

YONKERS PARTNERS IN EDUCATION, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

YONKERS PARTNERS IN EDUCATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Yonkers Partners in Education, Inc.

Opinion

We have audited the financial statements of Yonkers Partners in Education, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of Yonkers Partners in Education, Inc. as of June 30, 2023 and 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Yonkers Partners in Education, Inc. 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 Organization'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 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 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 Yonkers Partners in Education, Inc.'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 Yonkers Partners in Education, Inc.'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.

Marcum LLP

Melville, NY
January 31, 2024

YONKERS PARTNERS IN EDUCATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

| | 2023 | 2022 |
|--|----------------------------|----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,213,909 | \$ 2,193,401 |
| Contributions receivable | 435,904 | 396,059 |
| Investments, at fair value | 1,878,627 | -- |
| Prepaid expenses and other assets | 86,267 | 25,042 |
| Employee retention credit receivable | -- | 337,826 |
| Property and equipment, less accumulated depreciation and amortization, net | 240,929 | 263,582 |
| Operating lease, right-of-use asset | <u>536,745</u> | <u>--</u> |
| Total Assets | <u>\$ 4,392,381</u> | <u>\$ 3,215,910</u> |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 183,819 | \$ 161,067 |
| Refundable advances | 151,440 | 177,966 |
| Operating lease liability | <u>541,088</u> | <u>--</u> |
| Total Liabilities | <u>876,347</u> | <u>339,033</u> |
| Commitments | | |
| Net Assets | | |
| Without donor restrictions | 2,856,964 | 2,719,377 |
| With donor restrictions | <u>659,070</u> | <u>157,500</u> |
| Total Net Assets | <u>3,516,034</u> | <u>2,876,877</u> |
| Total Liabilities and Net Assets | <u>\$ 4,392,381</u> | <u>\$ 3,215,910</u> |

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

YONKERS PARTNERS IN EDUCATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| Public Support and Revenue | | | |
| Contributions - Programs | \$ 518,365 | \$ 1,652,906 | \$ 2,171,271 |
| Contributions - In-Kind | 40,096 | -- | 40,096 |
| Special events, net of expenses of \$138,676 | 995,030 | -- | 995,030 |
| Interest and dividends | 31,649 | -- | 31,649 |
| Unrealized gain on investments, at fair value | 824 | -- | 824 |
| Realized gain on investments, at fair value | 27,376 | -- | 27,376 |
| Other income | 82,501 | -- | 82,501 |
| Net assets released from restrictions | 1,151,336 | (1,151,336) | -- |
| Total Public Support and Revenue | 2,847,177 | 501,570 | 3,348,747 |
| Expenses | | | |
| Program expenses | 2,250,324 | -- | 2,250,324 |
| Management and general | 184,799 | -- | 184,799 |
| Fundraising | 274,467 | -- | 274,467 |
| Total Expenses | 2,709,590 | -- | 2,709,590 |
| Change in Net Assets | 137,587 | 501,570 | 639,157 |
| Net Assets | | | |
| Beginning of Year | 2,719,377 | 157,500 | 2,876,877 |
| End of Year | \$ 2,856,964 | \$ 659,070 | \$ 3,516,034 |

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

YONKERS PARTNERS IN EDUCATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| Public Support and Revenue | | | |
| Contributions - Programs | \$ 683,988 | \$ 990,496 | \$ 1,674,484 |
| Contributions - In-Kind | 5,080 | -- | 5,080 |
| Special events, net of expenses of \$23,670 | 585,312 | -- | 585,312 |
| Interest income | 9,330 | -- | 9,330 |
| Employee retention credit | 337,826 | -- | 337,826 |
| Forgiveness of loan payable - PPP | 595,722 | -- | 595,722 |
| Other income | 236 | -- | 236 |
| Net assets released from restrictions | 957,996 | (957,996) | -- |
| Total Public Support and Revenue | 3,175,490 | 32,500 | 3,207,990 |
| Expenses | | | |
| Program expenses | 1,678,907 | -- | 1,678,907 |
| Management and general | 117,842 | -- | 117,842 |
| Fundraising | 231,610 | -- | 231,610 |
| Total Expenses | 2,028,359 | -- | 2,028,359 |
| Change in Net Assets | 1,147,131 | 32,500 | 1,179,631 |
| Net Assets | | | |
| Beginning of Year | 1,572,246 | 125,000 | 1,697,246 |
| End of Year | \$ 2,719,377 | \$ 157,500 | \$ 2,876,877 |

