



THE POTTER'S HOUSE

**CONSOLIDATED
FINANCIAL STATEMENTS**

With Independent Auditors' Report

June 30, 2025 and 2024

THE POTTER'S HOUSE

**CONSOLIDATED
FINANCIAL STATEMENTS**

With Independent Auditors' Report

June 30, 2025 and 2024



A CHRIST-CENTERED, URBAN SCHOOL



THE POTTER'S HOUSE

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses - Year Ended June 30, 2025	5
Consolidated Statement of Functional Expenses - Year Ended June 30, 2024	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-22
Supplementary Data	
Consolidating Statements of Financial Position	23
Consolidating Statement of Activities - Year Ended June 30, 2025	24
Consolidating Statement of Activities - Year Ended June 30, 2024	25
Consolidating Statement of Functional Expenses - Year Ended June 30, 2025	26
Consolidating Statement of Functional Expenses - Year Ended June 30, 2024	27



INDEPENDENT AUDITORS' REPORT

**Board of Directors
The Potter's House
Grand Rapids, Michigan**

OPINION

We have audited the consolidated financial statements of The Potter's House and The Potter's House Foundation, comprising the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Potter's House and The Potter's House Foundation as of June 30, 2025 and 2024, the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Potter's House and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 The Potter's House's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

AUDITOR'S 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures

2425 Avon Avenue SW
Wyoming MI 49519-2207
616 443 5344
jquist@quist-cpa.com

INDEPENDENT AUDITORS' REPORT, continued

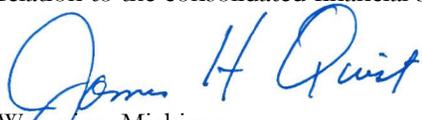
responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- 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 The Potter's House'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 The Potter's House'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.

SUPPLEMENTARY INFORMATION

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary data, which consists of the consolidating statements of financial position, activities and functional expenses, on pages 22 through 26 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Wyoming, Michigan
February 27, 2026

THE POTTER'S HOUSE

Consolidated Statements of Financial Position

	June 30,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 215,446	\$ 988,606
Accounts receivable, net of allowance for credit losses of \$55,000	180,409	238,180
Contributions receivable	5,016,050	225,000
Prepaid expenses	27,905	5,268
Investments held for long-term purposes	3,593,687	3,069,145
Property and equipment, net of accumulated depreciation	13,042,992	13,505,079
Total Assets	\$ 22,076,489	\$ 18,031,278
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 140,828	\$ 207,055
Accrued payroll and related liabilities	343,275	521,860
Deferred revenue	77,585	63,700
Operating lease liability	49,004	64,558
Debt	58,151	41,667
Total Liabilities	668,843	898,840
Net Assets		
Without donor restrictions		
Undesignated	1,376,798	1,980,256
Designated		
Boosters' club	21,285	22,874
Parents' club	1,794	645
Net investment in property and equipment	12,935,837	13,398,854
	14,335,714	15,402,629
With donor restrictions	7,071,932	1,729,809
Total Net Assets	21,407,646	17,132,438
Total Liabilities and Net Assets	\$ 22,076,489	\$ 18,031,278

See accompanying notes and independent auditors' report

THE POTTER'S HOUSE

Consolidated Statements of Activities

	Years Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Tuition and fees	\$ 6,121,617	\$ -	\$ 6,121,617	\$ 6,020,654	\$ -	\$ 6,020,654
Less: tuition grants and discounts	(3,809,197)	-	(3,809,197)	(3,594,245)	-	(3,594,245)
	2,312,420	-	2,312,420	2,426,409	-	2,426,409
Contributions	4,065,805	5,916,248	9,982,053	3,334,227	950,722	4,284,949
Gifts in kind	688,091	-	688,091	417,928	-	417,928
E-Rate and Michigan grants	22,029	-	22,029	199,654	-	199,654
Fund-raisers, net of expenses	722,467	-	722,467	548,427	-	548,427
Lunch program revenues	304,813	-	304,813	205,841	-	205,841
Campus program revenue	193,599	-	193,599	174,382	-	174,382
Investment income	211,230	153,555	364,785	270,091	127,836	397,927
Church rental income	33,667	-	33,667	38,352	-	38,352
Other income	27,696	-	27,696	19,305	-	19,305
Total Support and Revenue	8,581,817	6,069,803	14,651,620	7,634,616	1,078,558	8,713,174
RECLASSIFICATIONS						
Net assets released for satisfaction of purpose restrictions	727,680	(727,680)	-	890,737	(890,737)	-
EXPENSES						
Program						
Instructional	7,326,404	-	7,326,404	6,626,147	-	6,626,147
Auxiliary	484,528	-	484,528	409,815	-	409,815
Extra-curricular	471,422	-	471,422	441,532	-	441,532
Total Program	8,282,354	-	8,282,354	7,477,494	-	7,477,494
Supporting Activities						
Management and general	1,479,151	-	1,479,151	1,321,003	-	1,321,003
Fund-raising	614,907	-	614,907	520,798	-	520,798
Total Supporting Activities	2,094,058	-	2,094,058	1,841,801	-	1,841,801
Total Expenses	10,376,412	-	10,376,412	9,319,295	-	9,319,295
Change in Net Assets	(1,066,915)	5,342,123	4,275,208	(793,942)	187,821	(606,121)
Net Assets, Beginning of Year	15,402,629	1,729,809	17,132,438	16,196,571	1,541,988	17,738,559
Net Assets, End of Year	\$ 14,335,714	\$ 7,071,932	\$ 21,407,646	\$ 15,402,629	\$ 1,729,809	\$ 17,132,438

