

**YONKERS PARTNERS IN EDUCATION, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**

# YONKERS PARTNERS IN EDUCATION, INC.

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# FRIEDMAN LLP®

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Yonkers Partners in Education, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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 Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

(Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yonkers Partners in Education, Inc. as of June 30, 2021 and 2020, 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.

A handwritten signature in black ink that reads "Friedman LLP". The signature is written in a cursive, flowing style.

March 31, 2022

**YONKERS PARTNERS IN EDUCATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,671,239	\$ 1,435,115
Contributions receivable	403,391	294,839
Prepaid expenses and other assets	21,530	31,358
Supplies inventory	340	340
Property and equipment, less accumulated depreciation and amortization, net	308,666	354,521
Security deposits	10,260	17,273
<b>Total assets</b>	<b>\$ 2,415,426</b>	<b>\$ 2,133,446</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 122,458	\$ 188,308
Loans payable - PPP	595,722	293,000
<b>Total liabilities</b>	<b>718,180</b>	<b>481,308</b>
 Commitments		
 <b>Net assets</b>		
Without donor restrictions	1,572,246	1,470,586
With donor restrictions	125,000	181,552
Total net assets	1,697,246	1,652,138
<b>Total liabilities and net assets</b>	<b>\$ 2,415,426</b>	<b>\$ 2,133,446</b>

See notes to financial statements.

**YONKERS PARTNERS IN EDUCATION, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue</b>			
Contributions - Programs	\$ 1,075,333	\$ 795,404	\$ 1,870,737
Interest income	1,758	-	1,758
Other income	2,894	-	2,894
Net assets released from restrictions	851,956	(851,956)	-
<b>Total public support and revenue</b>	<b>1,931,941</b>	<b>(56,552)</b>	<b>1,875,389</b>
<b>Expenses</b>			
Program expenses	1,521,060	-	1,521,060
Management and general	129,887	-	129,887
Fundraising	179,334	-	179,334
<b>Total expenses</b>	<b>1,830,281</b>	<b>-</b>	<b>1,830,281</b>
<b>Change in net assets</b>	<b>101,660</b>	<b>(56,552)</b>	<b>45,108</b>
<b>Net assets</b>			
Beginning of year	1,470,586	181,552	1,652,138
<b>End of year</b>	<b>\$ 1,572,246</b>	<b>\$ 125,000</b>	<b>\$ 1,697,246</b>

See notes to financial statements.

**YONKERS PARTNERS IN EDUCATION, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue</b>			
Contributions - Programs	\$ 574,671	\$ 876,840	\$ 1,451,511
Contributions - Capital Campaign	-	102,500	102,500
Special events, net of expenses of \$106,406	813,846	-	813,846
Interest income	3,345	-	3,345
Other income	26,155	-	26,155
Net assets released from restrictions	980,833	(980,833)	-
<b>Total public support and revenue</b>	<b>2,398,850</b>	<b>(1,493)</b>	<b>2,397,357</b>
<b>Expenses</b>			
Program expenses	1,550,802	-	1,550,802
Management and general	141,964	-	141,964
Fundraising	193,542	-	193,542
<b>Total expenses</b>	<b>1,886,308</b>	<b>-</b>	<b>1,886,308</b>
<b>Change in net assets</b>	<b>512,542</b>	<b>(1,493)</b>	<b>511,049</b>
<b>Net assets</b>			
Beginning of year	958,044	183,045	1,141,089
<b>End of year</b>	<b>\$ 1,470,586</b>	<b>\$ 181,552</b>	<b>\$ 1,652,138</b>

See notes to financial statements.

**YONKERS PARTNERS IN EDUCATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2021**

	Program Expenses	Management and General	Fundraising	Total
<b>Personnel</b>				
Salaries and wages	\$ 1,017,987	\$ 105,815	\$ 143,381	\$ 1,267,183
Payroll taxes	72,532	7,944	10,765	91,241
Benefits	84,978	4,229	5,730	94,937
<b>Total personnel expenses</b>	<b>1,175,497</b>	<b>117,988</b>	<b>159,876</b>	<b>1,453,361</b>
<b>Other expenses</b>				
Consultants	15,716	675	915	17,306
Educational software (Naviance)	47,553	-	3,317	50,870
Scholarships	28,057	-	-	28,057
Food	910	-	-	910
Occupancy	101,010	1,126	1,528	103,664
Postage and shipping	1,541	130	176	1,847
Insurance	12,360	334	453	13,147
Maintenance and repairs	6,082	259	351	6,692
Travel	127	11	15	153
Telephone	7,674	161	218	8,053
Professional fees	42,701	3,604	4,889	51,194
Printing and website	1,787	114	155	2,056
Supplies	7,472	8	11	7,491
Conferences and conventions	1,154	98	133	1,385
Depreciation	38,248	3,228	4,379	45,855
Membership and dues	4,698	394	535	5,627
Processing fees	15,432	1,303	1,767	18,502
Miscellaneous	13,041	454	616	14,111
<b>Total expenses</b>	<b>\$ 1,521,060</b>	<b>\$ 129,887</b>	<b>\$ 179,334</b>	<b>\$ 1,830,281</b>

See notes to financial statements.



