

**The BISON Children's
Scholarship Fund, Inc.**

Financial Statements

June 30, 2025 and 2024

The BISON Children's Scholarship Fund, Inc.

Financial Statements

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Independent Auditors' Report

To the Board of Directors of
The BISON Children's Scholarship Fund, Inc.
Buffalo, New York

Opinion

We have audited the accompanying financial statements of The BISON Children's Scholarship Fund, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these financial statements in accordance with U.S. GAAP, 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 that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the 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.

Tronconi Segarra & Associates LLP

Williamsville, New York
November 12, 2025

The BISON Children's Scholarship Fund, Inc.

Statements of Financial Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
<i>Current Assets</i>		
Cash	\$ 302,009	\$ 971,667
Operating investments	5,279,590	4,595,057
Current maturities of pledges receivable	2,034,550	2,332,273
Prepaid expenses and other current assets	<u>5,012</u>	<u>5,012</u>
Total current assets	7,621,161	7,904,009
<i>Pledges Receivable, net of current maturities</i>	1,162,953	734,228
<i>Investments - Board Governed</i>	6,946,792	5,883,376
<i>Property and Equipment, net</i>	3,800	5,095
<i>Right-of-use Asset - Operating Lease</i>	<u>37,210</u>	<u>46,970</u>
	<u><u>\$ 15,771,916</u></u>	<u><u>\$ 14,573,678</u></u>
Liabilities and Net Assets		
<i>Current Liabilities</i>		
Accounts payable	\$ 3,869	\$ 3,182
Accrued expenses	2,220	5,934
Deferred revenue	19,750	5,000
Operating lease obligation - current maturities	<u>10,691</u>	<u>9,760</u>
Total current liabilities	36,530	23,876
<i>Operating Lease Obligation - less current maturities</i>	<u>26,519</u>	<u>37,210</u>
Total liabilities	63,049	61,086
<i>Net Assets</i>		
Without donor restrictions		
Undesignated	2,870,468	3,036,982
Designated for board governed investments	<u>6,946,792</u>	<u>5,883,376</u>
Total net assets without donor restrictions	9,817,260	8,920,358
With donor restrictions		
Restricted for Board governed investments - capital campaign	1,469,726	1,060,578
Restricted for scholarship awards	4,358,277	4,422,456
Restricted for general organizational support	5,000	35,000
Restricted for partner school stewardship	<u>58,604</u>	<u>74,200</u>
Total net assets with donor restrictions	<u>5,891,607</u>	<u>5,592,234</u>
Total net assets	<u>15,708,867</u>	<u>14,512,592</u>
	<u><u>\$ 15,771,916</u></u>	<u><u>\$ 14,573,678</u></u>

See independent auditors' report and notes to financial statements.

The BISON Children's Scholarship Fund, Inc.

Statements of Activities *For the years ended June 30, 2025 and 2024*

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Special events	\$ 528,890	\$ -	\$ 528,890	\$ 506,222	\$ -	\$ 506,222
Less costs of direct benefits to donors	76,856	-	76,856	51,500	-	51,500
	452,034	-	452,034	454,722	-	454,722
Contributions of cash and other financial assets for:						
Scholarships	-	2,827,989	2,827,989	-	3,123,844	3,123,844
General purposes	950,168	-	950,168	896,840	-	896,840
Capital campaign	-	918,050	918,050	-	34,009	34,009
Partner school stewardship	124,604	-	124,604	-	98,200	98,200
Contributions of nonfinancial assets	52,822	-	52,822	49,482	-	49,482
Bequest income	-	-	-	148,247	-	148,247
Investment income, net	970,247	-	970,247	1,013,210	-	1,013,210
Net assets released from restrictions	3,446,666	(3,446,666)	-	3,629,994	(3,629,994)	-
Total revenue	5,996,541	299,373	6,295,914	6,192,495	(373,941)	5,818,554
Expenses, Losses and Other						
Program services						
Scholarships	4,507,113	-	4,507,113	4,592,972	-	4,592,972
Technology and other	147,121	-	147,121	35,274	-	35,274
Supporting services						
Management and general	171,397	-	171,397	137,443	-	137,443
Fundraising	274,008	-	274,008	251,001	-	251,001
Total expenses	5,099,639	-	5,099,639	5,016,690	-	5,016,690
Losses and Other						
Loss on disposal of fixed assets	-	-	-	4,884	-	4,884
Total expenses, losses and other	5,099,639	-	5,099,639	5,021,574	-	5,021,574
Increase (decrease) in net assets	896,902	299,373	1,196,275	1,170,921	(373,941)	796,980
Net Assets, beginning of year	8,920,358	5,592,234	14,512,592	7,749,437	5,966,175	13,715,612
Net Assets, end of year	\$ 9,817,260	\$ 5,891,607	\$ 15,708,867	\$ 8,920,358	\$ 5,592,234	\$ 14,512,592

