

Partnership for After School Education, Inc.

Financial Statements

June 30, 2022 and 2021

Independent Auditors' Report

Board of Directors Partnership for After School Education, Inc.

Opinion

We have audited the accompanying financial statements of Partnership for After School Education, Inc. ("PASE") which comprise the statements of financial position as of June 30, 2022 and 2021, 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 PASE as of June 30, 2022 and 2021, 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 Financial Statements section of our report. We are required to be independent of PASE 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 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 PASE'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 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 the 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 PASE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant 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 PASE'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.

PKF O'Connor Davies, LLP
November 16, 2022

Partnership for After School Education, Inc.

Statements of Financial Position

	June 30,	
	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 630,313	\$ 567,285
Grants and accounts receivable	817,243	224,566
Prepaid expenses and other assets	164,779	58,941
Property and equipment, net	<u>132,036</u>	<u>55,799</u>
	<u>\$ 1,744,371</u>	<u>\$ 906,591</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 183,042	\$ 109,163
Deferred revenue	497	10,000
Loan payable - PPP	-	151,050
Capital lease obligation	29,188	51,572
Deferred rent	4,693	12,443
Security deposit payable	<u>6,600</u>	<u>10,000</u>
Total Liabilities	<u>224,020</u>	<u>344,228</u>
Net Assets		
Without donor restrictions	379,853	208,365
With donor restrictions	<u>1,140,498</u>	<u>353,998</u>
Total Net Assets	<u>1,520,351</u>	<u>562,363</u>
	<u>\$ 1,744,371</u>	<u>\$ 906,591</u>

See notes to the financial statements

Partnership for After School Education, Inc.

Statement of Activities
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Grants and contributions	\$ 1,069,391	\$ 941,250	\$ 2,010,641
In-kind contributions	10,940	-	10,940
Special events, net of direct benefit to donors of \$330,358	557,753	-	557,753
Contract and program fees	13,775	-	13,775
CARES Act stimulus	263,050	-	263,050
Rental income and other income	128,800	-	128,800
Interest income	37	-	37
Net assets released from restrictions	<u>154,750</u>	<u>(154,750)</u>	<u>-</u>
Total Public Support and Revenue	<u>2,198,496</u>	<u>786,500</u>	<u>2,984,996</u>
OPERATING EXPENSES			
Program services	<u>1,579,074</u>	<u>-</u>	<u>1,579,074</u>
Supporting Services			
Administrative and general	201,213	-	201,213
Fundraising	<u>218,585</u>	<u>-</u>	<u>218,585</u>
Total Supporting Services	<u>419,798</u>	<u>-</u>	<u>419,798</u>
Total Operating Expenses	<u>1,998,872</u>	<u>-</u>	<u>1,998,872</u>
Excess of Public Support and Revenue over Operating Expenses Before Depreciation and Amortization	199,624	786,500	986,124
Depreciation and amortization	<u>(28,136)</u>	<u>-</u>	<u>(28,136)</u>
Change in Net Assets	171,488	786,500	957,988
NET ASSETS			
Beginning of year	<u>208,365</u>	<u>353,998</u>	<u>562,363</u>
End of year	<u>\$ 379,853</u>	<u>\$ 1,140,498</u>	<u>\$ 1,520,351</u>

See notes to the financial statements

Partnership for After School Education, Inc.

Statement of Activities
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Grants and contributions	\$ 1,377,379	\$ 318,069	\$ 1,695,448
In-kind contributions	4,000	-	4,000
Special events	485	-	485
Contract and program fees	45,365	-	45,365
CARES Act stimulus	134,770	-	134,770
Rental and other income	84,000	-	84,000
Interest income	8	-	8
Net assets released from restrictions	<u>347,000</u>	<u>(347,000)</u>	<u>-</u>
Total Public Support and Revenue	<u>1,993,007</u>	<u>(28,931)</u>	<u>1,964,076</u>
 OPERATING EXPENSES			
Program services	<u>1,315,043</u>	<u>-</u>	<u>1,315,043</u>
Supporting Services			
Administrative and general	133,671	-	133,671
Fundraising	<u>218,699</u>	<u>-</u>	<u>218,699</u>
Total Supporting Services	<u>352,370</u>	<u>-</u>	<u>352,370</u>
Total Operating Expenses	<u>1,667,413</u>	<u>-</u>	<u>1,667,413</u>
Excess (Deficiency) of Public Support and Revenue over Operating Expenses Before Depreciation and Amortization	325,594	(28,931)	296,663
Depreciation and amortization	<u>(25,186)</u>	<u>-</u>	<u>(25,186)</u>
Change in Net Assets	300,408	(28,931)	271,477
 NET ASSETS (DEFICIT)			
Beginning of year	<u>(92,043)</u>	<u>382,929</u>	<u>290,886</u>
End of year	<u>\$ 208,365</u>	<u>\$ 353,998</u>	<u>\$ 562,363</u>

See notes to the financial statements

Partnership for After School Education, Inc.

Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services					Supporting Services					Total
	College Prep and Success	PASEsetter	Summer Learning	Principles and Practice, Youth Outcome and Global Learning	Leadership Development and STEM	Fiscal Sponsorship	Program Services Total	Administrative and General	Fundraising	Supporting Services Total	
PERSONNEL COSTS											
Salaries	\$ 95,367	\$ 12,700	\$ 77,276	\$ 87,108	\$ 179,607	\$ -	\$ 452,058	\$ 79,587	\$ 92,683	\$ 172,270	\$ 624,328
Fringe benefits	29,664	3,838	30,124	27,149	55,168	-	145,943	21,005	28,056	49,061	195,004
Total Personnel Costs	125,031	16,538	107,400	114,257	234,775	-	598,001	100,592	120,739	221,331	819,332
OTHER THAN PERSONNEL COSTS											
Stipends	-	26,000	30,161	-	101,350	1,000	158,511	-	-	-	158,511
Professional and consulting fees	20,609	-	16,800	18,862	169,290	157,377	382,938	48,870	80,055	128,925	511,863
Occupancy	55,900	-	45,568	51,161	111,194	-	263,823	39,547	52,907	92,454	356,277
Telephone and communications	5,127	-	4,179	4,692	11,638	-	25,636	3,627	4,852	8,479	34,115
Supplies and office expenses	1,149	-	937	1,052	2,341	-	5,479	813	1,088	1,901	7,380
Postage and mailing	404	-	329	370	804	-	1,907	286	382	668	2,575
Event catering and presentation	-	23,551	-	-	14,405	-	37,956	-	282,059	282,059	320,015
Travel and related expenses	1,443	-	4,882	1,321	7,369	-	15,015	1,021	1,366	2,387	17,402
Dues and subscriptions	1,078	-	259	291	3,096	9,000	13,724	225	445	670	14,394
Printing and copying	82	-	67	75	163	-	387	58	78	136	523
Workshops, meetings and conferences	4,310	-	2,700	500	30,850	8,709	47,069	-	-	-	47,069
Equipment rental, repairs and maintenance	51	-	42	47	102	-	242	36	49	85	327
Insurance	4,169	-	3,398	3,816	8,293	-	19,676	2,949	3,946	6,895	26,571
Staff development and training	-	-	-	-	3,961	-	3,961	-	-	-	3,961
Interest	244	-	199	223	486	-	1,152	173	231	404	1,556
Bank and merchant fees	583	-	475	534	1,160	39	2,791	413	596	1,009	3,800
Miscellaneous expenses	171	-	139	156	340	-	806	2,603	150	2,753	3,559
	220,351	66,089	217,535	197,357	701,617	176,125	1,579,074	201,213	548,943	750,156	2,329,230
Less expenses of direct benefit to donors	-	-	-	-	-	-	-	-	(330,358)	(330,358)	(330,358)
Total Expenses Before Depreciation and Amortization	220,351	66,089	217,535	197,357	701,617	176,125	1,579,074	201,213	218,585	419,798	1,998,872
Depreciation and amortization	4,415	-	3,599	4,040	8,781	-	20,835	3,123	4,178	7,301	28,136
Total Expenses	\$ 224,766	\$ 66,089	\$ 221,134	\$ 201,397	\$ 710,398	\$ 176,125	\$ 1,599,909	\$ 204,336	\$ 222,763	\$ 427,099	\$ 2,027,008

Partnership for After School Education, Inc.

Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services					Supporting Services				Total
	College Prep and Success	Summer Learning	Principles and Practice, Youth Outcome and Global Learning	Leadership Development and STEM	Fiscal Sponsorship	Program Services Total	Administrative and General	Fundraising	Supporting Services Total	
PERSONNEL COSTS										
Salaries	\$ 114,848	\$ 87,752	\$ 105,618	\$ 214,235	\$ -	\$ 522,453	\$ 57,854	\$ 107,833	\$ 165,687	\$ 688,140
Fringe benefits	31,267	23,886	28,756	58,337	-	142,246	15,736	29,356	45,092	187,338
Total Personnel Costs	146,115	111,638	134,374	272,572	-	664,699	73,590	137,189	210,779	875,478
OTHER THAN PERSONNEL COSTS										
Stipends	-	17,675	-	4,800	-	22,475	-	-	-	22,475
Professional and consulting fees	17,283	13,203	31,690	198,916	44,955	306,047	32,949	23,764	56,713	362,760
Occupancy	41,087	31,388	37,788	76,660	-	186,923	20,680	38,576	59,256	246,179
Telephone and communications	4,072	3,111	7,139	7,598	-	21,920	2,050	3,824	5,874	27,794
Supplies and office expenses	746	570	686	1,393	-	3,395	376	701	1,077	4,472
Postage and mailing	453	346	417	846	-	2,062	228	426	654	2,716
Event catering and presentation	-	-	-	15,070	-	15,070	-	-	-	15,070
Travel and related expenses	155	131	4	92	-	382	2	429	431	813
Dues and subscriptions	407	59	71	1,302	-	1,839	33	1,752	1,785	3,624
Printing and copying	55	42	50	102	-	249	28	2,707	2,735	2,984
Workshops, meetings and conferences	-	-	25,000	18,658	3,080	46,738	-	-	-	46,738
Equipment rental, repairs and maintenance	823	628	757	1,535	-	3,743	414	772	1,186	4,929
Insurance	4,991	3,813	4,590	9,312	-	22,706	2,511	4,686	7,197	29,903
Staff development and training	1,084	408	492	8,922	-	10,906	270	1,358	1,628	12,534
Interest	397	304	365	741	-	1,807	201	373	574	2,381
Bank and merchant fees	674	516	621	1,311	960	4,082	339	2,142	2,481	6,563
Total Expenses Before Depreciation and Amortization	218,342	183,832	244,044	619,830	48,995	1,315,043	133,671	218,699	352,370	1,667,413
Depreciation and amortization	4,204	3,211	3,866	7,843	-	19,124	2,115	3,947	6,062	25,186
Total Expenses	\$ 222,546	\$ 187,043	\$ 247,910	\$ 627,673	\$ 48,995	\$ 1,334,167	\$ 135,786	\$ 222,646	\$ 358,432	\$ 1,692,599

Partnership for After School Education, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 957,988	\$ 271,477
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	28,136	25,186
Loss on disposal of property and equipment	2,482	-
Loan forgiveness - PPP	(151,050)	(134,770)
Amortization of deferred rent	(7,750)	(16,591)
Change in operating assets and liabilities		
Grants and accounts receivable	(592,677)	(61,700)
Prepaid expenses and other assets	(105,838)	(33,212)
Accounts payable and accrued expenses	73,879	4,319
Deferred revenue	(9,503)	10,000
Security deposit payable	<u>(3,400)</u>	<u>-</u>
Net Cash from Operating Activities	<u>192,267</u>	<u>64,709</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(106,855)</u>	<u>(2,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds - PPP	-	151,050
Payments on capital lease obligation	<u>(22,384)</u>	<u>(21,559)</u>
Net Cash from Financing Activities	<u>(22,384)</u>	<u>129,491</u>
Net Change in Cash and Cash Equivalents	63,028	192,200
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>567,285</u>	<u>375,085</u>
End of year	<u>\$ 630,313</u>	<u>\$ 567,285</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 1,556	\$ 2,381

See notes to the financial statements

Partnership for After School Education, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

1. Organization and Tax Status

Partnership for After School Education, Inc. (“PASE”) is a child-focused organization that promotes and supports quality after school programs, particularly those serving young people from underserved communities.

PASE accomplishes this mission by building the capacity of individual afterschool staff, youth-serving organizations, and the field as a whole, all with the goal of increasing the availability of quality services to youth during out of school time. PASE is the only organization connecting the more than 1,600 organizations that serve New York City’s youth during out of school time.

PASE is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net Asset Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of PASE and changes therein are classified as without donor restrictions or with donor restrictions. Net assets without donor restrictions provide support for PASE’s general operations. Net assets with donor restrictions consist of gifts and grants received that are subject to donor imposed restrictions for certain purposes or are time restricted and may include net assets to be held in perpetuity. At June 30, 2022 and 2021, PASE had no net assets to be held in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. However, when restrictions on donor-restricted contributions are met in the same accounting period in which they are received, such amounts are reported as net assets without donor restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include highly liquid investments with a maturity of three months or less at the time of purchase.

Partnership for After School Education, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

2. Summary of Significant Accounting Policies (*continued*)

Receivables

Contributions and grants are recognized as revenue when an unconditional promise to give is made. Receivables reflected in the financial statements are continually evaluated by management for collectability. Management has concluded that all receivables at June 30, 2022 and 2021 are collectible.

Property and Equipment

Purchases of property and equipment with a cost of \$500 or more and useful lives of more than one year are stated at cost and depreciated using the straight-line method over their estimated useful lives, which range from 3 to 10 years. Gain or loss from disposition is reflected in the statements of activities in the period of disposition. The cost of maintenance and repairs is charged to expense as incurred, whereas significant renewals and betterments are capitalized. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods which are reasonably assured, or the estimated useful life of the asset.

Refundable Advances

PASE receives deposits for special events to be held at a future date. Revenue from special events is recognized when the event takes place.

Program Service Fees

Revenue from program services consists of revenue from in-person or virtual trainings held on a particular date. Because PASE's performance obligations occur at a particular point in time, program service fees revenue is recognized when services are provided and collectability is reasonably assured.

Contributions of Goods and Services

Contributions are recognized as support upon the receipt of an unconditional pledge or of cash or other assets. Contributions are considered available for use without restriction, unless the donor restricts the use thereof.

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such skills. For years ended June 30, 2022 and 2021, PASE received donated services in connection with its operations, which have been recorded at fair value as follows:

	<u>2022</u>	<u>2021</u>	<u>Usage in Program/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Techniques</u>
Legal services	\$ 10,940	\$ 4,000	Administrative and general	None	Estimated based on current rates of legal services provided by law firm

Partnership for After School Education, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

2. Summary of Significant Accounting Policies (*continued*)

CARES Act Stimulus Revenue

During fiscal year 2022, PASE recorded revenue related to the Employee Retention Tax Credit (the “ERTC”) in the amount of \$112,000. The ERTC, established as part of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES” Act), allows eligible employers to receive a payroll tax credit based on certain qualifications. The calculation of the credit varies based on the applicable calendar year and the amount of qualified wages paid during a qualifying period. PASE believes it has met the qualifications of the ERTC program and has filed the necessary forms to claim the ERTC. The full amount of the credit is included in grants and accounts receivable on the statement of financial position and in CARES Act stimulus in the statement of activities.

During fiscal years 2022 and 2021, PASE recognized revenue associated with the forgiveness of a Paycheck Protection Program (“PPP”) loan in the amount of \$151,050 and \$134,770 and it is included in CARES Act stimulus in the statement of activities.

Functional Allocation of Expense

The costs of providing PASE’s services have been summarized on a functional basis in the statements of activities and functional expenses. Program expenses include College Prep and Success, Leadership Development and STEM, PASEsetter, Summer Learning, and Principles and Practice, Youth Outcome and Global Learning. Supporting services include Administrative and General and Fundraising. Expenses reported by functional categories include allocation of costs for operations and depreciation and amortization expense. PASE allocates costs among the program and supporting functions based on staff time allocations.

Accounting for Uncertainty in Income Taxes

PASE recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that PASE had no uncertain tax positions that would require financial statement recognition or disclosure. PASE is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to fiscal year 2019.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 16, 2022.

Partnership for After School Education, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

3. Concentration of Credit Risk

Financial instruments that potentially subject PASE to concentrations of credit risk consist principally of cash and cash equivalents and grants and accounts receivable. PASE invests its cash and cash equivalents with quality financial institutions and throughout the year balances in such institutions may exceed the Federal insured limits. Grants and accounts receivable are expected to be collected in the normal course of business.

4. Related Party Transactions

For the years ended June 30, 2022 and 2021, approximately 11% and 15% of total grants and contributions were donated by a single board member.

5. Property and Equipment

Property and equipment at June 30 consist of the following:

	2022	2021
Furniture and equipment	\$ 89,152	\$ 110,107
Leased equipment	108,966	108,966
Leasehold improvements	62,678	56,005
Website	34,125	34,125
Computer and software	97,132	165,724
	<u>392,053</u>	<u>474,927</u>
Accumulated amortization of leased equipment	(83,540)	(61,747)
Accumulated depreciation and amortization	(176,477)	(357,381)
	<u>\$ 132,036</u>	<u>\$ 55,799</u>

For the year ended June 30, 2022, assets with a cost of \$187,840 were written off resulting in a loss of \$2,482. The loss from disposal is included within miscellaneous expenses on the statement of functional expenses for fiscal year 2022.

6. Loan Payable – PPP

On May 7, 2020, PASE received loan proceeds in the amount of \$134,770 under the PPP. The PPP loan, established as part of the CARES Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

On March 3, 2021, the Small Business Administration (“SBA”) notified PASE that its application of forgiveness of the entire PPP loan had been accepted and no repayment of interest or principal would be required. Consequently, the entire loan amount of \$134,770 has been reported as CARES Act stimulus in the accompanying 2021 statement of activities.

Partnership for After School Education, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

6. Loan Payable – PPP (continued)

On March 24, 2021, PASE received additional loan proceeds in the amount of \$151,050 under the PPP. The unforgiven portion of the PPP loan, if any, is payable within five years from the date of the PPP loan with a deferral of payments of principal and interest until the amount of loan forgiveness is approved by the SBA. If PASE does not apply for forgiveness, payments begin approximately 10 months after the loan date. As of June 30, 2021, the PPP loan is recognized as debt on the 2021 statement of financial position.

On May 12, 2022, the SBA notified PASE that its application of forgiveness of the entire PPP loan had been accepted and no repayment of interest or principal would be required. Consequently, the entire loan amount of \$151,050 has been reported as CARES Act stimulus in the accompanying 2022 statement of activities.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are available for the following purposes:

	2022	2021
Fiscal Sponsorship	\$ 185,248	\$ 339,998
Equipment	14,000	14,000
General Support - Time Restricted	941,250	-
	<u>\$ 1,140,498</u>	<u>\$ 353,998</u>

Amounts released from restrictions during the years ended June 30 were for the following purposes:

	2022	2021
Capacity Building - STEM	\$ -	\$ 90,000
Professional Development	-	105,000
Leadership	-	50,000
Summer Learning	-	50,000
Janet Kelly Lecture Series	-	2,000
Fiscal Sponsorship	154,750	-
General Support - Time Restricted	-	50,000
	<u>\$ 154,750</u>	<u>\$ 347,000</u>

Partnership for After School Education, Inc.

Notes to Financial Statements
June 30, 2022 and 2021

8. Liquidity and Availability of Financial Assets

PASE's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 630,313	\$ 567,285
Grants and accounts receivable	<u>817,243</u>	<u>224,566</u>
Total financial assets	1,447,556	791,851
Less contractual or donor imposed restricted amounts:		
Restricted by donor with time or purpose restrictions	<u>(1,140,498)</u>	<u>(353,998)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 307,058</u>	<u>\$ 437,853</u>

PASE's working capital and cash flows are driven by contributions and grant revenue. In addition, PASE holds special events throughout the year to provide additional contribution revenue and further their purpose which includes the PASEsetter Awards Benefit held annually. PASE subleases a portion of their office space to another organization and receives monthly rent payments. Grants and accounts receivable are expected to be collected within one year. PASE structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

9. Lease Commitments

Operating Leases

PASE's previous lease expired in April 2022. On May 1, 2022, PASE entered into a new operating lease for its premises expiring on April 30, 2031. As part of the operating lease, PASE provided a security deposit of \$118,973 which is included in prepaid expenses and other assets on the statement of financial position at June 30, 2022. As of June 30, 2022, future principal payments on the operating lease are as follows:

2023	\$ 219,291
2024	225,870
2025	232,646
2026	239,625
2027	246,814
2028 and Thereafter	<u>1,016,104</u>
	<u>\$ 2,180,350</u>

Partnership for After School Education, Inc.

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9. Lease Commitments *(continued)*

Operating Leases (continued)

PASE subleases a portion of its office space to one tenant. The sublease agreement expires on April 30, 2024. As of June 30, 2022, future payments to be received on subleases are as follows:

2023	\$	98,400
2024		<u>82,000</u>
Total	\$	<u>180,400</u>

Capital Leases

PASE has entered into two capital lease agreements for office equipment which end during fiscal year 2024. The present value of the obligations to the lessors has been recorded as a liability. The equipment is being amortized on the straight-line method over the lease period. The monthly installments on the equipment lease are \$1,995 as of June 30, 2022. The interest rate is 3.76% for the year ended June 30, 2022. Interest expense on this equipment for the years ended June 30, 2022 and 2021 was \$1,556 and \$2,381.

Future minimum payments are as follows:

2023	\$	23,940
2024		<u>5,985</u>
Total		29,925
Less amount representing interest		<u>(737)</u>
Present Value of Net Minimum Lease Payments	\$	<u>29,188</u>

10. Fiscal Sponsorship

On September 1, 2019, PASE entered into a fiscal sponsorship agreement with Women's Leadership Council ("WLC"), a collective of women who lead a breadth of NYC-based nonprofits organizations, including many youth development organizations and afterschool programs. PASE accepts tax-deductible donations on behalf of WLC and administers the expenditures for designated tax-exempt charitable purposes. PASE's fiscal sponsorship of WLC is a temporary arrangement, during which time WLC is expected to work towards obtaining their own 501(c)(3) designation. For this reason, the fiscal sponsorship agreement has a term of one year. If at the end of the sponsorship period WLC has failed to become a 501(c)(3), the agreement may be renewed upon mutual consent. As of the date the financial statements are available for issuance, the agreement has transitioned to a month to month agreement.

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10. Fiscal Sponsorship (*continued*)

During the year ended June 30, 2021, PASE entered into a fiscal sponsorship agreement with Memo I Never Got (“MING”), a new venture created to provide support to leaders focused on creating opportunities and designing spaces to empower BIPOC and women leaders to be bold in their thoughts, words, actions, and impact. PASE accepts tax-deductible donations on behalf of MING and administers the expenditures for designated tax-exempt charitable purposes. PASE’s fiscal sponsorship of MING is a temporary arrangement, during which time MING is expected to work towards obtaining their own 501(c)(3) designation. The term of the fiscal sponsorship agreement is month-to-month.

11. Contingencies

PASE receives grants from governmental agencies for its programs which are subject to financial and compliance audits by the funding agencies. The audits of these programs, including for the years ended June 30, 2022 and 2021, have not yet been conducted. PASE does not reflect in its financial statements any adjustments for potential disallowances of expenses since management believes that all expenses incurred for such programs are allowable costs.

12. Pension Plan

PASE sponsors a defined contribution pension plan that covers employees who have completed three months of service. PASE provides a matching contribution of a discretionary amount which is evaluated and revised on a yearly basis. PASE’s contribution to the plan for the years ended June 30, 2022 and 2021 totaled \$19,236 and \$20,376.

13. COVID-19

The ongoing Coronavirus pandemic has resulted in substantial volatility in the global economy. While management has implemented measures to mitigate the impact of the pandemic, the extent to which PASE’s operations are impacted will depend on future developments.

As a result, the full extent of any adverse impact on the results of operations, financial position, and cash flows in fiscal 2023 cannot be reasonably estimated at this time.

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