Financial Statements Together with Report of Independent Certified Public Accountants

The Children's Scholarship Fund

For the year ended August 31, 2025
with summarized comparative financial information
for the year ended August 31, 2024

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statement of financial position	5
Statement of activities	6
Statement of functional expenses	7
Statement of cash flows	8
Notes to financial statements	9

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
The Children's Scholarship Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Children's Scholarship Fund ("CSF"), which comprise the statement of financial position as of August 31, 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 CSF as of August 31, 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 CSF 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 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 CSF's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is

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not a guarantee that an audit conducted in accordance with US 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 US 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 CSF'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 CSF'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 2024 summarized comparative information
We have previously audited CSF's 2024 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2024. In our opinion, the accompanying summarized comparative information as of and for the year ended August 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
November 24, 2025

The Children's Scholarship Fund

STATEMENT OF FINANCIAL POSITION

As of August 31, 2025
with comparative totals as of August 31, 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 20,858,874	$ 13,331,571
Investments (Note C)	32,567,162	33,672,279
Contributions receivable, net (Note D)	170,000	-
Prepaid expenses and other assets	229,259	121,460
Deposits	23,346	23,346
New Hampshire Education Freedom Accounts (Note J)	10,864,094	8,394,450
Operating lease right-of-use assets (Note I)	75,047	153,969
Property and equipment, net (Note E)	48,426	11,965
Total assets	$ 64,836,208	$ 55,709,040
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 52,139	$ 17,327
Due to State of New Hampshire (Note J)	12,194,679	9,393,689
Refundable advances	5,394,278	5,386,340
Deferred program service revenue (Note J)	682,301	276,807
Operating lease liabilities (Note I)	82,874	168,248
Accrued expenses and other liabilities	420,885	165,418
Total liabilities	18,827,156	15,407,829
Commitments (Note K)		
Net assets		
Without donor restrictions	23,518,757	15,688,383
With donor restrictions (Note F)	22,490,295	24,612,828
Total net assets	46,009,052	40,301,211
Total liabilities and net assets	$ 64,836,208	$ 55,709,040

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

The Children's Scholarship Fund

STATEMENT OF ACTIVITIES

For the year ended August 31, 2025
with comparative totals for the year ended August 31, 2024

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024 Total
Operating revenues and support				
Contributions	$ 7,727,974	$ 19,305,839	$ 27,033,813	$ 26,001,985
Fundraising events (net of costs of direct benefits to donors of $3,525)	69	3,367	3,436	2,877
Program service revenue (Note J)	2,263,190	-	2,263,190	1,580,082
Investment income	1,889,070	-	1,889,070	2,286,256
Total operating revenues and support	11,880,303	19,309,206	31,189,509	29,871,200
Net assets released from restrictions (Note F)	21,431,739	(21,431,739)	-	-
Total operating revenues, support and net assets released from restrictions	33,312,042	(2,122,533)	31,189,509	29,871,200
Operating expenses				
Program services				
Scholarships and grants (Note G)	20,145,756	-	20,145,756	20,165,309
Program management, outreach and support	3,562,171	-	3,562,171	2,602,339
Total program services	23,707,927	-	23,707,927	22,767,648
Support services				
Management and general	486,641	-	486,641	504,757
Fundraising	1,287,100	-	1,287,100	1,339,917
Total support services	1,773,741	-	1,773,741	1,844,674
Total operating expenses	25,481,668	-	25,481,668	24,612,322
CHANGES IN NET ASSETS	7,830,374	(2,122,533)	5,707,841	5,258,878
Net assets, beginning of year	15,688,383	24,612,828	40,301,211	35,042,333
Net assets, end of year	$ 23,518,757	$ 22,490,295	$ 46,009,052	$ 40,301,211

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

The Children's Scholarship Fund

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2025
with comparative totals for the year ended August 31, 2024

