

THE HOPE PROGRAM

Work. Grow. Sustain.

**The HOPE Program, Inc. and Subsidiaries
Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2020 and 2019

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)
YEARS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The HOPE Program, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of The HOPE Program, Inc. and Subsidiaries (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020 and 2019, 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of the Organization as a whole. The consolidating information (shown on pages 16-18) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
January 7, 2021

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019

| ASSETS | <u>2020</u> | <u>2019</u> |
|--|----------------------------|----------------------------|
| Cash and cash equivalents (Notes 2D and 13) | \$ 1,680,882 | \$ 1,490,326 |
| Investments (Notes 2E and 6) | 1,292,580 | 1,305,269 |
| Accounts receivable, net (Note 2G) | 10,765 | 306,407 |
| Contributions and grants receivable, net (Note 2G) | 2,068,350 | 912,421 |
| Prepaid expenses and other assets | 122,632 | 57,115 |
| Property and equipment, net (Notes 2F and 4) | 222,610 | 107,314 |
| Security deposit | <u>72,486</u> | <u>72,486</u> |
| TOTAL ASSETS | <u>\$ 5,470,305</u> | <u>\$ 4,251,338</u> |
| LIABILITIES | | |
| Accounts payable and accrued expenses (Note 2I) | \$ 515,032 | \$ 339,331 |
| Deferred revenue (Note 2H) | - | 904 |
| Refundable advances (Note 15) | <u>320,277</u> | <u>-</u> |
| TOTAL LIABILITIES | <u>835,309</u> | <u>340,235</u> |
| COMMITMENTS AND CONTINGENCIES (Note 5) | | |
| NET ASSETS (Note 2C) | | |
| Without donor restrictions | | |
| General operating | 2,847,197 | 2,750,661 |
| Designated reserve fund (Notes 8 and 9) | <u>500,000</u> | <u>500,000</u> |
| Total without donor restrictions | 3,347,197 | 3,250,661 |
| With donor restrictions (Notes 7 and 8) | <u>1,287,799</u> | <u>660,442</u> |
| TOTAL NET ASSETS | <u>4,634,996</u> | <u>3,911,103</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 5,470,305</u> | <u>\$ 4,251,338</u> |

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

| | Year Ended June 30, 2020 | | | Year Ended June 30, 2019 | | |
|--|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total 2020 | Without Donor Restrictions | With Donor Restrictions | Total 2019 |
| SUPPORT AND REVENUE | | | | | | |
| Foundation and corporate contributions (Notes 2G and 12) | \$ 686,607 | \$ 2,167,050 | \$ 2,853,657 | \$ 643,019 | \$ 1,561,953 | \$ 2,204,972 |
| Individual contributions | 867,911 | 110,000 | 977,911 | 538,197 | - | 538,197 |
| Government grants | 3,316,088 | - | 3,316,088 | 2,601,523 | - | 2,601,523 |
| Other not-for-profit organizations | 21,920 | 30,800 | 52,720 | 70,750 | - | 70,750 |
| Investment activity (Note 6) | (21,848) | (4,536) | (26,384) | 57,947 | - | 57,947 |
| Special events revenue, net (Note 12) | - | - | - | 367,103 | - | 367,103 |
| Program service revenue (Note 2G) | 195,370 | - | 195,370 | 209,230 | - | 209,230 |
| Net assets released from restrictions (Note 2C) | 1,675,957 | (1,675,957) | - | 2,017,583 | (2,017,583) | - |
| TOTAL SUPPORT AND REVENUE | <u>6,742,005</u> | <u>627,357</u> | <u>7,369,362</u> | <u>6,505,352</u> | <u>(455,630)</u> | <u>6,049,722</u> |
| EXPENSES (Note 2K) | | | | | | |
| Program services | 4,918,505 | - | 4,918,505 | 4,554,805 | - | 4,554,805 |
| Supporting services: | | | | | | |
| Management and general | 1,300,487 | - | 1,300,487 | 1,057,651 | - | 1,057,651 |
| Fundraising | 426,477 | - | 426,477 | 398,428 | - | 398,428 |
| Total supporting services | <u>1,726,964</u> | <u>-</u> | <u>1,726,964</u> | <u>1,456,079</u> | <u>-</u> | <u>1,456,079</u> |
| TOTAL EXPENSES | <u>6,645,469</u> | <u>-</u> | <u>6,645,469</u> | <u>6,010,884</u> | <u>-</u> | <u>6,010,884</u> |
| CHANGE IN NET ASSETS | 96,536 | 627,357 | 723,893 | 494,468 | (455,630) | 38,838 |
| Net Assets - Beginning of Year | 3,250,661 | 660,442 | 3,911,103 | 2,756,193 | 1,116,072 | 3,872,265 |
| NET ASSETS - END OF YEAR | <u>\$ 3,347,197</u> | <u>\$ 1,287,799</u> | <u>\$ 4,634,996</u> | <u>\$ 3,250,661</u> | <u>\$ 660,442</u> | <u>\$ 3,911,103</u> |