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

YONKERS PARTNERS IN EDUCATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

| | Program Expenses | Management and General | Fundraising | Total |
|---------------------------------|---------------------|------------------------------|-------------------|---------------------|
| Personnel | | | | |
| Salaries and wages | \$ 1,491,178 | \$ 146,093 | \$ 217,359 | \$ 1,854,630 |
| Payroll taxes | 113,007 | 11,477 | 17,075 | 141,559 |
| Benefits | <u>125,229</u> | <u>11,054</u> | <u>16,447</u> | <u>152,730</u> |
| Total Personnel Expenses | 1,729,414 | 168,624 | 250,881 | 2,148,919 |
| Other Expenses | | | | |
| Consultants | 47,974 | 3,194 | 4,752 | 55,920 |
| Educational software (Naviance) | 66,863 | 247 | 367 | 67,477 |
| Scholarships | 33,589 | -- | -- | 33,589 |
| Food | 14,159 | 225 | 334 | 14,718 |
| Occupancy | 116,234 | 1,184 | 1,762 | 119,180 |
| Postage and shipping | 903 | 61 | 91 | 1,055 |
| Insurance | 17,125 | 550 | 818 | 18,493 |
| Maintenance and repairs | 10,650 | 88 | 131 | 10,869 |
| Travel | 12,585 | 163 | 243 | 12,991 |
| Telephone | 12,495 | 136 | 202 | 12,833 |
| Professional fees | 47,625 | 3,310 | 4,925 | 55,860 |
| Printing and website | 7,224 | 585 | 393 | 8,202 |
| Supplies | 25,030 | 222 | 330 | 25,582 |
| Conferences and conventions | 9,464 | 500 | 745 | 10,709 |
| Depreciation and amortization | 39,875 | 2,801 | 4,167 | 46,843 |
| Membership and dues | 3,127 | 204 | 303 | 3,634 |
| Processing fees | 24,757 | 1,739 | 2,587 | 29,083 |
| Miscellaneous | <u>31,231</u> | <u>966</u> | <u>1,436</u> | <u>33,633</u> |
| Total Expenses | <u>\$ 2,250,324</u> | <u>\$ 184,799</u> | <u>\$ 274,467</u> | <u>\$ 2,709,590</u> |

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

YONKERS PARTNERS IN EDUCATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

| | Program Expenses | Management and General | Fundraising | Total |
|---------------------------------|---------------------|------------------------------|-------------------|---------------------|
| Personnel | | | | |
| Salaries and wages | \$ 1,104,152 | \$ 93,888 | \$ 184,536 | \$ 1,382,576 |
| Payroll taxes | 78,802 | 6,992 | 13,742 | 99,536 |
| Benefits | <u>89,323</u> | <u>3,296</u> | <u>6,479</u> | <u>99,098</u> |
| Total Personnel Expenses | 1,272,277 | 104,176 | 204,757 | 1,581,210 |
| Other Expenses | | | | |
| Consultants | 14,418 | 853 | 1,677 | 16,948 |
| Educational software (Naviance) | 51,019 | 202 | 397 | 51,618 |
| Scholarships | 39,667 | -- | -- | 39,667 |
| Food | 6,249 | -- | -- | 6,249 |
| Occupancy | 109,841 | 1,244 | 2,444 | 113,529 |
| Postage and shipping | 1,140 | 93 | 182 | 1,415 |
| Insurance | 13,370 | 339 | 665 | 14,374 |
| Maintenance and repairs | 14,735 | 310 | 609 | 15,654 |
| Travel | 4,229 | 3 | 6 | 4,238 |
| Telephone | 8,276 | 151 | 297 | 8,724 |
| Professional fees | 41,477 | 3,397 | 6,676 | 51,550 |
| Printing and website | 1,590 | 99 | 195 | 1,884 |
| Supplies | 20,383 | 593 | 1,165 | 22,141 |
| Conferences and conventions | 5,358 | 341 | 669 | 6,368 |
| Depreciation and amortization | 36,274 | 2,971 | 5,839 | 45,084 |
| Membership and dues | 2,508 | 203 | 399 | 3,110 |
| Processing fees | 17,749 | 1,454 | 2,857 | 22,060 |
| Miscellaneous | <u>18,347</u> | <u>1,413</u> | <u>2,776</u> | <u>22,536</u> |
| Total Expenses | <u>\$ 1,678,907</u> | <u>\$ 117,842</u> | <u>\$ 231,610</u> | <u>\$ 2,028,359</u> |