See independent auditors' report and notes to financial statements.

The BISON Children's Scholarship Fund, Inc.

Statements of Functional Expenses For the years ended June 30, 2025 and 2024

	2025					2024				
	Program Services		Supporting Services		Total Expenses	Program Services		Supporting Services		Total Expenses
	Scholarships	Technology & Other	Management & General	Fundraising		Scholarships	Technology & Other	Management & General	Fundraising	
Scholarships	\$ 4,408,853	\$ -	\$ -	\$ -	\$ 4,408,853	\$ 4,480,518	\$ -	\$ -	\$ -	\$ 4,480,518
Salaries	71,920	-	32,929	188,817	293,666	83,757	-	28,992	181,952	294,701
Payroll taxes and benefits	7,539	-	3,455	20,419	31,413	14,219	-	5,078	31,484	50,781
Credit loss expense	-	-	49,642	-	49,642	-	-	-	-	-
Depreciation	-	-	1,295	-	1,295	-	-	4,970	-	4,970
Donor cultivation	-	-	-	40,195	40,195	-	-	-	12,199	12,199
Insurance	-	-	7,546	-	7,546	-	-	5,850	-	5,850
Legal and accounting	-	-	39,818	-	39,818	-	-	58,606	-	58,606
Miscellaneous	7,056	-	-	7,056	14,112	7,188	-	-	7,187	14,375
Office expense	-	-	21,307	-	21,307	-	-	19,677	-	19,677
Partner school stewardship	-	140,200	-	-	140,200	-	18,000	-	-	18,000
Postage	628	-	314	2,198	3,140	363	-	182	1,272	1,817
Printing and reproduction	520	-	1,039	8,832	10,391	513	-	1,026	8,716	10,255
Rent - office	-	-	14,052	-	14,052	-	-	13,062	-	13,062
Software maintenance	8,378	-	-	-	8,378	4,143	-	-	946	5,089
Technology	-	6,921	-	-	6,921	-	17,274	-	-	17,274
Telephone	1,685	-	-	1,684	3,369	1,649	-	-	1,648	3,297
Travel and entertainment	534	-	-	4,807	5,341	622	-	-	5,597	6,219
	<u>\$ 4,507,113</u>	<u>\$ 147,121</u>	<u>\$ 171,397</u>	<u>\$ 274,008</u>	<u>\$ 5,099,639</u>	<u>\$ 4,592,972</u>	<u>\$ 35,274</u>	<u>\$ 137,443</u>	<u>\$ 251,001</u>	<u>\$ 5,016,690</u>

See independent auditors' report and notes to financial statements.

The BISON Children's Scholarship Fund, Inc.

