

The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts

Financial Statements

June 30, 2026 and 2025

The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts
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Independent Auditor's Report

To the Board of Directors of
The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts:

Opinion

We have audited the financial statements of The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts (the Organization), which comprise the statements of financial position as of June 30, 2026 and 2025, 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 the Organization as of June 30, 2026 and 2025, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 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 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

AAFCPAs, Inc.

Westborough, Massachusetts
September 29, 2026

The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts
Statements of Financial Position
As of June 30, 2026 and 2025

	2026	2025
Assets		
Current assets		
Cash and cash equivalents	$ 331,828	$ 269,780
Short-term investments	1,826,809	1,977,563
Current portion of pledges and other receivables	1,241,276	1,246,722
Prepaid expenses and other	259,243	209,414
Total current assets	3,659,156	3,703,479
Investments	19,467,595	17,864,158
Pledges and other receivables, net	2,335,202	514,769
Property and equipment, net	138,954	179,097
Right-of-use assets, operating leases	166,220	304,900
Right-of-use assets, finance leases	18,685	23,357
Total assets	$ 25,785,812	$ 22,589,760
Liabilities and net assets		
Liabilities		
Current liabilities		
Current portion of operating lease liabilities	$ 153,227	$ 140,999
Current portion of finance lease liabilities	4,499	4,319
Accounts payable and accrued expenses	850,871	917,894
Advance ticket subscriptions and other	1,190,994	1,556,887
Total current liabilities	2,199,591	2,620,099
Operating lease liabilities, net	33,076	174,782
Finance lease liabilities, net	14,654	19,153
Total liabilities	2,247,321	2,814,034
Net assets		
Without donor restrictions	(33,501)	428,254
With donor restrictions		
Purpose or time restricted	12,751,590	8,528,130
Perpetual restricted	10,820,402	10,819,342
Total with donor restrictions	23,571,992	19,347,472
Total net assets	23,538,491	19,775,726
Total liabilities and net assets	$ 25,785,812	$ 22,589,760

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

The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts

Statements of Activities and Changes in Net Assets

For the years ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue and support						
Operating revenue						
Ticket sales, net	$ 3,852,043	$ -	$ 3,852,043	$ 4,304,208	$ -	$ 4,304,208
Processing fees	116,103	-	116,103	163,598	-	163,598
Stabilization fees	98,716	-	98,716	122,367	-	122,367
Total operating revenue	4,066,862	-	4,066,862	4,590,173	-	4,590,173
Operating support						
Grants and contributions	2,431,238	4,320,466	6,751,704	1,786,253	1,623,336	3,409,589
Investment return designated for current operations	666,758	-	666,758	606,701	-	606,701
Interest and other	56,549	-	56,549	50,667	-	50,667
Net assets released from restrictions						
Time - future years	1,253,014	(1,253,014)	-	1,291,580	(1,291,580)	-
Purpose	1,334,000	(1,334,000)	-	1,358,358	(1,358,358)	-
Total operating support	5,741,559	1,733,452	7,475,011	5,093,559	(1,026,602)	4,066,957
Special events revenue						
Special events revenue	1,020,853	-	1,020,853	1,002,603	-	1,002,603
Less - special events expense	(454,206)	-	(454,206)	(513,772)	-	(513,772)
Special events, net	566,647	-	566,647	488,831	-	488,831
Total operating revenue and support	10,375,068	1,733,452	12,108,520	10,172,563	(1,026,602)	9,145,961

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

The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts

Statements of Activities and Changes in Net Assets

For the years ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Operating expenses						
Performance and education	$ 8,154,374	$ -	$ 8,154,374	$ 7,858,684	$ -	$ 7,858,684
Management and general	817,545	-	817,545	860,785	-	860,785
Fundraising	1,327,297	-	1,327,297	1,152,507	-	1,152,507
Total operating expenses	10,299,216	-	10,299,216	9,871,976	-	9,871,976
Changes in net assets from operations	75,852	1,733,452	1,809,304	300,587	(1,026,602)	(726,015)
Non-operating revenue (expenses)						
Investment return, net of fees	-	3,157,826	3,157,826	-	1,781,286	1,781,286
Investment return designated for current operations	-	(666,758)	(666,758)	-	(606,701)	(606,701)
Executive search	(192,671)	-	(192,671)	(41,637)	-	(41,637)
Rebranding	(344,936)	-	(344,936)	(179,120)	-	(179,120)
Total non-operating revenue (expenses)	(537,607)	2,491,068	1,953,461	(220,757)	1,174,585	953,828
Changes in net assets	(461,755)	4,224,520	3,762,765	79,830	147,983	227,813
Net assets at beginning of year	428,254	19,347,472	19,775,726	348,424	19,199,489	19,547,913
Net assets at end of year	$ (33,501)	$ 23,571,992	$ 23,538,491	$ 428,254	$ 19,347,472	$ 19,775,726