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

YONKERS PARTNERS IN EDUCATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 639,157 | \$ 1,179,631 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 46,843 | 45,084 |
| Forgiveness of loan payable - PPP | -- | (595,722) |
| Unrealized gain on investments | (824) | -- |
| Realized gain on investments | (27,376) | -- |
| Amortization of right-of-use asset | 85,008 | -- |
| Changes in assets and liabilities | | |
| Contributions receivable | (39,845) | 7,332 |
| Prepaid expenses and other assets | (61,225) | 7,088 |
| Employee retention credit receivable | 337,826 | (337,826) |
| Accounts payable and accrued expenses | 22,754 | 38,609 |
| Refundable advances | (26,526) | 177,966 |
| Operating lease right-of-use liabilities | (80,665) | -- |
| Net Cash Provided by Operating Activities | <u>895,127</u> | <u>522,162</u> |
| Cash Flows From Investing Activities | | |
| Purchase of property and equipment | (24,192) | -- |
| Purchases of investments | (2,151,221) | -- |
| Proceeds from sale of investments | 300,794 | -- |
| Net Cash Used in Investing Activities | <u>(1,874,619)</u> | <u>--</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (979,492) | 522,162 |
| Cash and Cash Equivalents, Beginning of Year | <u>2,193,401</u> | <u>1,671,239</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,213,909</u> | <u>\$ 2,193,401</u> |
| Supplemental Cash Flow Disclosures | | |
| Non-cash investing and financing activity | | |
| Obtaining right-of-use assets in exchange for lease liabilities | \$ 621,753 | \$ -- |

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

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - NATURE AND PURPOSE OF ORGANIZATION

Yonkers Partners in Education, Inc. (the “Organization”) was incorporated on November 9, 2005 under the Not-for-Profit Corporation Law of the State of New York. The Organization commenced operations on June 19, 2006. The Organization was formed to advance public education by bringing private investment to the public school district, soliciting charitable contributions from individuals (including board members) and corporate giving, promoting the schools and developing and implementing programs that enhance the educational outcomes of children. The Organization partners with students to ensure they are ready for, enroll in, and complete college. The Organization confronts the challenges of a low-income, urban school district by providing families with equitable access to the critical tools and services necessary for college success.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

RECENTLY ADOPTED ACCOUNTING STANDARDS

Lease Standards Update

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. Management adopted ASU 2016-02 as of July 1, 2022, and the Organization elected not to restate the comparative 2022 period. It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases.

Consequently, for those leases that qualify, the Organization will not recognize right-of-use assets or lease liabilities on the statements of financial position and recognize the associated lease payments in the statements of activities on a straight-line basis over the lease term. In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization used rates implicit in the lease, or if not readily available, the Organization used the annual risk-free rate for a period of time commensurate to the lease term. The Organization applied ASU 2021-09 as of July 1, 2022 and elected to utilize the risk-free rate for all asset classes.

As a result of implementing ASU 2016-02, the Organization recognized right-of-use assets and lease liabilities of \$621,753, respectively, in the statement of financial position as of July 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended June 30, 2023. See Note 9.