Statements of Cash Flows

For the years ended June 30, 2025 and 2024

	2025	2024
<i>Cash Flows from Operating Activities</i>		
Increase in net assets	\$ 1,196,275	\$ 796,980
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,295	4,970
Loss on disposal of fixed assets	-	4,884
Net unrealized gain on investments	(711,359)	(569,460)
Net realized (gain) loss on sales of investments	19,447	(207,068)
Marketable securities received as contributions	(77,610)	(64,251)
Change in present value discount of pledges receivable	69,025	(23,838)
(Increase) Decrease in:		
Pledges receivable	(200,027)	27,697
Prepaid expenses and other current assets	-	1,229
Right of use asset - operating lease	9,760	12,326
Increase (Decrease) in:		
Accounts payable	687	(2,704)
Accrued expenses	(3,714)	558
Deferred revenue	14,750	-
Operating lease liability	(9,760)	(12,326)
Net cash provided by (used in) operating activities	308,769	(31,003)
<i>Cash Flows from Investing Activities</i>		
Purchases of property and equipment	-	(5,326)
Purchases of investments	(5,835,583)	(6,808,080)
Proceeds from sales of investments	4,857,156	7,391,733
Net cash provided by (used in) investing activities	(978,427)	578,327
Net increase (decrease) in cash	(669,658)	547,324
<i>Cash, beginning of year</i>	971,667	424,343
<i>Cash, end of year</i>	\$ 302,009	\$ 971,667
<i>Supplemental Disclosure of Non Cash Transactions</i>		
Right of use asset obtained in exchange for operating lease liability	\$ -	\$ 46,970

See independent auditors' report and notes to financial statements.

The BISON Children's Scholarship Fund, Inc.

Notes to Financial Statements

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities – The BISON Children's Scholarship Fund, Inc. (the “Organization”), is a not-for-profit organization incorporated in 1995 for the purpose of providing scholarships to attend private schools to low-income school children residing in the eight counties of Western New York. The Organization has an agreement with the Children’s Scholarship Fund (“CSF”), a not-for-profit corporation, to administer the scholarship program in this area. The CSF extended this agreement annually through fiscal year 2026. Currently, a 15% match in qualifying donations are received over the 2021-2026 fiscal years.

The Organization receives funding through a private donor to provide tuition and technology assistance to eligible low-income students attending Catholic schools in the Rochester and Syracuse, NY regions.

Basis of Accounting – The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis of Presentation – The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The Organization had both classes of net assets at June 30, 2025 and 2024.

Operating Investments – Operating investments include money market funds, equities, mutual funds, exchange traded funds, corporate bonds, U.S. treasury securities, and the Organization’s interest in two closely held investment companies. These investments are recorded at fair value as determined by the inputs described below. The difference between the aggregate fair values of the investments at the beginning of the year and the aggregate fair values at the end of the year is recorded as an unrealized gain or loss in the statements of activities. Interest and dividends are recognized when earned or declared. Realized gains and losses are determined on the basis of the specific securities sold.

Investments – Board Governed – In 2019, the Organization began the Capital Campaign fund. Funds received from donors are deposited into a custodial investment account held by Charles Schwab & Co., Inc. (“Charles Schwab”). This investment account was previously held by TD Ameritrade and was transferred to Charles Schwab during the year ended June 30, 2024. Investments are stated at fair value, as determined by quoted market prices. See Note 4.

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Fair Value Measurements – The Organization's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment. The three levels of the fair value hierarchy, and its applicability to the Organization's investments, are described as:

- **Level 1** – Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that are accessible at the measurement date.
- **Level 2** – Quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active. Also includes inputs other than quoted prices that are observable, either directly or indirectly, for substantially the full term through corroboration with observable, independent market data. This includes investments valued at quoted prices adjusted for legal or contractual restrictions specific to the security.
- **Level 3** – Pricing inputs are unobservable for the asset or liability. That is, inputs that reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Level 3 includes private investments that are supported by little or no market activity. There were no assets or liabilities classified in Level 3 as of June 30, 2025 and 2024.

Risk and Uncertainties – Investments are exposed to various risks, such as interest rate and market risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the Organization's net assets.

Pledges Receivable – Unconditional pledges are recorded as receivables in the year made. Pledges receivable expected to be collected in less than one year are reflected as current maturities of pledges receivable and are recorded at their net realizable value. Pledges receivable expected to be collected in more than one year are reflected as long-term pledges receivable and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the pledges are received to discount the amounts. The Organization accounts for credit losses using the direct charge-off method, directly expensing pledges receivable for which management deems uncollectible. This is determined by considering factors, such as historical experience, age of the pledges receivable, current economic conditions, and reasonable forecasted information that may affect a donor's ability to pay. The Organization wrote-off uncollectible pledges receivable in amounts of \$49,642 and \$0 for the years ended June 30, 2025 and 2024, respectively.