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

| | For the Year Ended June 30, 2020 | | | | |
|---|----------------------------------|---------------------------|-------------------|---------------------|---------------------|
| | Program Services | Supporting Services | | Total 2020 | Total 2019 |
| | | Management and General | Fundraising | | |
| Salaries | \$ 2,553,257 | \$ 568,662 | \$ 269,413 | \$ 3,391,332 | \$ 2,475,311 |
| Participant salaries | 425,078 | - | - | 425,078 | 579,742 |
| Payroll taxes and benefits (Note 10) | <u>521,457</u> | <u>99,390</u> | <u>46,176</u> | <u>667,023</u> | <u>512,810</u> |
| Total salaries and related costs | 3,499,792 | 668,052 | 315,589 | 4,483,433 | 3,567,863 |
| Professional fees (Note 12) | 219,775 | 317,053 | 4,362 | 541,190 | 674,019 |
| Rent (Notes 2K and 5A) | 359,881 | 84,291 | 42,031 | 486,203 | 434,200 |
| Insurance | 122,694 | 27,900 | 10,833 | 161,427 | 90,617 |
| Student travel and meals | 130,891 | - | - | 130,891 | 188,311 |
| Maintenance and security | 21,051 | 4,063 | 1,856 | 26,970 | 24,217 |
| Printing and postage | 12,089 | - | 15,800 | 27,889 | 25,659 |
| Utilities | 21,692 | 4,836 | 2,291 | 28,819 | 25,684 |
| Telephone | 24,951 | 6,113 | 2,895 | 33,959 | 29,957 |
| Food expense | 34,108 | - | - | 34,108 | 62,299 |
| Program supplies | 316,413 | - | - | 316,413 | 423,610 |
| NYC CoolRoofs program materials (Note 1) | 37,990 | - | - | 37,990 | 249,319 |
| Office expenses | 99,190 | 30,491 | 10,071 | 139,752 | 178,997 |
| Miscellaneous | 6 | 54,136 | - | 54,142 | 30,460 |
| Special events (Notes 11 and 12) | - | - | 20,749 | 20,749 | 84,467 |
| Bad debt expense | - | 74,986 | - | 74,986 | 16,430 |
| Depreciation and amortization (Note 4) | <u>17,982</u> | <u>28,566</u> | <u>-</u> | <u>46,548</u> | <u>24,945</u> |
| | 4,918,505 | 1,300,487 | 426,477 | 6,645,469 | 6,131,054 |
| Less: direct expenses of special events reported net of related revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(120,170)</u> |
| TOTAL EXPENSES | <u>\$ 4,918,505</u> | <u>\$ 1,300,487</u> | <u>\$ 426,477</u> | <u>\$ 6,645,469</u> | <u>\$ 6,010,884</u> |

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

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

| | Supporting Services | | | |
|--|-----------------------------|-----------------------------------|--------------------|---------------------|
| | Program Services | Management and General | Fundraising | Total |
| Salaries | \$ 1,799,087 | \$ 426,504 | \$ 249,720 | \$ 2,475,311 |
| Participant salaries | 579,742 | - | - | 579,742 |
| Payroll taxes and benefits (Note 10) | 372,717 | 88,358 | 51,735 | 512,810 |
| Total salaries and related costs | 2,751,546 | 514,862 | 301,455 | 3,567,863 |
| Professional fees (Note 12) | 232,350 | 397,708 | 43,961 | 674,019 |
| Rent (Notes 2K and 5A) | 323,727 | 61,473 | 49,000 | 434,200 |
| Insurance | 61,684 | 22,621 | 6,312 | 90,617 |
| Student travel and meals | 188,311 | - | - | 188,311 |
| Maintenance and security | 16,920 | 5,302 | 1,995 | 24,217 |
| Printing and postage | 19,402 | 2,207 | 4,050 | 25,659 |
| Utilities | 18,878 | 4,087 | 2,719 | 25,684 |
| Telephone | 22,948 | 3,223 | 3,786 | 29,957 |
| Food expense | 62,299 | - | - | 62,299 |
| Program supplies | 423,610 | - | - | 423,610 |
| NYC CoolRoof program materials (Note 1) | 249,319 | - | - | 249,319 |
| Office expenses | 129,237 | 27,909 | 21,851 | 178,997 |
| Miscellaneous | 30,460 | - | - | 30,460 |
| Special events (Notes 11 and 12) | 998 | - | 83,469 | 84,467 |
| Bad debt expense | 15,930 | 500 | - | 16,430 |
| Depreciation and amortization (Note 4) | 7,186 | 17,759 | - | 24,945 |
| | 4,554,805 | 1,057,651 | 518,598 | 6,131,054 |
| Less: direct expenses of special events reported net of related revenue | - | - | (120,170) | (120,170) |
| TOTAL EXPENSES | \$ 4,554,805 | \$ 1,057,651 | \$ 398,428 | \$ 6,010,884 |

