EDWARD M. KENNEDY INSTITUTE FOR THE UNITED STATES SENATE, INC.

Financial Statements

Year Ended December 31, 2024

(With Independent Auditors' Report Thereon)

Kahn, Litwin, Renza & Co., Ltd.
Boston • Newport • Providence • Waltham

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Email: TrustedAdvisors@KahnLitwin.com • www.KahnLitwin.com

Certified Public Accountants
and Business Consultants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Edward M. Kennedy Institute for the United States Senate, Inc.:

Opinion

We have audited the accompanying financial statements of Edward M. Kennedy Institute for the United States Senate, Inc. (the Institute) (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of December 31, 2024, 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. 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 Institute 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 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 Institute's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Institute'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute'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.

Report on Summarized Comparative Information

We have previously audited the Institute's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kahn, Litwin, Renza & Co., Ltd.

August 25, 2025

EDWARD M. KENNEDY INSTITUTE FOR THE UNITED STATES SENATE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024
(With Comparative Totals at December 31, 2023)

	2024	2023
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,526,881	$ 4,100,487
Accounts and grants receivable	557,054	526,393
Pledges receivable	50,000	25,000
Prepaid expenses and other assets	65,742	70,526
Total current assets	**2,199,677**	**4,722,406**
Right-of-Use Assets:		
Finance lease, net	66,095,480	66,882,331
Operating lease, net	8,058	13,430
Total right-of-use assets	**66,103,538**	**66,895,761**
Property and Equipment, net	14,219,633	15,335,731
Investments	34,778,160	30,267,322
Total Assets	**$ 117,301,008**	**$ 117,221,220**
Liabilities and Net Assets		
Current Liabilities:		
Current portion of finance lease payable	$ 3,364,967	$ 3,292,438
Current portion of operating lease payable	5,524	5,276
Accounts payable	216,709	247,004
Accrued expenses and other liabilities	179,691	111,559
Deferred revenue	133,298	418,562
Total current liabilities	**3,900,189**	**4,074,839**
Long-term Liabilities:		
Finance lease payable, less current portion	45,111,978	48,476,945
Operating lease payable, less current portion	2,859	8,383
Total long-term liabilities	**45,114,837**	**48,485,328**
Total liabilities	**49,015,026**	**52,560,167**
Net Assets:		
Without donor restrictions	46,263,323	41,688,367
With donor restrictions	22,022,659	22,972,686
Total net assets	**68,285,982**	**64,661,053**
Total Liabilities and Net Assets	**$ 117,301,008**	**$ 117,221,220**

EDWARD M. KENNEDY INSTITUTE FOR THE UNITED STATES SENATE, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Support and revenue:				
Contributions, grants and pledges	$ 6,231,410	$ -	$ 6,231,410	$ 5,365,174
Special events, net of direct expenses of $166,243	282,533	-	282,533	-
Investment return, net	4,502,790	-	4,502,790	4,409,642
Other income	682,414	-	682,414	241,863
Satisfaction of purpose restrictions	950,027	(950,027)	-	-
Total support and revenue	**12,649,174**	**(950,027)**	**11,699,147**	**10,016,679**
Expenses:				
Program services	5,714,706	-	5,714,706	4,832,829
Management and general	1,253,718	-	1,253,718	971,904
Fundraising	1,105,794	-	1,105,794	798,673
Total expenses	**8,074,218**	**-**	**8,074,218**	**6,603,406**
Change in Net Assets	**4,574,956**	**(950,027)**	**3,624,929**	**3,413,273**
Net Assets, beginning of year	**41,688,367**	**22,972,686**	**64,661,053**	**61,247,780**
Net Assets, end of year	**$ 46,263,323**	**$ 22,022,659**	**$ 68,285,982**	**$ 64,661,053**