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Property and Equipment, net – Property and equipment is stated at cost, if purchased, or at estimated fair value, if contributed, net of accumulated depreciation. Depreciation is computed using the straight-line method over the approximate economic useful lives of the assets, which range from three to five years. Amortization of leasehold improvements is computed over the shorter of the lease term or the useful lives of the improvements. The costs of maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized.

Leases – The Organization primarily leases office space through August 2028. The Organization assesses service arrangements to determine if an asset is explicitly or implicitly specified in the agreement and if the Organization has the right to control the use of the identified asset.

The right-of-use asset is initially measured at cost, which is primarily comprised of the initial amount of the lease liability, plus initial direct costs and lease payments at or before the lease commencement date, less any lease incentives received, and is amortized on a straight-line basis over the remaining lease term. All right-of-use assets are reviewed periodically for impairment. The lease liability is initially measured at the present value of lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate risk-free interest rate.

The right-of-use asset and lease liability are calculated including options to extend or to terminate the lease when management determines that it is reasonably certain that the Organization will exercise those options. In making that determination, management considers various existing economic and market factors, business strategies as well as the nature, length, and terms of the agreement.

Deferred Revenue – Deferred revenue consists of funds received for special events paid in advance. These amounts are recognized as revenue in future periods as the events occur.

Net Assets without Donor Restrictions – Net assets without donor restrictions represent resources whose use is not restricted by donor-imposed stipulations and are available for the general support of the Organization, which includes both scholarship awards and administrative costs. Board designated net assets represent capital campaign fund proceeds and earnings that are earmarked for the Board Governed investment.

Net Assets with Donor Restrictions – Net assets with donor restrictions represent contributions and other inflows of assets for use towards a specific program or purpose, whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When a donor restriction expires, net assets with donor restrictions are

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions in the statements of activities.

Income and Gains on Contributions and Gifts – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as with donor restrictions support that increases that net asset class. In the absence of donor specifications that income and gains on donated funds are restricted, such income and gains are reported as without donor restrictions support. It is the Organization's policy to record contributions of gifts when it is determined that they are unconditional.

Contributions of Nonfinancial Assets – Contributions of nonfinancial assets are gifts of goods or services received instead of cash. Donated services are recognized as contributions if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included the following:

	2025	2024
Accounting services	\$ 22,316	\$ 41,811
Printing services	-	2,031
Video production services	24,121	-
Other	6,385	5,640
	<u>\$ 52,822</u>	<u>\$ 49,482</u>

The Organization recognized contributions of nonfinancial assets within revenues in the statements of activities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

For the year ended June 30, 2025, contributed services recognized comprise professional accounting services and video production services. For the year ended June 30, 2024, contributed services recognized comprise professional accounting services, as well as printing services for various special events. Contributed services are recorded at their estimated fair values based on time incurred and rates for similar services.

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Other contributed nonfinancial assets during the years ended June 30, 2025 and 2024 primarily consisted of donated banquet meals for the Organization's annual luncheon event, and are recorded by the Organization at the estimated cost at the date received.

Functional Allocation of Expenses – The costs of providing the Organization's programs have been summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among the program services and supporting services that benefited, including salaries and payroll taxes and benefits that are allocated based on estimates of time and effort. Costs for postage, printing and reproduction, software maintenance, telephone, and travel and entertainment have been allocated based on estimated usage.

Income Taxes – The Organization is a 501(c)(3) corporation exempt from federal income taxes under Section 501(a) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

Management Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and financial statement disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications – Reclassifications have been made to certain accounts in the prior year financial statements for comparative purposes in order to conform with the presentation of current year financial statements.

Subsequent Events – Management of the Organization has evaluated subsequent events, for recognition or disclosure, through November 12, 2025, the date the accompanying financial statements were available to be issued and determined that no additional recognition or disclosure was required.