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

**THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

| | 2020 | 2019 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 723,893 | \$ 38,838 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization expense | 46,548 | 24,945 |
| Bad debt expense | 74,986 | 16,430 |
| Realized gain on investments | (12,279) | (11,094) |
| Unrealized loss (gain) on investments | 75,034 | (11,294) |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in assets: | | |
| Accounts receivable | 295,642 | 537,908 |
| Contributions and grants receivable | (1,230,915) | 138,167 |
| Prepaid expenses and other assets | (65,517) | 1,551 |
| Security deposit | - | 2,945 |
| Increase (decrease) in liabilities | | |
| Accounts payable and accrued expenses | 175,701 | 71,324 |
| Deferred revenue | (904) | (41,110) |
| Refundable advances | 320,277 | - |
| Net Cash Provided by Operating Activities | 402,466 | 768,610 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (161,844) | (43,376) |
| Proceeds from sales of investments | 102,122 | 9,651 |
| Purchases of investments | (152,188) | (122,009) |
| Net Cash Used in Investing Activities | (211,910) | (155,734) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 190,556 | 612,876 |
| Cash and cash equivalents - beginning of year | 1,490,326 | 877,450 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 1,680,882 | \$ 1,490,326 |

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

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The HOPE Program, Inc. (“HOPE”) was organized in November 1984 and incorporated in March 1985. HOPE is organized under the Not-for-Profit Corporation Law of the State of New York and has been granted exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. The purpose of HOPE is to empower New Yorkers to lift themselves out of poverty through training, jobs and career advancement. HOPE provides direct services primarily to individuals who live in the five boroughs of New York City.

Sustainable South Bronx, Inc. (“SSBx”) was incorporated in 2002 and is organized under the Not-for-Profit Corporation Law of the State of New York and is located in the Bronx, NY. SSBx has been granted exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. SSBx empowers residents of the South Bronx and other neighborhoods through job training with a focus on green construction (see “NYC CoolRoof program materials” in the accompanying consolidated statements of functional expenses) and building operations/maintenance, and social enterprise.

Intervine, LLC (“Intervine”) is a wholly owned subsidiary of SSBx whose purpose is to employ graduates of HOPE and SSBx’s job training programs through the completion of projects related to the environment, energy efficiency, and building maintenance. Intervine was formed pursuant to and in accordance with the Limited Liability Company Law of the State of New York and became operational in 2008.

HOPE is the sole member of SSBx. Accordingly, the consolidated financial statements of The HOPE Program, Inc. and Subsidiaries (collectively, the “Organization”) have been prepared by consolidating SSBx and Intervine.

During the year ended June 30, 2019, the Organization began the legal process to combine HOPE and SSBx into one corporate entity. The merger was approved by the boards of each entity and the Attorney General of the State of New York effective November 30, 2020.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting*** – The Organization prepares its consolidated financial statements using the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. ***Basis of Consolidation*** – The consolidated financial statements include the accounts of HOPE, SSBx, and Intervine. Upon consolidation, all significant intercompany balances and transactions are eliminated.
- C. ***Net Assets*** – The Organization maintains its accounts in accordance with the following net asset groups:

Without Donor Restrictions

General Operating – represents unrestricted resources available for support of the Organization’s operations over which the Board of Directors has discretionary control.

Designated Reserve Fund – represents funds that have been designated by the Board. These funds are to be used at the sole discretion of the Board for the benefit of the Organization.

Contributions are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

With Donor Restrictions

The Organization reports gifts of cash and other assets which have been received with donor stipulations that limit the use of the donated assets and donor-restricted endowment funds as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished or endowment earnings are appropriated, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets with donor restrictions that have been both earned and have had their restrictions met in the current year are recorded as net assets without donor restrictions.

- D. **Cash and Cash Equivalents** – The Organization considers money market funds and all unrestricted highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
- E. **Investments and Fair Value Measurements** – The Organization reports its investments at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, U.S. GAAP established a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels, as described below:

Level 1: Valuations based on quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; or model derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. As of June 30, 2020 and 2019, the Organization had no financial assets or liabilities whose fair values were determined based on Level 2 inputs.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs. As of June 30, 2020 and 2019, the Organization had no financial assets or liabilities whose fair values were determined based on Level 3 inputs.

- F. **Property and Equipment** – Property, equipment and leasehold improvements are recorded at cost less accumulated depreciation and amortization. The Organization capitalizes property and equipment with a cost of \$1,000 or more and a useful life of greater than one year. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized using the straight-line method over the lesser of their useful lives or the term of the lease.
- G. **Contributions and Grants Receivable** – Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions of services are recognized if the services received create or enhance 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. The Organization reports such contributions at their estimated value when received. Contributions that are expected to be collected in future years are computed using risk-adjusted interest rates applicable to the years in which the contributions are received unless such discount is immaterial.

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization determines whether an allowance for doubtful accounts should be recorded for accounts receivable and contributions and grants receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of June 30, 2020 and 2019, there was an allowance for doubtful accounts amounting to \$53,342 and \$29,342, respectively. As of June 30, 2020 and 2019, all receivables were collectible within one year.

Grants and contracts are nonexchange transactions and accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08. Grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return/release from obligation. There are instances when the Organization receives advances from governmental funding sources and/or foundations. Such advances are recorded as deferred revenue in the accompanying consolidated statements of financial position.