EDWARD M. KENNEDY INSTITUTE FOR THE UNITED STATES SENATE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	Program Services	Management and General	Fundraising	Total 2024	Total 2023
Salaries and employee benefits	$ 1,759,915	$ 576,236	$ 533,644	$ 2,869,795	$ 2,046,959
Professional fees	370,274	235,594	236,115	841,983	657,447
Credit loss expense	-	7,927	-	7,927	-
Communications and public relations	136,845	3,461	58,848	199,154	198,917
Administrative, office and insurance	230,690	43,680	27,881	302,251	290,262
Depreciation and amortization	1,868,922	210,108	126,045	2,205,075	2,098,295
Information technology	122,401	38,117	23,200	183,718	79,223
Events	91,850	6,912	23,706	122,468	129,163
Occupancy	367,654	44,943	24,795	437,392	406,174
Interest	430,341	48,380	29,023	507,744	221,208
Repairs and maintenance	275,450	29,232	18,577	323,259	361,341
Travel	60,364	9,128	3,960	73,452	114,417
Total expenses	**$ 5,714,706**	**$ 1,253,718**	**$ 1,105,794**	**$ 8,074,218**	**$ 6,603,406**

EDWARD M. KENNEDY INSTITUTE FOR THE UNITED STATES SENATE, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	$ 3,624,929	$ 3,413,273
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,418,224	1,311,444
Amortization of right-of-use assets	792,223	790,880
Credit loss expense	7,927	-
Donated stock	(20,353)	(1,006,369)
Gain on investments	(4,305,036)	(4,243,388)
Changes in operating assets and liabilities:		
Accounts receivable	(38,588)	1,595,516
Pledges receivable	(25,000)	110,000
Prepaid expenses and other assets	4,784	28,737
Accounts payable	(30,295)	55,534
Accrued expenses and other liabilities	68,132	(11,341)
Deferred revenue	(285,264)	263,585
Operating lease payable	(5,276)	(3,800)
Net cash provided by operating activities	**1,206,407**	**2,304,071**
Cash Flows from Investing Activities:		
Purchase of property and equipment	(302,126)	(544,971)
Proceeds from sale of investments	3,302,505	5,074,530
Purchase of investments	(3,487,954)	(3,194,154)
Net cash provided (used) by investing activities	**(487,575)**	**1,335,405**
Cash Flows from Financing Activities:		
Payments on finance lease payable	(3,292,438)	(1,691,099)
Net cash used by financing activities	**(3,292,438)**	**(1,691,099)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(2,573,606)**	**1,948,377**
Cash and Cash Equivalents, beginning of year	**4,100,487**	**2,152,110**
Cash and Cash Equivalents, end of year	**$ 1,526,881**	**$ 4,100,487**

1. Nature of Operations

The Edward M. Kennedy Institute for the United States Senate, Inc. (the Institute) is a not-for-profit organization dedicated to educating the public about the U.S. government through the history and contributions of the United States Senate. The Institute is committed to invigorating public discourse, encouraging participatory democracy, and inspiring the next generation of citizens and leaders to engage in the public square. The facility, which opened in the spring of 2015, is a dynamic center of non-partisan learning and engagement that utilizes cutting-edge technology to provide each visitor with a unique and information-rich, personalized experience that will bring history to life.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Institute is presented to assist the reader in understanding the Institute's financial statements. The financial statements and notes are representations of the Institute's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total, without accompanying note disclosures and certain functional expense information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Institute’s financial statements and related notes to the financial statements for the year ended December 31, 2023, from which the information is derived.

Financial Statement Presentation

The Institute prepares its financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

The Institute considers all cash balances and highly liquid investments with original maturities of three months or less to be cash equivalents, with the exception of certain amounts classified as investments.

Accounts and Grants Receivable

The Institute carries its accounts and grants receivable at the amount it expects to collect from outstanding balances. Management provides for expected credit losses through a charge to income and a credit to the valuation allowance based on historical experience, current conditions, and reasonable and supportable forecasts.