2. Significant Concentrations

Cash deposited at financial institutions potentially subjects the Organization to concentrations of credit risk as cash may exceed federally insured limits of Federal Deposit Insurance Coverage ("FDIC") at various times throughout the audit period. In addition, investments held at brokerages are covered by Securities Investor Protection Corporation ("SIPC"). The SIPC protects against the loss of cash and securities of up to \$500,000 for member brokerage firms, which includes a \$250,000 limit for cash. The FDIC protects

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

2. Significant Concentrations (continued)

against the loss of cash up to \$250,000 per bank. The Organization has not experienced any losses on such accounts and does not believe it is exposed to any significant risk to its cash deposits and investments.

Major contributors accounted for more than 10% of the Organization's revenue or outstanding pledges receivable. The Organization had revenue from three major contributors and two major contributors in 2025 and 2024, respectively, which accounted for \$3,698,000 or 59%, and \$2,698,000, or 46%, of total revenue for the years ended June 30, 2025 and 2024, respectively. Pledges receivable outstanding from these contributors accounted for \$2,212,214 or 69%, and \$1,796,143 or 59%, of total pledges receivable at June 30, 2025 and 2024, respectively.

3. Liquidity and Availability of Financial Assets

The Organization primarily generates financial assets through pledges, donations, special events, and through investment income. The financial assets are acquired throughout the year to help meet the Organization's cash needs for general expenditures.

The following table presents the Organization's financial assets available for general expenditures within one year of the statement of financial position date:

	<u>2025</u>	<u>2024</u>
Current assets at June 30, excluding non-financial assets:		
Cash	\$ 302,009	\$ 971,667
Operating investments	5,279,590	4,595,057
Current maturities of pledges receivable	<u>2,034,550</u>	<u>2,332,273</u>
	7,616,149	7,898,997
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
	<u>4,728,654</u>	<u>4,858,006</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>2,887,495</u></u>	\$ <u><u>3,040,991</u></u>

The Organization has Board designated funds of \$6,946,792 and \$5,883,376 at June 30, 2025 and 2024, respectively, set aside that can be used to meet obligations of the Organization, should the need arise, as they become due.

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

4. Investments

The following summarizes the Organization's investment portfolio as of June 30, 2025 and 2024 by fair value hierarchy levels:

	<u>2025</u>	<u>2024</u>
<i>Current - Operating</i>		
Level 1		
Money market funds	\$ 379,408	\$ 29,030
Equities	164,279	157,812
Exchange traded funds	2,766,466	1,053,538
Mutual funds	843,770	737,646
U.S. treasury securities	168,067	1,716,264
Corporate bonds	<u>853,798</u>	<u>803,330</u>
	5,175,788	4,497,620
Level 2		
Closely held corporation	53,387	54,984
Closely held partnership	<u>50,415</u>	<u>42,453</u>
	<u>103,802</u>	<u>97,437</u>
	<u>\$ 5,279,590</u>	<u>\$ 4,595,057</u>
<i>Non-Current - Board Governed</i>		
Level 1		
Money market funds	\$ 54,912	\$ 49,597
Equities	2,539,330	1,886,926
Exchange traded funds	2,183,886	1,910,367
Corporate bonds	<u>2,168,664</u>	<u>2,036,486</u>
	<u>\$ 6,946,792</u>	<u>\$ 5,883,376</u>

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

4. Investments (continued)

The following summarizes net investment income included in the statements of activities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating investments		
Interest and dividend income	\$ 149,799	\$ 127,589
Net unrealized gain	171,475	118,486
Net realized gain	51,191	171,013
Investment fees	<u>(9,634)</u>	<u>(9,615)</u>
Net investment gain - operating investments	362,831	407,473
Board Governed Investments		
Interest and dividend income	185,286	156,453
Net unrealized gain	539,884	450,974
Net realized gain (loss)	(70,638)	36,055
Investment fees	<u>(47,116)</u>	<u>(37,745)</u>
Net investment gain - Board Governed investments	<u>607,416</u>	<u>605,737</u>
Net investment income	<u>\$ 970,247</u>	<u>\$ 1,013,210</u>