**YONKERS PARTNERS IN EDUCATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2020**

	Program Expenses	Management and General	Fundraising	Total
<b>Personnel</b>				
Salaries and wages	\$ 1,074,328	\$ 113,576	\$ 153,898	\$ 1,341,802
Payroll taxes	77,495	8,454	11,455	97,404
Benefits	62,746	3,864	5,238	71,848
<b>Total personnel expenses</b>	<b>1,214,569</b>	<b>125,894</b>	<b>170,591</b>	<b>1,511,054</b>
<b>Other expenses</b>				
Consultants	17,322	811	1,098	19,231
Educational software (Naviance)	39,821	101	2,880	42,802
Scholarships	1,289	-	-	1,289
Food	6,112	-	-	6,112
Occupancy	90,200	7,226	9,789	107,215
Postage and shipping	1,971	148	200	2,319
Insurance	9,895	270	366	10,531
Maintenance and repairs	12,762	276	373	13,411
Travel	14,252	12	17	14,281
Telephone	8,671	229	309	9,209
Professional fees	41,926	3,359	4,550	49,835
Printing and website	4,162	281	380	4,823
Supplies	11,046	378	514	11,938
Conferences and conventions	5,347	143	193	5,683
Depreciation	46,026	1,125	-	47,151
Membership and dues	4,234	259	351	4,844
Processing fees	14,545	1,165	1,578	17,288
Miscellaneous	6,652	287	353	7,292
<b>Total expenses</b>	<b>\$ 1,550,802</b>	<b>\$ 141,964</b>	<b>\$ 193,542</b>	<b>\$ 1,886,308</b>

See notes to financial statements.

**YONKERS PARTNERS IN EDUCATION, INC.**

**STATEMENTS OF CASH FLOWS**

	June 30,	
	2021	2020
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 45,108	\$ 511,049
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	45,855	47,151
Changes in assets and liabilities		
Contributions receivable	(108,552)	(63,490)
Prepaid expenses and other assets	9,828	208
Security deposits	7,013	(8,227)
Accounts payable and accrued expenses	(65,850)	5,963
Deferred revenue	-	(13,512)
<b>Net cash provided by (used in) operating activities</b>	<b>(66,598)</b>	<b>479,142</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	-	(31,714)
<b>Cash flows from financing activities</b>		
Proceeds from loans payable - PPP	302,722	293,000
Net increase in cash and cash equivalents	236,124	740,428
Cash and cash equivalents, beginning of year	1,435,115	694,687
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,671,239</b>	<b>\$ 1,435,115</b>

See notes to financial statements.

# YONKERS PARTNERS IN EDUCATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### 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.

### 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **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**

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**YONKERS PARTNERS IN EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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 Institute to charge off uncollectible contributions receivable when management determines that the receivable will not be collected. No allowance was deemed necessary at June 30, 2021 and 2020.

**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, which is 65 months from April 2019.

**Paycheck Protection Program Loans ("PPP")**

The Organization's policy is to account for the PPP loan as debt. The Organization will continue to record the loan as debt until either (1) the loan is partially or entirely forgiven and the Organization has been legally released, at which point the amount forgiven will be recorded as income or (2) the Organization pays off the loan.

**Revenue Recognition**

Contributions are recognized as revenue when the donor makes an unconditional promise to give to the Organization. Revenue from special events is recognized at the point in time when the related services have been rendered.

**Contributed Goods and Services**

In-kind goods and services are recognized in the financial statements if the services or goods enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. During the year ended June 30, 2020, total in-kind goods and services received and recorded as contribution revenue amounted to \$65,322, which was included in special event revenue.

**YONKERS PARTNERS IN EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**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 allocated 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.

**Reclassifications**

Certain reclassifications have been made to the prior-year financial statements to conform to the current-year presentation. These reclassifications have no effect on the change in net assets as presented in the statements of activities.

**Tax Status**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported organization as described in Section 509(a).

**Subsequent Events**

These financial statements were approved by management and available for issuance on March 31, 2022. Management has evaluated subsequent events through this date.

**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, 2021 and 2020, comprise the following:

	June 30,	
	2021	2020
Cash and cash equivalents	\$ 1,671,239	\$ 1,435,115
Contributions receivable	345,891	179,839
Total financial assets as of June 30 available for general expenditure within one year	<u>\$ 2,017,130</u>	<u>\$ 1,614,954</u>

**YONKERS PARTNERS IN EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**3 - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

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 and contributions receivable. As mentioned in Note 6, the Organization also has a line of credit in the amount of \$500,000 as of June 30, 2021.