The Institute does not accrue interest on its receivables. A receivable is considered past due if payment has not been received within stated terms. The Institute will then exhaust all methods in-house to collect the receivable. Once all practical resources to collect the receivable have been utilized without success, the receivable is deemed uncollectable and charged against the allowance for credit losses. At year-end, management determined that no allowance for credit losses is necessary.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected after one year are discounted at an appropriate rate commensurate with the risk involved. If material, receivables with amounts due beyond one year are discounted to their net present value using the interest rate for treasury bills with a remaining term equal to that of future receipts.

On a periodic basis, the Institute evaluates its pledges receivable and establishes an allowance for doubtful accounts, based on a history of past collections and current credit conditions. At year-end, management determined that no allowance for doubtful accounts is necessary.

Leases

The Institute leases office equipment under an operating lease agreement and leases its facilities under a finance lease agreement. The Institute determines if an arrangement is a lease at inception. The operating lease is included in right-of-use (ROU) assets – operating lease, current portion of operating lease payable and operating lease payable, less current portion on the statement of financial position. The finance lease is included in ROU assets – finance lease, current portion of finance lease payable and finance lease payable, less current portion on the statement of financial position.

A finance lease is a lease with one or more of the following characteristics:

- provides for the transfer of ownership at the conclusion of the lease term,
- the lease term covers the majority of the asset's economic life,
- the present value of the lease payments plus any residual value guarantee is equal to or exceeds the fair value of the asset, or
- the asset is special in nature and will not be of any use to anyone else.

All other leases with non-cancellable lease terms are classified as operating leases.

ROU assets represent the Institute's right to use an underlying asset for the lease term and lease liabilities represent the Institute's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. If a lease does not provide an implicit rate, the discount rate used is based on the lease term and information available at commencement date in determining the present value of lease payments. For lease terms of five years or less, the Institute uses its incremental borrowing rate, and for lease terms in excess of five years, the Institute uses a risk-free rate. The ROU assets also include any lease payments made before the commencement date, as well as any initial direct costs, and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

Lease cost for the operating lease is recognized on a straight-line basis over the lease term and is included with occupancy expense on the statement of functional expenses. Amortization of the finance lease ROU asset is recognized on a straight-line basis over the lease term and is included with depreciation and amortization on the statement of functional expenses. Interest expense on finance lease payable is reported as interest expense on the statement of functional expenses.

The Institute may enter into lease agreements with lease and non-lease components. The Institute's facilities lease includes base rental payments which include both a lease component (the right to use the building) and a non-lease component (payment or reimbursement for services provided, i.e., maintenance). The Institute accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next.

Certain of the Institute's lease agreements include fixed lease payments and variable lease payments whereby measurement is based on an index or a rate. Variable payments on equipment leases include additional rents based on equipment usage which are recorded as lease cost when the amount becomes measurable. Variable payments on real estate leases include the Institute's payments for its pro-rata share of real estate taxes and building insurance not included in the base rental payment amount, which are recorded as lease cost when the amount becomes measurable.

The Institute's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Property and Equipment
All expenditures for property and equipment in excess of $5,000 are capitalized at cost; the fair value of donated assets is similarly recorded. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets, ranging from 5 to 20 years.

Investments and Fair Value Measurement
The Institute reports its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by authoritative guidance, are used to measure fair value.

The fair value hierarchy prioritizes the Inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Institute has the ability to access.

Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Institute's own data.

The Institute reports investments at fair value on a recurring basis. These investments are classified as levels 1 and 3 within the fair value hierarchy.

Level 1 investments owned by the Institute and listed on a National Securities Exchange are valued at the last recorded sales price as of the financial statement reporting date, or in the absence of recorded sales, at the last quoted bid price reported as of the financial statement reporting date.

Level 3 investment values are provided by the Institute's fund managers who develop their valuations using assumptions that market participants would use in pricing the assets and liabilities of the fund. These valuations rely on monthly statements and estimates obtained from the underlying fund managers, which consist of unobservable market inputs in accordance with authoritative guidance.

