



**BOYS LATIN FOUNDATION
PHILADELPHIA, PENNSYLVANIA**

FINANCIAL STATEMENTS

JUNE 30, 2025

BOYS LATIN FOUNDATION
JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

December 8, 2025

To the Board of Trustees
Boys Latin Foundation
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Boys Latin Foundation, a nonprofit organization and a component unit of Boys Latin of Philadelphia Charter School, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 Boys Latin Foundation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Boys Latin Foundation 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 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

To the Board of Trustees
Boys Latin Foundation

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 Boys Latin Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 Boys Latin 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 Boys Latin 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.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

BOYS LATIN FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 2,030,199
Pledges receivable	2,500
Prepaid expenses	50,511
Total Current Assets	<u>2,083,210</u>

NONCURRENT ASSETS:

Property and equipment	5,081,813
Less: Accumulated depreciation	<u>(1,271,025)</u>
Property and Equipment, Net	<u>3,810,788</u>
Total Noncurrent Assets	<u>3,810,788</u>

TOTAL ASSETS	<u><u>\$ 5,893,998</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 679
Accrued expenses	3,148
Due to related party	<u>2,370,940</u>
Total Current Liabilities	<u>2,374,767</u>

NET ASSETS:

With donor restrictions	457,200
Without donor restrictions	<u>3,062,031</u>
Total Net Assets	<u>3,519,231</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,893,998</u></u>
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The accompanying notes are an integral part of these financial statements.

**BOYS LATIN FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Rental income	\$ 91,029	\$ -	\$ 91,029
Reimbursed expenses	613,144	-	613,144
Contributions	120,575	457,200	577,775
Interest	28,943	-	28,943
Net assets released from restrictions	777,300	(777,300)	-
TOTAL REVENUE, SUPPORT, AND GAINS	<u>1,630,991</u>	<u>(320,100)</u>	<u>1,310,891</u>
EXPENSES			
Program services	1,490,008	-	1,490,008
Support services:			
Management and general	40,798	-	40,798
Fundraising	42,538	-	42,538
TOTAL EXPENSES	<u>1,573,344</u>	<u>-</u>	<u>1,573,344</u>
CHANGE IN NET ASSETS	57,647	(320,100)	(262,453)
NET ASSETS, BEGINNING OF YEAR	<u>3,004,384</u>	<u>777,300</u>	<u>3,781,684</u>
NET ASSETS, END OF YEAR	<u><u>\$ 3,062,031</u></u>	<u><u>\$ 457,200</u></u>	<u><u>\$ 3,519,231</u></u>

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

BOYS LATIN FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 459,721	\$ 31,705	\$ 36,989	\$ 528,415
Employee benefits and payroll taxes	68,961	4,756	5,549	79,266
Total Personnel-related Expenses	528,682	36,461	42,538	607,681
Professional fees	-	4,337	-	4,337
Contributions - program related	777,300	-	-	777,300
Depreciation	143,652	-	-	143,652
Interest	40,374	-	-	40,374
TOTAL EXPENSES	<u>\$ 1,490,008</u>	<u>\$ 40,798</u>	<u>\$ 42,538</u>	<u>\$ 1,573,344</u>

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

**BOYS LATIN FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (262,453)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	143,652
Amortization of deferred financing costs (a component of interest expense)	5,226
(Increase) Decrease in pledges receivable	(2,500)
(Increase) Decrease in prepaid expenses	(50,511)
(Increase) Decrease in due from related party	47,320
Increase (Decrease) in due to related party	1,646,742
Increase (Decrease) in accounts payable	(95)
Increase (Decrease) in accrued expenses	210
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>1,527,591</u></u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on loan liability	<u>(926,569)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u><u>(926,569)</u></u>

NET CHANGE IN CASH AND CASH EQUIVALENTS	601,022
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,429,177</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,030,199</u></u>
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SUPPLEMENTAL INFORMATION:

Interest paid	<u>\$ 40,374</u>
Income taxes paid	<u><u>\$ -</u></u>

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

BOYS LATIN FOUNDATION
JUNE 30, 2025

NOTES TO FINANCIAL STATEMENTS

NOTE 1 NATURE OF THE ORGANIZATION

The Boys Latin Foundation ("the Foundation") operates as a non-profit organization established under the laws of the Commonwealth of Pennsylvania. The Foundation is considered to be a component unit of the Boys' Latin of Philadelphia Charter School ("the School"), an exempt organization under Section 501(c)(3) of the Internal Revenue Code that operates a public charter school for children in grades 6 through 12. As a component unit, the Foundation, although a legally separate entity, is, in substance, part of the School's operations. The Foundation has no component units for which it is considered to be financially accountable. The Foundation was organized to provide public educational school facilities, including land, buildings, and improvements, for the benefit of the School.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

Financial Statement Presentation

In accordance with generally accepted accounting principles, the Foundation 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.