See accompanying notes and independent auditors' report

THE POTTER'S HOUSE

Consolidated Statement of Functional Expenses

Year Ended June 30, 2025

	Instructional	Auxiliary	Extra- Curricular	Total Program	Management and General	Fund- Raising	Total Supporting Activities	Total Expenses
Grants awarded	\$ -	\$ 36,000	\$ -	\$ 36,000	\$ -	\$ -	\$ -	\$ 36,000
Salaries and wages	3,571,221	110,320	128,192	3,809,733	751,149	292,662	1,043,811	4,853,544
Retirement plan	68,614	370	1,671	70,655	11,655	6,074	17,729	88,384
Other employee benefits	616,862	555	18,434	635,851	115,678	43,803	159,481	795,332
Payroll taxes	262,576	3,408	8,276	274,260	40,214	20,026	60,240	334,500
Professional services - management	-	-	-	-	77,279	-	77,279	77,279
Professional services - legal	-	-	-	-	6,838	-	6,838	6,838
Professional services - accounting	-	-	-	-	15,510	-	15,510	15,510
Professional services - other	838,972	285,172	-	1,124,144	238,176	-	238,176	1,362,320
Advertising and promotion	-	-	-	-	124	52,053	52,177	52,177
Office	9,387	-	1,150	10,537	98,508	50,645	149,153	159,690
Information technology	44,681	-	-	44,681	12,194	2,076	14,270	58,951
Occupancy	761,237	4,927	-	766,164	40,433	2,745	43,178	809,342
Travel	3,771	14,536	-	18,307	6,896	6,895	13,791	32,098
Conferences, conventions and meetings	-	-	-	-	13,105	-	13,105	13,105
Interest	-	-	-	-	6,019	-	6,019	6,019
Depreciation	576,845	8,429	-	585,274	30,360	-	30,360	615,634
Insurance	69,003	-	-	69,003	4,677	-	4,677	73,680
Instructional	496,833	-	216,365	713,198	-	-	-	713,198
Athletics	-	-	97,334	97,334	-	-	-	97,334
Lunch program	-	1,445	-	1,445	-	-	-	1,445
Alumni and donor relations	-	-	-	-	4,861	137,928	142,789	142,789
Parent and booster clubs	-	19,366	-	19,366	-	-	-	19,366
Accreditation and memberships	6,402	-	-	6,402	5,475	-	5,475	11,877
Total Expenses	\$ 7,326,404	\$ 484,528	\$ 471,422	\$ 8,282,354	\$ 1,479,151	\$ 614,907	\$ 2,094,058	\$ 10,376,412

See accompanying notes and independent auditors' report

THE POTTER'S HOUSE

Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Instructional	Auxiliary	Extra- Curricular	Total Program	Management and General	Fund- Raising	Total Supporting Activities	Total Expenses
Grants awarded	\$ -	\$ 36,550	\$ -	\$ 36,550	\$ -	\$ -	\$ -	\$ 36,550
Salaries and wages	3,357,663	117,569	134,986	3,610,218	695,549	253,010	948,559	4,558,777
Retirement plan	58,515	-	1,428	59,943	8,437	4,423	12,860	72,803
Other employee benefits	578,078	552	18,234	596,864	108,584	41,085	149,669	746,533
Payroll taxes	246,266	3,093	8,669	258,028	37,634	17,623	55,257	313,285
Professional services - management	-	-	-	-	37,621	-	37,621	37,621
Professional services - legal	-	-	-	-	8,202	-	8,202	8,202
Professional services - accounting	-	-	-	-	14,590	-	14,590	14,590
Professional services - other	522,446	188,123	-	710,569	187,207	20,749	207,956	918,525
Advertising and promotion	-	-	-	-	631	24,334	24,965	24,965
Office	13,132	147	1,416	14,695	77,659	39,288	116,947	131,642
Information technology	48,808	129	-	48,937	7,960	2,456	10,416	59,353
Occupancy	796,613	9,048	-	805,661	49,299	2,689	51,988	857,649
Travel	4,857	33,690	-	38,547	1,239	1,240	2,479	41,026
Conferences, conventions and meetings	-	-	-	-	34,280	-	34,280	34,280
Interest	-	-	-	-	2,175	-	2,175	2,175
Depreciation	573,017	6,535	-	579,552	30,159	-	30,159	609,711
Insurance	50,778	-	-	50,778	3,255	-	3,255	54,033
Instructional	372,312	-	208,097	580,409	-	-	-	580,409
Athletics	-	-	68,702	68,702	-	-	-	68,702
Lunch program	-	6,022	-	6,022	-	-	-	6,022
Alumni and donor relations	-	-	-	-	3,295	113,901	117,196	117,196
Parent and booster clubs	-	8,357	-	8,357	-	-	-	8,357
Accreditation and memberships	3,662	-	-	3,662	13,227	-	13,227	16,889
Total Expenses	\$ 6,626,147	\$ 409,815	\$ 441,532	\$ 7,477,494	\$ 1,321,003	\$ 520,798	\$ 1,841,801	\$ 9,319,295

See accompanying notes and independent auditors' report

THE POTTER'S HOUSE

Consolidated Statements of Cash Flows

	Years Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,275,208	\$ (606,121)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Contributions of property and equipment	(12,096)	-
Contributions of marketable securities	-	(83,373)
Contributions for long-term purposes	(301,421)	(429,448)
Increase in allowance for accounts receivable credit losses	-	10,000
Depreciation	615,634	609,711
Loss on sale of property and equipment	-	3,420
Realized and unrealized gains from investments	(241,630)	(260,470)
Change in:		
Accounts receivable	57,771	1,968
Contributions receivable	(4,791,050)	45,324
Prepaid expenses	(22,637)	12,209
Accounts payable	(66,227)	90,211
Accrued payroll and related liabilities	(178,585)	38,883
Deferred revenue	13,885	(14,757)
Net Cash Used by Operating Activities	(651,148)	(582,443)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	959,538	588,002
Proceeds from sales of property and equipment	-	1,525
Purchases of investments	(1,242,450)	(973,229)
Purchases of property and equipment	(157,005)	(581,136)
Net Cash Used By Investing Activities	(439,917)	(964,838)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions for long-term purposes	301,421	429,448
Proceeds from line of credit	470,000	-
Principal payments on loans and lines of credit	(453,516)	(3,344)
Principal payments on financing lease obligations	-	(22,999)
Net Cash Provided by Financing Activities	317,905	403,105
Change in Cash and Cash Equivalents	(773,160)	(1,144,176)
Cash and Cash Equivalents, Beginning of Period	988,606	2,132,782
Cash and Cash Equivalents, End of Period	\$ 215,446	\$ 988,606
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 6,019	\$ 2,175

See accompanying notes and independent auditors' report

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

1. NATURE OF ORGANIZATION

The mission of The Potter's House (TPH) is to provide a Christ-centered education to children of all ethnic heritages and income levels, equipping them to serve God and society to their fullest potential. TPH offers an excellent academic program in an urban environment. Rooted in Biblical principles and values, TPH encourages students to reach their full potential by maintaining a healthy spiritual, physical, social and emotional life. TPH challenges students and their families to grow in their personal relationship with Jesus Christ. TPH promotes unity and reconciliation in the Roosevelt Park community of Grand Rapids.