Realized and unrealized gains or losses are included as a component of investment return on the statement of activities. Gains and losses on investments are reported as changes in net assets without donor restrictions, unless gains and losses on investments are restricted by a donor's explicit stipulation or by a law that extends a donor's restriction.

Dividends are recorded on the ex-dividend date and interest is recorded on the accrual basis of accounting. Purchases and sales of securities are recorded on the trade date. In determining the gains (losses) realized on the sales of securities, the cost of securities sold is determined on a specific identification basis.

Collections

Historical collections are not capitalized by the Institute. In addition, the Institute does not capitalize repairs and improvements to inexhaustible collections. All purchases and donations of collection items and restoration of improvements to inexhaustible collections are recorded as decreases in net assets without donor restrictions in the year in which the expenditure is made. Donations of historical collection items are recorded in the statement of activities at their fair or appraised values on the date of donation and are expensed in the year received in accordance with the Institute's non-capitalization policy. The Institute maintains a collections policy that addresses collections upkeep, accession and de-accession policies and other aspects of collections management.

The Institute's policy regarding proceeds from the sale of collection items is to use them to acquire new collection items.

Support and Revenue Recognition

Contributions, Grants and Pledges – The Institute recognizes contributions, grants and pledges in the fiscal year in which they are made. Contributions, grants and pledges are recorded either as with or without donor/grantor restrictions, depending on the existence and/or nature of any donor/grantor-imposed restrictions. However, it is the policy of the Institute to recognize contributions and grants with restrictions that are both received and fully expended during the same fiscal year as contributions and grants without restrictions.

***Contributed Assets*–-** Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of services that create or enhance non-financial assets or that require specialized skills and are provided by individuals possessing those skills and which would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

***Special Events*–-** The Institute recognizes special event revenue at the point in time the event takes place. From time to time, the Institute may receive funds in advance of when the special event takes place; such amounts are recorded as deferred revenue

Advertising

Advertising costs are expensed as incurred. Advertising expense was approximately $9,900 for the year ended December 31, 2024, and is included in communications and public relations expense on the statement of functional expenses.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. The Institute allocates expenses between program expenses, management and general and fundraising based on direct identification when possible, and allocation if an expenditure benefits more than one program or function. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort. Depreciation and occupancy are allocated on the basis of square footage. All other indirect expenses are allocated by square footage.

Income Taxes

The Institute is exempt from income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. Management believes that the Institute operates in a manner consistent with its tax-exempt status at both the state and federal levels.

The Institute annually files IRS Form 990, *Return of Organization Exempt From Income Tax,* reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These tax returns are subject to review by the taxing authorities, generally for a period of three years after they were filed. The Institute currently has no tax examinations in progress.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Accordingly, actual results could differ from those estimates.

Subsequent Events

Subsequent to December 31, 2024, the federal government announced a freeze on federal grants and loans, which could have a significant impact on the Institute's ability to obtain funding. As a result, management is currently assessing the potential financial and operational implications. While the full extent of the impact is uncertain at this time, the Institute may need to adjust its operations to mitigate any adverse effects. Management will continue to monitor the situation and take appropriate action as needed.

Management of the Institute has evaluated subsequent events through August 25, 2025, which is the date these financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the statement of financial position date, comprise the following:

Current Financial Assets:	
Cash and cash equivalents	$ 1,526,881
Accounts receivable	557,054
Pledges receivable	50,000
Current financial assets, end of year	$ 2,133,935
Total financial assets available for general expenditure within one year	$ 2,133,935

The Institute has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The investments of the Institute are invested for long-term appreciation and current income. In the event of an unanticipated liquidity need, the Institute has approximately $12,756,000 of investments available to be spent at the discretion of the Board.

