



**THE NEW YORK OPPORTUNITY NETWORK, INC.
D/B/A THE OPPORTUNITY NETWORK**

Audited Financial Statements

August 31, 2022



Independent Auditor's Report

To the Board of Directors of
The New York Opportunity Network, Inc.
D/B/A The Opportunity Network

Opinion

We have audited the accompanying financial statements of The New York Opportunity Network, Inc. D/B/A The Opportunity Network, which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Opportunity Network as of August 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 for the Audit of the Financial Statements section of our report. We are required to be independent of The Opportunity Network and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of 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 Opportunity Network'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 Opportunity Network'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.

Report on Summarized Comparative Information

The financial statements of The Opportunity Network as of and for the year ended August 31, 2021, were audited by other auditors whose report dated March 9, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2021, is consistent, in all material respects with the audited financial statements for which it was derived.

Sax CPAs LLP

New York, NY
June 6, 2023

THE NEW YORK OPPORTUNITY NETWORK, INC.
D/B/A THE OPPORTUNITY NETWORK
STATEMENT OF FINANCIAL POSITION
AT AUGUST 31, 2022
(With comparative totals at August 31, 2021)

	<u>8/31/22</u>	<u>8/31/21</u>
Assets		
Cash and cash equivalents	\$3,477,153	\$4,244,991
Contributions receivable, net (Note 3)	3,849,553	3,529,105
Program income and other receivables	0	14,380
Prepaid expenses and other assets	442,311	242,768
Investment in annuity contract (Note 4)	1,051,158	1,011,084
Fixed assets, net (Note 5)	73,939	58,524
Security deposit	<u>28,000</u>	<u>28,000</u>
 Total assets	 <u><u>\$8,922,114</u></u>	 <u><u>\$9,128,852</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$257,377	\$147,839
Deferred revenue	24,000	47,334
Paycheck Protection Program loan (Note 6)	0	886,792
Total liabilities	<u>281,377</u>	<u>1,081,965</u>
Net assets:		
Without donor restrictions	3,319,270	2,535,951
With donor restrictions (Note 7)	<u>5,321,467</u>	<u>5,510,936</u>
Total net assets	<u>8,640,737</u>	<u>8,046,887</u>
 Total liabilities and net assets	 <u><u>\$8,922,114</u></u>	 <u><u>\$9,128,852</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

THE NEW YORK OPPORTUNITY NETWORK, INC.
D/B/A THE OPPORTUNITY NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022
(With comparative totals for the year ended August 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 8/31/22	Total 8/31/21*
Public support and revenue:				
Contributions	\$1,713,957	\$3,786,050	\$5,500,007	\$7,049,936
Paycheck Protection Program grant (Note 6)	886,792		886,792	753,550
Employee Retention Tax Credit (Note 8)			0	337,954
Special events income (net of expenses with a direct benefit to donor) (Note 9)	3,317,097		3,317,097	2,624,325
Program income	628,000		628,000	615,975
In-kind contributions (Note 10)	653,914		653,914	390,089
Interest and other income	30,779		30,779	32,103
Net assets released from restrictions (Note 7)	3,975,519	(3,975,519)	0	0
Total public support and revenue	<u>11,206,058</u>	<u>(189,469)</u>	<u>11,016,589</u>	<u>11,803,932</u>
Expenses:				
Program services	<u>7,112,888</u>		<u>7,112,888</u>	<u>6,487,347</u>
Supporting services:				
Management and general	1,866,872		1,866,872	975,396
Fundraising	1,483,053		1,483,053	962,000
Total supporting services	<u>3,349,925</u>	<u>0</u>	<u>3,349,925</u>	<u>1,937,396</u>
Total expenses	<u>10,462,813</u>	<u>0</u>	<u>10,462,813</u>	<u>8,424,743</u>
Change in net assets from operations	<u>743,245</u>	<u>(189,469)</u>	<u>553,776</u>	<u>3,379,189</u>
Non-operating activities:				
Change in cash surrender value of annuity contract	40,074		40,074	74,084
Total non-operating activities:	<u>40,074</u>	<u>0</u>	<u>40,074</u>	<u>74,084</u>
Change in net assets	783,319	(189,469)	593,850	3,453,273
Net assets - beginning of year	<u>2,535,951</u>	<u>5,510,936</u>	<u>8,046,887</u>	<u>4,593,614</u>
Net assets - end of year	<u>\$3,319,270</u>	<u>\$5,321,467</u>	<u>\$8,640,737</u>	<u>\$8,046,887</u>

* - Reclassified for comparative purposes

The attached notes and auditor's report are an integral part of these financial statements.

