Financial Statements
June 30, 2023 and 2022

New Pathways for Youth, Inc.

Independent Auditor's Report

To the Board of Directors
New Pathways for Youth, Inc.
Phoenix, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New Pathways for Youth, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Eide Bailly LLP

Phoenix, Arizona
September 19, 2023

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 4,188,912	$ 5,780,215
Current portion of promises to give, net	510,518	710,658
Prepaid expenses and other	6,258	5,176
Investments	2,266,884	4,491
Total current assets	6,972,572	6,500,540
Promises to Give, Less Current Portion	-	107,553
Property and Equipment, Net	3,322,940	3,358,299
Total assets	$ 10,295,512	$ 9,966,392
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 58,681	$ 26,213
Accrued expenses	86,436	47,445
Total current liabilities	145,117	73,658
Total liabilities	145,117	73,658
Net Assets		
Without donor restrictions	9,390,595	9,086,925
With donor restrictions	759,800	805,809
Total net assets	10,150,395	9,892,734
Total liabilities and net assets	$ 10,295,512	$ 9,966,392

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Support, and Gains			
Contributions	$ 1,431,163	$ 655,652	$ 2,086,815
Contributions in-kind	67,938	-	67,938
Government grants	376,273	125,000	501,273
Gross special events revenue	530,187	-	530,187
Less cost of direct benefits to donors	(46,839)	-	(46,839)
Net special event revenue	483,348	-	483,348
Interest and dividends	38,932	-	38,932
Investment Income	113,862	-	113,862
Other income	9,441	-	9,441
Net assets released from restriction	826,661	(826,661)	-
Total operating revenues, support, and gains	3,347,618	(46,009)	3,301,609
Expenses			
Program services	2,205,865	-	2,205,865
Management and general	431,784	-	431,784
Fundraising	406,299	-	406,299
Total expenses	3,043,948	-	3,043,948
Change in Net Assets	303,670	(46,009)	257,661
Net Assets, Beginning of Year	9,086,925	805,809	9,892,734
Net Assets, End of Year	$ 9,390,595	$ 759,800	$ 10,150,395

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues, Support, and Gains			
Contributions	$ 1,886,926	$ 607,250	$ 2,494,176
Contributions in-kind	10,102	-	10,102
Government grants	453,152	355,000	808,152
Gross special events revenue	265,996	-	265,996
Less cost of direct benefits to donors	(47,599)	-	(47,599)
Net special event revenue	218,397	-	218,397
Interest and dividends	12,435	-	12,435
Net assets released from restriction	717,504	(717,504)	-
Total operating revenues, support, and gains	3,298,516	244,746	3,543,262
Expenses			
Program services	1,810,589	-	1,810,589
Management and general	286,651	-	286,651
Fundraising	272,322	-	272,322
Total expenses	2,369,562	-	2,369,562
Change in Net Assets	928,954	244,746	1,173,700
Net Assets, Beginning of Year	8,157,971	561,063	8,719,034
Net Assets, End of Year	$ 9,086,925	$ 805,809	$ 9,892,734

	2023			
	Program Services	Management and General	Fundraising	Total
Salaries	$ 1,228,294	$ 205,169	$ 220,633	$ 1,654,096
Employee Benefits	89,531	14,908	15,333	119,772
Contract Services	202,178	146,457	79,221	427,856
Bad Debt	-	-	1,900	1,900
Advertising	61,434	1,132	851	63,417
Conferences, Conventions, and Meetings	3,737	2,300	339	6,376
Depreciation	100,174	4,498	2,420	107,092
Facility and Equipment	118,573	15,044	8,027	141,644
Information Technology	17,235	3,081	2,945	23,261
Insurance	33,484	3,796	5,124	42,404
Office Expenses	180,946	18,641	4,982	204,569
Payroll Taxes	94,653	15,855	16,699	127,207
Training and Education	47,828	800	312	48,940
Travel	14,771	15	329	15,115
Development	10,328	-	93,904	104,232
Volunteer	2,699	88	119	2,906
	2,205,865	431,784	453,138	3,090,787
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(46,839)	(46,839)
Total expenses included in expense section on the statement of activities	$ 2,205,865	$ 431,784	$ 406,299	$ 3,043,948

