

UP RVA

Financial Statements

June 30, 2024 and 2023



WELLSCOLEMAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
UP RVA
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of Up RVA (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of June 30, 2024, and the related statements of support and revenue, expenses, and changes in net assets - modified cash basis and functional expenses - modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Up RVA as of June 30, 2024, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Up RVA 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.

Prior Period Financial Statements

The 2023 financial statements were reviewed by us, and our report thereon, dated November 1, 2023, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with the modified cash basis of accounting. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

- Continued -

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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, including omissions, 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 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 Up RVA'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 Up RVA'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.



October 28, 2024

UP RVA

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

June 30, 2024 (Audited) and 2023 (Reviewed)

ASSETS

	2024 (Audited)	Restated 2023 (Reviewed)
Current Assets		
Cash and cash equivalents	\$ 522,955	\$ 2,935,545
Investments	<u>3,244,891</u>	<u>-</u>
Total current assets	<u>3,767,846</u>	<u>2,935,545</u>
Property and Equipment		
Furniture and fixtures	23,919	19,885
Vehicles	<u>174,258</u>	<u>184,856</u>
	198,177	204,741
Less accumulated depreciation	<u>(74,395)</u>	<u>(110,516)</u>
Net property and equipment	<u>123,782</u>	<u>94,225</u>
Other Assets		
Deposits	<u>-</u>	<u>5,000</u>
Total Assets	<u>\$ 3,891,628</u>	<u>\$ 3,034,770</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Current portion of long-term debt	\$ -	\$ 7,843
Credit cards payable	<u>2,057</u>	<u>7,275</u>
Total current liabilities	<u>2,057</u>	<u>15,118</u>
Long-Term Liabilities		
Long-term debt	<u>-</u>	<u>2,912</u>
Total liabilities	<u>2,057</u>	<u>18,030</u>
Net Assets		
Without donor restrictions	1,492,953	2,959,474
Without donor restrictions - Board designated	<u>2,190,080</u>	<u>-</u>
Total without donor restrictions	<u>3,683,033</u>	<u>2,959,474</u>
With donor restrictions	<u>206,538</u>	<u>57,266</u>
Total net assets	<u>3,889,571</u>	<u>3,016,740</u>
Total Liabilities and Net Assets	<u>\$ 3,891,628</u>	<u>\$ 3,034,770</u>

See accompanying notes to financial statements.

UP RVA

**STATEMENT OF SUPPORT AND REVENUE, EXPENSES, AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS**

For the year ended June 30, 2024 (Audited)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 1,571,258	\$ 394,190	\$ 1,965,448
Special events	63,662	-	63,662
Other revenue	2,919	-	2,919
Net assets released from restrictions	<u>244,918</u>	<u>(244,918)</u>	<u>-</u>
Net support and revenue	<u>1,882,757</u>	<u>149,272</u>	<u>2,032,029</u>
Expenses			
Program services	<u>1,098,200</u>	<u>-</u>	<u>1,098,200</u>
Supporting services expense			
General and administrative	146,091	-	146,091
Fundraising and development	<u>165,157</u>	<u>-</u>	<u>165,157</u>
Total supporting services	<u>311,248</u>	<u>-</u>	<u>311,248</u>
Total expenses	<u>1,409,448</u>	<u>-</u>	<u>1,409,448</u>
Other income			
Interest income	68,900	-	68,900
Gain on disposal of assets	32,476	-	32,476
Investment income, net	<u>148,874</u>	<u>-</u>	<u>148,874</u>
Net other income	<u>250,250</u>	<u>-</u>	<u>250,250</u>
Change in net assets	723,559	149,272	872,831
Net Assets, beginning of year	<u>2,959,474</u>	<u>57,266</u>	<u>3,016,740</u>
Net Assets, end of year	<u><u>\$ 3,683,033</u></u>	<u><u>\$ 206,538</u></u>	<u><u>\$ 3,889,571</u></u>

See accompanying notes to financial statements.