THE NEW YORK OPPORTUNITY NETWORK, INC.
D/B/A OPPORTUNITY NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022
(With comparative totals for the year ended August 31, 2021)

	Program Services			Supporting Services				
	Career Fluency OppNet Partnerships and OppIgnited Fellows	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 8/31/22	Total Expenses 8/31/21	
Salaries	\$3,066,439	\$953,648	\$4,020,087	\$585,525	\$790,338	\$1,375,863	\$5,395,950	\$4,489,631
Payroll taxes and benefits	669,952	208,352	878,304	127,925	172,672	300,597	1,178,901	907,570
Professional fees (including in-kind) (Note 10)	314,650	29,230	343,880	695,011	92,693	787,704	1,131,584	468,383
Student stipends	103,692		103,692			0	103,692	88,768
Student activities (including in-kind) (Note 10)	967,968		967,968			0	967,968	608,484
Sub grantees			0			0	0	529,567
Communications and public relations			0		320	320	320	3,275
Special event expenses (Note 9)			0		445,822	445,822	445,822	190,186
Rent expense	220,482	70,721	291,203	45,756	79,041	124,797	416,000	408,000
Travel, meetings, and conferences	14,131	7,448	21,579	11,883	20,093	31,976	53,555	3,273
Supplies and office expenses (including in-kind) (Note 10)	90,811	19,596	110,407	58,154	39,589	97,743	208,150	476,947
Dues and filing fees (including in-kind) (Note 10)	118,424	498	118,922	8,865	3,328	12,193	131,115	38,328
Equipment and software subscriptions (including in-kind) (Note 10)	161,029	13,951	174,980	85,479	43,506	128,985	303,965	185,196
Insurance	14,254	4,572	18,826	2,958	5,411	8,369	27,195	27,368
Staff development and recruitment (including in-kind) (Note 10)	34,579	2,495	37,074	200,842	2,200	203,042	240,116	102,427
Bank and credit card processing fees			0	35,392		35,392	35,392	15,095
Bad debt			0	5,000		5,000	5,000	0
Depreciation	19,660	6,306	25,966	4,082	7,048	11,130	37,096	33,045
Total expenses	5,796,071	1,316,817	7,112,888	1,866,872	1,702,061	3,568,933	10,681,821	8,575,543
Less: special event expenses with a direct benefit to donor			0		(219,008)	(219,008)	(219,008)	(150,800)
Total expenses for statement of activities	\$5,796,071	\$1,316,817	\$7,112,888	\$1,866,872	\$1,483,053	\$3,349,925	\$10,462,813	\$8,424,743

The attached notes and auditor's report are an integral part of these financial statements.

THE NEW YORK OPPORTUNITY NETWORK, INC.
D/B/A OPPORTUNITY NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2022
(With comparative totals for the year ended August 31, 2021)

	<u>8/31/22</u>	<u>8/31/21</u>
Cash flows from operating activities:		
Change in net assets	\$593,850	\$3,453,273
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	37,096	33,045
Change in cash surrender value of annuity contract	(40,074)	(74,084)
Forgiveness of Paycheck Protection Program loan	(886,792)	(753,550)
Changes in assets and liabilities:		
Contributions receivable	(320,448)	(2,192,586)
Program income and other receivables	14,380	(4,726)
Prepaid expenses and other assets	(199,543)	(27,640)
Security deposit	0	(250)
Accounts payable and accrued expenses	109,538	(110,475)
Deferred revenue	(23,334)	(57,666)
Paycheck Protection Program loan	0	886,792
	<u> </u>	<u> </u>
Net cash flows (used for)/provided by operating activities	<u>(715,327)</u>	<u>1,152,133</u>
Cash flows from investing activities:		
Purchases of fixed assets	<u>(52,511)</u>	<u>(20,060)</u>
	<u> </u>	<u> </u>
Net cash flows used for investing activities	<u>(52,511)</u>	<u>(20,060)</u>
Net (decrease)/increase in cash and cash equivalents	(767,838)	1,132,073
Cash and cash equivalents - beginning of year	<u>4,244,991</u>	<u>3,112,918</u>
Cash and cash equivalents - end of year	<u><u>\$3,477,153</u></u>	<u><u>\$4,244,991</u></u>
Supplemental disclosures:		
Interest and income taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