	Program Services	Support Services		2025 Total Expenses	2024 Total Expenses
		Fundraising	Management and General		
Scholarships and grants	$ 20,145,756	$ -	$ -	$ 20,145,756	$ 20,165,309
Salaries	2,045,436	823,242	273,616	3,142,294	2,510,405
Payroll taxes	155,708	60,606	15,290	231,604	183,161
Employee benefits	388,872	100,723	29,799	519,394	385,831
Public awareness and outreach	243,250	-	-	243,250	238,500
Occupancy costs	67,649	50,254	8,809	126,712	119,790
Professional fees	102,266	68,465	120,788	291,519	311,468
Donor communication costs	-	44,724	-	44,724	115,339
Event costs	-	5,363	-	5,363	3,657
Offices expenses	35,432	12,067	2,590	50,089	41,570
Information technology	440,600	29,592	3,655	473,847	323,743
Travel	46,992	73,694	23,118	143,804	131,457
Depreciation and amortization	5,035	2,789	475	8,299	22,097
Insurance	30,268	6,293	1,196	37,757	39,223
Miscellaneous	663	9,288	7,305	17,256	20,772
Total expenses	$ 23,707,927	$ 1,287,100	$ 486,641	$ 25,481,668	$ 24,612,322

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

The Children's Scholarship Fund

STATEMENT OF CASH FLOWS

For the year ended August 31, 2025
with comparative totals for the year ended August 31, 2024

	2025	2024
Cash flows from operating activities:		
Cash received from contributors	$ 26,793,326	$ 29,685,129
Cash received from State of New Hampshire EFA, net of returned funds	29,059,825	23,759,935
Investment and other income	1,541,141	541,665
Scholarships and grants paid	(20,158,079)	(20,143,234)
Cash paid to vendors, suppliers and employees	(5,240,232)	(4,428,406)
Cash paid to vendor to fund State of New Hampshire EFA accounts	(25,858,047)	(21,640,976)
Net cash provided by operating activities	6,137,934	7,774,113
Cash flows from investing activities:		
Purchases of investments	(55,897,236)	(50,888,111)
Sales of investments	57,322,557	48,681,532
Purchases of property and equipment	(35,952)	-
Net cash provided (used) in investing activities	1,389,369	(2,206,579)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,527,303	5,567,534
Cash and cash equivalents, beginning of year	13,331,571	7,764,037
Cash and cash equivalents, end of year	$ 20,858,874	$ 13,331,571

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

NOTE A - THE CHILDREN'S SCHOLARSHIP FUND

The Children's Scholarship Fund ("CSF") is a not-for-profit charitable organization which was formed on April 28, 1998 for the purpose of expanding educational opportunities available to low-income families. CSF empowers families by providing children in need with scholarships, and by supporting expanded educational opportunities for all children. To that end, CSF provides partial scholarships to low-income families, makes matching grants to other scholarship organizations so they may also provide partial scholarship awards to children from low-income families, and administers state programs that empower children to reach their full potential.

Since CSF's first scholarships were awarded in 1999, more than 217,430 children from low-income families have received tuition assistance through CSF grants. See Note G for additional information.

CSF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and has been classified as an organization which is not a private foundation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

CSF's financial statements distinguish between net assets and changes in net assets without donor restrictions and those with donor restrictions as follows:

Net assets without donor restrictions - consist of all funds which are expendable at the discretion of CSF's management and Board of Directors for carrying on daily operations. These funds have neither been restricted by donors nor set aside for any specific purpose.

Net assets with donor restrictions - net assets that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of CSF pursuant to those stipulations. When a donor restriction expires, that is, when a 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.

Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments with original maturities at the time of purchase of three months or less.

Investments

Investments in Treasury bills are stated at their fair value in the statement of financial position. Net realized and unrealized gains and losses for the period are shown in the statement of activities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation or amortization is computed on a straight-line basis over the estimated useful lives of the related assets as follows:

Office and computer equipment and systems	Three years
Furniture and fixtures	Five years
Leasehold improvements	Useful life of the asset or the term of the lease, whichever is shorter

Contributions

CSF recognizes revenue from contributions in accordance with guidance that requires CSF to evaluate whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be a contribution, CSF evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before CSF is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. CSF records contributions when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either without donor restrictions or with donor restrictions, based on donor-imposed restrictions, if any.

Unconditional promises to give with payments due in future years are reported as contributions with donor restrictions and discounted to present value using a credit adjusted rate of return. An allowance for uncollectible contributions receivable is provided based on management judgment including such factors as prior collection history and type of contribution. Contributions receivable are charged off against the allowance for uncollectible accounts when management determines that recovery is unlikely, and any amounts subsequently collected are recorded as income in the period received. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met. Conditional contributions received in advance of meeting the associated conditions are recorded as refundable advances on the statement of financial position.