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

The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts

Statements of Functional Expenses

For the years ended June 30, 2026 and 2025

	2026				2025			
	Performance and Education	Management and General	Fundraising	Total	Performance and Education	Management and General	Fundraising	Total
Payroll and related								
Salaries	$ 1,926,561	$ 472,519	$ 841,886	$ 3,240,966	$ 1,977,063	$ 477,900	$ 731,508	$ 3,186,471
Payroll taxes and benefits	404,576	99,229	176,795	680,600	409,304	98,938	151,441	659,683
Total payroll and related	2,331,137	571,748	1,018,681	3,921,566	2,386,367	576,838	882,949	3,846,154
Artist fees	2,251,163	-	5,266	2,256,429	2,181,766	-	2,000	2,183,766
Direct performance costs	2,178,487	-	-	2,178,487	1,977,962	-	-	1,977,962
Travel and entertainment	280,116	8,856	24,759	313,731	102,326	11,961	17,803	132,090
Printing and postage	234,927	-	46,635	281,562	194,386	3,312	44,773	242,471
Advertising	236,500	-	1,178	237,678	243,155	-	300	243,455
Contracted services	146,751	43,468	32,740	222,959	134,586	73,827	50,972	259,385
Occupancy	116,215	28,503	50,785	195,503	124,197	29,538	45,212	198,947
Service agreements	140,249	-	-	140,249	141,428	-	-	141,428
Dues and subscriptions	71,641	49,860	6,741	128,242	68,586	30,085	3,277	101,948
Miscellaneous	62,028	1,904	35,631	99,563	3,587	10,689	10,762	25,038
Professional fees	10,730	57,463	-	68,193	220,135	57,926	-	278,061
Depreciation and amortization	35,609	13,405	15,561	64,575	38,014	18,687	14,065	70,766
Donor event	-	-	63,546	63,546	94	-	51,861	51,955
Equipment leases and maintenance	31,220	7,657	13,643	52,520	24,413	5,901	9,033	39,347
Insurance	-	29,862	-	29,862	-	35,942	-	35,942
Design	25,850	-	-	25,850	14,750	-	-	14,750
Board expenses	-	-	11,489	11,489	-	-	19,351	19,351
Supplies	1,751	4,819	642	7,212	2,932	6,079	149	9,160
Total expenses before special events	8,154,374	817,545	1,327,297	10,299,216	7,858,684	860,785	1,152,507	9,871,976
Special events expense	-	-	454,206	454,206	-	-	513,772	513,772
Total expenses	8,154,374	817,545	1,781,503	10,753,422	7,858,684	860,785	1,666,279	10,385,748
Less - special events expense	-	-	(454,206)	(454,206)	-	-	(513,772)	(513,772)
Total expenses included in the statements of activities and changes in net assets	$ 8,154,374	$ 817,545	$ 1,327,297	$ 10,299,216	$ 7,858,684	$ 860,785	$ 1,152,507	$ 9,871,976

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

The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts
Statements of Cash Flows
For the years ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities		
Changes in net assets	$ 3,762,765	$ 227,813
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Bad debts	-	900
Depreciation and amortization	64,575	70,766
Non-cash lease expense	10,083	288
Change in discount on operating pledges and other receivables	264,579	37,296
Net realized and unrealized gains on investments	(2,769,273)	(1,469,410)
Changes in operating assets and liabilities		
Pledges and other receivables	(2,079,566)	(269,808)
Prepaid expenses and other	(49,829)	70,000
Accounts payable and accrued expenses	(67,023)	220,561
Advance ticket subscriptions and other	(365,893)	106,345
Net cash used in operating activities	(1,229,582)	(1,005,249)
Cash flows from investing activities		
Acquisition of property and equipment	(19,761)	(47,754)
Purchase of investments	(2,487,939)	(3,066,643)
Proceeds from sale of investments	3,804,529	3,818,756
Net cash provided by investing activities	1,296,829	704,359
Cash flows from financing activities		
Payments on finance lease obligation	(5,199)	(11,717)
Net increase (decrease) in cash and cash equivalents	62,048	(312,607)
Cash and cash equivalents at beginning of year	269,780	582,387
Cash and cash equivalents at end of year	$ 331,828	$ 269,780
Supplemental cash flow information		
Cash paid during the year for interest	$ 880	$ 291
Noncash investing and financing activities		
Right-of-use assets acquired in exchange for lease obligations	$ -	$ 24,525