In existence since 1981, TPH offers grades K-12 as well as preschool to families throughout Grand Rapids, Michigan and its surrounding communities. Its facilities are located on two campuses, the preschool through eighth grade in Roosevelt Park neighborhood and the high school in Wyoming. Its operations are financed primarily from contributions, tuition and fees. TPH also provides for the feeding of students on a fee basis. The costs for various program and extra-curricular activities are also financed by fees, fund-raising efforts and ticket sales.

TPH is a nonprofit organization incorporated in Michigan and is exempt from federal income taxes under section 501(c)(3) of the United States Internal Revenue Code (code) and comparable state law, and has been classified as a publicly supported organization that is not a private foundation under section 509(a)(1) of the code.

Contributions to TPH are tax deductible within the limits prescribed by the code.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The more significant accounting policies are summarized below.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of TPH include the combined financial resources and activities of The Potter's House Foundation (the Foundation), a Michigan nonprofit corporation that exists solely for the financial support of TPH. All inter-organization balances and transactions have been eliminated in the consolidation.

CASH AND CASH EQUIVALENTS AND CONCENTRATION OF CREDIT RISK

Cash and cash equivalents consist of checking, money market and other highly liquid investment accounts which are not included in the holdings of the managed portfolio for investments held for long-term purposes. Balances in the bank accounts may at times exceed federally insured limits. TPH has not experienced any losses in these accounts and management believes it is not exposed to any significant credit risk.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

ACCOUNTS RECEIVABLE

Accounts receivable, consisting primarily of unpaid tuition and fee charges, are reported net of any anticipated losses due to uncollectible accounts. TPH considers an account to be past due when items billed on the account have not been paid by the due date. All outstanding balances at June 30, 2025 and 2024 are considered past due. Past due accounts are subject to internal collection efforts but remain classified as active accounts until graduation or withdrawal from the school. No accounts receivable were in collection at June 30, 2025 and 2024. Uncollectible accounts are recognized as additions to bad debt expense in the period it is determined the amounts could become uncollectible. The allowance for accounts receivable credit losses is based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, payment patterns and general economic conditions. The allowance is maintained at a level that, in management's judgment, is adequate to absorb potential losses inherent in the receivables portfolio.

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are recognized as income when made and reported at fair value based upon estimated future cash flows. Unconditional promises to give expected to be collected within one year are reported at net realizable value because the present value of estimated cash flows approximates net realizable value. Unconditional promises to give expected to be collected in future years are reported 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 expected to be received. This discount rate is based on yields of U.S. treasury bills corresponding to the timing of the expected collection of contributions receivable and range from 4.26 percent to 4.52 percent at June 30, 2025. Amortization of the discount is included in contributions revenue in the consolidated statements of activities. Management believes all contributions receivable balances are fully collectible at both June 30, 2025 and 2024; there is, therefore, no allowance for doubtful promises to give.

PREPAID EXPENSES

Prepaid expenses consist of payments made prior to the end of the fiscal year which benefit the following fiscal year. These payments included expenditures for licensing, services, event and activity deposits and supplies at June 30, 2025 and 2024.

INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at fair value based on quoted prices in active markets (all Level 1 measurements) in the consolidated statements of financial position. For purposes of determining gross realized gains and losses, the cost of securities sold is based on specific identification. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Donated investments are reported at market value at the date of donation and thereafter carried in accordance with the above policies.

PROPERTY AND EQUIPMENT

Property and equipment is reported at cost, estimated cost or fair value. Expenditures for property and equipment in excess of \$5,000 and having estimated useful lives of three years or more are capitalized at cost when purchased. Donated items are reported at their estimated fair values as of the date the gifts are received. Depreciation is reported using the straight-line method over the estimated useful lives of the assets, which ranges from three to fifty years. Depreciation expense was \$615,634 and \$609,711 for the years ended June 30, 2025 and 2024, respectively.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

DEFERRED REVENUE

Deferred revenue results primarily from deposits received and credit balances carried forward for fall enrollment.

NET ASSETS

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes in net assets therein are classified and reported as follows:

NET ASSETS WITHOUT DONOR RESTRICTIONS are net assets available for use in general operations and not subject to donor or certain grantor-imposed restrictions. Net assets without donor restrictions have been designated for the booster and parent clubs.

NET ASSETS WITH DONOR RESTRICTIONS are net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

SUPPORT AND REVENUE

TPH recognizes revenue from student tuition and fees during the year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. Payment for tuition and fees is required throughout the academic year. Families are billed in ten monthly installments throughout the academic year. All amounts received prior to the commencement of the academic year, including enrollment deposits, are deferred to the applicable period. Scholarships provided to students are recorded as a reduction from the posted tuition and fees at the time revenue is recognized.

TPH recognizes contributions when cash, securities or other assets; an unconditional promise to give or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributions of assets other than cash and services are reported at their estimated fair value. TPH reports donations of property and equipment as contributions without donor restriction unless the donor has restricted the donated asset to a specific purpose. Contributions of cash to acquire property are reported as contributions with donor restrictions.

All other revenues are recorded when earned.

CONTRIBUTED SERVICES

During the years ended June 30, 2025 and 2024, approximately 140 and 120 individuals provided approximately 8,590 and 5,130 hours of volunteer support to TPH, respectively. For the years ended June 30, 2025 and 2024, management estimates the total value of volunteer services to be approximately \$128,850 and \$77,000, respectively. However, the value of these services is not reflected in the financial statements because the services do not meet the definition of donated professional services under generally accepted accounting principles. Volunteers serve as student tutors, student mentors and office assistants, perform custodial duties and assist with various work projects.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

CONTRIBUTED SERVICES, continued

TPH receives the benefit of teaching staff provided by Grand Rapids Public Schools and Jackson Public Schools without cost. The estimated value of these services for the years ended June 30, 2025 and 2024 is \$662,320 and \$410,708, respectively.