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The financial statement presentation is in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 958, Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions. Net assets without donor restrictions are those net assets that are not subject to donor-imposed restrictions. Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions, which either expire by the passage of time or when used for specified purposes.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

The Organization considers all unrestricted liquid investments with an initial maturity of three months or less to be cash equivalents. Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. At times, bank balances may exceed insured amounts. The Organization has not experienced any losses in such accounts.

CONTRIBUTIONS RECEIVABLE

Contributions are recognized as revenue when an unconditional promise to give has been made. All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Securities received as gifts or bequests are reflected at fair value at the date of the gift. Contributions received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTIONS RECEIVABLE (CONTINUED)

The Organization provides for losses on contributions receivable using the allowance method, which is based on experience, collection history, and other circumstances that may affect the donor's ability to meet its obligations. It is the policy of the Organization to charge off uncollectible contributions receivable when management determines that the receivable will not be collected. No allowance was deemed necessary at June 30, 2023 and 2022.

FAIR VALUE OF FINANCIAL INSTRUMENTS

GAAP defines fair value, provides guidance for measuring fair value, and requires certain disclosures utilizing a fair value hierarchy which is categorized into three levels based on the inputs to the valuation techniques used to measure fair value.

The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect the Organization's own assumptions.

The fair value of the Organization's investments at June 30, 2023 was determined based on Level 1 inputs (see Note 5).

INVESTMENTS

Investments, at fair value consist of electronically traded funds and mutual funds classified as trading, which are reported in the financial statements at fair value with the change in unrealized and realized gains and losses reported on the statement of activities.

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, or if received by donation, at estimated fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to seven years. Leasehold improvements are amortized over the shorter of the asset life or the term of the lease.

REVENUE RECOGNITION

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized until the performance barrier and the right of return or release have been overcome.

Contributions for special events received in advance of the event taking place are classified as refundable advances on the statements of financial position.

Revenue from special events is recognized at the point in time when the related event takes place.

CONTRIBUTED GOODS AND SERVICES

Contributions of donated noncash assets are recorded at fair value as revenue in the period received or when an unconditional promise to give has been made. Contributions of donated services that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as revenue in the period received or when an unconditional promise to give has been made. Contributions of donated services are valued at actual costs incurred by the donor if they were to charge the Organization for their services.

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL EXPENSES

The Organization allocates its expenses on a functional basis among its program and supporting services. Expenses that can be specifically identified with a program or supporting service are charged directly according to their natural classifications. Other expenses are allocated based on proportion of total headcount and proportion of total salaries as of fiscal year-end. If headcount drastically fluctuates throughout the year, management will take an average headcount to derive the headcount proportions.

SPECIAL EVENTS EXPENSES

Special events expenses include expenses for the benefit of donors, such as the cost of meals, facilities, and rentals.

INCOME TAXES

The Organization has been granted tax-exempt status by the Internal Revenue Service and is an organization described in Internal Revenue Code ("IRC") Section 501(c)(3). Accordingly, no provision for federal or state income taxes has been recorded in the accompanying financial statements.

The Organization performed an evaluation of uncertainty in income taxes for the years ended June 30, 2023 and 2022 and determined that there are no matters that would require recognition in the financial statements or that may have an effect on its tax-exempt status. U.S federal jurisdiction and/or the various states and local jurisdictions in which the Organization files tax returns are open for examination; however there are currently no examinations pending or in progress.

It is the Organization's policy to recognize interest and penalties related to uncertainty in income taxes, if any, in interest expense and income tax expense, respectively. As of June 30, 2023 and 2022, the Organization had no accruals for interest and/or penalties.

SUBSEQUENT EVENTS

These financial statements were approved by management and available for issuance on January 31, 2024. Management has evaluated subsequent events through this date.