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

1. OPERATIONS AND NONPROFIT STATUS

The Celebrity Series of Boston, Inc. d/b/a Vivo Performing Arts (the Organization) is a multi-disciplinary, non-profit, performing arts presenter. The Organization's mission is to enrich and inspire the community through exceptional live performances. They envision a community of Greater Boston where the performing arts are valued, life-long, shared experience – on stages, on streets, in neighborhoods – everywhere. The Organization's events and performances are held in the Greater Boston, Massachusetts area.

On December 4, 2025, the Organization obtained a DBA for Vivo Performing Arts and began operating under that name on January 8, 2026. The DBA represents a change in external identity only and did not alter the Organization's legal entity structure; its legal name and governance remain unchanged.

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within the IRC requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Expense Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are personnel and related costs, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and administrative costs, such as insurance and other operating costs, which are allocated based on direct labor hours per program or function.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid securities issued with an initial maturity of three months or less to be cash equivalents. At June 30, 2026 and 2025, cash and cash equivalents consisted of checking and money market accounts. For the purposes of the statements of cash flows, cash and cash equivalents held within the Organization's investment portfolio are considered investments (see Note 7).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

The Organization maintains its cash balances in financial institutions in the U.S. Balances at the institutions are insured by the Federal Deposit Insurance Corporation at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts. The Organization has not experienced any losses in these accounts and management believes the Organization is not exposed to any significant credit risk on its cash and cash equivalents.

Revenue Recognition

Grants and Contributions

In accordance with ASC Subtopic 958-605, Revenue Recognition *(*Topic 958), the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. ASC Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional advance liabilities until such conditions are met.

Grants and contributions from government agencies, foundations, individuals, and corporations are recorded as revenue and net assets without donor restrictions upon receipt or when unconditionally committed by the donor. Donor restricted grants and contributions that are donations with time or purpose restrictions are recognized as revenues and net assets with donor restrictions when received or when unconditionally committed by the donor. Grants and contributions with donor restrictions are reclassified to net assets without donor restrictions as services are performed and costs are incurred, or pro-rata over the period covered by the grant or contributions as time restrictions lapse. Donor restricted grants received and satisfied in the same period are included in net assets without donor restrictions.

Special Events

Special events revenue in the accompanying statements of activities and changes in net assets includes income from the Organization's annual special events and is recognized at the time of the events. Special event revenue consists of both contributions and sales. The contribution portion of the special event income is recognized as revenue when unconditionally committed or received in accordance with ASC Topic 958. Contribution revenue from special events includes sponsorships which are considered contributions given the nominal value of the accompanying rights and privileges. The sales portion of the special event income is derived from ticket sales from this event, including tickets allocated with sponsorships. The transaction price for ticket sales is determined annually in accordance with ASC Topic 606, Revenue from Contracts with Customers (ASC Topic 606).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Revenue from Contracts with Customers

The Organization generally measures revenue from exchange transactions based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue recognition based on the five-step model under ASC Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

In accordance with ASC Topic 606, ticket sales revenue, stabilization fees and processing fees are recognized as productions are performed. The performance obligations of delivering the performance are simultaneously received and consumed by the recipients; therefore, the revenue is recognized as productions are performed. The receipt of subscription fees and sales of tickets for performances in the following year are recorded as advance ticket subscriptions in the accompanying statements of financial position. The following table represents advance ticket subscriptions and other balances as of:

	July 1, 2024	June 30, 2025	June 30, 2026
	$ 1,450,542	$ 1,556,887	$ 1,190,994

Other Revenue

Interest and dividends are recognized when earned. Interest income on cash is included in operating revenues, while interest and dividends earned on investments are included in investment return, net of fees in non-operating revenue (expenses) in the accompanying statements of activities and changes in net assets. Gains and losses are recognized as incurred upon sale or maturities of investments or based on fair value changes during the period. Gains and losses are included in investment return, net of fees in the accompanying statements of activities and changes in net assets.