**THE NEW YORK OPPORTUNITY NETWORK, INC.
D/B/A THE OPPORTUNITY NETWORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

Note 1 - Organization

The New York Opportunity Network, Inc. D/B/A The Opportunity Network is a New York not-for-profit corporation whose primary purpose is to develop future leaders by introducing talented, low-income high school students to college access and career development opportunities through relationships with professionals and private sector organizations. The Opportunity Network firmly believes that the students' unique interaction with executives, intensive network training, course work in careers, robust internships, and college counseling, can and do, change the course of their futures. The Opportunity Network's revenue is primarily from contributions and program service income.

The Opportunity Network's accomplished its mission through the following programs:

- OppNet Fellows - The OppNet Fellows program is an intensive six-year experience for students beginning the summer after 10th grade that cultivates their passions and skills to persist through college and launch the careers of their choice upon graduation.

Anchored in our proprietary Career Fluency® curriculum, which articulates the necessary skills and mindsets for college and career readiness, OppNet's Fellows program integrates individualized college guidance, robust networking opportunities for professional and personal growth, multi-industry career exposure, experiential learning for college success, and five summers of skill-building paid internships and enrichment programs.

- Career Fluency Partnerships and OppIgnited - This program is an immersive capacity-building program for schools and youth-serving organizations across the country looking to accelerate postsecondary and workforce readiness for their students. Through tailored integration of the Career Fluency® curriculum, the Partnerships team designs a unique strategy for each Partner organization to reach their desired goals and amplify student outcomes.

The Opportunity Network has been notified by the Internal Revenue Service that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is the process of recording revenue and expenses when earned or incurred, rather than received or paid.

b. Basis of Presentation

The Opportunity Network reports information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact in perpetuity.

c. Revenue Recognition

The Opportunity Network follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recognized at the time a contribution becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a 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. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Government grants have been evaluated and are considered to be conditional non-reciprocal transactions that fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Cash received in advance of the conditions being met is treated as a liability.

Contributions and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques.

The Opportunity Network follows the requirements of FASB ASC 606 for recognizing revenue from contracts with customers. The Opportunity Network receives program income for providing intern training, networking, and professional development workshops, which falls under FASB ASC 606 and is included in the statement of activities. Revenue from training and workshops is recognized when at the point in time that the service is provided, and the performance obligation is complete. Fees that have not been collected at year end are reflected as accounts receivable. Amounts collected in advance are treated as deferred revenue.

Receivables are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of August 31, 2022. Write-offs will be made in the period the receivable is deemed to be uncollectable.

d. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to The Opportunity Network's ongoing services. Non-operating activities are limited to the change in the cash surrender value of The Opportunity Network's investment in an annuity contract.

e. Cash and Cash Equivalents

All liquid investments with an initial maturity of three months or less are considered to be cash and cash equivalents.

f. Concentration of Credit Risk

Financial instruments, which potentially subject The Opportunity Network to a concentration of credit risk consist of cash accounts with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end, a significant portion of the funds is not insured by the Federal Deposit Insurance Corporation ("FDIC") or related entity; however, management feels they have little risk and has not suffered losses from the default of any financial institution.

g. Fixed Assets

Fixed assets that The Opportunity Network retains title to, exceed a dollar threshold of \$1,000, and which benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation. Depreciation is recorded using the straight-line method over the assets estimated useful life.

Computers and equipment are depreciated over three years and leasehold improvements are amortized over the life of the lease.

h. In-Kind Contributions

The Opportunity Network adopted FASB's Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, for the year ended August 31, 2022. In-kind contributions are recognized in circumstances where services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind. See Note 10 for further details.

