

**New Pathways for Youth, Inc.
(A Nonprofit Organization)**

Financial Statements

June 30, 2019



Wallace Plese + Dreher
CERTIFIED PUBLIC ACCOUNTANTS + CONSULTANTS

New Pathways for Youth, Inc.

Contents

June 30, 2019

(with summarized information for June 30, 2018)

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Independent Auditor's Report

Board of Directors
New Pathways for Youth, Inc.

We have audited the accompanying financial statements of New Pathways for Youth, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 New Pathways for Youth, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the New Pathways for Youth, Inc. 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wallace, Plese + Dreher, C.P.A.

Scottsdale, Arizona
October 22, 2019

New Pathways for Youth, Inc.
Statement of Financial Position
June 30, 2019
(with summarized information as of June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,590,552	\$ 1,029,086
Current operating promises to give, net	165,938	53,689
Prepaid expenses and other	<u>15,268</u>	<u>24,843</u>
Total current assets	1,771,758	1,107,618
Long-term operating promises to give	50,000	-
Cash restricted for capital project	821,528	-
Promises to give restricted for capital project, net	201,961	46,728
Property, furniture, and equipment, net	<u>2,064,792</u>	<u>314,994</u>
Total assets	<u>\$ 4,910,039</u>	<u>\$ 1,469,340</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 50,838	\$ 12,803
Accrued expenses	57,516	48,357
Related party note payable	<u>369,802</u>	<u>-</u>
Total current liabilities	<u>478,156</u>	<u>61,160</u>
Commitments (<i>Note 7</i>)		
Net assets		
Without donor restrictions	1,775,853	1,285,116
With donor restrictions	<u>2,656,030</u>	<u>123,064</u>
Total net assets	<u>4,431,883</u>	<u>1,408,180</u>
Total liabilities and net assets	<u>\$ 4,910,039</u>	<u>\$ 1,469,340</u>

See Notes to Financial Statements

New Pathways for Youth, Inc.
Statement of Activities
Year Ended June 30, 2019
(with summarized information for the year ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
Operating revenues and support				
Contributions and grants	\$ 1,673,746	\$ 220,000	\$ 1,893,746	\$ 1,255,377
Contributions in-kind	43,015	-	43,015	143,106
Special events	293,753	-	293,753	446,298
Government grants	60,000	-	60,000	-
Investment income	246	-	246	179
Net assets released from restriction	52,546	(52,546)	-	-
Total operating revenues and support	2,123,306	167,454	2,290,760	1,844,960
Operating expenses				
Program services	1,168,291	-	1,168,291	1,269,791
Management and general	167,977	-	167,977	172,095
Fundraising	306,051	-	306,051	279,541
Total operating expenses	1,642,319	-	1,642,319	1,721,427
Change in net assets from operations	480,987	167,454	648,441	123,533
Non-operating				
Capital project contributions	29,850	2,412,215	2,442,065	-
Capital project expenses	(26,850)	-	(26,850)	-
Loss on disposal of asset	(16,953)	-	(16,953)	-
Loss on uncollectible capital project promises to give	(23,000)	-	(23,000)	-
Net assets released from restriction	46,703	(46,703)	-	-
Total other changes	9,750	2,365,512	2,375,262	-
Change in net assets	490,737	2,532,966	3,023,703	123,533
Net assets, beginning of year	1,285,116	123,064	1,408,180	1,284,647
Net assets, end of year	\$ 1,775,853	\$ 2,656,030	\$ 4,431,883	\$ 1,408,180

See Notes to Financial Statements

New Pathways for Youth, Inc.

Statement of Functional Expenses

Year Ended June 30, 2019

(with summarized information for the year ended June 30, 2018)