Investments and Spending Policy

Investments primarily include cash and cash equivalents, fixed income securities and exchange-traded funds which are reported at fair value.

The Organization records interest and dividends from investments when earned. Gains or losses on investments are recognized as realized upon sale or based on market value changes during the period. Investment return is reported in the accompanying statements of activities without donor restrictions as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Spending Policy (Continued)

The Organization's endowment consists of two individual restricted endowment funds. The net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted in Massachusetts, requiring the tracking of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization tracks in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift and instrument at the time the accumulation is added to the fund, as applicable. Endowment funds and the related appreciation on such funds are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund;
2) The purposes of the Organization and the donor-restricted endowment fund;
3) General economic conditions;
4) The possible effect of inflation and deflation;
5) The expected total return from income and the appreciation of investments;
6) Other resources of the Organization; and
7) The investment policies of the Organization.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year no more than 7% of its endowment fund's average fair value over the prior twelve trailing quarters. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment asset held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. If additional appropriation is considered necessary, the action will be authorized by the Board of Directors and the allocation will be made from the endowment funds. An appropriation was approved for the years ending June 30, 2026 and 2025, of $666,758 and $606,701, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Spending Policy (Continued)

The Organization created an Innovation Fund for which a separate investment and spending policy was approved by the Board of Directors. The overall goal of the Innovation Fund is to enable innovative performances not previously presented by the Organization, accelerate initiatives that enhance community engagement, and support investment in infrastructure and personnel to improve patrons' experience of live performance. Its primary investment objective is to maximize dividend income and capital appreciation while providing funding for an annual expenditure, if approved by the Board. During fiscal years 2026 and 2025, the Board of Directors approved releases of $1,100,000 and $1,070,000, respectively, from the Innovation Fund, which are included in net assets released from restrictions - purpose in the accompanying statements of activities and changes in net assets. The Innovation Fund is available to the Organization at the discretion of the Board of Directors.

Pledges Receivables

Unconditional promises to give that are expected to be collected within one year are recorded at fair value at the date the promise is received and included in pledges receivables. 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, net of an allowance for uncollectable amounts. Conditional promises to give are not recognized until the conditions are substantially met and the promise becomes unconditional. Mere intentions to give are not recognized.

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of receipt by the Organization. Renewals and betterments are capitalized, while repairs and maintenance are expensed. Land is not depreciated.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

	Useful Lives
Computer equipment	3 years
Website	5 years
Office furniture and equipment	3 - 7 years
Software	3 years

The Organization accounts for the carrying value of its property and equipment in accordance with ASC Topic, Property, Plant, and Equipment. There was no impairment loss recognized in fiscal year 2026 or 2025.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Right-of-Use Assets and Lease Liabilities

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

In evaluating its contracts, the Organization separately identifies lease and non-lease components such as common area and other maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its office space and equipment. The Organization has elected the practical expedient to combine lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses the risk-free borrowing rate based on the information available at the lease commencement date to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of twelve months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Net Assets

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net assets with donor restrictions represent amounts received or committed with donor restrictions which have not yet been expended for their designated purpose or amounts restricted for use in future periods (see Note 3). These contributions are recorded as net assets with donor restrictions until they are expended for their designated purpose or as the time period lapses. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

Prepaid Expenses

Prepaid expenses include costs incurred relating to productions to be performed during the next fiscal year. These costs are expensed at the time of the related productions.

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, Fair Value Measurements, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs, with the exception of corporate bonds which are valued using Level 2 inputs.

A summary of inputs used in valuing the Organization's investments as of June 30, 2026 and 2025, is included in Note 7.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions

The Organization receives the services of many volunteers in various aspects of its programs. The value of these services is not reflected in the accompanying financial statements, since the value assigned to these services by the donating volunteers is not ascertainable and does not meet the criteria for recognition in the financial statements.

Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising expenses for the years ended June 30, 2026 and 2025, were $237,678 and $243,455, respectively.