- H. **Deferred Revenue** – Deferred revenue represents assets received by the Organization under governmental grants for which the Organization has not yet met the grant conditions or provided services.
- I. **Deferred Rent** – The Organization leases real property under various leases through 2025. The difference between rental payments due under the lease and rent expense calculated on a straight-line basis for the years ended June 30, 2020 and 2019, amounted to (\$19,687) and \$25,078, respectively, and is reflected in the accompanying consolidated statements of functional expenses within rent expense. As of June 30, 2020 and 2019, a liability in the amount of \$76,421 and \$46,277, respectively, is reflected on the accompanying consolidated statements of financial position within accounts payable and accrued expenses.
- J. **Use of Estimates** – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- K. **Functional Allocation of Expenses** – The costs of providing the Organization's services and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited. Expenses that have been allocated include salaries and payroll taxes and benefits, which are allocated based on estimates of time and effort, and rent, insurance, utilities and office expenses, which are allocated based on the ratio of personnel expenses.
- L. **Recently Enacted Accounting Standard** – FASB ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made" (Topic 958), was adopted by the Organization for the year ended June 30, 2020. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution is conditional. The adoption of ASU 2018-08 did not result in changes as the funding received from contributors are nonreciprocal transactions where the contributors do not receive direct benefit.
- M. **Reclassification** - Certain line items in the June 30, 2019 consolidated financial statements were reclassified to conform to the June 30, 2020 presentation. These changes had no impact on the change in net assets for the year ended June 30, 2019.

NOTE 3 – LIQUIDITY AND AVIALABILITY OF RESOURCES TO MEET GENERAL EXPENDITURES

The Organization's management monitors levels of available financial assets to anticipate cash requirements for general expenditures as obligations become due. As part of the Organization's liquidity management plan, the Organization invests cash in excess of operational needs. The Organization also has a line of credit as more fully described in Note 14.

The Organization has a Board-designated reserve fund, which is more fully described in Note 9 and is not available for general expenditures.

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 – LIQUIDITY AND AVIALABILITY OF RESOURCES TO MEET GENERAL EXPENDITURES
(Continued)

Financial assets available for general expenditure, within one year of the consolidated statements of financial position date, without donor or other restrictions limiting their use, were as follows as of June 30:

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Cash and cash equivalents | \$ 1,680,882 | \$ 1,490,326 |
| Investments | 1,292,580 | 1,305,269 |
| Accounts receivable, net | 10,765 | 306,407 |
| Contributions and grants receivable, net | <u>2,068,350</u> | <u>912,421</u> |
| Total financial assets | 5,052,577 | 4,014,423 |
| Less: donor-restricted net assets | (1,287,799) | (660,442) |
| Less: board-designated net assets | <u>(500,000)</u> | <u>(500,000)</u> |
| Net book value | <u>\$ 3,264,778</u> | <u>\$ 2,853,981</u> |

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

| | <u>2020</u> | <u>2019</u> | <u>Estimated Useful Lives</u> |
|---|--------------------|--------------------|-------------------------------|
| Furniture and equipment | \$ 587,267 | \$ 518,047 | 3-5 years |
| Leasehold improvements | 720,662 | 632,838 | 10 years |
| Website | <u>25,113</u> | <u>20,313</u> | 5 years |
| Total cost | 1,333,042 | 1,171,198 | |
| Less: accumulated depreciation and amortization | <u>(1,110,432)</u> | <u>(1,063,884)</u> | |
| Net book value | <u>\$ 222,610</u> | <u>\$ 107,314</u> | |

For the years ended June 30, 2020 and 2019, depreciation and amortization expense amounted to \$46,548 and \$24,945, respectively,

NOTE 5 – COMMITMENTS AND CONTINGENCIES

- A. The Organization has a lease agreement for space in Brooklyn, NY. The lease term expires on October 31, 2024. The Organization also has a lease agreement for space in the Bronx, NY that expires on February 28, 2025.

Pursuant to the terms of the lease agreements, the Organization's approximate minimum future lease obligations for the years ending after June 30, 2020, are as follows:

| | |
|------|---------------------|
| 2021 | \$ 460,000 |
| 2022 | 474,000 |
| 2023 | 488,000 |
| 2024 | 503,000 |
| 2025 | <u>205,000</u> |
| | <u>\$ 2,130,000</u> |

Rent expense amounted to \$486,203 and \$434,200 for the years ended June 30, 2020 and 2019, respectively.

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 – COMMITMENTS AND CONTINGENCIES (Continued)

- B. The Organization believes it has no uncertain tax positions as of June 30, 2020 and 2019, in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- C. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization’s operations and financial results will depend on future developments, including the duration and spread of the outbreak. The Organization continues to monitor the pandemic and the actual and potential impact on its financial position and results of operations.