During the years ended June 30, 2025 and 2024, TPH received donations of discounts on legal services having estimated values of \$68 and \$1,313, respectively. During the years ended June 30, 2025 and 2024 TPH received donations of discounts on electrical services of \$2,567 and \$3,573, respectively. During the year ended June 30, 2025, TPH received donations of discounts on consulting services having an estimated value of \$1,750.

GIFTS IN KIND

During the year ended June 30, 2025, TPH received donations of meals for volunteer appreciation, curriculum materials and items for use by the school with an estimated fair value of \$9,290. During the year ended June 30, 2024, TPH received donations of education supplies and other items for use by the school with an estimated fair value of \$2,334. During the year ended June 30, 2025, volunteers constructed a gazebo for outdoor classroom use having an estimated value of \$12,096.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when incurred, that is, when the purchased goods or services have been received.

The costs of program, management and fund-raising activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program, management and fund-raising activities benefitting from those expenditures.

Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. At TPH the methods used to allocate costs among program and support functions vary depending upon the nature of the expense category. Compensation related expenses are allocated based on proportional estimates of paid time spent in each functional area of performance. Occupancy and depreciation costs are allocated to each functional area based on proportional estimates of facility and equipment usage. Other expenses are allocated based on the guidelines defining the nature of the program, management or fund-raising expenses and the associated estimates of time and effort.

ADVERTISING

TPH expenses advertising costs as they are incurred. Advertising costs totaled \$34,768 and \$12,065 for the years ended June 30, 2025 and 2024, respectively.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

LIQUIDITY AND AVAILABILITY

TPH has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure as detailed below. The amounts shown below are net of financial assets required to meet donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

	June 30,	
	2025	2024
Cash and cash equivalents	\$ 215,446	\$ 988,606
Accounts receivable	180,409	238,180
Contributions receivable	755,000	225,000
Minimum distribution from Foundation	108,129	110,675
Less:		
Designated net assets	(23,079)	(23,519)
Net assets with donor restrictions - excluding foundation net assets and long-term time restricted net assets	(210,631)	(357,912)
	\$ 1,025,274	\$ 1,181,030

TPH maintains bank checking, money market and other highly liquid investment accounts for liquidity management. Board designated net assets could be made available if necessary.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of promises to give from two foundations at June 30, 2025 and 2024. See Note 2 for a description of the accounting policies for contributions receivable. Promises to give are expected to be collected as follows:

Year Ending	June 30,	
	2025	2024
2026	\$ 755,000	\$ 225,000
2027	650,000	-
2028	650,000	-
2029	650,000	-
2030	650,000	-
Years thereafter	2,547,150	-
	5,902,150	225,000
Less: discount to net present value	(886,100)	-
Estimated future cash flows from contributions receivable	\$ 5,016,050	\$ 225,000

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

4. INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments held for long-term purposes are reported at fair value and consist of the following:

	June 30, 2025		
	Fair Value	Carrying Value	Unrealized Gain
Cash and cash equivalents	\$ 201,931	\$ 201,931	\$ -
Fixed income investments	669,029	665,225	3,804
Marketable equity securities	843,690	762,111	81,579
Marketable preferred equity securities	554,388	553,180	1,208
Mutual funds	1,306,645	964,122	342,523
Other investments	18,004	17,038	966
	\$ 3,593,687	\$ 3,163,607	\$ 430,080
	June 30, 2024		
	Fair Value	Carrying Value	Unrealized Gain (Loss)
Cash and cash equivalents	\$ 447,247	\$ 447,247	\$ -
Fixed income investments	368,153	371,265	(3,112)
Marketable equity securities	629,814	441,058	188,756
Marketable preferred equity securities	469,479	471,706	(2,227)
Mutual funds	1,137,671	866,032	271,639
Other investments	16,781	16,649	132
	\$ 3,069,145	\$ 2,613,957	\$ 455,188

Investment income consists of the following:

	Years Ended June 30,	
	2025	2024
Interest and dividends	\$ 123,155	\$ 137,457
Realized gains	266,116	20,247
Unrealized (losses) gains	(24,486)	240,223
	\$ 364,785	\$ 397,927

TPH accounts for investments under fair value accounting standards. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

4. INVESTMENTS HELD FOR LONG-TERM PURPOSES, continued

The financial accounting standards have established a hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Under the standards, three levels of inputs that may be used to measure fair value are:

LEVEL 1 - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that TPH has the ability to access.

LEVEL 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

LEVEL 3 - Level 3 inputs are unobservable inputs including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. TPH's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

All investments are held in an account at an unrelated financial institution and managed by consent of the Foundation board. Fair values are determined utilizing Level 1 measurement inputs for all holdings.

5. ENDOWMENT

The Foundation has eleven individual funds established for student scholarships, class trips and general operations. Its endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation Board has interpreted Michigan Uniform Prudent Management of Institutional Funds Act (MI-UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation would retain in perpetuity:

- 1) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts including promises to give at fair value) donated to the endowment and
- 2) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

The Foundation has to date received no contributions that would be classified as restricted by donors to be retained in perpetuity. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MI-UPMIFA. In accordance with MI-UPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

5. ENDOWMENT, continued

- 1) the duration and preservation of the fund;
- 2) the purposes of the organization and the donor-restricted endowment fund;
- 3) general economic conditions;
- 4) the possible effect of inflation and deflation;
- 5) the expected total return from income and the appreciation of investments;
- 6) other resources of the organization;
- 7) the investment policies of the organization.