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, Income Taxes. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2026 and 2025. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income in both the Federal and Massachusetts jurisdictions. There was no taxable net income from these activities for the years ended June 30, 2026 and 2025.

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and support and operating expenses in the accompanying statements of activities and changes in net assets. Non-operating revenues (expenses) include endowment and investment activity as well as costs associated with executive search and organizational rebranding.

Subsequent Events

Subsequent events have been evaluated through September 29, 2026, which is the date the financial statements were available to be issued. There were no such events that met the criteria for recognition or disclosure in the financial statements, with the exception of the item disclosed in Note 10.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions (see Note 2) consist of the following at June 30:

	2026	2025
Subject to expenditure for specified purpose		
Innovation Fund, including any unspent appreciation	$ 5,194,814	$ 3,764,846
Program restricted	30,000	29,000
	5,224,814	3,793,846
Subject to the passage of time		
Future Years	2,672,949	1,630,935
Subject to the Organization's endowment spending policy and appropriation		
Investment in perpetuity (including amounts above the original gift amounts of $10,820,402 and $10,819,342 as of June 30, 2026 and 2025, respectively)	15,674,229	13,922,691
Total net assets with donor restrictions	$ 23,571,992	$ 19,347,472

Investment in perpetuity - original gift amounts are restricted for the following purposes at June 30:

	2026	2025
General endowment	$ 10,098,990	$ 10,097,930
Education endowment	600,000	600,000
Scholarship endowment	121,412	121,412
Total perpetual restricted	$ 10,820,402	$ 10,819,342

4. ENDOWMENT

Following is a summary of the changes in endowment net assets for the years ended June 30:

	2026	2025
Endowment net assets, beginning of year	$ 13,922,691	$ 13,183,934
Investment activity		
Net realized gains	359,374	210,703
Interest and dividends	359,631	273,973
Net unrealized gains	1,735,875	884,493
Investment management fees	(36,584)	(23,711)
Total investment activity	2,418,296	1,345,458
Investment return designated for current operations	(666,758)	(606,701)
Endowment net assets, end of year	$ 15,674,229	$ 13,922,691

5. PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment consist of the following at June 30:

	2026	2025
Computer equipment	$ 155,800	$ 140,787
Website	212,900	212,900
Office furniture and equipment	163,222	160,392
Software	32,616	32,616
	564,538	546,695
Less - accumulated depreciation	(425,584)	(367,598)
Net property and equipment	$ 138,954	$ 179,097

Depreciation expense was $59,903 and $61,268 during fiscal years 2026 and 2025, respectively and is included in depreciation and amortization in the accompanying statements of functional expenses.

6. PLEDGES AND OTHER RECEIVABLES

Pledges and other receivables are expected to be received as follows at June 30:

	2026	2025
Due within one year	$ 1,241,276	$ 1,246,722
Due in one to five years	2,655,012	570,000
	3,896,288	1,816,722
Less - discount	(319,810)	(55,231)
Less - current portion	(1,241,276)	(1,246,722)
Non-current pledges receivable and other receivables	$ 2,335,202	$ 514,769

The pledges have been discounted using the risk-free rate to state pledges at their net present values. At June 30, 2026, pledges receivable included pledges from two donors totaling approximately $2,800,000. At June 30, 2025, pledges receivable included pledges from three donors totaling approximately $1,125,000.

7. INVESTMENTS

The majority of the Organization's investments include funds held by the Organization for long-term purposes and are generally not used for operations. Certain reserve funds that are deemed available for operations are shown as short-term investments in the accompanying financial statements. Investments are not insured and are subject to market fluctuations. Money market, equities, fixed income securities (with the exception of corporate bonds) and mutual funds are valued based on quoted prices in active markets. Corporate bonds are valued using several factors, including their credit ratings relative to a corporate bond with similar maturity or duration.

