

CAMBRIDGE IN AMERICA
CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024
(WITH SUMMARIZED COMPARATIVE
TOTALS FOR JULY 31, 2023)

CAMBRIDGE IN AMERICA

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Cambridge in America
New York, New York

Opinion

We have audited the accompanying consolidated financial statements of Cambridge in America, which comprise the consolidated statement of financial position at July 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cambridge in America at July 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 Cambridge in America 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cambridge in America's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 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 consolidated financial statements.

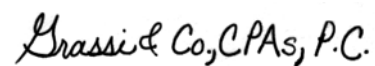
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Cambridge in America'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cambridge in America'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 Cambridge in America's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 14, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.



GRASSI & CO., CPAs, P.C.

New York, New York
February 18, 2025

CAMBRIDGE IN AMERICA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JULY 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS AT JULY 31, 2023)

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,708,504	\$ 4,818,883
Investments	10,372,943	8,522,861
Contributions receivable, net	73,417,276	72,976,670
Prepaid expenses and other assets	282,474	50,897
Operating lease right-of-use assets	3,662,254	1,351,878
Property and equipment, net	<u>354,018</u>	<u>272,069</u>
 TOTAL ASSETS	 <u><u>\$ 92,797,469</u></u>	 <u><u>\$ 87,993,258</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 188,967	\$ 225,753
Due to Collegiate Cambridge	1,538,495	2,417,429
Operating lease liabilities	<u>3,829,413</u>	<u>1,467,167</u>
 Total Liabilities	 <u>5,556,875</u>	 <u>4,110,349</u>
 COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	13,823,318	10,906,239
With donor restrictions	<u>73,417,276</u>	<u>72,976,670</u>
 Total Net Assets	 <u>87,240,594</u>	 <u>83,882,909</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 92,797,469</u></u>	 <u><u>\$ 87,993,258</u></u>

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

CAMBRIDGE IN AMERICA
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JULY 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:				
Contributions	\$ 27,464,836	\$ 7,129,077	\$ 34,593,913	\$ 96,899,904
Contributions in-kind	83,901	-	83,901	5,989
Investment gain, net	976,561	-	976,561	528,319
(Loss) gain on foreign currency translation	(10,049)	-	(10,049)	5,374
Gain on abandonment of lease	115,288	-	115,288	-
Loss on disposal of fixed assets	(95,268)	-	(95,268)	-
Net assets released from restrictions	6,688,471	(6,688,471)	-	-
Total Revenues, Gains, Losses and Other Support	35,223,740	440,606	35,664,346	97,439,586
EXPENSES:				
Program Service:				
College and University projects	26,153,737	-	26,153,737	31,984,967
Supporting Services:				
Management and general	2,098,962	-	2,098,962	1,877,792
Fundraising	4,053,962	-	4,053,962	3,967,204
Total Supporting Services	6,152,924	-	6,152,924	5,844,996
Total Expenses	32,306,661	-	32,306,661	37,829,963
CHANGE IN NET ASSETS	2,917,079	440,606	3,357,685	59,609,623
NET ASSETS, BEGINNING OF YEAR	10,906,239	72,976,670	83,882,909	24,273,286
NET ASSETS, END OF YEAR	\$ 13,823,318	\$ 73,417,276	\$ 87,240,594	\$ 83,882,909

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

CAMBRIDGE IN AMERICA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JULY 31, 2023)

	2024					
	Program Service	Supporting Services				
	College and University Projects	Management and General	Fundraising	Total	Total	2023
EXPENSES:						
Salaries	\$ -	\$ 880,904	\$ 2,055,444	\$ 2,936,348	\$ 2,936,348	\$ 2,769,320
Payroll taxes and employee benefits	-	243,959	569,237	813,196	813,196	729,447
Total Salaries and Related Expenses	-	1,124,863	2,624,681	3,749,544	3,749,544	3,498,767
Transmissions to Collegiate Cambridge	26,153,737	-	-	-	26,153,737	31,984,967
Staff development	-	16,792	39,182	55,974	55,974	39,863
Professional fees	-	41,536	-	41,536	41,536	74,304
Recruiting	-	13,610	31,756	45,366	45,366	3,644
Occupancy	-	154,937	361,519	516,456	516,456	825,511
Insurance	-	33,495	-	33,495	33,495	12,152
Office supplies and expenses	-	60,286	140,667	200,953	200,953	192,275
Travel	-	97,070	227,965	325,035	325,035	218,544
Data processing	-	25,064	58,483	83,547	83,547	78,452
Consultants	-	15,341	35,797	51,138	51,138	83,064
Board travel and meetings	-	23,144	54,004	77,148	77,148	90,935
Dues and subscriptions	-	14,452	33,721	48,173	48,173	59,316
Depreciation and amortization	-	59,645	-	59,645	59,645	47,505
Leases and rentals	-	3,236	7,551	10,787	10,787	7,178
Repairs and maintenance	-	854	1,994	2,848	2,848	1,242
Bad debt expense	-	303,179	-	303,179	303,179	247,080
Events and related costs	-	-	292,948	292,948	292,948	212,763
Marketing and promotion	-	-	118,052	118,052	118,052	116,844
Miscellaneous	-	111,458	25,642	137,100	137,100	35,557
TOTAL EXPENSES	\$ 26,153,737	\$ 2,098,962	\$ 4,053,962	\$ 6,152,924	\$ 32,306,661	\$ 37,829,963