Program Service Revenue

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), CSF recognizes revenue when control of the promised goods or services are transferred to the customers in an amount that reflects the consideration CSF expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. CSF has identified program service revenue to be subject to ASC 606. CSF recognizes revenue from contracts with customers, as goods or services are transferred or provided in accordance with ASC 606.

In connection with its agreement with the State of New Hampshire, CSF acts as an administrative agent for funds to be disbursed to qualified students for educational expenses. In return for these administrative services, CSF retains no more than 10% of the funds received annually as a recovery for administrative costs incurred. ASC 606 allows as a practical expedient, for an entity that has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, the entity may recognize revenue in the amount to which the entity has a right to invoice.

This administrative fee is recognized as program service revenue over time as CSF performs these administrative services, based on direct and allocated costs incurred, which corresponds with the fulfillment of CSF's performance obligations under the contract.

As the amounts and the students that will receive funding under the program is determined by the State of New Hampshire, CSF has accounted for the student funds as an agency transaction whereby revenue is recognized as the net fee earned. The administrative costs incurred related to the transaction are recorded as revenue within program service revenue and as an expense within operating expenses in the statement of activities. Accordingly, CSF has recognized the upfront payment to be distributed to students as a liability within Due to State of New Hampshire on the statement of financial position, which is reduced as funds are subsequently approved for qualified educational expenses or returned to the State of New Hampshire. CSF has engaged Class Wallet to facilitate the distribution of funds to students and as such has recorded the amounts held by Class Wallet as New Hampshire Education Freedom Accounts on the statement of financial position. Amounts not utilized under the program will be returned to the State of New Hampshire.

Scholarship Awards

CSF awards partial scholarships so that children from low-income families can attend the private or parochial school of their choice. These scholarships are recorded as an expense at the time they become unconditional, which is usually when the student attends their chosen school.

Leases

CSF determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether CSF controls the use of the identified asset throughout the period of use. CSF classifies leases as either finance or operating. CSF does not have any finance leases as of August 31, 2025. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent CSF's right to use an underlying asset for the lease term and lease liabilities represent CSF's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments is discounted based on CSF's incremental borrowing rate.

CSF's operating lease ROU assets are measured based on the corresponding operating lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of our ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

CSF does not allocate consideration between lease and non-lease components, such as operating costs, as CSF has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

Operating leases are presented separately as operating lease right-of-use assets and operating lease liabilities in the accompanying statement of financial position.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis

based on either financial or non-financial data, such as the number of employees or estimates of time and effort incurred by personnel.

Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject CSF to concentrations of credit risk consist principally of cash and cash equivalents. CSF maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. CSF's cash accounts were placed with high credit quality financial institutions and CSF has not experienced, nor does it anticipate, any losses in such accounts.

Fair Value of Financial Instruments

CSF follows guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The guidance also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Assets and liabilities, subject to the guidance, measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date.

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets.

Advertising Expense

CSF expenses advertising costs as incurred except to the extent of any direct response marketing costs that qualify for capitalization. For the year ended August 31, 2025, advertising expenses totaled $232,750, and no costs were capitalized.

Income Taxes

CSF follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

CSF is exempt from federal income tax under Section 501(c)(3) of the Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. CSF has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which there was nexus; and to identify and evaluate other matters that may be considered tax positions. CSF has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Presentation of Certain Prior Year Summarized Information

The accompanying financial statements include prior year summarized comparative information in total but not by net asset classification. 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 CSF's consolidated financial statements as of and for the year ended August 31, 2024, from which the summarized comparative information was derived.

NOTE C - INVESTMENTS

The composition of CSF's investments as of August 31, 2025 and 2024 were comprised solely of U.S. Treasury bills and were classified within Level 1 of the fair value hierarchy.

NOTE D - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable as of August 31, 2025 consist of the amounts expected to be collected within one year.

At August 31, 2025, the majority of the net receivables are restricted for scholarship awards.

In addition, as of August 31, 2025, CSF has received conditional promises totaling approximately $30.5 million ($22.5 million of which are restricted for scholarship awards). These gifts are primarily conditioned on satisfying matching fund requirements by CSF and/or its grantee scholarship organizations and contain a right to revoke clause in the grant agreement and accordingly have not been recognized in the accompanying financial statements.