5. Pledges Receivable

The Organization has received unconditional pledges for the purpose of awarding scholarships, the administration costs of such awards, and the general support of the Organization. Pledges receivable consists of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Receivable in:		
Less than one year	\$ 2,034,550	\$ 2,332,273
One to five years	<u>1,289,000</u>	<u>791,250</u>
	3,323,550	3,123,523
Less discounts to present value	<u>126,047</u>	<u>57,022</u>
	<u>\$ 3,197,503</u>	<u>\$ 3,066,501</u>

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

5. Pledges Receivable (continued)

The discount rate used on long-term pledges receivable was 5% at June 30, 2025 and 2024. The present value discount of the long-term pledges receivable increased (decreased) by \$69,025 and \$(23,838) for the years ended June 30, 2025 and 2024, respectively, which were recognized in scholarship contribution revenue.

6. Property and Equipment, net

Property and equipment, net, as of June 30, 2025 and 2024, consists of the following:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 46,516	\$ 46,516
Leasehold improvements	15,603	15,603
Software	<u>22,490</u>	<u>22,490</u>
	84,609	84,609
Less accumulated depreciation	<u>80,809</u>	<u>79,514</u>
	<u>\$ 3,800</u>	<u>\$ 5,095</u>

Depreciation expense totaled \$1,295 and \$4,970 for the years ended June 30, 2025 and 2024, respectively.

7. Lease Commitments

Total operating lease cost for the years ended June 30, 2025 and 2024 was \$14,052 and \$13,062, respectively and is included in rent - office in the statements of functional expenses.

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

7. Lease Commitments (continued)

As of June 30, 2025, minimum payments due for the operating lease obligation for the succeeding fiscal years are as follows:

<u>Year ending June 30,</u>	
2026	\$ 13,444
2027	13,444
2028	13,444
2029	<u>2,241</u>
Total lease payments	42,573
Less amount representing interest	<u>5,363</u>
Total operating lease obligation	<u>\$ 37,210</u>

The weighted-average remaining operating lease term is 3.09 years, and the weighted-average discount rate is 8.50%.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are pledges receivable or funds that were received that have not yet been designated for expenditure based upon the intent of the donor's gift. At June 30, 2025 and 2024, net assets with donor restrictions consisted of the following:

	<u>2025</u>	<u>2024</u>
Board governed investments - capital campaign	\$ 1,469,726	\$ 1,060,578
Scholarship awards	4,358,277	4,422,456
General organizational support	5,000	35,000
Partner school stewardship	<u>58,604</u>	<u>74,200</u>
	<u>\$ 5,891,607</u>	<u>\$ 5,592,234</u>

The BISON Children's Scholarship Fund, Inc.
Notes to Financial Statements (continued)

8. Net Assets with Donor Restrictions (continued)

Net assets were released from restrictions due to the passage of time and the satisfaction of donor designations, as follows:

	<u>2025</u>	<u>2024</u>
Board governed investments - capital campaign (time restrictions)	\$ 508,902	\$ 537,666
Scholarship awards	2,892,168	3,038,328
General organizational support	30,000	30,000
Partner school stewardship	<u>15,596</u>	<u>24,000</u>
	<u>\$ 3,446,666</u>	<u>\$ 3,629,994</u>

9. Related Party Transactions

Certain members of the Organization's Board of Directors have made contributions to the Organization. Additionally, certain members of the Organization's Board of Directors are also directors of other entities which contribute to the Organization. Contributions received from these related parties amounted to \$479,504 and \$483,525 for the years ended June 30, 2025 and 2024, respectively. Pledges receivable associated with these related party donors amounted to \$1,145,768 and \$290,968 at June 30, 2025 and 2024, respectively.

In March 2019, the Organization transferred their investments held with Key Private Bank to TD Ameritrade, which were then transferred to Charles Schwab during the year ended June 30, 2024. These investments are managed by a company for which a Board member of the Organization is a Partner. The Organization incurs fees associated with managing the investment options which amounted to \$56,750 and \$47,360 for the years ended June 30, 2025 and 2024, respectively.