	2022			
	Program Services	Management and General	Fundraising	Total
Salaries	$ 914,008	$ 151,617	$ 162,989	$ 1,228,614
Employee Benefits	69,423	10,307	10,406	90,136
Contract Services	288,103	87,739	73,540	449,382
Advertising	62,976	697	-	63,673
Conferences, Conventions, and Meetings	133	-	10	143
Depreciation	97,143	4,362	2,347	103,852
Facility and Equipment	100,986	4,903	9,782	115,671
Information Technology	17,893	2,937	2,568	23,398
Insurance	27,525	3,210	3,490	34,225
Occupancy	27	-	-	27
Office Expenses	96,600	8,827	2,594	108,021
Payroll Taxes	69,734	11,619	12,120	93,473
Training and Education	16,500	86	-	16,586
Travel	4,635	238	-	4,873
Development	40,925	-	38,921	79,846
Volunteer	3,978	109	1,154	5,241
	1,810,589	286,651	319,921	2,417,161
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(47,599)	(47,599)
Total expenses included in expense section on the statement of activities	$ 1,810,589	$ 286,651	$ 272,322	$ 2,369,562

	2023	2022
Operating Activities		
Change in net assets	$ 257,661	$ 1,173,700
Adjustments to reconcile change in net assets to net cash from operating activities		
Net unrealized and realized gains on investments	(41,528)	-
Investment income	(45,814)	-
Depreciation	107,092	103,852
Changes in operating assets and liabilities		
Promises to give, net	307,693	(330,450)
Prepaid expenses and other	(1,082)	12,629
Accounts payable	32,468	(5,595)
Accrued expenses	38,991	(38,232)
Net Cash from Operating Activities	655,481	915,904
Investing Activities		
Purchases of investment	(2,195,830)	-
Purchases of property and equipment	(50,954)	-
Net Cash used for Investing Activities	(2,246,784)	-
Net Change in Cash and Cash Equivalents	(1,591,303)	915,904
Cash and Cash Equivalents, Beginning of Year	5,780,215	4,864,311
Cash and Cash Equivalents, End of Year	$ 4,188,912	$ 5,780,215

Note 1 - Principal Activity and Significant Accounting Policies

Organization

New Pathways for Youth, Inc. (the Organization) was organized November 16, 1987. The Organization has positively impacted the lives of more than 7,000 at-risk youth, with dramatic and demonstrable success. In its first year, the Organization provided mentoring services to 40 youths from the Greater Phoenix area. Today, there are over 400 youths served annually.

The Organization has served youths experiencing poverty and four times the adversity of other youths—adversities such as parent incarceration, abuse and neglect, substance abuse, and high school dropout. Through 1:1 mentoring in a connected community of other mentors and youth and evidence based personal development and life skills retreats and workshops, this unique approach creates breakthrough in self-destructive thoughts that lead to actions that allow youths to fulfill their potential. The program gives youth the tools to ensure college and career readiness so they are able to create the future they want for themselves- to be successful, productive, and driven adults with a future free of poverty, adversity, and difficulty.

The Organization's program is anchored in intentional, evidence-based tools and practices to ensure the greatest outcomes for the Organization's youth. The Organization's unique approach includes:

- 1:1 Mentoring in a Connected Community of Other Mentors and Youths
- Evidence Based Personal Development and Life Skills Retreats and Workshops
- Case Management and Match Support
- Goal Setting Projects
- College and Career Planning Sessions and Workshops
- Mentor Coaching and Support
- Parent Workshops and Referrals

Stable, nurturing relationships with caring adults can prevent and reverse the damaging effects of toxic stress that the youth have experienced, allowing them to tap into their unique gifts and talents and putting them on a path towards success for their future. Through annual third-party evaluation, the Organization measures and evaluates the following short-, mid-, and long-term outcomes that lead to the youth served by the Organization and their success in college and career.