	Program	Supporting		Total	Non-	Total expenses	
	Services	Services	Services		Operating	2019	2018
	Program	Management	Fundraising	Operating	Capital		
	Services	and General		Expenses	Project		
					Expenses		
Salaries	\$ 656,984	\$ 44,884	\$ 156,809	\$ 858,677	\$ -	\$ 858,677	\$ 921,768
Employee benefits	47,189	3,567	10,381	61,137	-	61,137	65,086
Payroll taxes	55,455	3,567	11,748	70,770	-	70,770	71,242
Contract services	116,929	87,339	18,043	222,311	3,875	226,186	212,521
Office expenses	123,365	11,980	62,845	198,190	-	198,190	274,610
Information technology	17,822	1,805	1,834	21,461	-	21,461	23,095
Occupancy	23,765	1,294	22,471	47,530	7,045	54,575	34,766
Travel	16,189	-	-	16,189	-	16,189	15,540
Conferences, conventions, and meetings	13,827	-	-	13,827	-	13,827	7,750
Depreciation	7,627	382	494	8,503	-	8,503	9,560
Insurance	17,218	1,349	233	18,800	1,738	20,538	19,626
Facility and equipment	26,342	9,530	701	36,573	1,757	38,330	18,561
Training and education	35,341	2,000	-	37,341	-	37,341	29,277
Advertising	4,624	-	75	4,699	2,400	7,099	3,068
Bad debt	-	-	18,050	18,050	-	18,050	7,173
Interest	-	-	-	-	10,035	10,035	-
Volunteer	5,614	280	2,367	8,261	-	8,261	7,784
	<u>\$ 1,168,291</u>	<u>\$ 167,977</u>	<u>\$ 306,051</u>	<u>\$ 1,642,319</u>	<u>\$ 26,850</u>	<u>\$ 1,669,169</u>	<u>\$ 1,721,427</u>

See Notes to Financial Statements

New Pathways for Youth, Inc.

Statement of Cash Flows

Year Ended June 30, 2019

(with summarized information for the year ended June 30, 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 3,023,703	\$ 123,533
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Contributions restricted for capital project	(2,382,694)	-
In-kind asset donations	(36,062)	(16,172)
Discount on note payable	(23,309)	-
Loss on disposal of asset	16,953	-
Depreciation	8,503	9,560
Amortization of discount on multiyear pledges	1	-
Amortization of discount on note payable	10,035	-
Bad debt expense	71,088	(810)
Changes in assets and liabilities:		
Promises to give	(184,649)	143,552
Prepaid expenses and other	9,575	(9,617)
Accounts payable and accrued expenses	47,194	(2,767)
Net cash provided by operating activities	<u>560,338</u>	<u>247,279</u>
Cash flows from investing activities		
Cash restricted for capital project	(821,528)	-
Proceeds from sale of property and equipment	-	10,000
Purchase of property and equipment	<u>(1,739,192)</u>	<u>(6,975)</u>
Net cash provided by (used in) investing activities	<u>(2,560,720)</u>	<u>3,025</u>
Cash flows from financing activities		
Contributions restricted for capital project	2,178,772	-
Proceeds from related party note payable	<u>383,076</u>	<u>-</u>
Net cash provided by financing activities	<u>2,561,848</u>	<u>-</u>
Net increase in cash and cash equivalents	561,466	250,304
Cash and cash equivalents		
Beginning	<u>1,029,086</u>	<u>778,782</u>
Ending	<u>\$ 1,590,552</u>	<u>\$ 1,029,086</u>

See Notes to Financial Statements

New Pathways for Youth, Inc.

Notes to Financial Statements

June 30, 2019

(with summarized information for June 30, 2018)

Note 1 – Nature of Business and Significant Accounting Policies

Nature of business:

New Pathways for Youth, Inc. (the Organization) was organized November 16, 1987. The Organization has positively impacted the lives of more than 6,500 at-risk youth, with dramatic and demonstrable success. In its first year, the Organization provided mentoring services to 40 youth from the Greater Phoenix area. Today, there are over 500 youth served annually.

The Organization has served youth experiencing poverty and four times the adversity of other youth—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 youth 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.

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

- 1:1 Mentoring in a Connected Community of Other Mentors and Youth
- 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, we measure and evaluate the following short-, mid-, and long-term outcomes that lead to our youth's 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

New Pathways for Youth, Inc.

Notes to Financial Statements

June 30, 2019

(with summarized information for June 30, 2018)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Long-Term

- Post-Secondary Academic and/or Vocational Success

This year, 89% of the high school seniors in the program graduated high school (unaudited) and 85% are pursuing post-secondary education and training (unaudited).

Over the 30-year history, the Organization has transformed the lives of nearly 6,500 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 and granting foundations in the Phoenix metropolitan area.

A summary of significant accounting policies follows:

Basis of presentation:

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) which requires the Organization to report information regarding financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets/liabilities are reported as increases/decreases in net assets without donor restrictions unless their use is restricted explicitly by donor stipulation or by law.

Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates.

Adoption of new accounting pronouncements:

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

New Pathways for Youth, Inc.