UP RVA

STATEMENT OF SUPPORT AND REVENUE, EXPENSES, AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS

For the year ended June 30, 2023 (Reviewed)

	Restated Without Donor Restrictions	Restated With Donor Restrictions	Restated Total
Support and Revenue			
Contributions	\$ 1,584,140	\$ 85,000	\$ 1,669,140
Other revenue	2,503	-	2,503
Net assets released from restrictions	27,734	(27,734)	-
Total support and revenue	<u>1,614,377</u>	<u>57,266</u>	<u>1,671,643</u>
Expenses			
Program services	<u>958,913</u>	<u>-</u>	<u>958,913</u>
Supporting services expense			
General and administrative	127,804	-	127,804
Fundraising and development	<u>129,092</u>	<u>-</u>	<u>129,092</u>
Total supporting services	<u>256,896</u>	<u>-</u>	<u>256,896</u>
Total expenses	<u>1,215,809</u>	<u>-</u>	<u>1,215,809</u>
Other income			
Interest income	69,124	-	69,124
Gain on disposal of asset	<u>14,111</u>	<u>-</u>	<u>14,111</u>
Total other income	<u>83,235</u>	<u>-</u>	<u>83,235</u>
Change in net assets	481,803	57,266	539,069
Net Assets, beginning of year	<u>2,477,671</u>	<u>-</u>	<u>2,477,671</u>
Net Assets, end of year	<u>\$ 2,959,474</u>	<u>\$ 57,266</u>	<u>\$ 3,016,740</u>

See accompanying notes to financial statements.

UP RVA

**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
PROGRAM SERVICES**

For the year ended June 30, 2024 (Audited)

	<u>Education</u>	<u>Transportation</u>	<u>Community Assistance</u>	<u>Total</u>
Salaries and wages	\$ 361,913	\$ 113,936	\$ 33,510	\$ 509,359
Payroll taxes	29,134	9,172	2,698	41,004
Benefits	<u>29,922</u>	<u>9,696</u>	<u>2,834</u>	<u>42,452</u>
	420,969	132,804	39,042	592,815
Accounting fees	-	-	-	-
Advertising	-	-	-	-
After school programs	6,264	-	-	6,264
Bank fees	-	-	-	-
Summer institute	27,329	-	-	27,329
College support	109,048	-	-	109,048
Community assistance	-	-	28,479	28,479
Depreciation expense	2,340	25,196	-	27,536
Events	-	-	7,014	7,014
Food	3,411	-	-	3,411
Fuel, parking, and tolls	-	55,905	-	55,905
Insurance	2,285	3,675	442	6,402
Meal plans	45,547	-	-	45,547
Meals	-	-	-	-
Miscellaneous expenses	1,160	-	-	1,160
Office supplies	-	-	-	-
PayPal fees	-	-	-	-
Postage and mailing	-	-	-	-
Printing and copying	-	-	-	-
Private school costs and supplies	61,600	-	-	61,600
Rent expense	9,375	-	3,125	12,500
Ride share	-	2,867	-	2,867
Software and website subscriptions	-	-	-	-
Special events	-	-	-	-
Taxes and licenses	-	7,310	-	7,310
Travel and meetings	4,817	-	-	4,817
Tutoring and counseling	35,380	-	-	35,380
Vehicle operations	<u>-</u>	<u>62,816</u>	<u>-</u>	<u>62,816</u>
	<u>\$ 729,525</u>	<u>\$ 290,573</u>	<u>\$ 78,102</u>	<u>\$ 1,098,200</u>

See accompanying notes to financial statements.