Short-Term
- Increased Sense of Belonging
- Improved Trust in a Caring Adult
- Improved School Attitude
- Improved Peer and Family Attitudes
- Decreased Delinquent Values

Mid-Term

- Improved Connection to Positive Adults
- Improved Social Skills
- Improved Leadership Skills
- Decreased Delinquent Behavior and Peers
- Improved Family Functioning
- Improved School Performance

Long-Term

- Post-Secondary Academic and/or Vocational Success

This year, 75% of the high school seniors in the program graduated high school (unaudited) and 70% are pursuing post-secondary education and training (unaudited).

Over the 30-year history, the Organization has transformed the lives of more than 7,000 youth through the evidence- based curriculum which leverages the powerful combination of education, employment, and relationships to disrupt habits that lead to generational poverty. The programs create a 1:30 return on investment (unaudited) by preventing the future need for more costly social and criminal justice services.

The Organization receives substantial support from individuals, businesses, and granting foundations in the Phoenix metropolitan area.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less if any, to be a cash equivalent.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2023 and 2022, the allowance was $15,931 and $29,347, respectively.

Property and Equipment

Property and equipment additions over $5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2023 and 2022.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, during the years then ended June 30, 2023 and 2022, the Organization received conditional contributions approximating $174,000 and $0, respectively, that have been recognized in government grants.

In-kind Contributions

In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Advertising Costs

Advertising costs are expensed as incurred and approximated $63,000 and $64,000 during the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, office expenses, facility and equipment, and insurance which are allocated on a square-footage basis; salaries, employee benefits, payroll taxes, advertising, conferences, conventions, and meetings, training and education, travel, development, interest, occupancy, contract services, and volunteer, which are allocated on the basis of estimates of time and effort; and information technology which is allocated based on estimates of time and costs of specific technology utilized.

Income Taxes

The Organization is organized as an Arizona nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifying for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with promises to give are limited because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of the Organization’s mission.

The Organization maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2023, the Organization had approximately $3,687,000 in excess of FDIC-insured limits.

Contingency

The Organization’s credit filings remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

Subsequent Events

The Organization has evaluated subsequent events through September 19, 2023, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2023	2022
Cash and cash equivalents	$ 4,188,912	$ 5,780,215
Current portion of promises to give, net	510,518	710,658
Investments	2,266,884	4,491
	6,966,314	6,495,364
Less those unavailable for general expenditures within one year		
Restricted by donors with time and/or purpose restrictions	(759,800)	(805,809)
Financial assets available to meet cash needs for general expenditures within one year	$ 6,206,514	$ 5,689,555

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, to help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of $300,000, which it could draw upon.

Note 3 - Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they are comprised of open-ended mutual funds, and unit and corporate stock with readily determinable fair values based on daily redemption values. The bond obligations and unit investment trusts are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, state interest rates and market rate assumptions, and are classified within Level 2.

Funds held at the Arizona Community Foundation are valued based on the fair value of fund investments as reported by the Arizona Community Foundation. These are considered to be level 2 measurements.

The following tables set forth by level within the fair value hierarchy related to the Organization's assets and liabilities that are measured at fair value as of June 30, 2023:

	2023			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	$ 659,023	$ -	$ -	$ 659,023
Bonds	-	321,632	-	321,632
Common Stock	4,491	-	-	4,491
Funds Held at Arizona Community Foundation	-	1,281,738	-	1,281,738
	$ 663,514	$ 1,603,370	$ -	$ 2,266,884

The following tables set forth by level within the fair value hierarchy related to the Organization's assets and liabilities that are measured at fair value as of June 30, 2022:

	2022			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	$ -	$ -	$ -	$ -
Common Stock	4,491	-	-	4,491
Funds Held at Arizona Community Foundation	-	-	-	-
	$ 4,491	$ -	$ -	$ 4,491

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30:

	2023	2022
Within one year	$ 527,868	$ 740,005
In one to five years	-	108,564
	527,868	848,569
Less discount to net present value at 1.07%	(1,419)	(1,011)
Less allowance for uncollectable promises to give	(15,931)	(29,347)
	$ 510,518	$ 818,211

At June 30, 2023 and 2022, three donors accounted for 46 percent and 53 percent of total promises to give, respectively. There was no contribution revenue concentration for the year ended June 30, 2023. One contributor accounted for approximately 12 percent of total contribution revenue for the year ended June 30, 2022.