4. Property and Equipment

Property and equipment consisted of the following:

Land	$ 2,702,500
Building and improvements	22,656,071
Furniture, fixtures and equipment	1,312,171
	26,670,742
Less: accumulated depreciation	12,451,109
Total property and equipment, net	$ 14,219,633

5. Right-of-Use Assets and Leases Payable

The Institute leases office equipment through March 2026.

The Institute also leases facilities from the University of Massachusetts (the University) and the University of Massachusetts Building Authority (the Authority) under a finance lease that initially expires in October 2108 and provides for two additional extensions of 99 years each. Renewal options are not included in the lease term.

The lease base rent includes the cost of the project, as defined in the lease, as the cost, whenever incurred, of carrying out the project and placing it in operation, including debt service on the bonds issued to cover various costs of the project; the Institute's share of the landlord's operating expenses; the Institute's share of insurance premiums maintained by the landlord; all costs of maintaining and operating the project; and other costs required to be paid to the landlord by third parties related to the project and the bonds issued for the project. The Institute agrees to make payments to the University, semiannually, no later than fifteen days in advance of the dates upon which the University is obligated to make such payments to the Authority, less a credit to the Institute (the Institute Credit) of $625,000. So long as the Institute shall have provided and shall maintain at least $10,000,000 of unrestricted or restricted endowment funds to be managed by the UMASS Foundation (see Note 6), the Institute Credit shall be $1,250,000 annually.

Base rent is due semi-annually, in advance, on or before the 15th day of October and the 15th day of April each lease year during the initial term and any extension period. Any real estate, personal property or other tax assessment related to the facility or other amounts not included as base rent will also be paid by the Institute as additional rent.

The related cost of the right-of-use assets and accumulated amortization at December 31, 2024 were as follows:

Right-of-use asset - operating lease:		
Office equipment	$	17,459
Less: accumulated amortization		9,401
Right-of-use asset - operating lease, net	$	8,058

Right-of-use asset - finance lease:		
Facilities	$	70,029,735
Less: accumulated amortization		3,934,255
Right-of-use asset - finance lease, net	$	66,095,480

Future minimum lease payments due on the Institute's operating and finance leases are as follows for the years ending December 31:

Year Ending	Finance Lease	Operating Lease
December 31, 2025	$ 3,964,293	$ 5,795
December 31, 2026	3,969,914	2,897
December 31, 2027	3,969,424	-
December 31, 2028	3,977,910	-
December 31, 2029	3,549,615	-
Thereafter	47,610,666	-
Total future minimum lease payments	67,041,822	8,692
Imputed interest	(18,564,877)	(309)
Total	48,476,945	8,383
Less: current portion of leases payable	3,364,967	5,524
Leases payable, long-term	$ 45,111,978	$ 2,859

The components of lease cost for the year ended December 31, 2024 were as follows:

Lease Cost:	
Finance lease cost:	
Amortization of right-of-use assets	$ 786,851
Interest on lease liability	507,744
Variable lease costs	40,323
Operating lease cost	6,314
Total lease cost	$ 1,341,232

Other information related to leases for the year ended December 31, 2024 was as follows:

Supplemental Cash Flows Information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from finance lease	$ 507,744
Financing cash flows from finance lease	3,292,438
Operating cash flows from operating lease	5,795
Weighted average remaining lease term:	
Finance lease	85 years
Operating lease	1.5 years
Weighted average discount rate:	
Finance lease	4.61%
Operating lease	6.06%

6. Investments

Investments are presented at fair value and consisted of the following:

	Level 1	Level 3	Total
Cash and Cash Equivalents	$ 559,918	$ -	$ 559,918
Equities	20,353	-	20,353
Mutual Funds	12,227,624	-	12,227,624
UMASS Foundation Pooled Investments Fund I	-	21,970,265	21,970,265
Total investments	$ 12,807,895	$ 21,970,265	$ 34,778,160

UMASS Foundation Pooled Investments Fund I (the Fund) includes investments in short-term funds, domestic equities, international equities, real estate investment trusts, fixed-income securities, alternative investments, and commodities. The fair value of the Fund has been estimated using the net asset value per share of the investment.