UP RVA

**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
SUPPORT SERVICES**

For the year ended June 30, 2024 (Audited)

	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>Total</u>
Salaries and wages	\$ 53,617	\$ 107,234	\$ 160,851
Payroll taxes	4,316	8,632	12,948
Benefits	<u>4,534</u>	<u>8,782</u>	<u>13,316</u>
	62,467	124,648	187,115
Accounting fees	51,351	-	51,351
Advertising	14,675	-	14,675
After school programs	-	-	-
Bank fees	1,245	-	1,245
Summer institute	-	-	-
College support	-	-	-
Community assistance	-	-	-
Depreciation expense	-	-	-
Events	-	-	-
Food	-	-	-
Fuel, parking, and tolls	-	-	-
Insurance	3,796	1,133	4,929
Meal plans	-	-	-
Meals	4,732	-	4,732
Miscellaneous expenses	3,238	-	3,238
Office supplies	2,737	-	2,737
PayPal fees	-	2,714	2,714
Postage and mailing	244	977	1,221
Printing and copying	-	1,971	1,971
Private school costs and supplies	-	-	-
Rent expense	-	-	-
Ride share	-	-	-
Software and website subscriptions	-	14,962	14,962
Special events	-	18,752	18,752
Taxes and licenses	-	-	-
Travel and meetings	1,606	-	1,606
Tutoring and counseling	-	-	-
Vehicle operations	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 146,091</u>	<u>\$ 165,157</u>	<u>\$ 311,248</u>

See accompanying notes to financial statements.

UP RVA

**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
PROGRAM SERVICES**

For the year ended June 30, 2023 (Reviewed)

	<u>Education</u>	<u>Transportation</u>	<u>Community Assistance</u>	<u>Total</u>
Salaries and wages	\$ 329,377	\$ 103,693	\$ 30,498	\$ 463,568
Payroll taxes	29,368	9,245	2,719	41,332
Benefits	<u>11,027</u>	<u>3,573</u>	<u>1,044</u>	<u>15,644</u>
	369,772	116,511	34,261	520,544
Accounting fees	-	-	-	-
Advertising	-	-	-	-
After school programs	11,347	-	-	11,347
Bank fees	-	-	-	-
Summer institute	3,780	-	-	3,780
College support	94,530	-	-	94,530
Community assistance	-	-	21,712	21,712
Depreciation expense	1,089	24,358	-	25,447
Events	-	-	11,392	11,392
Food	34,997	-	-	34,997
Fuel, parking, and tolls	-	43,837	-	43,837
Insurance	1,812	2,914	351	5,077
Meal plans	12,898	-	-	12,898
Meals	-	-	-	-
Miscellaneous expenses	697	-	-	697
Office supplies	-	-	-	-
Outside contract services	-	-	-	-
PayPal fees	-	-	-	-
Postage and mailing	-	-	-	-
Printing and copying	-	-	-	-
Private school costs and supplies	61,585	-	-	61,585
Rent expense	15,000	-	5,000	20,000
Ride share	-	2,227	-	2,227
Software and website subscriptions	-	-	-	-
Taxes and licenses	-	8,140	-	8,140
Travel and meetings	4,631	-	-	4,631
Tuition support	2,635	-	-	2,635
Tutoring and counseling	11,774	-	-	11,774
Vehicle operations	<u>-</u>	<u>61,663</u>	<u>-</u>	<u>61,663</u>
	<u>\$ 626,547</u>	<u>\$ 259,650</u>	<u>\$ 72,716</u>	<u>\$ 958,913</u>

See accompanying notes to financial statements.

UP RVA

**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
SUPPORT SERVICES**

For the year ended June 30, 2023 (Reviewed)