Donated materials are recorded at fair value at the date of donation. Accounting standards define fair value as the price that would be received to sell an asset in an orderly transaction between participants at the measurement date.

Board members and other individuals volunteer their time and perform a variety of services that assist The Opportunity Network. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

i. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

j. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of The Opportunity Network.

Salaries were allocated based on time and effort. Payroll taxes and benefits were allocated using salaries as the basis.

The following costs were allocated based on usage by square foot:

- Rent expense
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

k. Advertising Costs

Advertising costs are expensed as incurred.

l. Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with The Opportunity Network's financial statements for the year ended August 31, 2021, from which the summarized information was derived.

m. Accounting for Uncertainty of Income Taxes

Management does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending August 31, 2019 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncement

FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which becomes effective for the August 31, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Opportunity Network is in the process of evaluating the impact this standard will have on future financial statements.

Note 3 - Contributions Receivable

Contributions receivable are expect to be collected in the following periods:

Year ending:	August 31, 2023	\$2,345,761
	August 31, 2024	886,292
	August 31, 2025	<u>750,000</u>
Total		3,982,053
Less: present value discount (3.5%)		<u>(132,500)</u>
Total contributions receivable		<u>\$3,849,553</u>

Note 4 - Investments in Annuity Contract

The Opportunity Network holds an annuity contract, where they are the primary beneficiary of 100% of the policy as a death benefit if the annuitant (the Founder) dies prior to the annuity date. The contract is reported as an asset on the statement of financial position at its cash surrender value, which was \$1,051,158 as of August 31, 2022 and \$1,011,084 as of August 31, 2021.

Note 5 - Fixed Assets

Fixed assets consist of the following:

	<u>8/31/22</u>	<u>8/31/21</u>
Leasehold improvements	\$391,527	\$391,527
Computers and equipment	<u>199,305</u>	<u>146,794</u>
	590,832	538,321
Less: accumulated depreciation	<u>(516,893)</u>	<u>(479,797)</u>
Total fixed assets, net	<u>\$73,939</u>	<u>\$58,524</u>

Note 6 - Paycheck Protection Program Loan

During the year ended August 31, 2020, The Opportunity Network obtained a loan of \$753,550 from the Small Business Administration (“SBA”) through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were not less than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven.

The Opportunity Network accounted for the PPP loan in accordance with FASB ASC 958-605 as a conditional contribution. During the year ended August 31, 2021, The Opportunity Network met all conditions for forgiveness and recognized the loan as revenue. In addition, The Opportunity Network was notified that full forgiveness was approved by the SBA.

During the year ended August 31, 2021, The Opportunity Network obtained a second PPP loan from the SBA in the amount of \$886,792 that had similar terms as the first loan. During the year ended August 31, 2022, The Opportunity Network met all conditions for forgiveness and recognized the loan as revenue. In addition, The Opportunity Network was notified that full forgiveness was approved by the SBA.

Note 7 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	<u>August 31, 2022</u>			
	Balance		Released	Balance
	<u>9/1/21</u>	<u>Contributions</u>	from <u>Restrictions</u>	<u>8/31/22</u>
Program restrictions:				
Fellows Program	\$2,674,948	\$3,075,050	(\$2,132,667)	\$3,617,331
Capacity Building	430,712	50,000	(183,466)	297,246
Other	<u>229,618</u>	<u>50,000</u>	<u>(255,916)</u>	<u>23,702</u>
Total program restrictions	3,335,278	3,175,050	(2,572,049)	3,938,279
Time restrictions	<u>2,175,658</u>	<u>611,000</u>	<u>(1,403,470)</u>	<u>1,383,188</u>
Total	<u>\$5,510,936</u>	<u>\$3,786,050</u>	<u>(\$3,975,519)</u>	<u>\$5,321,467</u>
	<u>August 31, 2021</u>			
	Balance		Released	Balance
	<u>9/1/20</u>	<u>Contributions</u>	from <u>Restrictions</u>	<u>8/31/21</u>
Program restrictions:				
Fellows Program	\$1,449,969	\$3,090,000	(\$1,865,021)	\$2,674,948
Capacity Building	162,536	412,000	(143,824)	430,712
Other	<u>60,000</u>	<u>372,778</u>	<u>(203,160)</u>	<u>229,618</u>
Total program restrictions	1,672,505	3,874,778	(2,212,005)	3,335,278
Time restrictions	<u>1,343,608</u>	<u>1,932,158</u>	<u>(1,100,108)</u>	<u>2,175,658</u>
Total	<u>\$3,016,113</u>	<u>\$5,806,936</u>	<u>(\$3,312,113)</u>	<u>\$5,510,936</u>