NOTE 6 – INVESTMENTS AND INVESTMENT ACTIVITY

Investments carried at fair value (all Level 1 measurements) are as follows as of June 30:

| | <u>2020</u> | <u>2019</u> |
|-----------------------|---------------------|---------------------|
| Mutual funds | \$ 432,942 | \$ 382,474 |
| Exchange traded funds | <u>859,638</u> | <u>922,795</u> |
| | <u>\$ 1,292,580</u> | <u>\$ 1,305,269</u> |

Investments in common stock, actively traded mutual funds, and exchange traded funds (a marketable security that tracks an index) are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Investment activity consists of the following for the years ended June 30:

| | <u>2020</u> | <u>2019</u> |
|------------------------------|--------------------|------------------|
| Interest and dividend income | \$ 36,371 | \$ 35,559 |
| Realized gain | 12,279 | 11,094 |
| Unrealized (loss) gain | <u>(75,034)</u> | <u>11,294</u> |
| | <u>\$ (26,384)</u> | <u>\$ 57,947</u> |

Interest and dividend income includes interest earned on cash and cash equivalent balances. Investments are subject to market volatility that could substantially change their values.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods as of June 30:

| | <u>2020</u> | <u>2019</u> |
|------------------------------------|---------------------|-------------------|
| Program services | \$ 670,713 | \$ 313,172 |
| Time restricted for future periods | 124,585 | 127,039 |
| Time and purpose restricted | 272,270 | - |
| Endowment corpus | <u>220,231</u> | <u>220,231</u> |
| | <u>\$ 1,287,799</u> | <u>\$ 660,442</u> |

NOTE 8 – ENDOWMENT NET ASSETS

The Organization accounts for its endowment funds in accordance with U.S. GAAP and its interpretation of state law. The assets that are classified as donor-restricted endowment funds are included in cash and investments in the accompanying consolidated statements of financial position. The income from these assets is to be used for support of the Organization’s general activities.

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 8 – ENDOWMENT NET ASSETS (Continued)

U.S. GAAP provides guidance on the net asset classifications of donor-restricted endowment funds for not-for-profit organizations that are subject to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”). The Board of Directors has interpreted NYPMIFA as requiring the preservation of the historical dollar value of the original donor restricted endowment gift as of the gift date, absent explicit donor stipulations to the contrary. See Note 2C for how the Organization maintains its net assets.

The Organization’s investment objective is to diversify its investments without incurring volatility in the rate of return and to avoid undue risk concentration in any asset class. The Board of Directors has appointed its Finance Committee to manage its investments. They are assisted by an Investment Committee which includes several members of the Finance Committee as well as several additional (non-Board) members with experience in money management. The Investment Committee is chaired by a member of the Finance Committee and the collective experience of the members is extensive.

The investment income from donor-restricted endowment funds (whose earnings are not already restricted by the donor) is classified as net assets with donor restrictions until appropriated for expenditure by the Board. The Board (or a designated committee of the Board) determines (using a rolling 5-year average) how much of the earnings of such donor-restricted endowment funds to appropriate for expenditure up to 7% as deemed prudent at the time. Any unappropriated earnings that are not otherwise restricted by the donor are reflected as net assets with donor restrictions until appropriated.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the endowment corpus. Deficiencies of this nature are reported in net assets with donor restrictions. For the years ended June 30, 2020 and 2019, these deficiencies amounted to \$4,536 and \$0, respectively, and are included in Note 7 in net assets with donor restrictions that are time restricted for future periods.

Changes in endowment net assets for the year ended June 30, 2020, are as follows:

| | <u>Board Designated</u> | <u>Unappropriated Earnings</u> | <u>Endowment Corpus</u> | <u>Total 2020</u> |
|---|-----------------------------|------------------------------------|-----------------------------|-----------------------|
| Investment activity (See Note below) | \$ - | \$ (4,536) | \$ - | \$ (4,536) |
| Board appropriations | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in endowment net assets | - | (4,536) | - | (4,536) |
| Endowment net assets, beginning of year | <u>500,000</u> | <u>-</u> | <u>220,231</u> | <u>720,231</u> |
| Endowment net assets, end of year | <u>\$ 500,000</u> | <u>\$ (4,536)</u> | <u>\$ 220,231</u> | <u>\$ 715,695</u> |

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

| | <u>Board Designated</u> | <u>Unappropriated Earnings</u> | <u>Endowment Corpus</u> | <u>Total 2019</u> |
|---|-----------------------------|------------------------------------|-----------------------------|-----------------------|
| Investment activity (See Note below) | \$ - | \$ 9,777 | \$ - | \$ 9,777 |
| Board appropriations | <u>-</u> | <u>(9,777)</u> | <u>-</u> | <u>(9,777)</u> |
| Change in endowment net assets | - | - | - | - |
| Endowment net assets, beginning of year | <u>500,000</u> | <u>-</u> | <u>220,231</u> | <u>720,231</u> |
| Endowment net assets, end of year | <u>\$ 500,000</u> | <u>\$ -</u> | <u>\$ 220,231</u> | <u>\$ 720,231</u> |

* Investment activity for the endowment fund only reflects the donor-restricted endowment since the Board Designated Fund earnings are allocated to net assets without donor restrictions.

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 – DESIGNATED RESERVE FUND

The Organization’s Board of Directors maintains a \$500,000 Designated Reserve Fund, solely for use at the discretion of the Board.

NOTE 10 – RETIREMENT PLAN

The Organization has a 401(k) Plan (the “Plan”) which covers all employees meeting the eligibility requirements. The Organization may elect to make matching contributions to the Plan. Employer contributions during the years ended June 30, 2020 and 2019, amounted to \$41,864 and \$40,870, respectively.