NOTE E - PROPERTY AND EQUIPMENT, NET

Property and equipment at August 31, 2025 and 2024 consisted of the following:

	2025	2024
Office and computer equipment and systems	$ 215,415	$ 170,655
Furniture and fixtures	9,210	9,210
	224,625	179,865
Less: accumulated depreciation and amortization	(176,199)	(167,900)
Property and equipment, net	$ 48,426	$ 11,965

Depreciation and amortization expense for the years ended August 31, 2025 and 2024 was approximately $8,300 and $22,000, respectively.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at August 31, 2025 and 2024, consisted of the following:

	2025	2024
Scholarships and grants	$ 22,130,844	$ 24,169,642
Administrative and program operating costs	359,451	443,186
	$ 22,490,295	$ 24,612,828

Net assets were released from donor restrictions by satisfying the restricted purpose as follows:

	2025	2024
Scholarships and grants	$ 20,145,756	$ 18,358,018
Administrative and program operating costs	1,285,983	1,258,886
	$ 21,431,739	$ 19,616,904

NOTE G - SCHOLARSHIPS AND GRANTS

During the years ended August 31, 2025 and 2024, the total value of the scholarship payments made by CSF and other grantee scholarship organizations amounted to approximately $82,880,000 and $81,906,000, respectively. CSF distributed approximately $20,146,000 and $20,165,000 of these awards during fiscal years 2025 and 2024, respectively. The remaining $62,734,000 in 2025 and $61,741,000 in 2024 was funded by matching contributions provided by the other scholarship organizations.

There were no unconditional scholarships and grants payable as of August 31, 2025 or 2024.

NOTE H - EMPLOYEE BENEFIT PLAN

CSF has a defined contribution retirement plan which provides for CSF to make matching contributions of up to 5% of the compensation of eligible employees. The plan allows the participants to make voluntary contributions subject to Internal Revenue Service limitations. CSF incurred approximately $147,000 and $119,000 in pension expense relating to this plan for the years ended August 31, 2025 and 2024, respectively.

NOTE I - LEASES

CSF leases office space in New York City and New Hampshire with lease terms that expire on July 31, 2026 and April 30, 2026, respectively. Additionally, the terms of New York City lease agreement include escalating payments over the term of the lease. CSF has elected the following practical expedients related to the recognition of its leases:

- Package of practical expedients which eliminates the need to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; and (3) the initial direct costs for any existing leases.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date.
- CSF uses the risk-free rate as the discount rate in order to determine present value of the lease liabilities.

The components of lease cost for operating leases does not include any short-term or variable lease costs as of August 31, 2025. Lease costs of approximately $83,000 are disclosed on the statement of functional expenses in occupancy costs. Supplemental cash flow information related to leases was as follows during 2025:

Cash paid for amounts included in the measurement of		
Operating cash flows used in operating leases	$	89,624

The following table represents the weighted-average remaining lease term and discount rate as of August 31, 2025:

Operating leases:	
Weighted average remaining lease term (years)	1
Weighted average discount rate	3.465%

Future undiscounted lease payments for CSF's operating lease liabilities as of August 31, 2025:

	Amount
2026	$ 84,084
Total future lease payments	84,084
Less: imputed interest	(1,210)
Present value of lease liabilities	$ 82,874

NOTE J - NEW HAMPSHIRE EDUCATION FREEDOM ACCOUNTS

In accordance with CSF's agreement with the State of New Hampshire, CSF must provide details of annual administrative expenses, that comply with Chapter 194-F of the New Hampshire Revised Statutes, associated with operating the Education Freedom Account program. For the year ended August 31, 2025, CSF received $30,059,063 from the State of New Hampshire for the Education Freedom Account ("EFA") program. As of August 31, 2025, $1,330,585 of funds received were due to be returned to the State of New Hampshire; including $4,140 for previous school year, due to certain students exiting the program or being determined to be ineligible, and this amount is included in Due to State of New Hampshire on the accompanying statement of financial position. The net amount received totaled $28,732,618 for the 2024-2025 school year EFA grants and fiscal year ended August 31, 2025. As of August 31, 2025, unspent New Hampshire EFA program account balances totaled $10,864,094 and is included on the accompanying statement of financial position.