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 and 2022, comprise the following:

| | June 30, | |
|--|----------------------------|----------------------------|
| | 2023 | 2022 |
| Cash and cash equivalents | \$ 1,213,909 | \$ 2,193,401 |
| Contributions receivable | 435,904 | 341,059 |
| Investments, at fair value | 1,878,627 | -- |
| Employee retention credit receivable | <u>--</u> | <u>337,826</u> |
| Total Financial Assets as of June 30, Available for General Expenditure Within One Year | <u>\$ 3,528,440</u> | <u>\$ 2,872,286</u> |

The Organization's goal is to maintain liquidity to meet operational and strategic needs. Ongoing liquidity needs of the Organization are monitored to ensure that minimum cash flow requirements are met. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due, which include cash and cash equivalents, contributions receivable, investments, at fair value, and employee retention credit receivable. As mentioned in Note 7, the Organization also has a line of credit in the amount of \$500,000 as of June 30, 2023 and 2022.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

As of June 30, 2023, the Organization's contributions receivable are due as follows:

| Year Ending June 30, | Amount |
|-------------------------|-------------------|
| 2024 | \$ 433,404 |
| 2025 | <u>2,500</u> |
| | <u>\$ 435,904</u> |

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4 - CONTRIBUTIONS RECEIVABLE (CONTINUED)

As of June 30, 2022, the Organization's contributions receivable were due as follows:

| Year Ending June 30, | Amount |
|-------------------------|-------------------|
| 2023 | \$ 341,059 |
| 2024 | 52,500 |
| 2025 | <u>2,500</u> |
| | <u>\$ 396,059</u> |

NOTE 5 - FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Electronically Traded and Mutual Funds - Valued at the net asset value (NAV) of shares held by the Organization at year end.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables summarizes the valuation of the Organization's assets that are measured at fair value on a recurring basis at June 30, 2023, using quoted prices in active markets (Level I); significant other observable inputs (Level II); and significant unobservable inputs (Level III):

| At June 30, 2023: | Level I | Level II | Level III | Total |
|-----------------------------|---------------------|--------------|--------------|---------------------|
| Electronically traded funds | \$ 919,252 | \$ -- | \$ -- | \$ 919,252 |
| Mutual funds | <u>959,375</u> | <u>--</u> | <u>--</u> | <u>959,375</u> |
| | <u>\$ 1,878,627</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 1,878,627</u> |

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

| | June 30, | |
|--|-------------------|-------------------|
| | 2023 | 2022 |
| Furniture and fixtures | \$ 26,804 | \$ 26,804 |
| Software | 15,596 | 12,989 |
| Leasehold improvements | 350,949 | 350,949 |
| Equipment | <u>83,772</u> | <u>62,187</u> |
| | 477,121 | 452,929 |
| Less - Accumulated depreciation and amortization | <u>(236,192)</u> | <u>(189,347)</u> |
| | <u>\$ 240,929</u> | <u>\$ 263,582</u> |

NOTE 7 - LINE OF CREDIT

In August 2018, the Organization received a revolving line of credit from a bank in the amount of \$500,000. The line of credit was collateralized by substantially all assets of the Organization and expired in March 2023. The Organization had no balance outstanding on the line as of June 30, 2022.

In April 2023, the Organization received a new revolving line of credit from a different bank in the amount of \$500,000. Interest is calculated using the 1-month Secured Overnight Financing Rate ("SOFR") plus 3.696% (8.76% at June 30, 2023). The line of credit expires in February 2025, and is collateralized by substantially all assets of the Organization. The Organization had no balance outstanding on the line as of June 30, 2023.

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

The following summarizes the changes in net assets with donor restrictions in 2023:

| Program | Balance, June 30, 2022 | Contributions | Released From Restrictions | Balance, June 30, 2023 |
|------------------|------------------------------|---------------------|----------------------------------|------------------------------|
| YPIE Fellows | \$ -- | \$ 367,360 | \$ (367,360) | \$ -- |
| YPIE Scholars | 50,000 | 671,476 | (721,476) | -- |
| New Site | -- | 594,070 | -- | 594,070 |
| Time Restriction | <u>107,500</u> | <u>20,000</u> | <u>(62,500)</u> | <u>65,000</u> |
| | <u>\$ 157,500</u> | <u>\$ 1,652,906</u> | <u>\$ (1,151,336)</u> | <u>\$ 659,070</u> |