NOTE 11 – SPECIAL EVENTS

The Organization holds an annual fundraising event: “A Taste of HOPE”. Net revenue from these events excluding in-kind support, as described in Note 12, amounted to \$429,521 for the year ended June 30, 2019 as follows:

| | Total 2019 | In-Kind | Net of In-Kind |
|-----------------|-------------------|-----------------|-------------------|
| Revenue | \$ 487,273 | \$ 57,752 | \$ 429,521 |
| Direct expenses | <u>(120,170)</u> | <u>(57,752)</u> | <u>(62,418)</u> |
| Net Revenue | <u>\$ 367,103</u> | <u>\$ -</u> | <u>\$ 367,103</u> |

Due to the COVID-19 pandemic, A Taste of HOPE was not held during the year ended June 30, 2020. When donors allowed the Organization to keep the rights to their event revenue, the Organization recognized such revenue as contribution revenue on the accompanying consolidated statements of activities.

NOTE 12 – IN-KIND SUPPORT

In-kind contributions are included in foundation and corporate contributions and special events revenue in the accompanying consolidated statements of activities. A portion of this amount is offset by like amounts included in the consolidated statements of functional expenses.

In-kind support consisted of the following for the years ended June 30:

| | 2020 | 2019 |
|---|------------------|------------------|
| Legal | \$ 60,400 | \$ 23,747 |
| Donated equipment | 14,945 | - |
| Other | 6,910 | - |
| Special events revenue – event, venue, and catering | <u>-</u> | <u>57,752</u> |
| | <u>\$ 82,255</u> | <u>\$ 81,499</u> |

NOTE 13 – CONCENTRATIONS

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that may exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Interest bearing accounts are insured up to \$250,000 per depositor. As of June 30, 2020 and 2019, cash and cash equivalents held in three banks and one bank exceeded FDIC limits by approximately \$655,000 and \$269,000, respectively.

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 14 – BANK LINE OF CREDIT

SSBx has an unsecured line of credit with a bank and a maximum borrowing limit of \$275,000 to provide working capital. The line of credit is payable on demand and bears interest at a variable rate of The Wall Street Journal prime rate plus .50% per annum for the years ended June 30, 2020 and 2019. The line of credit matured in June 2020 and was renewed with a maturity date in June 2021. There are no loan covenants associated with the line of credit. As of both June 30, 2020 and 2019, outstanding borrowings on the line of credit amounted to \$0. As of January 7, 2021, outstanding borrowings on the line of credit amounted to \$0.

NOTE 15 – REFUNDABLE ADVANCES – PAYCHECK PROTECTION PROGRAM

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help entities retain employees, the CARES Act provides relief to qualifying entities through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enabled HOPE and Intervine to obtain loans from a Small Business Administration (“SBA”) authorized lender. If the proceeds from the loan are used for specified purposes and other requirements are met, some or all of the loan can be forgiven. If proceeds are not forgiven, they are due back to the lender over a five-year period and bear interest at 1 percent. On May 8, 2020, HOPE received a loan of \$621,694 and Intervine received a loan of \$79,559.

The Organization accounts for the PPP loan in accordance with ASC 958-605, which provides that revenue be recognized as barriers are substantially met. The Organization considers forgiveness by the lender and SBA to be an administrative provision of the program and not a barrier or condition of revenue recognition. During the year ended June 30, 2020, the Organization recognized revenue of \$380,976, which is included with government grant revenue in the accompanying consolidated statements of activities. The remaining balance of \$320,277 is reflected as refundable advances on the accompanying consolidated statements of financial position. The Organization anticipates applying for forgiveness of the entire balance during the year ended June 30, 2021.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the consolidated statement of financial position through January 7, 2021, the date the consolidated financial statements were available to be issued.

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION
AS OF JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

| | As of June 30, 2020 | | | | Consolidated Total 2020 | Consolidated Total 2019 |
|--|---------------------------|----------------------------------|-------------------|-------------------------------|-------------------------------|-------------------------------|
| | The HOPE Program, Inc. | Sustainable South Bronx, Inc. | Intervine, LLC | Consolidating Eliminations | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 1,437,718 | \$ 150,018 | \$ 93,146 | \$ - | \$ 1,680,882 | \$ 1,490,326 |
| Investments | 1,292,580 | - | - | - | 1,292,580 | 1,305,269 |
| Accounts receivable, net | - | - | 10,765 | - | 10,765 | 306,407 |
| Contributions and grants receivable, net | 1,435,634 | 632,716 | - | - | 2,068,350 | 912,421 |
| Due from related party | 1,549,020 | 329,222 | 364,702 | (2,242,944) | - | - |
| Prepaid expenses and other assets | 60,372 | - | 62,260 | - | 122,632 | 57,115 |
| Property and equipment, net | 158,610 | 64,000 | - | - | 222,610 | 107,314 |
| Security deposit | 56,168 | 16,318 | - | - | 72,486 | 72,486 |
| TOTAL ASSETS | \$ 5,990,102 | \$ 1,192,274 | \$ 530,873 | \$ (2,242,944) | \$ 5,470,305 | \$ 4,251,338 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | \$ 412,781 | \$ 80,896 | \$ 21,355 | \$ - | \$ 515,032 | \$ 339,331 |
| Due to related party | 364,702 | 1,549,020 | 329,222 | (2,242,944) | - | - |
| Deferred revenue | - | - | - | - | - | 904 |
| Refundable advances | 262,912 | - | 57,365 | - | 320,277 | - |
| TOTAL LIABILITIES | 1,040,395 | 1,629,916 | 407,942 | (2,242,944) | 835,309 | 340,235 |
| NET ASSETS | | | | | | |
| Without donor restrictions | | | | | | |
| General operating | 3,273,073 | (473,807) | 47,931 | - | 2,847,197 | 2,750,661 |
| Designated reserve fund | 500,000 | - | - | - | 500,000 | 500,000 |
| Total without donor restrictions | 3,773,073 | (473,807) | 47,931 | - | 3,347,197 | 3,250,661 |
| With donor restrictions | 1,176,634 | 36,165 | 75,000 | - | 1,287,799 | 660,442 |
| TOTAL NET ASSETS | 4,949,707 | (437,642) | 122,931 | - | 4,634,996 | 3,911,103 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 5,990,102 | \$ 1,192,274 | \$ 530,873 | \$ (2,242,944) | \$ 5,470,305 | \$ 4,251,338 |

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULES OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

| | For the Year Ended June 30, 2020 | | | | | | | | | | | |
|---|----------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|-------------------|-------------------------------|----------------------------|----------------------------|
| | The HOPE Program, Inc. | | | Sustainable South Bronx, Inc. | | | Intervine, LLC | | | Consolidating Eliminations | Consolidated Total 2020 | Consolidated Total 2019 |
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total | | | |
| SUPPORT AND REVENUE: | | | | | | | | | | | | |
| Foundation and corporate contributions | \$ 347,227 | \$ 1,950,550 | \$ 2,297,777 | \$ 324,130 | \$ 141,500 | \$ 465,630 | \$ 15,250 | \$ 75,000 | \$ 90,250 | \$ - | \$ 2,853,657 | \$ 2,204,972 |
| Individual contributions | 861,569 | 105,000 | 966,569 | 6,342 | 5,000 | 11,342 | - | - | - | - | 977,911 | 538,197 |
| Government grants | 1,438,648 | - | 1,438,648 | 1,390,943 | - | 1,390,943 | 486,497 | - | 486,497 | - | 3,316,088 | 2,601,523 |
| Other not-for-profit organizations | 21,920 | 30,800 | 52,720 | - | - | - | - | - | - | - | 52,720 | 70,750 |
| Investment activity | (22,089) | (4,536) | (26,625) | 241 | - | 241 | - | - | - | - | (26,384) | 57,947 |
| Special events revenue | - | - | - | - | - | - | - | - | - | - | - | 367,103 |
| Program service revenue | - | - | - | - | - | - | 195,370 | - | 195,370 | - | 195,370 | 209,230 |
| Net assets released from restrictions | 1,485,350 | (1,485,350) | - | 190,607 | (190,607) | - | - | - | - | - | - | - |
| TOTAL SUPPORT AND REVENUE | 4,132,625 | 596,464 | 4,729,089 | 1,912,263 | (44,107) | 1,868,156 | 697,117 | 75,000 | 772,117 | - | 7,369,362 | 6,049,722 |
| OPERATING EXPENSES: | | | | | | | | | | | | |
| Program Services | 2,835,131 | - | 2,835,131 | 1,520,013 | - | 1,520,013 | 563,361 | - | 563,361 | - | 4,918,505 | 4,554,805 |
| Supporting Services: | | | | | | | | | | | | |
| Management and general | 832,214 | - | 832,214 | 352,302 | - | 352,302 | 115,971 | - | 115,971 | - | 1,300,487 | 1,057,651 |
| Fundraising | 349,057 | - | 349,057 | 70,080 | - | 70,080 | 7,340 | - | 7,340 | - | 426,477 | 398,428 |
| Total supporting services | 1,181,271 | - | 1,181,271 | 422,382 | - | 422,382 | 123,311 | - | 123,311 | - | 1,726,964 | 1,456,079 |
| TOTAL OPERATING EXPENSES | 4,016,402 | - | 4,016,402 | 1,942,395 | - | 1,942,395 | 686,672 | - | 686,672 | - | 6,645,469 | 6,010,884 |
| CHANGE IN NET ASSETS | 116,223 | 596,464 | 712,687 | (30,132) | (44,107) | (74,239) | 10,445 | 75,000 | 85,445 | - | 723,893 | 38,838 |
| Net Assets (Deficit) - Beginning of Year | 3,656,850 | 580,170 | 4,237,020 | (443,675) | 80,272 | (363,403) | 37,486 | - | 37,486 | - | 3,911,103 | 3,872,265 |
| NET ASSETS (DEFICIT) - END OF YEAR | \$ 3,773,073 | \$ 1,176,634 | \$ 4,949,707 | \$ (473,807) | \$ 36,165 | \$ (437,642) | \$ 47,931 | \$ 75,000 | \$ 122,931 | \$ - | \$ 4,634,996 | \$ 3,911,103 |