Per Chapter 194-F, Section 4V., for the year ended August 31, 2025, CSF withheld $2,668,684 from the fiscal 2025 EFA funds received, to cover the costs of administering the EFA program, which amounts to an administrative rate of 9.23%. $2,263,190 of this amount withheld has been recognized as program service revenue in the accompanying statement of activities for the year ended August 31, 2025, this is a 7.83% administrative rate The remaining $405,494 has been deferred as the cost to administer the unspent funds as of August 31, 2025, and is recognized as deferred program service revenue on the accompanying statement of financial position. CSF received approximately $175,000 in fiscal 2025 private contributions that were restricted and used for certain fiscal 2025 EFA administrative expenses, which contributed to lowering the administrative rate.

The 2024-25 EFA program funding and administrative expenses as of and for the year ended August 31, 2025 were as follows:

Total funds received from the State of New Hampshire	$ 30,059,063
Other school year returns	4,140
Less: funds due to the State of New Hampshire	(1,330,585)
Net funds received for New Hampshire EFA	28,732,618
Less: funds retained by CSF for administrative costs	(2,668,684)
Funded Education Freedom Accounts	26,063,934
Funds spent on approved educational expenses	(23,594,290)
New Hampshire EFA balance - September 1, 2024	8,394,450
New Hampshire EFA balance - August 31, 2025	$ 10,864,094

The following table includes the EFA administrative expenses for the year ended August 31, 2025. Such expenses are also included within the accompanying statement of functional expenses.

Personnel costs related (salaries, payroll taxes and benefits)	$ 1,666,498
Public awareness and outreach	232,750
Information technology (database fees)	334,154
Technology - hardware	28,275
Technology - software	22,435
Professional fees	83,791
Occupancy costs	23,246
Insurance	19,954
Depreciation and amortization costs	2,662
Telecommunications	14,919
Office supplies (including printing and postage)	6,310
Travel and meeting expenses	2,601
Dues and subscriptions	350
Total current administrative expenses	2,437,945
Expected cost to administer EFA balances if program ended on August 31, 2025 (Deferred program service revenue)	405,494
Total administrative expenses	2,843,439
Less: private contributions received	(174,755)
Net funds retained by CSF for administrative costs	$ 2,668,684

NOTE K - COMMITMENTS AND CONTINGENCIES

As of August 31, 2025, CSF has outstanding conditional grants to other scholarship organizations totaling approximately $2.9 million for the purpose of awarding scholarships to children from low-income families that are in kindergarten through eighth grade. These grants are subject to the satisfaction of stipulated conditions, including the achievement of matching fund requirements. If these conditions are satisfied, expenditures will be recognized and payments will be made during the years ending August 31, 2026 and August 31, 2027.

NOTE L - AVAILABLE RESOURCES AND LIQUIDITY

CSF considers contributions without donor restrictions and investment income without donor restrictions to be available to meet cash needs for general expenditures. General expenditures include management and general expenses, fundraising expenses and program management, outreach and support expenses.

In addition, CSF receives significant contributions with donor restrictions that are used to fund scholarships and matching grants to other scholarship organizations. During fiscal year 2025, CSF received donor restricted contributions for scholarships and matching grants of approximately $18,170,000.

CSF manages its financial assets to meet general expenditures, liabilities and scholarship and matching grant obligations as they come due. CSF invests cash in excess of its near-term requirements in various short-term investments including money market funds, U.S. Treasury bills and certificates of deposit.

The table below presents financial assets available for general expenditures within one year at August 31, 2025:

Cash and cash equivalents	$ 20,858,874
Investments	32,567,162
Contributions receivable	170,000
Total financial assets	53,596,036
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(22,490,295)
Refundable grant advances	(5,394,278)
Net amount due to State of New Hampshire	(1,330,585)
Deferred program service revenue	(682,301)
Financial assets not available to be used within one year	(29,897,459)
Financial assets available to meet general expenditures within one year	$ 23,698,577

NOTE M - SUBSEQUENT EVENTS

CSF evaluated its August 31, 2025 financial statements for subsequent events through November 24, 2025, the date the financial statements were available to be issued. CSF is not aware of any subsequent events that would require recognition or disclosure in the financial statements.