Investments, summarized using fair value inputs, consist of the following at June 30 :

	2026			
	Level 1	Level 2	Level 3	Total
Money market	$ 2,993,311	$ -	$ -	$ 2,993,311
Equities				
Domestic common stock	8,400,872	-	-	8,400,872
Fixed income				
Corporate bonds	-	1,605,787	-	1,605,787
U.S. Treasuries	104,847	-	-	104,847
Agency securities	1,032,035	-	-	1,032,035
Municipal bonds and other	56,856	-	-	56,856
Mutual funds				
Domestic equity mutual funds	7,100,696	-	-	7,100,696
Total investments	$ 19,688,617	$ 1,605,787	$ -	$ 21,294,404

7. INVESTMENTS (Continued)

	2025			
	Level 1	Level 2	Level 3	Total
Money market	$ 2,296,578	$ -	$ -	$ 2,296,578
Equities				
Domestic common stock	7,568,382	-	-	7,568,382
Fixed income				
Corporate bonds	-	1,492,041	-	1,492,041
U.S. Treasuries	321,934	-	-	321,934
Agency securities	1,310,286	-	-	1,310,286
Municipal bonds and other	57,984	-	-	57,984
Mutual funds				
Domestic equity mutual funds	6,697,414	-	-	6,697,414
Real estate investment trust	97,102	-	-	97,102
Total investments	$ 18,349,680	$ 1,492,041	$ -	$ 19,841,721

Investment return, net of fees consists of the following for the years ended June 30:

	2026	2025
Net unrealized gains on investments	$ 2,043,623	$ 1,038,285
Net realized gains on investments	725,650	431,125
Interest and dividends	432,240	338,467
Investment management fees	(43,687)	(26,591)
Total investment return, net of fees	$ 3,157,826	$ 1,781,286

8. LEASES

Operating Leases

The Organization leases space under an operating lease agreement which expires in August 2027. The monthly payments for this lease agreement range from $12,480 to $12,568 and the discount rate is 4.29%.

The operating lease cost is $146,077 and $147,341 which is included in occupancy in the accompanying statements of functional expenses for the years ended June 30, 2026 and 2025, respectively. There were no variable lease costs for the years ended June 30, 2026 and 2025.

8. LEASES (Continued)

Finance Leases

The Organization entered into a finance lease in April 2025 for office equipment, due in monthly principal and interest installments of $433, with an interest rate of 4.09%. The finance lease agreement expires in June 2030.

The Organization had another finance lease, which expired in April 2025. Total equipment rent expense under this lease agreement was approximately $11,000 for the year ended June 30, 2025, and was included in equipment leases and maintenance in the accompanying statements of functional expenses.

The following summarizes finance lease cost included in depreciation and amortization and miscellaneous expense in the accompanying statements of functional expenses for the years ended June 30:

	2026	2025
Amortization of finance lease assets	$ 4,672	$ 9,498
Interest on finance lease liabilities	880	291
Total finance lease costs	$ 5,552	$ 9,789

Future Minimum Payments

Future minimum lease payments for the operating and finance leases as of June 30, 2026, are as follows:

Fiscal Year	**Operating**	**Finance**
2027	$ 164,748	$ 5,199
2028	25,653	5,199
2029	-	5,199
2030	-	5,199
Total future undiscounted lease payments	190,401	20,796
Less - present value discount	(4,098)	(1,643)
Less - current portion	(153,227)	(4,499)
Lease liabilities, net of current portion	$ 33,076	$ 14,654

8. LEASES (Continued)

Supplemental Information

The following summarizes cash flow information related to leases for the years ended June 30:

	2026	2025
Operating cash flows from finance lease	$ 880	$ 291
Financing cash flows from finance lease	$ 5,199	$ 12,371

The following summarizes the weighted-average remaining lease term and discount rate as of June 30:

Weighted-Average Remaining Lease Term (Years):	**2026**	**2025**
Operating leases	1.09	2.09
Finance leases	4.00	5.00

Weighted-Average Discount Rate (in %):	**2026**	**2025**
Operating leases	4.29	4.29
Finance leases	4.09	4.09

ROU assets obtained in exchange for lease liabilities totaled $24,525 for the year ended June 30, 2025.

9. RETIREMENT PLANS

Defined Contribution Retirement Plan

The Organization sponsors a defined contribution retirement plan for its employees. Under the plan, the Organization contributes 3% of eligible compensation annually. Employer contributions totaled $94,221 and $90,243 for the years ended June 30, 2026 and 2025, respectively, which are included in payroll taxes and benefits in the accompanying statements of functional expenses. The Organization has no further obligation under the plan beyond its annual contributions.

