



**Financial Report**

June 30, 2025 and 2024

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# Nonprofit Accounting & Consulting Specialists

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## Independent Auditors' Report

Board of Directors  
The Telling Room  
Portland, Maine

### Opinion

We have audited the accompanying financial statements of The Telling Room (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Telling Room as of June 30, 2025 and 2024, and the changes in its net assets and its 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Telling Room 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 The Telling Room's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Telling Room's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Telling Room's ability to continue as a going concern for a reasonable period of time.
- Issue the required communication to 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.

As stated in the opinion section of this report, the financial statements of The Telling Room present fairly, in all material respects, the financial position of The Telling Room as of June 30, 2025 and 2024 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PGM, LLC*  
Biddeford, Maine  
October 13, 2025

## Statements of Financial Position

June 30,

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 387,855	\$ 593,479
Accounts receivable	7,005	4,825
Contributions receivable	165,000	45,500
Inventory	3,762	7,200
Prepays		3,385
<b>Total Current Assets</b>	<u>563,622</u>	<u>654,389</u>
<b>Other Assets</b>		
Security deposits	3,385	3,385
<b>Total Other Assets</b>	<u>3,385</u>	<u>3,385</u>
<b>Total Assets</b>	<u>\$ 567,007</u>	<u>\$ 657,774</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 4,364	\$ 5,252
Accrued expenses	25,543	25,803
<b>Total Liabilities</b>	<u>29,907</u>	<u>31,055</u>
<b>Net Assets</b>		
Without donor restrictions	252,100	481,719
With donor restrictions	285,000	145,000
<b>Total Net Assets</b>	<u>537,100</u>	<u>626,719</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 567,007</u>	<u>\$ 657,774</u>

## Statement of Activities

Year Ended June 30, 2025

	Without donor restrictions	With donor restrictions	Total
<b>Revenue:</b>			
Donations	\$ 241,899	\$ 92,451	\$ 334,350
Grants	191,312	240,000	431,312
Program fees	177,813		177,813
Special events	33,069		33,069
In-kind revenue	15,809		15,809
Other	22,393		22,393
Interest	16,047		16,047
Net assets released from restriction	192,451	(192,451)	
<b>Total Revenue</b>	<b>890,793</b>	<b>140,000</b>	<b>1,030,793</b>
<b>Expenses:</b>			
Program services	686,182		686,182
Management and general	184,008		184,008
Fundraising	250,222		250,222
<b>Total Expenses</b>	<b>1,120,412</b>		<b>1,120,412</b>
<b>Change in Net Assets</b>	<b>(229,619)</b>	<b>140,000</b>	<b>(89,619)</b>
<b>Net Assets, Beginning of Year</b>	<b>481,719</b>	<b>145,000</b>	<b>626,719</b>
<b>Net Assets, End of Year</b>	<b>\$ 252,100</b>	<b>\$ 285,000</b>	<b>\$ 537,100</b>

## Statement of Activities

Year Ended June 30, 2024

	Without donor restrictions	With donor restrictions	Total
<b>Revenue:</b>			
Donations	\$ 272,784	\$ 25,000	\$ 297,784
Grants	100,608	174,500	275,108
Program fees	158,217		158,217
Special events	36,019		36,019
In-kind revenue	25,675		25,675
Other	22,431		22,431
Interest	20,444		20,444
Net assets released from restriction	309,225	(309,225)	
<b>Total Revenue</b>	<u>945,403</u>	<u>(109,725)</u>	<u>835,678</u>
<b>Expenses:</b>			
Program services	758,165		758,165
Management and general	181,863		181,863
Fundraising	189,414		189,414
<b>Total Expenses</b>	<u>1,129,442</u>		<u>1,129,442</u>
<b>Change in Net Assets</b>	(184,039)	(109,725)	(293,764)
<b>Net Assets, Beginning of Year</b>	<u>665,758</u>	<u>254,725</u>	<u>920,483</u>
<b>Net Assets, End of Year</b>	<u>\$ 481,719</u>	<u>\$ 145,000</u>	<u>\$ 626,719</u>

## Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total Expenses
Expenses:				
Personnel	\$ 478,478	\$ 91,515	\$ 166,778	\$ 736,771
Program expense	127,386	475	483	128,344
Employee benefits	40,228	9,240	15,813	65,281
Insurance		5,484		5,484
Travel	9,293		295	9,588
Meetings		171		171
Telephone		3,046		3,046
Professional fees	5,124	16,283	57	21,464
Office expense	5,483	8,983	8,533	22,999
Bank and paypal fees	2,979	2,702	57	5,738
Advertising	963	447	1,674	3,084
Website		336		336
Development expense	1,539	35	55,432	57,006
In-kind expenses	14,709		1,100	15,809
Occupancy		45,291		45,291
<b>Total Expenses</b>	<b>\$ 686,182</b>	<b>\$ 184,008</b>	<b>\$ 250,222</b>	<b>\$ 1,120,412</b>

## Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services	Management and General	Fundraising	Total Expenses
Expenses:				
Personnel	\$ 518,940	\$ 95,295	\$ 131,357	\$ 745,592
Program expense	152,952	1,515		154,467
Employee benefits	26,762	21,523	3,709	51,994
Insurance		7,960		7,960
Travel	8,024	455	400	8,879
Meetings		605		605
Telephone		1,580		1,580
Professional fees	7,825	16,615		24,440
Office expense	9,799	19,517	525	29,841
Bank and paypal fees	3,169	742		3,911
Advertising	39	5,725	125	5,889
Website		333		333
Development expense	85	1,963	42,479	44,527
In-kind expenses	14,040	5,000	6,635	25,675
Occupancy	16,530	3,035	4,184	23,749
<b>Total Expenses</b>	<u>\$ 758,165</u>	<u>\$ 181,863</u>	<u>\$ 189,414</u>	<u>\$ 1,129,442</u>

## Statement of Cash Flows

### For the Years Ended

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (89,619)	\$ (293,764)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
(Increase) decrease in:		
Accounts receivable	(2,180)	2,070
Contributions receivable	(119,500)	4,500
Inventory	3,438	(276)
Prepays	3,385	807
Security deposits		(2,522)
Increase (decrease) in:		
Accounts payable	(888)	(6,974)
Accrued expenses	(260)	1,969
Total adjustments	<u>(116,005)</u>	<u>(426)</u>
<b>Net cash flows from operating activities</b>	<u>(205,624)</u>	<u>(294,190)</u>
<b>Net change in cash and cash equivalents</b>	<b>(205,624)</b>	<b>(294,190)</b>
<b>Cash and cash equivalents at beginning of year</b>	<u>593,479</u>	<u>887,669</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 387,855</u>	<u>\$ 593,479</u>

## Notes to Financial Statements

June 30, 2025 and 2024

### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The Telling Room (the Organization) is a non-profit corporation organized to provide a writing program for young writers and storytellers between the ages of six and eighteen. The Telling Room was formed in 2005. The Organization's mission is to empower youth through writing and share their voices with the world. The Organization seeks to build confidence, strengthen literacy skills and provide audiences for students. The Organization believes that the power of creative expression can change communities and prepares youth for future success.

#### Basis of Presentation

The Organization's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization, and changes therein, are classified and reported, as follows:

##### Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions and can be used for any purpose designated by the board.

##### Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### Accounts Receivable

Accounts receivable represents amounts due to the Organization for services or other similar revenues. The Organization uses the aging schedule methodology to determine uncollectible accounts receivable. Management has evaluated past historical loss information along with customers' financial condition and current economic conditions in determining the credit losses. No allowance was deemed necessary at June 30, 2025 or 2024.

#### Contributions Receivable

Contributions receivable are recorded in the statement of activities in the year pledged and stated on the statement of financial position at the amount management expects to collect. The Organization uses an allowance method to account for uncollectible pledges. Management determined no allowance was necessary for the years ended June 30, 2025 and 2024.

## Notes to Financial Statements

June 30, 2025 and 2024

### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### Cash and Cash Equivalents

The Organization considers all highly liquid instruments with a maturity of three months or less to be cash equivalents.

#### Inventory

Inventory is valued at the lower of cost or market with cost determined on the first-in, first-out (FIFO) basis. Inventory consists of books available for sale.

#### Revenue and Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received. Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Fee-for-service revenue for workshops and camp sessions is recognized on an accrual basis when the performance obligations have been met.

Grant and contract revenue is recognized on an accrual basis and at the expected realization amount during the period in which services are provided.

Other revenue includes investment income from dividends and interest.

#### In-kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the good or services received. In addition to non-financial assets, volunteers contribute significant amounts of time to program services, administration and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by general accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

## Notes to Financial Statements

June 30, 2025 and 2024

### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### Property and Equipment

Furniture and equipment are stated at cost and depreciated by the straight-line method over useful lives ranging from five to seven years. Acquisitions of property and equipment are recorded at cost or fair value if donated. Expenditures for repair and maintenance are expensed when incurred. Items with an estimated useful life greater than one year and a cost of \$1,000 or greater are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowances, and any gain or loss is recognized. Assets were fully depreciated as of the years ending June 30, 2025 and 2024 and there was no depreciation expense.