	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>Total</u>
Salaries and wages	\$ 48,797	\$ 97,593	\$ 146,390
Payroll taxes	4,351	8,702	13,053
Benefits	<u>1,671</u>	<u>3,236</u>	<u>4,907</u>
	54,819	109,531 -	164,350
Accounting fees	54,355	-	54,355
Advertising	6,290	-	6,290
After school programs	-	-	-
Bank fees	1,025	-	1,025
Summer institute	-	-	-
College support	-	-	-
Community assistance	-	-	-
Depreciation expense	-	-	-
Events	-	-	-
Food	-	-	-
Fuel, parking, and tolls	-	-	-
Insurance	3,010	899	3,909
Meal plans	-	-	-
Meals	2,810	-	2,810
Miscellaneous expenses	675	-	675
Office supplies	1,685	-	1,685
Outside contract services	1,388	-	1,388
PayPal fees	-	1,141	1,141
Postage and mailing	203	810	1,013
Printing and copying	-	1,920	1,920
Private school costs and supplies	-	-	-
Rent expense	-	-	-
Ride share	-	-	-
Software and website subscriptions	-	14,791	14,791
Taxes and licenses	-	-	-
Travel and meetings	1,544	-	1,544
Tuition support	-	-	-
Tutoring and counseling	-	-	-
Vehicle operations	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 127,804</u>	<u>\$ 129,092</u>	<u>\$ 256,896</u>

See accompanying notes to financial statements.

UP RVA

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 (Audited) and 2023 (Reviewed)

1. Nature of Organization

UP RVA (the "Organization") was established in 2015 with the mission of bridging the gap between high school students from limited economic resources and independent schools, in the Richmond, Virginia area. This mission has been expanded to include assistance to students that have progressed through the program and are currently attending colleges and universities, as well as providing assistance to the community. UP RVA's programs include:

- Education services - UP RVA's education programs provide low-income students from Richmond's East End with the tools, resources and support to empower them to succeed in independent schools, colleges and beyond. Services provided to high school students include after-school programming, counseling, tutoring and financial support with tuition, textbooks and computers. UP RVA provides financial support to college students and families by assisting with gap funding for students whose financial aid and loans do not cover the full cost of attendance. This gap funding includes covering incidental expenses; such as, textbooks, lab cost and other college associated expenses. UP RVA also continues to provide academic and mental health support including tutoring, academic advising and counseling.
- Transportation services - As one of the key components to UP RVA, this program began by providing transportation to and from the education services provided, recognizing the fact that students cannot succeed at school if they cannot get to school. Over time, this program has evolved into offering transportation up to sixteen hours each day, seven days per week. Transportation is provided to school, sports practices, service commitments, extra-curricular activities, and jobs.
- Community assistance program - The program provides financial support to families in the community to ensure that the students have accessibility to quality food and housing. UP RVA realizes that the chances of success in school decrease significantly if students are homeless, food insecure, or cannot keep their utility bills paid. In certain instances, UP RVA will step in and help families who have fallen on hard times to ensure that their child's academic performance will not suffer. UP RVA works with families to ensure that their basic necessities are being met in order to remove as many barriers as possible that might stand in the way of their academic success.

The Organization is supported primarily through contributions and grants.

2. Summary of Significant Accounting Policies

Basis of Accounting: The Organization's policy is to prepare its financial statements on a modified cash basis of accounting. Under this basis of accounting, revenues and the related assets are recognized when received rather than when earned and expenses are recognized when cash is disbursed rather than when the obligation is incurred. However, the Organization has chosen to adopt common modifications to the cash basis of accounting by capitalizing expenditures for property and equipment, recording its investments at fair value, recording a deposit asset, recording credit cards payable, and recording loan proceeds as liabilities.

UP RVA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 (Audited) and 2023 (Reviewed)

2. Summary of Significant Accounting Policies - Continued

Financial statements prepared on a modified cash basis of accounting are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents: The Organization maintains cash in various bank accounts which are treated as cash equivalents.

Investments: Investments are stated at fair market value.

Property and Equipment: Property and equipment are recorded at cost. Major renewals and betterments are capitalized. The cost of maintenance and repairs is charged to operations. Depreciation is provided using straight-line depreciation methods based on estimated useful lives of five to ten years for vehicles, furniture, and equipment.

Net Assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed 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-imposed restrictions. The Organization has designated a portion of net assets without donor restrictions for an endowment.
- Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that can be filled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of support and revenue, expenses, and changes in net assets - modified cash basis as net assets released from restrictions.