Recognition of Donor Restrictions

All donor-restricted support is reported as an increase in net assets with donor restrictions. The Foundation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose may be subject to taxation as unrelated business income.

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Foundation's tax returns. Management has determined that the

BOYS LATIN FOUNDATION
JUNE 30, 2025

NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foundation does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge.

Cash and Cash Equivalents

The Foundation considers all short-term highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and improvements are stated at cost, less accumulated depreciation. Expenditures for additions and betterments are capitalized; maintenance and repairs are charged to current operations as incurred. Depreciation has been calculated on such assets using the straight-line method over the following estimated lives: building and improvements, 25 years.

Allocation of Functional Expenses

Interest expense, depreciation, and contributions are costs related to supporting the School and have been classified as program services expenses. Salaries and related employment costs as well as the remaining expenses have been allocated to the management and general and fundraising functions based on an estimate of the time employees work on a specific function.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 3 CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation maintains its bank accounts at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2025, there were \$1,775,423 in uninsured balances. The Foundation has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk.

BOYS LATIN FOUNDATION
JUNE 30, 2025

NOTES TO FINANCIAL STATEMENTS

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2025:

Land	\$ 1,490,524
Buildings and improvements	3,591,289
Total	<u>5,081,813</u>
Less: accumulated depreciation	<u>(1,271,025)</u>
Total Property and Equipment, Net	<u>\$ 3,810,788</u>

NOTE 5 LONG-TERM DEBT

On July 27, 2015, the Foundation entered into a construction loan from a lender for renovations of its real property. The construction period has ended, and the loan was converted into a conventional term loan. Interest accrued on the outstanding and unpaid balance of this loan for the first five-year term at 4.50% per annum. Thereafter, the interest rate became fixed and equal to Federal Home Loan Bank published five-year non-amortizing Fixed-Rate Credit Rate, plus 2.75%. The loan was secured by a first mortgage on the Foundation's real property, substantially all other assets of the Foundation, and an assignment of all rents and leases arising from the property. The loan was paid in full in this current fiscal year and no liability remains.

NOTE 6 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets consist of cash and cash equivalents and pledges receivable.

The following reflects the Foundation's financial assets as of June 30, 2025, reduced by any amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year-end	\$ 2,032,699
Less those unavailable for general expenditures within one year due to:	
Donor-imposed purpose or time restrictions	<u>457,200</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,575,499</u>

NOTE 7 RELATED PARTY ARRANGEMENTS

At June 30, 2025, the School has advances totaling \$2,370,940 to the Foundation for costs associated with the renovations of the School buildings and other administrative costs. The

BOYS LATIN FOUNDATION
JUNE 30, 2025

NOTES TO FINANCIAL STATEMENTS

NOTE 7 RELATED PARTY ARRANGEMENTS (cont'd)

advances, which are noninterest bearing, do not have stated repayment terms, and are represented as due to related party on the statement of financial position.

The School leases its middle school facility from the Foundation under a one-year lease that expired on June 30, 2025. The lease automatically renews, unless the Foundation and/or the School exercise their right to terminate the lease, for additional one-year terms on July 1 of each year. Rental income due under the lease for the year ended June 30, 2025 was \$91,029. Rental income due under the lease for all future renewal terms, if exercised, will be \$99,300 per annum. In addition, the Foundation may receive from the School additional rental income or reimbursement for certain operating expenses, as defined in the lease. Certain other operating expenses, including utilities, maintenance, and taxes, as defined in the lease, are the responsibility of and will be paid for directly by the School.

The Foundation entered into a shared services fee agreement with the School to receive an annual fee equal to the compensation of the employees providing services to the School along with associated costs as defined in the agreement. The term of the agreement expired on June 30, 2025. The agreement will automatically renew for an additional succeeding year unless written notice is provided by either party not less than 90 days prior to the end of the initial or renewal term. For the year ended June 30, 2025, the Foundation recorded reimbursed expenses of \$613,144.

NOTE 8 NET ASSETS

Net Assets With Donor Restrictions

As of June 30, 2025, net assets with donor restrictions are available for the following purposes:

EITC	<u>\$ 457,200</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 457,200</u></u>

NOTE 9 EMPLOYEE BENEFIT PLAN

The Foundation maintains a savings incentive 403(b) plan for its employees. All employees are eligible. Participants may elect voluntary salary deferrals under the plan up to the maximum permitted by law. The Foundation makes a contribution for certain employees enrolled in the plan at a rate of 7.5% of eligible compensation as defined in the plan agreement. Contribution expense for the plan amounted to \$37,991 for the year ended June 30, 2025.

BOYS LATIN FOUNDATION
JUNE 30, 2025

NOTES TO FINANCIAL STATEMENTS

NOTE 10 SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent events through December 8, 2025, the date the financial statements were available to be issued.