9. RETIREMENT PLANS (Continued)

Deferred Compensation Plan

The Organization also maintains a deferred compensation plan for one of its key executives which is intended to qualify under Section 457(b) of the IRC. The assets of the 457(b) Plan as of June 30, 2026 and 2025, were $195,625 and $173,089, respectively. These assets are included in investments in the accompanying statements of financial position as of June 30, 2026 and 2025. The related liability is included in accounts payable and accrued expenses in the accompanying statements of financial position as of June 30, 2026 and 2025. The benefit is funded by the Organization under a tax deferred annuity plan and included in investments in the accompanying statements of financial position as of June 30, 2026 and 2025.

The Organization also maintains a deferred compensation plan for one of its key executives which is intended to qualify under Section 457(f) of the IRC. Contributions to this plan totaled $50,000 for the years ended June 30, 2026 and 2025, and are included in payroll taxes and benefits in the accompanying statements of functional expenses. Vesting of the plan is contingent on certain requirements of the key executive that includes no separation from the Organization before the end of the five-year period. The plan was effective July 1, 2021, and the assets of the plan as of June 30, 2026 and 2025, were $297,123 and $236,526, respectively. These assets are included in investments and accounts payable and accrued expenses in the accompanying statements of financial position.

10. LINE OF CREDIT

The Organization has available a $750,000 line of credit with a bank, which has a one year term and is subject to annual review. The line of credit has a maturity date of October 1, 2026. Interest on outstanding borrowings is at the bank's secured overnight financing rate plus the applicable margin as defined in the agreement as of June 30, 2026 and 2025, respectively. There was no outstanding balance on this line of credit as of June 30, 2026 and 2025. The Organization must comply with certain covenants as specified in the agreements. The Organization was in compliance with these covenants as of June 30, 2026 and 2025. In September 2026 the Organization has received approval to renew the $750,000 line of credit and is currently in the process of executing the related documents.

11. CONDITIONAL CONTRIBUTIONS

As of June 30, 2026 and 2025, donors have notified the Organization of bequests totaling approximately $2,650,000 and $2,630,000, respectively, to which the Organization will be entitled upon the donors' deaths. Since these gifts are conditional, the Organization has not recorded these amounts in the accompanying financial statements.

12. REBRANDING

In fiscal year 2025, the Board approved the exploration of a strategic rebranding of the Organization, which would involve the development of a new name, visual identity, marketing materials, and related public communications. Expenses for the years ended June 30, 2026 and 2025 totaled approximately $345,000 and $179,000, respectively, and consisted primarily of consulting fees, creative and design services, and initial legal work, including copyright searches.

12. REBRANDING (Continued)

The rebranding initiative is a multi-year project designed to enhance the Organization's public visibility, align its brand identity with its mission and strategic objectives, and strengthen stakeholder engagement. Additional expenses are anticipated in fiscal year 2027 as the project continues. All rebranding costs are recorded in the statement of activities and changes in net assets as non-operating expenses in the year incurred. No rebranding costs were capitalized.

13. EXECUTIVE SEARCH

In anticipation of an executive leadership transition, the Board of Directors engaged Arts Consulting Group to lead a national search for the Organization's next Executive Director. The search, conducted in collaboration with a committee of the Board, concluded prior to the end of fiscal year 2026. As a result, a new Executive Director was appointed effective July 1, 2026.

The Organization incurred approximately $192,000 and $41,000 in executive search expenses for the years ended June 30, 2026 and 2025, respectively. All executive search costs are presented in the non-operating expense section of the statements of activities and changes in net assets in the year incurred.

14. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for use by the Organization within one year from the statements of financial position date are as follows as of June 30:

	2026	2025
Cash and cash equivalents	$ 331,828	$ 269,780
Short-term investments	1,826,809	1,977,563
Pledges and other receivables	1,241,276	1,246,722
Expected subsequent year endowment draw for current operations	1,010,269	666,758
Total financial assets	4,410,182	4,160,823
Donor-imposed restrictions	(830,000)	(29,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,580,182	$ 4,131,823

The Organization holds adequate funds to meet daily operating needs, donor-restricted fund requirements and short term reserves in cash and short-term investments. The Endowment and Innovation funds (donor-restricted funds, see Notes 3 and 4) and any additional general funds without donor restrictions are invested conservatively in the stock and bond markets. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, in the event of an unanticipated liquidity need, management could draw upon the $750,000 line of credit agreement as disclosed in Note 10.