The following summarizes the changes in net assets with donor restrictions in 2022:

| Program | Balance, June 30, 2021 | Contributions | Released From Restrictions | Balance, June 30, 2022 |
|------------------|------------------------------|-------------------|----------------------------------|------------------------------|
| YPIE Fellows | \$ -- | \$ 141,870 | \$ (141,870) | \$ -- |
| YPIE Scholars | 100,000 | 698,626 | (748,626) | 50,000 |
| Time Restriction | <u>25,000</u> | <u>150,000</u> | <u>(67,500)</u> | <u>107,500</u> |
| | <u>\$ 125,000</u> | <u>\$ 990,496</u> | <u>\$ (957,996)</u> | <u>\$ 157,500</u> |

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 9 - LEASES

LEASE COMMITMENT

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use (“ROU”) assets represent the Organization’s right to use underlying assets for the lease term, and the lease liabilities represent the Organization’s obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms.

The Organization leases office space under a noncancelable operating lease which expires in 2029.

The component of total lease costs that are included in the statement activities for the year ended June 30, 2023 was:

| | |
|----------------------|------------|
| Operating lease cost | \$ 119,180 |
|----------------------|------------|

The following summarizes the cash flow information related to operating leases for the year ended June 30, 2023:

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

| | |
|---|-----------|
| Operating cash flows for operating leases | \$ 80,665 |
|---|-----------|

Weighted average lease terms and discount rates are as follows at June 30, 2023:

| | |
|---------------------------------------|---------|
| Weighted average remaining lease term | 3 years |
| Weight average discount rate | 2.88% |

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 9 - LEASES (CONTINUED)

LEASE COMMITMENT (CONTINUED)

The maturities of operating lease liabilities as of June 30, 2023, are approximately as follows:

| Year Ending June 30, | Total |
|---|-------------------|
| 2024 | \$ 96,000 |
| 2025 | 97,000 |
| 2026 | 99,000 |
| 2027 | 102,000 |
| 2028 | 105,000 |
| Thereafter | <u>90,000</u> |
| Total Future Lease Payments | 589,000 |
| Less: Imputed interest | <u>(48,000)</u> |
| Present Value of Lease Liabilities | <u>\$ 541,000</u> |

NOTE 10 - CONCENTRATIONS OF RISK

MAJOR DONORS

At June 30, 2023, approximately 94% of the Organization's receivables were due from three donors. At June 30, 2022, approximately 96% of the Organization's receivables were due from five donors.

NOTE 11 - EMPLOYEE RETENTION CREDIT RECEIVABLE

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided for an Employee Retention Credit ("ERC"), which is a refundable tax credit against certain employment taxes up to \$7,000 per employee for eligible employers. The tax credit is equal to 70% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee per quarter. The Organization qualified for the tax credit in 2022 and recorded a total of \$337,826 related to the ERC as income on the Organization's statement of activities for fiscal year 2022 and a related receivable at June 30, 2022. Such amount was collected in fiscal year 2023.

YONKERS PARTNERS IN EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 12 - CONTRIBUTED NONFINANCIAL ASSETS

The Organization received the following contributions of nonfinancial assets for the years ended June 30, 2023 and 2022:

| | June 30, | |
|------------------------|------------------|-----------------|
| | 2023 | 2022 |
| Audio visual services | \$ 25,000 | \$ -- |
| Raffle and other items | 9,656 | 5,080 |
| Professional services | <u>5,440</u> | <u>--</u> |
| | <u>\$ 40,096</u> | <u>\$ 5,080</u> |

Donated items were valued based on U.S. retail prices of identical products using data under a 'like kind' methodology considering the goods' conditions and utility for use at the time of contribution. Donated services were utilized by the Organization's programs and were valued at the estimated fair value using current rates for similar services. There were no donor restrictions with the above contributed nonfinancial assets.