ENDOWMENT NET ASSET COMPOSITION BY TYPE OF FUND

	June 30,	
	2025	2024
Board designated endowment funds	\$ 1,852,872	\$ 1,727,907
Donor restricted endowment funds	1,714,151	1,371,897
Total funds	\$ 3,567,023	\$ 3,099,804

CHANGES IN ENDOWMENT NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	\$ 1,508,223	\$ 853,371	\$ 2,361,594
Investment return			
Interest and dividends	52,029	30,242	82,271
Realized gains	8,351	11,896	20,247
Unrealized gains	154,525	85,698	240,223
Total investment return	214,905	127,836	342,741
Contributions	91,920	429,448	521,368
Appropriation of endowment assets for expenditure	(87,141)	(38,758)	(125,899)
Endowment net assets, June 30, 2024	\$ 1,727,907	\$ 1,371,897	\$ 3,099,804

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

5. ENDOWMENT, continued

CHANGES IN ENDOWMENT NET ASSETS, continued

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2024	\$ 1,727,907	\$ 1,371,897	\$ 3,099,804
Investment return			
Interest and dividends	63,821	42,480	106,301
Realized gains	169,533	96,583	266,116
Unrealized (losses) gains	(38,978)	14,492	(24,486)
Total investment return	194,376	153,555	347,931
Contributions	31,425	301,421	332,846
Appropriation of endowment assets for expenditure	(100,836)	(112,722)	(213,558)
Endowment net assets, June 30, 2025	\$ 1,852,872	\$ 1,714,151	\$ 3,567,023

FUNDS WITH DEFICIENCIES

Because the Foundation has received no contributions requiring perpetual duration, any reductions in the fair value of assets associated with individual donor restricted endowment funds caused by unfavorable market fluctuations are reported as reductions to the individual donor restricted endowments.

RETURN OBJECTIVES AND RISK PARAMETERS

The investment objectives of the Foundation are:

- 1) to preserve the principal value of the Foundation funds;
- 2) to provide growth and income by earning a reasonable return on Foundation investments and
- 3) to invest Foundation funds in a manner which is consistent with the needs and circumstances of donors and beneficiaries.

The long-term investment goal is to provide a long-term rate of return on an annualized basis of 3 percent in excess of the rate of inflation as measured by the Consumer Price Index. Actual returns in any given year may vary from this amount.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

5. ENDOWMENT, continued

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The Foundation has a policy of appropriating for distribution each year 5 percent of the average fair value of the endowment fund over the prior 16 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held for donor-specified purposes as well as to provide additional real growth through new gifts and investment return.

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	June 30,	
	2025	2024
Land	\$ 797,685	\$ 797,685
Land improvements	38,744	38,744
Buildings and improvements	15,572,194	15,454,083
Furniture and equipment	1,304,991	1,382,290
Computers and software	571,988	670,955
Operating lease right-of-use assets	49,004	64,558
Vehicles	88,550	88,550
Website development costs	3,533	3,533
	<u>18,426,689</u>	<u>18,500,398</u>
Less accumulated depreciation	<u>(5,383,697)</u>	<u>(4,995,319)</u>
	<u>\$ 13,042,992</u>	<u>\$ 13,505,079</u>

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

7. DEBT

Debt consists of the following:

	June 30,	
	2025	2024
Land contract, dated October 2012 and amended in July 2025, with a fixed interest rate of 5.0 percent per annum, requiring 83 monthly payments of \$455 then 168 monthly payments of \$460, secured by real estate	\$ 38,151	\$ 41,667
\$750,000 bank line of credit, extended February 2025, with a variable rate of interest equal to the Wall Street Journal prime rate (7.5 percent per annum at June 30, 2025), with interest payable monthly, matures in March 2026 and secured by financial assets and personal property; TPH did not borrow from this line of credit during the year ended June 30, 2024; this line extended through January 31, 2027 under the same terms	20,000	-
	58,151	41,667

TPH had a \$500,000 bank line of credit, dated April 2022 and renewed February 2023, with a variable rate of interest based on the bank's prime rate, with interest payable monthly, which matured March 2024 and was secured by high school real estate. TPH did not borrow on this line of credit during the year ended June 30, 2024.

TPH had a \$10,000 bank line of credit, dated October 2023, with a fixed rate of interest of 18.0 percent per annum, and interest payable monthly, which matured October 2024 and was secured by TPH's financial assets and personal property. TPH did not borrow on this line of credit during the years ended June 30, 2025 and 2024.

Total loan interest expense is as follows:

	Years Ended June 30,	
	2025	2024
Land contracts	\$ 2,004	\$ 2,175
Line of credit	4,015	-
	\$ 6,019	\$ 2,175

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

7. DEBT, continued

Principal payments are due as follows:

The future scheduled maturities of debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2025	\$ 23,695
2026	3,884
2027	4,083
2028	4,292
2029	4,511
Years thereafter	<u>17,686</u>

8. LEASES

TPH leases office equipment under a June 2023 lease agreement for a term of 60 months and requiring monthly payments of \$1,479. This agreement is an operating lease as defined by Financial Accounting Standards Board Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, as amended.

Total lease costs, the remaining lease term and discount rate are as follows:

	As of and for the years ended	
	June 30,	
	<u>2025</u>	<u>2024</u>
Total lease costs	<u>\$ 17,751</u>	<u>\$ 17,751</u>
Remaining lease term - years	<u>3.9</u>	<u>4.9</u>
Discount rate	<u>3.99%</u>	<u>3.99%</u>

The remaining lease term and discount rate of the operating lease are as follows:

<u>Year Ending</u>	<u>Financing</u>
June 30,	
2026	\$ 17,751
2027	17,751
2028	16,271
Less: unamortized interest	<u>(2,769)</u>
Lease liabilities	<u>\$ 49,004</u>

TPH has elected to utilize the risk-free rate as the discount rate for determining values for lease right-of-use assets and liabilities.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

8. LEASES, continued

TPH leases various building spaces to four entities, each on a month-to-month basis. These agreements may be terminated by either party with sixty-days notification.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

		Contributions And Investment Income	Released From Restriction		June 30, 2024
	June 30, 2023				
<u>School</u>					
Back to school catalog	\$ 111,014	\$ 122,489	\$ 227,419		\$ 6,084
Birthday club	-	13,791	5,207		8,584
Bowling for books	5,004	11,731	13,188		3,547
Camp Scottie	375	19,713	13,250		6,838
Capital campaign	140,596	-	140,596		-
College scholarships	35,870	63,586	56,370		43,086
COVID-19 grants	13,210	-	13,210		-
DeLapa arts	1,339	-	-		1,339
Education supplies	7,376	-	-		7,376
General - time restricted	-	140,000	-		140,000
Gymnasium floor	230,000	-	230,000		-
Partner program (time restricted)	50,000	10,000	50,000		10,000
Public reading of scripture	3,725	13,906	17,631		-
Section 31aa grants	-	126,058	-		126,058
Section 97 grants	85,108	-	85,108		-
Spanish immersion	5,000	-	-		5,000
	<u>688,617</u>	<u>521,274</u>	<u>851,979</u>		<u>357,912</u>
<u>Foundation Endowments</u>					
DeLapa arts	-	310,746	1,172		309,574
Eighth grade class trip	84,180	11,515	5,414		90,281
Perpetual partner program	111,960	39,103	1,628		149,435
Student tuition assistance	657,231	195,920	30,544		822,607
	<u>853,371</u>	<u>557,284</u>	<u>38,758</u>		<u>1,371,897</u>
	<u>\$ 1,541,988</u>	<u>\$ 1,078,558</u>	<u>\$ 890,737</u>		<u>\$ 1,729,809</u>

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

9. NET ASSETS WITH DONOR RESTRICTIONS, continued

	June 30, 2024	Contributions And Investment Income	Released From Restriction	June 30, 2025
<u>School</u>				
Back to school catalog	\$ 6,084	\$ 229,841	\$ 152,643	\$ 83,282
Birthday club	8,584	12,733	3,839	17,478
Bowling for books	3,547	10,465	6,750	7,262
Camp Scottie	6,838	-	-	6,838
College scholarships	43,086	28,410	36,000	35,496
DeLapa arts	1,339	-	-	1,339
Education supplies	7,376	-	-	7,376
Educational support services	-	19,025	7,722	11,303
General - time restricted	140,000	4,966,050	140,000	4,966,050
Partner program (time restricted)	10,000	50,000	10,000	50,000
Public reading of scripture	-	13,000	6,722	6,278
Robotics	-	274,511	123,439	151,072
Section 31aa grants	126,058	10,792	127,843	9,007
Spanish immersion	5,000	-	-	5,000
	<u>357,912</u>	<u>5,614,827</u>	<u>614,958</u>	<u>5,357,781</u>
<u>Foundation Endowments</u>				
DeLapa arts	309,574	17,632	51,140	276,066
Eighth grade class trip	90,281	9,360	5,715	93,926
Perpetual partner program	149,435	228,312	3,589	374,158
Student tuition assistance	822,607	199,672	52,278	970,001
	<u>1,371,897</u>	<u>454,976</u>	<u>112,722</u>	<u>1,714,151</u>
	<u>\$ 1,729,809</u>	<u>\$ 6,069,803</u>	<u>\$ 727,680</u>	<u>\$ 7,071,932</u>

10. RETIREMENT PLAN

TPH provided a 403(b) defined contribution retirement benefit plan for eligible staff. Under the terms of this plan, TPH contributed a 50 percent match for employee elective deferrals up to 2 percent of employee compensation. Contributions to the plan during the years ended June 30, 2025 and 2024 were \$46,563 and \$72,803, respectively. This plan was closed in January 2025.

Effective February 2025, TPH provides a 401(k) defined contribution retirement benefit plan for eligible staff. Under the terms of this plan, TPH contributes a 50 percent match for employee elective deferrals up to 2 percent of employee compensation. Contributions to the plan during the year ended June 30, 2025 were \$41,821.

THE POTTER'S HOUSE

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

11. CONCENTRATION

For the years ended June 30, 2025 and 2024, the top five donors provided approximately 70 and 35 percent of total contributions, respectively.

12. SUBSEQUENT EVENTS

Management has evaluated for potential recognition or disclosure in these consolidated financial statements subsequent events and transactions occurring through February 27, 2026, the date these consolidated financial statements were available to be issued.

The \$750,000 line of credit was extended through January 31, 2027 under the same terms as described in Note 7.

SUPPLEMENTARY DATA

THE POTTER'S HOUSE

Consolidating Statements of Financial Position

	June 30, 2025				June 30, 2024			
	The Potter's House	The Potter's House Foundation	Eliminations	Totals	The Potter's House	The Potter's House Foundation	Eliminations	Totals
ASSETS								
Cash and cash equivalents	\$ 206,031	\$ 9,415	\$ -	\$ 215,446	\$ 957,947	\$ 30,659	\$ -	\$ 988,606
Accounts receivable, net of allowance for credit credit losses of \$55,000	216,488	-	(36,079)	180,409	238,180	-	-	238,180
Contributions receivable	5,016,050	-	-	5,016,050	225,000	-	-	225,000
Prepaid expenses	27,905	-	-	27,905	5,268	-	-	5,268
Investments held for long-term purposes	-	3,593,687	-	3,593,687	-	3,069,145	-	3,069,145
Property and equipment, net of accumulated depreciation	13,042,992	-	-	13,042,992	13,505,079	-	-	13,505,079
Total Assets	18,509,466	3,603,102	(36,079)	22,076,489	14,931,474	3,099,804	-	18,031,278
LIABILITIES AND NET ASSETS								
Liabilities								
Accounts payable	140,828	36,079	(36,079)	140,828	207,055	-	-	207,055
Accrued payroll and related liabilities	343,275	-	-	343,275	521,860	-	-	521,860
Deferred revenue	77,585	-	-	77,585	63,700	-	-	63,700
Operating lease liability	49,004	-	-	49,004	64,558	-	-	64,558
Debt	58,151	-	-	58,151	41,667	-	-	41,667
Total Liabilities	668,843	36,079	(36,079)	668,843	898,840	-	-	898,840
Net Assets								
Without donor restriction								
Undesignated	(476,074)	1,852,872	-	1,376,798	252,349	1,727,907	-	1,980,256
Designated								
Boosters' club	21,285	-	-	21,285	22,874	-	-	22,874
Parents' club	1,794	-	-	1,794	645	-	-	645
Net investment in property and equipment	12,935,837	-	-	12,935,837	13,398,854	-	-	13,398,854
	12,482,842	1,852,872	-	14,335,714	13,674,722	1,727,907	-	15,402,629
With donor restrictions	5,357,781	1,714,151	-	7,071,932	357,912	1,371,897	-	1,729,809
Total Net Assets	17,840,623	3,567,023	-	21,407,646	14,032,634	3,099,804	-	17,132,438
Total Liabilities and Net Assets	\$ 18,509,466	\$ 3,603,102	\$ (36,079)	\$ 22,076,489	\$ 14,931,474	\$ 3,099,804	\$ -	\$ 18,031,278