Notes to Financial Statements

June 30, 2019

(with summarized information for June 30, 2018)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

New accounting pronouncements:

In June 2018, the FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, to assist entities in (1) evaluating whether transactions should be accounting for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The ASU will be effective for the Organization for the year ending June 30, 2020. Early adoption is permitted. The Organization is currently evaluating the effect that the new standard will have on its financial statements.

Contribution and revenue recognition:

Contributions are recognized when cash, securities or other assets, unconditional promises to give, or notifications of a beneficial interest are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Gifts of cash and other assets are reported with donor-restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Revenue is recognized when earned. Program service fees and payments, under cost-reimbursable contracts received in advance, are deferred to the applicable period in which the related services are performed or expenditures are incurred.

Donated services and in-kind contributions:

Donated professional services are reflected as contributions in the accompanying financial statements at their respective fair values of the services received if they require a specialized skill, are provided by someone possessing that skill, and would have been paid for by the Organization. Contributed goods are recorded at fair value at the date of donation. For the year ended June 30, 2019, the Organization recognized donated professional services in the amount of \$36,062. For the year ended June 30, 2018, there were no donated services.

Summarized comparative information:

The financial statements include certain prior year summarized comparative information for the year ended June 30, 2018 in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

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:

Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

New Pathways for Youth, Inc.

Notes to Financial Statements

June 30, 2019

(with summarized information for June 30, 2018)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Promises to give (continued):

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Cash restricted for capital project:

The Organization has separated certain cash balances due to donor restrictions for capital acquisitions of certain property for the capital project.

Property, furniture, and equipment:

All acquisitions of property, furniture, and equipment in excess of \$5,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Land, buildings, and furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, plant, and equipment are reported as restricted contributions until the assets are placed in service or funds expended in accordance with donor restrictions. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	10-40
Furniture and equipment	5

Impairment of long-lived assets:

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows to be expected to be generated by the asset. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. The Organization believes that no long-lived assets have any impairment of value.

Measure of operations:

The Organization's change in net assets from operations include all operating revenues and expenses that are an integral part of its program and supporting activities, net assets released from donor restrictions to support operating expenditures. Management has determined that certain contributions and expenses associated its capital project including capital project contributions, capital project expenses, net assets released from restrictions designated for capital expenditures and other revenues or expenses considered to be of a more unusual or non-recurring in nature should not be included with the Organization's operating activities as these activities are not part of the ordinary operations of the Organization.

Functional expenses:

The financial statements report certain categories of expenses that are attributable to program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, office, insurance and facility and equipment, which are allocated on a square-footage basis, salaries, benefits, and related taxes, contract and volunteer services, 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.

New Pathways for Youth, Inc.
Notes to Financial Statements
June 30, 2019
(with summarized information for June 30, 2018)

Note 1 – Nature of Business and Significant Accounting Policies (Continued)

Advertising:

The Organization expenses all advertising costs as incurred.

Income taxes:

Since formation, the Organization has been exempt under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization has evaluated its tax positions; management believes all tax positions taken would be upheld under an examination.

Subsequent events:

The Organization’s management has evaluated subsequent events through October 22, 2019, which is the date the financial statements were available to be issued.

Note 2 – Promises to Give

Unconditional promises to give consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Unrestricted promises	\$ 9,252	\$ 11,663
Restricted to program services	208,750	43,750
Restricted to capital project	<u>230,650</u>	<u>53,100</u>
Promises to give	448,652	108,513
Present value discount at 1.7%	(1,011)	(1,010)
Allowance for doubtful accounts	<u>(29,742)</u>	<u>(7,086)</u>
Promises to give, net	<u>\$ 417,899</u>	<u>\$ 100,417</u>
Amounts due in:		
Less than one year	\$ 220,052	
One to five years	<u>228,600</u>	
	<u>\$ 448,652</u>	

During the year ended June 30, 2014, the Organization started a Capital and Strategic Growth Campaign in which many of the Organization’s board of directors pledged contributions through March 2021. In addition, during the year ended June 30, 2019, the Organization began actively soliciting contributions for a Capital Project to purchase and remodel a new building (Jefferson building) that was purchased on February 28, 2019. Unconditional promises to give included \$171,150 and \$53,100 from current and former board members at June 30, 2019 and 2018, respectively.