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

CAMBRIDGE IN AMERICA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JULY 31, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,357,685	\$ 59,609,623
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debt expense	303,179	247,080
Realized and unrealized gain on investments	(508,536)	(331,734)
Loss on disposal of fixed assets	95,268	-
Noncash lease expense	325,816	624,259
Depreciation and amortization	59,645	47,505
Changes in assets:		
Contributions receivable	(743,785)	(61,807,845)
Prepaid expenses and other assets	(231,577)	(42,535)
Changes in liabilities:		
Accounts payable and accrued expenses	(36,786)	(13,602)
Operating lease liabilities	(369,214)	(709,749)
Due to Collegiate Cambridge	(878,934)	142,664
	<u>1,372,761</u>	<u>(2,234,334)</u>
Net Cash Provided By (Used In) Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets, net	(141,594)	(173,025)
Purchases of investments	(8,302,132)	(5,145,195)
Proceeds from sales of investments	6,960,586	3,190,886
	<u>(1,483,140)</u>	<u>(2,127,334)</u>
Net Cash Used In Investing Activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(110,379)	(4,361,668)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,818,883</u>	<u>9,180,551</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,708,504</u>	<u>\$ 4,818,883</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS:		
Right-of-use assets obtained in exchange for lease obligations	\$ 3,924,030	\$ 1,976,337
Operating lease liabilities	<u>\$ 3,924,030</u>	<u>\$ 2,176,916</u>

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

CAMBRIDGE IN AMERICA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024

Note 1 - Nature of Operations

Cambridge in America ("CAm") is a publicly supported not-for-profit organization incorporated in the District of Columbia in 1967 and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

CAm's primary purpose is to promote a broad base of interest in and financial support for the University of Cambridge and its constituent colleges, known as Collegiate Cambridge, among its alumni and friends in the Americas by:

- Maximizing fundraising efforts for the educational and research missions of Collegiate Cambridge from individuals, corporations and charitable foundations.
- Making known the achievements of Collegiate Cambridge to and beyond the alumni body, both directly and through the press and media.
- Coordinating and assisting alumni activities.

It is the Board of Directors' policy not to accept donations that restrict the purpose of the funds, although the donor may specify a preference. The primary sources of revenue are contributions.

In 2009, Cambridge in America UK Limited ("CAm UK") was created, with CAm as the sole shareholder. As such, it is considered as a disregarded entity for United States income tax purposes. The primary purpose of CAm UK is to receive contributions in England.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the financial position, changes in net assets, functional expenses and cash flows of CAm and CAm UK (collectively the "Organization"). Intercompany transactions and balances have been eliminated in consolidation.

Adoption of ASU No. 2016-13

On of July 1, 2023, CAm adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and all subsequently issued related amendments, which changed the methodology used to recognize impairment of CAm's contract receivables. Under this ASU, financial assets are presented at the net amount expected to be collected, requiring immediate recognition of estimated credit losses expected to occur over the asset's remaining life. This is in contrast to previous accounting principles generally accepted in the United States of America ("U.S. GAAP"), under which credit losses were not recognized until it was probable that a loss had been incurred. CAm performed its current expected credit loss ("CECL") calculation based on historical accounts receivable write-offs, including consideration of then-existing economic conditions and expected future conditions. The adoption of this ASU did not have a significant impact on CAm's financial statements.

CAMBRIDGE IN AMERICA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Basis of Accounting

The accompanying consolidated 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").