See notes to consolidated financial statements and independent auditors' report

THE POTTER'S HOUSE

Consolidating Statement of Activities

For the Year Ended June 30, 2025

	The Potter's House			The Potter's House Foundation			Eliminations	Totals
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
SUPPORT AND REVENUE								
Tuition and fees	6,121,617	\$ -	\$ 6,121,617	\$ -	\$ -	\$ -	\$ -	\$ 6,121,617
Less: tuition grants and discounts	(3,809,197)	-	(3,809,197)	-	-	-	-	(3,809,197)
	2,312,420	-	2,312,420	-	-	-	-	2,312,420
Contributions	4,204,908	5,614,827	9,819,735	31,425	301,421	332,846	(170,528)	9,982,053
Gifts in kind	688,091	-	688,091	-	-	-	-	688,091
E-Rate and Michigan grants	22,029	-	22,029	-	-	-	-	22,029
Fund-raisers, net of expenses	722,467	-	722,467	-	-	-	-	722,467
Lunch program revenues	304,813	-	304,813	-	-	-	-	304,813
Campus program revenue	193,599	-	193,599	-	-	-	-	193,599
Investment income	16,854	-	16,854	194,376	153,555	347,931	-	364,785
Church rental income	33,667	-	33,667	-	-	-	-	33,667
Other income	27,696	-	27,696	-	-	-	-	27,696
Total Support and Revenue	8,526,544	5,614,827	14,141,371	225,801	454,976	680,777	(170,528)	14,651,620
RECLASSIFICATIONS								
Net assets released for satisfaction of purpose restrictions	614,958	(614,958)	-	112,722	(112,722)	-	-	-
EXPENSES								
Program								
Instructional	7,326,404	-	7,326,404	-	-	-	-	7,326,404
Auxiliary	484,528	-	484,528	-	-	-	-	484,528
Extra-curricular	471,422	-	471,422	-	-	-	-	471,422
Grants to The Potter's House	-	-	-	170,528	-	170,528	(170,528)	-
Total Program	8,282,354	-	8,282,354	170,528	-	170,528	(170,528)	8,282,354
Supporting Activities								
Management and general	1,446,859	-	1,446,859	32,292	-	32,292	-	1,479,151
Fund-raising	604,169	-	604,169	10,738	-	10,738	-	614,907
Total Supporting Activities	2,051,028	-	2,051,028	43,030	-	43,030	-	2,094,058
Total Expenses	10,333,382	-	10,333,382	213,558	-	213,558	(170,528)	10,376,412
Change in Net Assets	(1,191,880)	4,999,869	3,807,989	124,965	342,254	467,219	-	4,275,208
Net Assets, Beginning of Year	13,674,722	357,912	14,032,634	1,727,907	1,371,897	3,099,804	-	17,132,438
Net Assets, End of Year	\$ 12,482,842	\$ 5,357,781	\$ 17,840,623	\$ 1,852,872	\$ 1,714,151	\$ 3,567,023	\$ -	\$ 21,407,646

See notes to consolidated financial statements and independent auditors' report

THE POTTER'S HOUSE

Consolidating Statement of Activities

For the Year Ended June 30, 2024

	The Potter's House			The Potter's House Foundation			Eliminations	Totals
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
SUPPORT AND REVENUE								
Tuition and fees	\$ 6,020,654	\$ -	\$ 6,020,654	\$ -	\$ -	\$ -	\$ -	\$ 6,020,654
Less: tuition grants and discounts	(3,594,245)	-	(3,594,245)	-	-	-	-	(3,594,245)
	2,426,409	-	2,426,409	-	-	-	-	2,426,409
Contributions	3,338,280	521,274	3,859,554	91,920	429,448	521,368	(95,973)	4,284,949
Gifts in kind	417,928	-	417,928	-	-	-	-	417,928
E-Rate and Michigan grants	199,654	-	199,654	-	-	-	-	199,654
Fund-raisers, net of expenses	548,427	-	548,427	-	-	-	-	548,427
Lunch program revenues	205,841	-	205,841	-	-	-	-	205,841
Campus program revenue	174,382	-	174,382	-	-	-	-	174,382
Investment income	55,186	-	55,186	214,905	127,836	342,741	-	397,927
Church rental income	38,352	-	38,352	-	-	-	-	38,352
Other income	19,305	-	19,305	-	-	-	-	19,305
Total Support and Revenue	7,423,764	521,274	7,945,038	306,825	557,284	864,109	(95,973)	8,713,174
RECLASSIFICATIONS								
Net assets released for satisfaction of purpose restrictions	851,979	(851,979)	-	38,758	(38,758)	-	-	-
EXPENSES								
Program								
Instructional	6,626,147	-	6,626,147	-	-	-	-	6,626,147
Auxiliary	409,815	-	409,815	-	-	-	-	409,815
Extra-curricular	441,532	-	441,532	-	-	-	-	441,532
Grants to The Potter's House	-	-	-	95,973	-	95,973	(95,973)	-
Total Program	7,477,494	-	7,477,494	95,973	-	95,973	(95,973)	7,477,494
Supporting Activities								
Management and general	1,298,561	-	1,298,561	22,442	-	22,442	-	1,321,003
Fund-raising	513,314	-	513,314	7,484	-	7,484	-	520,798
Total Expenses	1,811,875	-	1,811,875	29,926	-	29,926	-	1,841,801
	9,289,369	-	9,289,369	125,899	-	125,899	(95,973)	9,319,295
Change in Net Assets								
Net Assets, Beginning of Year	(1,013,626)	(330,705)	(1,344,331)	219,684	518,526	738,210	-	(606,121)
	14,688,348	688,617	15,376,965	1,508,223	853,371	2,361,594	-	17,738,559
Net Assets, End of Year	\$ 13,674,722	\$ 357,912	\$ 14,032,634	\$ 1,727,907	\$ 1,371,897	\$ 3,099,804	\$ -	\$ 17,132,438