THE HOPE PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Totals for June 30, 2019)

| | For the Year Ended June 30, 2020 | | | | | | | | | | | | Consolidated Total 2020 | Consolidated Total 2019 |
|--|----------------------------------|------------------------------|-------------------|---------------------|-------------------------------|------------------------------|------------------|---------------------|---------------------|------------------------------|-----------------|-------------------|----------------------------|----------------------------|
| | The HOPE Program, Inc. | | | | Sustainable South Bronx, Inc. | | | | Intervine, LLC | | | | | |
| | Supporting Services | | | | Supporting Services | | | | Supporting Services | | | | | |
| | Program Services | Management and General | Fundraising | Total | Program Services | Management and General | Fundraising | Total | Program Services | Management and General | Fundraising | Total | | |
| Salaries | \$ 1,566,826 | \$ 393,691 | \$ 213,430 | \$ 2,173,947 | \$ 819,791 | \$ 128,993 | \$ 50,780 | \$ 999,564 | \$ 166,640 | \$ 45,978 | \$ 5,203 | \$ 217,821 | \$ 3,391,332 | \$ 2,475,311 |
| Participant salaries | 90,792 | - | - | 90,792 | 141,615 | - | - | 141,615 | 192,671 | - | - | 192,671 | 425,078 | 579,742 |
| Payroll taxes and benefits | 289,530 | 68,809 | 37,301 | 395,640 | 168,210 | 22,545 | 8,875 | 199,630 | 63,717 | 8,036 | - | 71,753 | 667,023 | 512,810 |
| Total salaries and related costs | 1,947,148 | 462,500 | 250,731 | 2,660,379 | 1,129,616 | 151,538 | 59,655 | 1,340,809 | 423,028 | 54,014 | 5,203 | 482,245 | 4,483,433 | 3,567,863 |
| Professional fees | 165,980 | 191,235 | 3,109 | 360,324 | 41,111 | 82,883 | 857 | 124,851 | 12,684 | 42,935 | 396 | 56,015 | 541,190 | 674,019 |
| Rent | 272,867 | 68,562 | 37,169 | 378,598 | 69,823 | 10,986 | 4,325 | 85,134 | 17,191 | 4,743 | 537 | 22,471 | 486,203 | 434,200 |
| Insurance | 55,364 | 13,911 | 7,542 | 76,817 | 38,694 | 6,088 | 2,397 | 47,179 | 28,636 | 7,901 | 894 | 37,431 | 161,427 | 90,617 |
| Student travel and meals | 97,635 | - | - | 97,635 | 19,519 | - | - | 19,519 | 13,737 | - | - | 13,737 | 130,891 | 188,311 |
| Maintenance and security | 7,566 | 1,901 | 1,031 | 10,498 | 13,145 | 2,068 | 814 | 16,027 | 340 | 94 | 11 | 445 | 26,970 | 24,217 |
| Printing and postage | 11,901 | - | 15,800 | 27,701 | 122 | - | - | 122 | 66 | - | - | 66 | 27,889 | 25,659 |
| Utilities | 13,344 | 3,353 | 1,818 | 18,515 | 6,915 | 1,088 | 428 | 8,431 | 1,433 | 395 | 45 | 1,873 | 28,819 | 25,684 |
| Telephone | 19,443 | 4,885 | 2,648 | 26,976 | 2,455 | 386 | 152 | 2,993 | 3,053 | 842 | 95 | 3,990 | 33,959 | 29,957 |
| Food expense | 26,819 | - | - | 26,819 | 6,408 | - | - | 6,408 | 881 | - | - | 881 | 34,108 | 62,299 |
| Program supplies | 119,057 | - | - | 119,057 | 140,145 | - | - | 140,145 | 57,211 | - | - | 57,211 | 316,413 | 423,610 |
| NYC CoolRoof program materials | - | - | - | - | 37,990 | - | - | 37,990 | - | - | - | - | 37,990 | 249,319 |
| Office expenses | 80,019 | 21,731 | 8,460 | 110,210 | 14,070 | 7,354 | 1,452 | 22,876 | 5,101 | 1,406 | 159 | 6,666 | 139,752 | 178,997 |
| Miscellaneous | 6 | 54,136 | - | 54,142 | - | - | - | - | - | - | - | - | 54,142 | 30,460 |
| Special events | - | - | 20,749 | 20,749 | - | - | - | - | - | - | - | - | 20,749 | 84,467 |
| Bad debt expense | - | 10,000 | - | 10,000 | - | 61,345 | - | 61,345 | - | 3,641 | - | 3,641 | 74,986 | 16,430 |
| Depreciation and amortization | 17,982 | - | - | 17,982 | - | 28,566 | - | 28,566 | - | - | - | - | 46,548 | 24,945 |
| | 2,835,131 | 832,214 | 349,057 | 4,016,402 | 1,520,013 | 352,302 | 70,080 | 1,942,395 | 563,361 | 115,971 | 7,340 | 686,672 | 6,645,469 | 6,131,054 |
| Less: direct expenses of special events reported net of related revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | (120,170) |
| TOTAL EXPENSES | \$ 2,835,131 | \$ 832,214 | \$ 349,057 | \$ 4,016,402 | \$ 1,520,013 | \$ 352,302 | \$ 70,080 | \$ 1,942,395 | \$ 563,361 | \$ 115,971 | \$ 7,340 | \$ 686,672 | \$ 6,645,469 | \$ 6,010,884 |