Use of Estimates

The preparation of consolidated financial statements in conformity 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 consolidated 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

Cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Investments

Investments are stated at the readily determinable fair market value in accordance with the Not-for-Profit Entities topic of the FASB Accounting Standards Codification ("ASC"). All interest, dividends and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets without donor restrictions.

Fair Value Measurement

Fair value is defined as 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. To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurement*, are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

CAMBRIDGE IN AMERICA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value Measurement (cont'd.)

Level 3 - Valuations based on unobservable inputs reflecting the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 4 for assets measured at fair value at July 31, 2024 in accordance with FASB ASC Topic 820.

Contributions Receivable

Contributions receivable are stated net of an allowance for doubtful contributions receivable. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Allowance for Doubtful Contributions Receivable

The Organization determines whether an allowance for doubtful contributions receivable should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Receivables are written off against the allowance for doubtful contributions receivables when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. The Organization has recorded an allowance for doubtful contributions receivables of \$200,000 at July 31, 2024.

Property and Equipment

Property and equipment is recorded at cost, net of accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the lesser of the remaining term of the lease or the useful life of the improvement utilizing the straight-line method. The Organization capitalizes all purchases of property and equipment equal to or in excess of \$5,000 having an estimated useful life of greater than one year. Repairs and maintenance are charged to expense in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from accounts and any gain or loss is included in revenue.

Depreciation and amortization of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Furniture and equipment	5 to 7 years
Leasehold improvements	10 years

CAMBRIDGE IN AMERICA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Net Assets

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. The Board of Directors has established an operating reserve with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. The operating reserve balance totaled \$6,000,000 at July 31, 2024 and is included in cash and cash equivalents on the consolidated statement of financial position. Net assets with donor restrictions are those net assets that are restricted by donors for specific purposes or a time restriction.

Contributions

Unconditional contributions, including promises to give, cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<u><i>Conditional gifts and grants, with or without restrictions</i></u>	
Gifts and grants that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<u><i>Unconditional gifts and grants, with or without donor restrictions</i></u>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

CAMBRIDGE IN AMERICA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

In-Kind Contributions

CAM receives various forms of gift-in-kind ("GIK") including books, artwork, and first edition musical scores. GIKs are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized GIKs are valued based upon appraisal reports received from third parties. Donated GIKs are not sold and goods are only utilized for program use.

<u>Non-financial contributions category</u>	<u>Type of contributions for beneficiaries</u>	<u>Valuation</u>	<u>2024</u>
Books	Collectibles	Appraisal reports received from independent third parties	<u>\$ 83,901</u>

Leases

CAM applies a two-model approach to all leases in which it is a lessee and classifies leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by CAM. Lease classification is evaluated at the inception of the lease agreement. Regardless of classification, CAM records a right-of-use asset and a lease liability for all leases with a term greater than 12 months. In order to calculate the lease liability, certain assumptions related to lease terms and discount rates are made. Renewal options are evaluated in the determination of lease terms. When available, CAM uses the rate implicit in the lease or a borrowing rate based on similar debt to discount lease payments. However, when a lease does not provide a readily determinable implicit rate, and CAM's existing debt does not have similar terms, CAM uses the U.S. Treasury rate constant maturity at each lease commencement date to discount lease payments. At June 30, 2024 CAM applied a discount rate of 4.69% for operating leases.

CAMBRIDGE IN AMERICA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Functional Expenses

The costs of providing the Organization's services have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses such as salaries, payroll taxes and employee benefits are allocated on a time and effort basis. Transmissions to Collegiate Cambridge are directly charged to program expenses. Expenses attributable to more than one functional expense category are based on the ratio value of staff and consultant time spent on supporting services.

Foreign Currency Translation

The assets and liabilities of CAM UK are recorded in British Pounds (GBP) and are translated to U.S. Dollars (USD) using the exchange rate in effect at the date of the consolidated statement of financial position. Revenues, expenses, gains and losses are translated using the average exchange rate for the year. Gains or losses on foreign currency translation are recognized in the accompanying consolidated financial statements. The exchange rate utilized within the consolidated statement of financial position at July 31, 2024 was GBP 1.00/1.28 USD. The average exchange rate utilized to translate revenues, expenses, gains and losses for 2024 was GBP 1.00/1.24 USD.

Summarized Comparative Totals

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended July 31, 2023, from which the summarized information was derived.

Accounting for Uncertainty in Income Taxes

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2021.

Note 3 - Concentration of Credit Risk

The Organization maintains cash balances in several financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. At July 31, 2024 and from time to time during the year then ended, the Organization's balances exceeded these limits.

