management Response

Management accepts the Finding 2025-001 regarding the classification of investments between current and non-current as prescribed by generally accepted accounting principles and recommended by the Foundation's auditors. This change was a presentation matter only and had no impact on our investment balance in total. The Foundation will implement the change to bring the financial reporting in line with generally accepted principles and best practices.