See notes to consolidated financial statements and independent auditors' report

THE POTTER'S HOUSE

Consolidating Statement of Functional Expenses

For the Year Ended June 30, 2025

	Instructional	Auxiliary	Extra-Curricular	Grants	Total Program	Management and General	Fund-Raising	Total Supporting Activities	Eliminations	Total Expenses
Grants awarded	\$ -	\$ 36,000	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ 36,000
Salaries and wages	3,571,221	110,320	128,192	-	3,809,733	751,149	292,662	1,043,811	-	4,853,544
Retirement plan	68,614	370	1,671	-	70,655	11,655	6,074	17,729	-	88,384
Other employee benefits	616,862	555	18,434	-	635,851	115,678	43,803	159,481	-	795,332
Payroll taxes	262,576	3,408	8,276	-	274,260	40,214	20,026	60,240	-	334,500
Professional services - management	-	-	-	-	-	77,279	-	77,279	-	77,279
Professional services - legal	-	-	-	-	-	6,838	-	6,838	-	6,838
Professional services - accounting	-	-	-	-	-	15,510	-	15,510	-	15,510
Professional services - other	838,972	285,172	-	-	1,124,144	238,176	-	238,176	-	1,362,320
Advertising and promotion	-	-	-	-	-	124	52,053	52,177	-	52,177
Office	9,387	-	1,150	-	10,537	98,508	50,645	149,153	-	159,690
Information technology	44,681	-	-	-	44,681	12,194	2,076	14,270	-	58,951
Occupancy	761,237	4,927	-	-	766,164	40,433	2,745	43,178	-	809,342
Travel	3,771	14,536	-	-	18,307	6,896	6,895	13,791	-	32,098
Conferences, conventions and meetings	-	-	-	-	-	13,105	-	13,105	-	13,105
Interest	-	-	-	-	-	6,019	-	6,019	-	6,019
Grants to The Potter's House	-	-	-	170,528	170,528	-	-	-	(170,528)	-
Depreciation	576,845	8,429	-	-	585,274	30,360	-	30,360	-	615,634
Insurance	69,003	-	-	-	69,003	4,677	-	4,677	-	73,680
Instructional	496,833	-	216,365	-	713,198	-	-	-	-	713,198
Athletics	-	-	97,334	-	97,334	-	-	-	-	97,334
Lunch program	-	1,445	-	-	1,445	-	-	-	-	1,445
Alumni and donor relations	-	-	-	-	-	4,861	137,928	142,789	-	142,789
Parent and booster clubs	-	19,366	-	-	19,366	-	-	-	-	19,366
Accreditation and memberships	6,402	-	-	-	6,402	5,475	-	5,475	-	11,877
Total Expenses	\$ 7,326,404	\$ 484,528	\$ 471,422	\$ 170,528	\$ 8,452,882	\$ 1,479,151	\$ 614,907	\$ 2,094,058	\$ (170,528)	\$ 10,376,412

See notes to consolidated financial statements and independent auditors' report

THE POTTER'S HOUSE

Consolidating Statement of Functional Expenses

For the Year Ended June 30, 2024

	Instructional	Auxiliary	Extra-Curricular	Grants	Total Program	Management and General	Fund-Raising	Total Supporting Activities	Eliminations	Total Expenses
Grants awarded	\$ -	\$ 36,550	\$ -	\$ -	\$ 36,550	\$ -	\$ -	\$ -	\$ -	\$ 36,550
Salaries and wages	3,357,663	117,569	134,986	-	3,610,218	695,549	253,010	948,559	-	4,558,777
Retirement plan	58,515	-	1,428	-	59,943	8,437	4,423	12,860	-	72,803
Other employee benefits	578,078	552	18,234	-	596,864	108,584	41,085	149,669	-	746,533
Payroll taxes	246,266	3,093	8,669	-	258,028	37,634	17,623	55,257	-	313,285
Professional services - management	-	-	-	-	-	37,621	-	37,621	-	37,621
Professional services - legal	-	-	-	-	-	8,202	-	8,202	-	8,202
Professional services - accounting	-	-	-	-	-	14,590	-	14,590	-	14,590
Professional services - other	522,446	188,123	-	-	710,569	187,207	20,749	207,956	-	918,525
Advertising and promotion	-	-	-	-	-	631	24,334	24,965	-	24,965
Office	13,132	147	1,416	-	14,695	77,659	39,288	116,947	-	131,642
Information technology	48,808	129	-	-	48,937	7,960	2,456	10,416	-	59,353
Occupancy	796,613	9,048	-	-	805,661	49,299	2,689	51,988	-	857,649
Travel	4,857	33,690	-	-	38,547	1,239	1,240	2,479	-	41,026
Conferences, conventions and meetings	-	-	-	-	-	34,280	-	34,280	-	34,280
Interest	-	-	-	-	-	2,175	-	2,175	-	2,175
Grants to The Potter's House	-	-	-	95,973	95,973	-	-	-	(95,973)	-
Depreciation	573,017	6,535	-	-	579,552	30,159	-	30,159	-	609,711
Insurance	50,778	-	-	-	50,778	3,255	-	3,255	-	54,033
Instructional	372,312	-	208,097	-	580,409	-	-	-	-	580,409
Athletics	-	-	68,702	-	68,702	-	-	-	-	68,702
Lunch program	-	6,022	-	-	6,022	-	-	-	-	6,022
Alumni and donor relations	-	-	-	-	-	3,295	113,901	117,196	-	117,196
Parent and booster clubs	-	8,357	-	-	8,357	-	-	-	-	8,357
Accreditation and memberships	3,662	-	-	-	3,662	13,227	-	13,227	-	16,889
Total Expenses	\$ 6,626,147	\$ 409,815	\$ 441,532	\$ 95,973	\$ 7,573,467	\$ 1,321,003	\$ 520,798	\$ 1,841,801	\$ (95,973)	\$ 9,319,295

See notes to consolidated financial statements and independent auditors' report