Note 8 - Employee Retention Tax Credit

During the year ended August 31, 2021, The Opportunity Network claimed the Employee Retention Tax Credit ("ERTC") in the amount of \$337,954. The ERTC was established by the Coronavirus Relief Act issued by Congress during 2020 and allows an employer to obtain fully refundable tax credits through their payroll tax filings for qualified wages paid after March 13, 2020 through September 30, 2021. To be eligible, an employer must incur payroll costs to retain employees and be adversely affected by the COVID-19 pandemic due to having operations suspended by a government order or demonstrating that they had a significant decline in gross receipts.

The Opportunity Network accounted for the ERTC as a conditional contribution in accordance with FASB ASC 958-605. The conditions for eligibility outlined above were met for the quarters claimed during the year ended August 31, 2021 and the full amount was recognized as revenue in 2021.

Note 9 - Special Events

A summary of special events activity from the annual benefit and other events is as follows:

	<u>8/31/22</u>	<u>8/31/21</u>
Gross revenue	\$3,536,105	\$2,775,125
Less: expenses with a direct benefit to donor	<u>(219,008)</u>	<u>(150,800)</u>
	3,317,097	2,624,325
Less: other event expenses	<u>(226,814)</u>	<u>(39,386)</u>
Net proceeds from events	<u>\$3,090,283</u>	<u>\$2,584,939</u>

Note 10 - In-Kind Contributions

In-kind contributions have been allocated as follows:

	<u>August 31, 2022</u>			
	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Professional fees	\$0	\$307,500	\$0	\$307,500
Student activities	77,414	0	0	77,414
Dues and filing fees	114,000	0	0	114,000
Staff development and recruitment	0	100,000	0	100,000
Equipment and software subscriptions	<u>0</u>	<u>55,000</u>	<u>0</u>	<u>55,000</u>
Total	<u>\$191,414</u>	<u>\$462,500</u>	<u>\$0</u>	<u>\$653,914</u>

	<u>August 31, 2021</u>			
	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Professional fees	\$0	\$17,700	\$0	\$17,700
Student activities	25,000	0	0	25,000
Supplies and office expenses	<u>346,344</u>	<u>571</u>	<u>474</u>	<u>347,389</u>
Total	<u>\$371,344</u>	<u>\$18,271</u>	<u>\$474</u>	<u>\$390,089</u>

These valuations are based on fair market value on the basis of recent comparable prices for similar goods and services in the New York City metropolitan area. There are no associated donor restrictions.

Note 11 - Commitments

A non-cancelable sublease agreement for office space was entered into, which commenced on September 1, 2020 and expires on August 31, 2023. Future minimum payments are \$424,000 for the year ending August 31, 2023.

Note 12 - Retirement Plan

The Opportunity Network administers a retirement plan under section 401(k) of the Internal Revenue Code. The plan offers employees an opportunity to contribute pre-tax dollars up to statutory limits. All full-time employees who have been working for at least one year are eligible. The employer match was \$56,000 in 2022 and \$5,000 in 2021, and these contributions are vested upon three years of service.

Note 13 - Availability and Liquidity

The Opportunity Network maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, The Opportunity Network operates its programs within a board approved budget and relies on contributions and program income to fund its operations and program activities.

The following reflects The Opportunity Network's financial assets at August 31, 2022 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:	
Cash and cash equivalents	\$3,477,153
Contributions receivable due within one year	<u>2,345,761</u>
Total financial assets	\$5,822,914
Less amounts not available for general expenditures:	
Donor contributions restricted to specific purposes	<u>(3,938,279)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,884,635</u>

Note 14 - Subsequent Events

Subsequent events have been evaluated through June 6, 2023, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment or disclosure to the financial statements.