At July 31, 2024, approximately 79% of the Organization's contributions receivable is from one donor.

CAMBRIDGE IN AMERICA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024

Note 4 - Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at July 31, 2024.

Money market funds - Valued at quoted prices based on identical prices in active markets.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price.

Exchange-traded funds ("ETFs") - Valued at the closing price reported in the active market on which the individual securities are traded.

Recurring Measurements

The following table presents the fair value measurements of assets measured at fair value on a recurring basis and the level within the fair value hierarchy at July 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Money market funds	\$ 101,630	\$ -	\$ -	\$ 101,630
Mutual funds	5,529,181	-	-	5,529,181
ETFs-equity	3,481,700	-	-	3,481,700
EFTs-fixed income	1,260,432	-	-	1,260,432
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Investments	<u>\$ 10,372,943</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,372,943</u>

Note 5 - Contributions Receivable

Contributions receivable that are due in over one year have been discounted using rates ranging between 0.21% and 4.51%. Contributions receivable are due as follows:

Due within one year	\$ 11,850,314
Due in one to five years	11,467,901
Due in more than five years	81,843,764
	<u>105,161,979</u>
Allowance for doubtful contribution receivable	(200,000)
Discount to present value	<u>(31,544,703)</u>
	<u>\$ 73,417,276</u>

CAMBRIDGE IN AMERICA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2024

Note 6 - Property and Equipment

Property and equipment, net is summarized as follows:

Furniture and equipment	\$ 381,496
Leasehold improvements	62,687
	<u>444,183</u>
Less: Accumulated depreciation and amortization	90,165
	<u><u>\$ 354,018</u></u>

Depreciation and amortization expense related to property and equipment amounted to \$59,645 for the year ended July 31, 2024. In connection with moving to a new office space, \$668,457 of leasehold improvements with accumulated amortization of \$573,189 were written off resulting in a loss on disposal of fixed assets of \$95,268 during the year ended July 31, 2024.

Note 7 - Lease Agreements

CAM leases office space under a lease which expires in September 2031.

In March 2015, CAM entered into an operating lease for space which was set to expire in July 2025. In September 2023, the landlord allowed CAM to terminate its prior lease and enter into a new 10-year operating lease for different office space, set to expire in September 2033 resulting in a gain on abandonment of lease during the year ended July 31, 2024. CAM received 4 free months of rent in connection with the new lease.

Lease activity for the year ended July 31, 2024 was as follows:

Lease cost:

Operating lease cost	<u><u>\$ 325,816</u></u>
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Other information:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	<u><u>\$ 496,536</u></u>
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Weighted average remaining lease term:

Operating leases	<u><u>9.17</u></u>
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Weighted average discount rate:

Operating leases	<u><u>4.69%</u></u>
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Note 7 - Lease Agreements (cont'd.)

Future minimum lease payments as of July 31, 2024 are as follows:

<u>Years Ending July 31:</u>	
2025	\$ 496,536
2026	496,536
2027	496,536
2028	496,536
2029	527,416
Thereafter	2,223,300
Total future minimum undiscounted lease payments	4,736,860
Less: Amount representing interest	907,447
Present value of future payments	3,829,413
Less: Current lease liabilities	323,839
Long-term lease liabilities	<u>\$ 3,505,574</u>

Note 8 - Pension Plan

The Organization administers a defined contribution plan under Section 403(b) of the Internal Revenue Code. All employees who complete twelve months of service are eligible to participate in the plan. Contributions are based upon salaries paid. Pension expense in 2024 was \$243,643.

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions of \$73,417,276 at July 31, 2024 are restricted to periods after July 31, 2024.

Net assets of \$6,688,471 were released from donor restrictions by lapse of time.

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Note 10 - Available Resources and Liquidity

The following reflects the Organization's financial assets as of July 31, 2024, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Cash and cash equivalents	\$ 4,708,504
Investments	10,372,943
Contributions receivable, net	<u>73,417,276</u>
Total financial assets	<u>88,498,723</u>

Less amounts not available to be used within one year:

Receivables to be collected in more than one year	(61,566,962)
Board-designated operating reserve	<u>(6,000,000)</u>

Financial assets available to meet cash needs for
general expenditures within one year

\$ 20,931,761

There are board-designated reserves of \$6,000,000 at July 31, 2024. Although the Organization does not intend to spend from these reserves, these amounts could be made available if necessary.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

Note 11 - Subsequent Events

The Organization has evaluated all events or transactions that occurred after July 31, 2024 through February 18, 2025, which is the date that the consolidated financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.