**4 - CONTRIBUTIONS RECEIVABLE**

As of June 30, 2021, the Organization's contributions receivable are due as follows:

Year Ending June 30,	
2022	\$ 345,891
2023	52,500
2024	2,500
2025	2,500
	<u>\$ 403,391</u>

**5 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	June 30,	
	2021	2020
Furniture and fixtures	\$ 26,804	\$ 26,804
Software	12,989	12,989
Leasehold improvements	350,949	350,949
Equipment	62,187	62,187
	<u>452,929</u>	<u>452,929</u>
Less - Accumulated depreciation and amortization	(144,263)	(98,408)
	<u>\$ 308,666</u>	<u>\$ 354,521</u>

**YONKERS PARTNERS IN EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**6 - LINE OF CREDIT**

On August 23, 2018, the Organization received a revolving line of credit from The Westchester Bank in the amount of \$500,000. Interest is calculated using a variable rate based on The Wall Street Journal Prime index (3.25% as of June 30, 2021). The line of credit is collateralized by substantially all assets of the Organization. The Organization had no balance outstanding on the line as of June 30, 2021.

**7 - LOANS PAYABLE - PAYCHECK PROTECTION PROGRAM (PPP)**

In April 2020, the Organization applied for and received funding for a loan totaling \$293,000 under the US Small Business Administration ("SBA") Paycheck Protection Program ("PPP"), which is part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES"), enacted on March 27, 2020. Under the terms of the SBA PPP loan, up to 100% of the principal and accrued interest may be forgiven if certain criteria are met and the loan proceeds are used for qualifying expenses such as payroll costs, benefits, rent, and utilities as described in the CARES Act. The loan accrues interest at a rate of 1% and any portion of the principal and interest that is not forgiven is required to be repaid by April 20, 2022. In August 2021, the Organization received approval of forgiveness of the first PPP loan.

In February 2021, the Organization applied for and received funding for a second PPP loan for \$302,722. The matures after five years but is otherwise subject to the same terms as the first PPP loan outlined above.

**8 - NET ASSETS WITH DONOR RESTRICTIONS**

The following summarizes the changes in net assets with donor restrictions in 2021:

<u>Program</u>	<u>Balance, June 30, 2020</u>	<u>Contributions</u>	<u>Released From Restrictions</u>	<u>Balance, June 30, 2021</u>
YPIE Fellows	\$ -	\$ 150,000	\$ (150,000)	\$ -
YPIE Scholars	150,000	635,404	(685,404)	100,000
Student ER Fund	1,552	-	(1,552)	-
Time Restriction	30,000	10,000	(15,000)	25,000
	<u>\$ 181,552</u>	<u>\$ 795,404</u>	<u>\$ (851,956)</u>	<u>\$ 125,000</u>

**YONKERS PARTNERS IN EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**8 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The following summarizes the changes in net assets with donor restrictions in 2020:

Program	Balance, June 30, 2019	Contributions	Released From Restrictions	Balance, June 30, 2020
YPIE Fellows	\$ -	\$ 84,246	\$ (84,246)	\$ -
YPIE For All	1,351	40,000	(41,351)	-
YPIE Scholars	-	707,594	(557,594)	150,000
Student ER Fund	2,841	-	(1,289)	1,552
Capital Campaign	128,853	102,500	(231,353)	-
Time Restriction	50,000	45,000	(65,000)	30,000
	<u>\$ 183,045</u>	<u>\$ 979,340</u>	<u>\$ (980,833)</u>	<u>\$ 181,552</u>

**9 - LEASE COMMITMENTS**

In January 2018, the Organization entered into a five-year lease agreement, with a five-year option for renewal, for program activity and office space. The lease requires monthly fixed payments of \$8,000 for the term of the lease. Rent expense was \$96,000 (from total occupancy cost of \$103,664 including utilities) and \$96,000 (from total occupancy cost of \$107,215 including utilities) for the years ended June 30, 2021 and 2020, respectively.

Future minimum rents required under the lease are as follows:

Year Ending June 30,	
2022	\$ 96,000
2023	96,000
2024	96,000
2025	24,000
	<u>\$ 312,000</u>

**10 - CONCENTRATIONS OF RISK**

At June 30, 2021, approximately 87% of the Organization's receivables were due from three donors. At June 30, 2020, approximately 90% of the Organization's receivables were due from three donors.



**YONKERS PARTNERS IN EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**11 - RISKS AND UNCERTAINTIES**

The Organization's operations may be affected by the ongoing outbreak of the coronavirus disease 2020 ("COVID-19"), which in March 2020, was declared a pandemic by the World Health Organization. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows.