

Partnership for After School Education, Inc.

Financial Statements

June 30, 2021 and 2020

Independent Auditors' Report

Board of Directors Partnership for After School Education, Inc.

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, 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 auditors' 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 entity'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 entity'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.

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 PASE 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.

PKF O'Connor Davies, LLP

November 16, 2021

Partnership for After School Education, Inc.

Statements of Financial Position

	June 30,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 567,285	\$ 375,085
Grants and accounts receivable	224,566	162,866
Prepaid expenses and other assets	58,941	25,729
Property and equipment, net	<u>55,799</u>	<u>78,985</u>
	<u><u>\$ 906,591</u></u>	<u><u>\$ 642,665</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 109,163	\$ 104,844
Deferred revenue	10,000	-
Loan payable - PPP	151,050	134,770
Capital lease obligation	51,572	73,131
Deferred rent	12,443	29,034
Security deposit payable	<u>10,000</u>	<u>10,000</u>
Total Liabilities	<u>344,228</u>	<u>351,779</u>
Net Assets (Deficit)		
Without donor restrictions	208,365	(92,043)
With donor restrictions	<u>353,998</u>	<u>382,929</u>
Total Net Assets	<u>562,363</u>	<u>290,886</u>
	<u><u>\$ 906,591</u></u>	<u><u>\$ 642,665</u></u>

See notes to the financial statements

Partnership for After School Education, Inc.

Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
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	347,000	(347,000)	-
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	<u>300,408</u>	<u>(28,931)</u>	<u>271,477</u>
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>

Partnership for After School Education, Inc.

Statement of Activities
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Grants and contributions	\$ 687,576	\$ 377,929	\$ 1,065,505
In-kind contributions	4,000	-	4,000
Special events, net of			
direct benefit to donors of \$254,659	517,243	-	517,243
Contract and program fees	73,197	-	73,197
Rental and other income	139,900	-	139,900
Interest income	15	-	15
Net assets released from restrictions	<u>185,000</u>	<u>(185,000)</u>	<u>-</u>
Total Public Support and Revenue	<u>1,606,931</u>	<u>192,929</u>	<u>1,799,860</u>
OPERATING EXPENSES			
Program services	<u>1,503,474</u>	<u>-</u>	<u>1,503,474</u>
Supporting Services			
Administrative and general	135,659	-	135,659
Fundraising	<u>302,039</u>	<u>-</u>	<u>302,039</u>
Total Supporting Services	<u>437,698</u>	<u>-</u>	<u>437,698</u>
Total Operating Expenses	<u>1,941,172</u>	<u>-</u>	<u>1,941,172</u>
Excess (Deficiency) of Public Support and Revenue over Operating Expenses Before Depreciation and Amortization	(334,241)	192,929	(141,312)
Depreciation and amortization	<u>(24,547)</u>	<u>-</u>	<u>(24,547)</u>
Change in Net Assets	<u>(358,788)</u>	<u>192,929</u>	<u>(165,859)</u>
NET ASSETS (DEFICIT)			
Beginning of year	<u>266,745</u>	<u>190,000</u>	<u>456,745</u>
End of year	<u>\$ (92,043)</u>	<u>\$ 382,929</u>	<u>\$ 290,886</u>

Partnership for After School Education, Inc.

Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services						Supporting Services											
	College Prep and Success		Summer Learning		Principles and Practice, Youth Outcome and Global Learning		Leadership Development and STEM		Fiscal Sponsorships		Program Services Total	Administrative and General		Fundraising		Supporting Services Total	Total	
	Salaries	\$ 114,848	Salaries	\$ 87,752	Salaries	\$ 105,618	Salaries	\$ 214,235	Salaries	\$ -	\$ 522,453	Salaries	\$ 57,854	Salaries	\$ 107,833	Salaries	\$ 165,687	\$ 688,140
PERSONNEL COSTS	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			\$ 272,572			\$ 664,699			\$ 73,590		\$ 137,189	\$ 210,779
																		\$ 875,478
OTHER THAN PERSONNEL COSTS																		
Stipends																		
Professional and consulting fees		\$ 17,283		\$ 13,203		\$ 31,690		\$ 198,916		\$ 44,955		\$ 306,047		\$ 32,949		\$ 23,764		\$ 56,713
Occupancy		\$ 41,087		\$ 31,388		\$ 37,788		\$ 76,660				\$ 186,923		\$ 20,680		\$ 38,576		\$ 59,256
Telephone and communications		\$ 4,072		\$ 3,111		\$ 7,139		\$ 7,598				\$ 21,920		\$ 2,050		\$ 3,824		\$ 5,874
Supplies and office expenses		\$ 746		\$ 570		\$ 686		\$ 1,393				\$ 3,395		\$ 376		\$ 701		\$ 1,077
Postage and mailing		\$ 453		\$ 346		\$ 417		\$ 846				\$ 2,062		\$ 228		\$ 426		\$ 654
Event catering and presentation																		
Travel and related expenses		\$ 155		\$ 131		\$ 4		\$ 92				\$ 382		\$ 2		\$ 429		\$ 431
Dues and subscriptions		\$ 407		\$ 59		\$ 71		\$ 1,302				\$ 1,839		\$ 33		\$ 1,752		\$ 1,785
Printing and copying		\$ 55		\$ 42		\$ 50		\$ 102				\$ 249		\$ 28		\$ 2,707		\$ 2,735
Workshops, meetings and conferences																		
Equipment rental, repairs and maintenance		\$ 823		\$ 628		\$ 757		\$ 1,535				\$ 3,743		\$ 414		\$ 772		\$ 1,186
Insurance		\$ 4,991		\$ 3,813		\$ 4,590		\$ 9,312				\$ 22,706		\$ 2,511		\$ 4,686		\$ 7,197
Staff development and training		\$ 1,084		\$ 408		\$ 492		\$ 8,922				\$ 10,906		\$ 270		\$ 1,358		\$ 1,628
Interest		\$ 397		\$ 304		\$ 365		\$ 741				\$ 1,807		\$ 201		\$ 373		\$ 574
Bank and merchant fees		\$ 674		\$ 516		\$ 621		\$ 1,311		\$ 960		\$ 4,082		\$ 339		\$ 2,142		\$ 2,481
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
Depreciation and amortization		\$ 4,204		\$ 3,211		\$ 3,866		\$ 7,843				\$ 19,124		\$ 2,115		\$ 3,947		\$ 6,062
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.

Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services						Supporting Services					
	College Prep and Success		PASEsetter		Summer Learning	Principles and Practice, Youth Outcome and Global Learning	Leadership Development and STEM	Program Services Total	Administrative and General	Fundraising	Supporting Services Total	Total
	Salaries	\$ 100,967	\$ 54,696	\$ 74,145	\$ 87,754	\$ 172,170	\$ 489,732	\$ 60,330	\$ 135,170	\$ 195,500	\$ 685,232	
PERSONNEL COSTS	Stipends	-	25,000	69,000	-	35,000	129,000	-	-	-	129,000	
	Professional and consulting fees	25,629	13,883	18,821	22,275	208,177	288,785	15,314	34,311	49,625	338,410	
	Occupancy	57,239	44,268	42,034	49,749	97,605	290,895	34,201	63,369	97,570	388,465	
	Telephone and communications	3,422	2,660	2,513	2,975	5,836	17,406	2,045	3,802	5,847	23,253	
	Supplies and office expenses	1,225	881	900	1,064	12,054	16,124	732	1,432	2,164	18,288	
	Postage and mailing	391	313	287	339	1,376	2,706	233	483	716	3,422	
	Event catering and presentation	413	579	385	359	22,313	24,049	246	259,947	260,193	284,242	
	Travel and related expenses	449	27	75	43	799	1,393	29	66	95	1,488	
	Dues and subscriptions	759	289	392	464	4,131	6,035	319	1,037	1,356	7,391	
	Printing and copying	-	-	936	-	-	936	-	-	-	936	
	Workshops, meetings and conferences	1,200	-	5,909	-	47,360	54,469	-	-	-	54,469	
	Equipment rental, repairs and maintenance	952	736	699	828	1,624	4,839	569	1,045	1,614	6,453	
	Bad debt	-	-	-	-	-	-	-	4,795	4,795	4,795	
	Advertising	12	6	9	10	520	557	7	15	22	579	
	Insurance	4,160	3,217	3,055	3,615	7,093	21,140	2,485	4,605	7,090	28,230	
	Staff development and training	403	218	296	350	688	1,955	241	540	781	2,736	
	Interest	470	254	346	409	802	2,281	281	630	911	3,192	
	Bank and merchant fees	543	294	399	472	1,134	2,842	354	4,511	4,865	7,707	
		228,815	163,887	242,658	197,285	670,829	1,503,474	135,659	556,698	692,357	2,195,831	
	Less expenses of direct benefit to donors	-	-	-	-	-	-	-	(254,659)	(254,659)	(254,659)	
	Total Expenses Before Depreciation and Amortization	228,815	163,887	242,658	197,285	670,829	1,503,474	135,659	302,039	437,698	1,941,172	
	Depreciation and amortization	3,617	1,959	2,656	3,144	6,168	17,544	2,161	4,842	7,003	24,547	
	Total Expenses	\$ 232,432	\$ 165,846	\$ 245,314	\$ 200,429	\$ 676,997	\$ 1,521,018	\$ 137,820	\$ 306,881	\$ 444,701	\$ 1,965,719	

Partnership for After School Education, Inc.

Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 271,477	\$ (165,859)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	25,186	24,547
Bad debt	-	4,795
Loan forgiveness - PPP	(134,770)	-
Amortization of deferred rent	(16,591)	(16,592)
Change in operating assets and liabilities		
Grants and accounts receivable	(61,700)	29,901
Prepaid expenses and other assets	(33,212)	(4,985)
Accounts payable and accrued expenses	4,319	70,135
Deferred revenue	10,000	-
Refundable advances	-	(3,176)
Net Cash from Operating Activities	<u>64,709</u>	<u>(61,234)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(2,000)</u>	<u>(9,739)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds - PPP	151,050	134,770
Payments on capital lease obligation	<u>(21,559)</u>	<u>(20,765)</u>
Net Cash from Financing Activities	<u>129,491</u>	<u>114,005</u>
Net Change in Cash and Cash Equivalents	<u>192,200</u>	<u>43,032</u>
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>375,085</u>	<u>332,053</u>
End of year	<u>\$ 567,285</u>	<u>\$ 375,085</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 2,381	\$ 3,192

Partnership for After School Education, Inc.

Notes to Financial Statements June 30, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020

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, 2021 and 2020 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 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.

Donated goods consist of items received by PASE and awarded as prizes during the auctions held in relation to special events. These goods are recognized as both support and expense at their estimated fair values at the date of receipt.

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.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2021 and 2020 was \$0 and \$579.

Partnership for After School Education, Inc.

Notes to Financial Statements June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

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, Principles and Practice, Youth Outcome and Global Learning and Fiscal Sponsorships. 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 2018.

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, 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, 2021 and 2020, approximately 15% and 14% of total grants and contributions were donated by a single board member.

Partnership for After School Education, Inc.

Notes to Financial Statements June 30, 2021 and 2020

5. Property and Equipment

Property and equipment at June 30 consist of the following:

	2021	2020
Furniture and equipment	\$ 110,107	\$ 108,107
Leased equipment	108,966	108,966
Leasehold improvements	56,005	56,005
Website	34,125	34,125
Computer and software	<u>165,724</u>	<u>165,724</u>
	474,927	472,927
Accumulated amortization of leased equipment	(61,747)	(39,954)
Accumulated depreciation and amortization	<u>(357,381)</u>	<u>(353,988)</u>
	<u>\$ 55,799</u>	<u>\$ 78,985</u>

6. Loan Payable – PPP

On May 7, 2020, PASE received loan proceeds in the amount of \$134,770 under the Paycheck Protection Program (“PPP Loan”). The PPP Loan, established as part of the Coronavirus Aid, Relief and Economic Security Act (“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 loan and accrued interest is 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.

The unforgiven portion of the PPP Loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. PASE intends to use the entire PPP Loan amount for qualifying expenses. Under the terms of the PPP Loan, certain amounts of the PPP Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

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.

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. PASE will recognize the income from the forgiveness of the PPP loan when it receives the notification of forgiveness from SBA in accordance with Accounting Standards Codification (“ASC”) 470, Debt.

Partnership for After School Education, Inc.

Notes to Financial Statements June 30, 2021 and 2020

6. Loan Payable – PPP (*continued*)

The approximate annual maturities of the PPP Loan over the next five years are payable as follows (provided the PPP Loan is not forgiven) for the fiscal years ending June 30:

2022	\$ 12,588
2023	30,210
2024	30,210
2025	30,210
2026	30,210
Thereafter	<u>17,622</u>
	<u><u>\$ 151,050</u></u>

7. 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:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 567,285	\$ 375,085
Grants and accounts receivable	<u>224,566</u>	<u>162,866</u>
Total financial assets	<u>791,851</u>	<u>537,951</u>
Less contractual or donor imposed restricted amounts:		
Restricted by donor with time or purpose restrictions	<u>(353,998)</u>	<u>(382,929)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 437,853</u></u>	<u><u>\$ 155,022</u></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.

Partnership for After School Education, Inc.

Notes to Financial Statements June 30, 2021 and 2020

8. Net Assets With Donor Restrictions

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

	2021	2020
Capacity Building - STEM	\$ -	\$ 90,000
Professional Development	-	105,000
Summer Learning	-	50,000
College Prep and Success	-	50,000
Fiscal Sponsorship	339,998	32,929
Equipment	14,000	5,000
General Support - Time Restricted	-	50,000
	<u>\$ 353,998</u>	<u>\$ 382,929</u>

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

	2021	2020
Capacity Building - STEM	\$ 90,000	\$ 85,000
Professional Development	105,000	35,000
Summer Learning	50,000	-
College Prep and Success	50,000	-
Equipment	2,000	-
General Support - Time Restricted	50,000	65,000
	<u>\$ 347,000</u>	<u>\$ 185,000</u>

9. Lease Commitments

Operating Leases

PASE leases its premises under an operating lease expiring on April 30, 2022. During year ended June 30, 2021, PASE received a rent abatement from their landlord in response to the COVID-19 pandemic. For the months of June through August 2020, 50% of the fixed rent and additional rent were fully abated. The remaining 50% was paid upon execution of the abatement agreement. For the months of September through November 2020, PASE paid the full amount of rent in two installments of \$55,773, paid upon execution of the abatement agreement, and \$50,388, paid prior to June 1, 2021. For the months of December 2020 through May 2021, 50% of the fixed rent was fully abated. The remaining 50% was paid monthly. As of June 30, 2021, future payments on operating leases are \$282,049 for the fiscal year ending June 30, 2022.

PASE subleases a portion of its office space to two tenants. One sublease is cancelable and expires on March 31, 2022, while the other sublease is month to month. As of June 30, 2021, future payments to be received on subleases are \$90,000 for fiscal year ending June 30, 2022.

Partnership for After School Education, Inc.

Notes to Financial Statements June 30, 2021 and 2020

9. Lease Commitments (*continued*)

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, 2021. The interest rate is 3.76% for the year ended June 30, 2021. Interest expense on this equipment for the year ended June 30, 2021 and 2020 was \$2,381 and \$3,175.

Future minimum payments are as follows:

2022	\$ 23,940
2023	23,940
2024	<u>5,985</u>
Total	53,865
Less amount representing interest	<u>(2,293)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 51,572</u></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 issuance of the financial statements, the agreement has transitioned to a month to month agreement.

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.

Partnership for After School Education, Inc.

Notes to Financial Statements June 30, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020 totaled \$20,376 and \$25,368.

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 2022 cannot be reasonably estimated at this time.

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