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30:

	2023	2022
Land	$ 750,000	$ 750,000
Building and improvements	2,797,444	2,745,472
Office equipment and furniture	108,733	102,162
Software	12,200	12,200
Construction in progress	13,190	-
	3,681,567	3,609,834
Less accumulated depreciation	(358,627)	(251,535)
	$ 3,322,940	$ 3,358,299

Note 6 - Line of Credit

The Organization has a $300,000 revolving line of credit with a bank, secured by all property and equipment. Borrowings under the line bear interest at 1.75% over the prime rate (8.25% and 4.75% at June 30, 2023 and 2022, respectively). Interest is payable monthly, and principal is due at maturity (February 16, 2025). There was no balance on the line of credit at June 30, 2023 and 2022.

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to Expenditure for Specified Purpose		
Holistic youth transformation	$ 202,524	$ 175,593
Parent support	-	25,000
Teen nutrition	45,000	-
Youth scholarships	125,000	-
Summer youth program	2,489	-
BIPOC (Black, Indigenous, People of Color) youth	25,003	-
Promises to give, the proceeds from which have been restricted by donors for		
Holistic youth transformation	75,000	200,000
Capital campaign	155,882	255,217
	630,898	655,810
Subject to the Passage of Time		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	128,902	149,999
	$ 759,800	$ 805,809

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	2023	2022
Expiration of time restrictions	$ 100,750	$ 187,813
Satisfaction of purpose restrictions		
Holistic youth transformation	473,069	329,407
New mentor training	-	20,833
Teen nutrition	44,000	42,000
Capital campaign	99,335	137,451
Parent support	25,000	-
Summer youth program	9,510	-
BIPOC (Black, Indigenous, People of Color) youth	74,997	-
	$ 826,661	$ 717,504

Note 8 - Related Party Transactions

Contributions

Certain members of the Board of Directors and their affiliated companies have made contributions to the Organization during the years ended June 30, 2023 and 2022, totaling approximately $37,000 and $44,000, respectively.

Promises to Give

Promises to give included $73,583 and $102,747 from current and former board members at June 30, 2023 and 2022, respectively.

Note 9 - In-kind Contributions

For the years ended June 30, 2023 and 2022, in-kind contributions recognized within the statements of activities included the following:

	2023	2022
School supplies	$ 42,149	$ 3,937
Clothing	-	6,165
Event tickets	1,997	-
Basketball court	20,748	-
Office supplies	3,044	-
	$ 67,938	$ 10,102

Contributed school supplies, clothing, event tickets, basketball court, and office supplies are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed school supplies and clothing are used in program services.

Note 10 - Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act provided an employee retention credit (the credit) which is a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. The credit is equal to 50% of qualified wages paid to employees, capped at $10,000 of qualified wages through December 31, 2020.

The Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021, expanded the availability of the credit, extended the credit through September 30, 2021, and increased the credit to 70% of qualified wages, capped at $7,000 per quarter. As a result of the changes to the credit, the maximum credit per employee increased from $10,000 in 2020 to $21,000 in 2021. During the year ended June 30, 2023, the Organization recorded a $193,552 benefit related to the credit which is presented in the statement of operations as government grants.

The Organization has elected to account for the credits by applying FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. Under this method, the Organization records contribution revenue when the contribution is deemed to be unconditional, that is when there is no longer a measurable performance or other barrier and a right of return or release from obligation to pay the contribution. The Organization has determined that the contribution is unconditional.