#### Advertising

The Organization expenses advertising as incurred. Advertising expense for the years ending June 30, 2025 and 2024 was \$3,084 and \$5,889, respectively.

#### Income Taxes

The Organization is organized and operated exclusively for charitable and educational purposes. Income related to its charitable purpose is exempt from federal and state income taxes under the provisions of Section 501(c) (3) of the Internal Revenue Code. Any unrelated business income is taxable according to applicable Internal Revenue Code sections. These filings are subject to review by tax authorities generally for three years after they are filed.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

### NOTE 2 – CONCENTRATION OF CASH

The Organization maintains cash financial institutions located in Maine. At times, the balance may exceed federally insured limits of \$250,000. The Organization has not experienced losses in such deposits, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. There was no uninsured balance as of June 30, 2025 .

## Notes to Financial Statements

June 30, 2025 and 2024

### NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Amounts not available include net assets with donor restrictions.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 387,855	\$ 478,479
Accounts receivable	7,005	4,825
Contributions receivable	<u>160,000</u>	<u>15,500</u>
	<u>\$ 554,860</u>	<u>\$ 498,804</u>

### NOTE 4 – CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are estimated to be collected as follows at June 30:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 165,000	\$ 45,500
In one to five years	<u>\$ 165,000</u>	<u>\$ 45,500</u>

## Notes to Financial Statements

June 30, 2025 and 2024

### NOTE 5 – CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of non-financial assets for the years ended June 30 are as follows:

2025

Donation	Revenue Recognized	Utilization in Program	Donor Restrictions	Valuation Techniques
Catering	\$ 11,759	Special Events	None	Estimated fair value on cost of similar products and services.
Event rentals	4,050	Special Events	None	Estimated fair value on cost of similar products and services.
<b>Total</b>	<b>\$ 15,809</b>			

2024

Donation	Revenue Recognized	Utilization in Program	Donor Restrictions	Valuation Techniques
Rent	\$ 14,040	General program	None	Estimated fair value on basis of estimates of other similar space in Portland, Maine.
Catering	5,885	Special Events	None	Estimated fair value on cost of similar products and services.
Event rentals	5,750	Special Events	None	Estimated fair value on cost of similar products and services.
<b>Total</b>	<b>\$ 25,675</b>			

### NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30,

	2025	2024
Subject to expenditure for specified purpose:		
Afterschool Programs	\$ 26,500	\$ 15,000
Youth Publishing Projects	7,500	
Summer camp scholarships	11,000	5,000
Donations restricted for future year expenditures	240,000	125,000
<b>Total net assets with donor restrictions</b>	<b>\$ 285,000</b>	<b>\$ 145,000</b>

## Notes to Financial Statements

June 30, 2025 and 2024

### NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS – CONTINUED

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Expiration of time restrictions:	<u>\$ 125,000</u>	<u>\$ 137,000</u>
Satisfaction of purpose restrictions:		
Rockland/Midcoast Region		\$ 12,000
Young Writer/Leaders program	\$ 23,000	15,000
After School Programs	37,451.0	110,725
Summer Camp Scholarships	5,000	5,000
Special project		6,000
York County		15,000
Youth Publishing/Voices of the Future	2,000	8,500
	<u>67,451</u>	<u>172,225</u>
Total releases from net assets with restrictions	<u>\$ 192,451</u>	<u>\$ 309,225</u>

### NOTE 7 – LEASES

The Organization has a one-year operating lease agreement which expired December 31, 2024, with monthly rental payments of \$3,385. Rent expense for this lease for the year ended June 30, 2025 totaled \$42,031. Future minimum payments for the year ended June 30, 2026 are \$0.

The Organization previously had an operating lease agreement through December 31, 2023 for office space in Portland. Cash rent payments for the years ending June 30, 2024 and 2023 were partially waived by The Telling Room's landlord due to the financial effects of the Covid-19 pandemic and reported as an in-kind donation. The total of the in-kind donation to meet rent payments for year ended June 30, 2024 was \$14,040.

The Organization also leases copier equipment under a non-cancelable lease. Lease expense for June 30, 2025 and 2024 was \$894 and \$1,045, respectively. There were no estimated future lease payments for the year ended June 30, 2025.

## **Notes to Financial Statements**

**June 30, 2025 and 2024**

### **NOTE 8 – SEP IRA**

The Organization has a Simple IRA that covers all employees who have met the age and length of service requirements. The Telling Room contributes 2% of salary for all eligible employees regardless of whether they elect to make their own contributions. For the years ended June 30, 2025 and 2024, Simple IRA expense was \$8,453 and \$9,380, respectively.

### **NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 13, 2025, the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.