New Pathways for Youth, Inc.
Notes to Financial Statements
June 30, 2019
(with summarized information for June 30, 2018)

Note 3 – Property, Furniture, and Equipment

The Organization had the following property, furniture, and equipment at June 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 150,486	\$ 150,486
Building and improvements	286,279	286,279
Office equipment and furniture	48,855	48,855
Construction in progress – restricted for capital project	<u>1,775,254</u>	<u>16,953</u>
	2,260,874	502,573
Less accumulated depreciation	<u>196,082</u>	<u>187,579</u>
	<u>\$ 2,064,792</u>	<u>\$ 314,994</u>

During the year, as part of the capital project (see Note 2), the Jefferson building was purchased and improvements were made in order for the building to be ready for the Organization’s expanded programs. The building had not been placed in service as of June 30, 2019 and thus is classified as construction in progress. The land and building are pledged as collateral for a related party loan via a deed of trust (See Note 5).

Note 4 – Line of Credit

The Organization has a revolving line of credit with Bank of America, providing for a maximum borrowing of \$200,000. The line expires April 7, 2020. Interest is payable monthly at a rate of 1.75 percentage points over Prime Rate (5.5% at June 30, 2019). Borrowings under the line of credit are collateralized by substantially all assets of the Organization. There was no balance on the line of credit at June 30, 2019 and 2018.

Note 5 – Related Party Note Payable

On February 13, 2019, the Organization executed a promissory note payable to a board member related to the Capital Project in the amount of \$383,076. The note bears no interest for the first 6 months. Afterwards, the note will bear interest at the Applicable Federal Rate. The note is due in full with one balloon payment consisting of principal and accrued interest on February 13, 2020, and is collateralized by a deed of trust. The balance of the note payable at June 30, 2019 was \$383,076.

In accordance with U.S. GAAP, the note payable has been discounted to reflect the Organization’s incremental borrowing rate of 7.25%. The discount has been recorded as a contribution with donor restrictions and will be accreted into interest expense in future periods to reflect market interest rate conditions.

The following table shows the amounts related to the note that will be paid in 2020 at June 30, 2019:

Principal balance	\$ 383,076
Discount	<u>(13,274)</u>
	<u>\$ 369,802</u>

New Pathways for Youth, Inc.
Notes to Financial Statements
June 30, 2019
(with summarized information for June 30, 2018)

Note 6 – Net Assets with Donor Restrictions

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

	<u>2019</u>	<u>2018</u>
Time and program	\$ 243,750	\$ 76,296
Capital project	<u>2,412,280</u>	<u>46,768</u>
	<u>\$ 2,656,030</u>	<u>\$ 123,064</u>

Note 7 - Commitments

On August 14, 2019, the Organization entered into a contractual agreement with an unrelated party to remodel the Jefferson building related to the capital project for \$1,003,235. The renovation is expected to be completed by January 24, 2020.

On September 27, 2019, the Organization signed an agreement to sell a building and land to a potential buyer for a selling price of \$1,000,000. The sale is contingent upon the completion of certain terms and conditions agreed upon by both parties and a closing date in July 2020.

Note 8 – Information Regarding Liquidity and Availability

The following table reflects the Organization’s financial assets reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,590,552	\$ 1,029,086
Unconditional promises to give	417,899	100,417
Cash restricted for capital project	<u>821,528</u>	<u>-</u>
	2,829,979	1,129,503
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donors for investment in property and equipment	(1,023,489)	-
Restricted by donors with time restrictions	<u>(50,000)</u>	<u>(38,250)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,756,490</u>	<u>\$ 1,091,253</u>

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. 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 \$200,000, which it could draw upon.

New Pathways for Youth, Inc.

Notes to Financial Statements

June 30, 2019

(with summarized information for June 30, 2018)

Note 9 - Concentrations

The Organization maintains its cash in deposit accounts which, at times, may exceed federally insured limits. Management believes the Organization is not exposed to any significant credit risk on cash.

For the year ended June 30, 2019, two major donors made up 37% of total contributions to the Organization. For the year ended June 30, 2018, there were no major donors.

At June 30, 2019, 39% of unconditional promises to give was due from two donors and at June 30, 2018, 40% of unconditional promises to give was due from two donors.

Certain members of the Board of Directors and their affiliated companies have made cash and in-kind contributions to the Organization during years ended June 30, 2019 and 2018, totaling approximately \$145,000 and \$81,000 respectively, which have been included in contributions and donated services and materials in the Organization's statements of activities.