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A reconciliation of the investment in the Fund is as follows:

	Level 3
Beginning balance at January 1, 2024	$ 19,096,317
Net unrealized and realized gain on investment	2,872,645
Interest and dividends	193,990
Investment fees	(192,687)
Ending balance at December 31, 2024	$ 21,970,265

7. Net Assets

A summary of net assets is as follows:

Net Assets Without Donor Restrictions:	
Undesignated	$ 14,425,480
Invested in right-of-use assets	17,618,210
Invested in property and equipment	14,219,633
Total net assets without donor restrictions	46,263,323
Net Assets With Donor Restrictions:	
Subject to expenditure for specified purpose:	
Educational programs	19,543,384
The historic Hyannisport property maintenance and preservation	2,479,275
Total net assets with donor restrictions	22,022,659
Total net assets	$ 68,285,982

8. Contributed Nonfinancial Assets

In addition to direct financial support, the Institute is supported by the community and its donors in many ways. Donated services are reported in the statement of activities at their estimated fair value, based on the values determined by the service professional on the date of donation. The Institute did not receive any contributed nonfinancial assets during the year ended December 31, 2024.

Contributed services of volunteers are an important part of the resources needed to achieve the Institute's mission. Volunteer hours contributed during the year ended December 31, 2024 are not reported as support and expenses in the statement of activities since such services either do not require specialized skills or would not typically be purchased if not provided by donation.

9. Commitments and Contingencies

Service Contracts
The Institute has certain service contracts with various terms, which expire at various dates through April 2029. For the year ended December 31, 2024, service contract expense was approximately $85,800. Service contract expense is included in repairs and maintenance and information technology in the accompanying statement of functional expenses.

Approximate future payments for these contracts are as follows:

Year Ending		
December 31, 2025	$	66,300
December 31, 2026		47,300
December 31, 2027		36,500
December 31, 2028		35,600
December 31, 2029		11,900
Total	$	197,600

Ground Lease Sublease
The Institute entered into a ground lease sublease for an initial 99-year term ending October 31, 2108 which further provides for two additional extensions of 99 years each. Rent under the ground lease sublease is $10,000 for each 99-year period due at commencement of the period. Any real estate, personal property or other tax, assessment or other charge for water, sewer, utility and other charges related to the premises or any structures will also be paid by the Institute.

Legal Contingencies
Various legal claims arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the Institute's financial statements.

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10. Employee Retirement Plan

The Institute maintains a 401(k) Profit Sharing Plan and Trust (the Plan) and contributes 3% - 4% of the employees' compensation for the Plan year, based upon the amount that the employee contributes to the Plan. Contributions by the Institute under the Plan were $81,007 for the year ended December 31, 2024.

11. Concentrations of Credit and Market Risk

Financial instruments that potentially subject the Institute to concentrations of credit risk consist principally of cash and cash equivalents, receivables and investments.

The Institute maintains its cash balances in two financial institutions. The balance at each institution is insured by the Federal Deposit Insurance Corporation up to $250,000. At year-end, the uninsured portion of these balances was approximately $970,000. The Institute monitors its exposure with regard to cash and cash equivalents and has not experienced losses on such accounts.

At December 31, 2024, 90% of accounts receivable was due from one entity and 100% of pledges receivable was due from two donors. Management has performed an analysis of these receivables at year-end and does not believe that significant credit risk exists relating to receivables.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near term and that such changes could materially affect investment balances and activity included in the financial statements. The Institute's investments are maintained in a diversified portfolio in an attempt to minimize potential risk associated with marketable securities to the extent possible. The Institute retained an investment advisor to make recommendations to the Investment Committee and the Board on an appropriate and prudent level of diversification.