Contributions: The Organization adopted Financial Accounting Standards Board Accounting Standards Codification 958-225-45, "Accounting for Contributions Received and Contributions Made", whereby contributions received are recorded as net assets without or with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions are met within the same period, the contribution is accounted for as unrestricted. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions. Contributions of donated noncash assets are recorded at their fair value in the period received.

Contributed Nonfinancial Assets: Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statements of support and revenue, expenses, and changes in net assets - modified cash basis for these fundraising and special projects services because the criteria for recognition have not been satisfied.

UP RVA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 (Audited) and 2023 (Reviewed)

2. Summary of Significant Accounting Policies - Continued

Advertising: Expenses paid for advertising are charged directly to operations as they are paid.

Functional Allocation of Expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statements of support and revenue, expenses, and changes in net assets - modified cash basis. The statements of functional expenses - modified cash basis present the natural classification detail of expenses by function. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that have been allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort. Education services, transportation services, and community assistance expenses are allocated based on the business purpose of the expense.

Income Tax Status: The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal or state income taxes in the accompanying financial statements. The Organization has not been notified by any regulatory authority of an examination of its tax-exempt status or its activities.

Estimates: The process of preparing financial statements in accordance with the modified cash basis of accounting requires the use of estimates. Management is required to make certain estimates and assumptions that affect amounts reported in the financial statements and these estimates are disclosed in the following notes. Actual results may differ from these estimates.

Reclassifications: Certain prior-year balances have been reclassified to conform with the current-year presentation.

Evaluation of Subsequent Events: Management has evaluated subsequent events through October 28, 2024, which is the date the financial statements were available to be issued.

3. Liquidity and Availability

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

Cash and cash equivalents	\$	522,955
Investments		3,244,891
Less cash unavailable for general expenditures within one year, due to:		
Board-designated restrictions		(2,190,080)
Donor-imposed restrictions		(206,538)
	\$	<u>1,371,228</u>

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.

UP RVA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 (Audited) and 2023 (Reviewed)

4. Concentrations of Risk

The Organization maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC).

The Organization invests in uninsured money market funds and various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least possible that changes in the values of the investment securities will occur in the near-term and that such changes could materially affect the investment and net asset amounts reported in the financial statements.

5. Investments

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820-10-50, "Fair Value Measurements", establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. As of June 30, 2024, all of the Organization's investments were valued based on Level 1 inputs. There were no investments at June 30, 2023.

Fair Value Measurements at Reporting Date Using:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2024</u>			
Money market funds	\$ 1,050,548	\$ -	\$ -
Exchange-traded funds	<u>2,194,343</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,244,891</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values and unrealized appreciation are summarized as follows:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation</u>
<u>June 30, 2024</u>			
Money market funds	\$ 1,050,548	\$ 1,050,548	\$ -
Exchange-traded funds	<u>2,080,858</u>	<u>2,194,343</u>	<u>113,485</u>
	<u>\$ 3,131,406</u>	<u>\$ 3,244,891</u>	<u>\$ 113,485</u>

UP RVA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 (Audited) and 2023 (Reviewed)

5. Investments - Continued

The following schedule summarizes the investment income, net for the year ended June 30, 2024, which is included in revenue without donor restrictions:

Interest and dividends, net of fees	\$	34,552
Net realized and unrealized gain		<u>114,322</u>
Total investment income, net	\$	<u>148,874</u>

6. Long-Term Debt

There was no long-term debt at June 30, 2024. Long-term debt at June 30, 2023 consists of the following:

Term loan - bank, payable in monthly installments of \$290 including interest at 4.75%, maturing on August 2024. Loan is secured by a vehicle	\$	3,935
Term loan - bank, payable in monthly installments of \$393 including interest at 4.75%, maturing on December 2024. Loan is secured by a vehicle		<u>6,820</u>
		10,755
Current portion		<u>(7,843)</u>
	\$	<u>2,912</u>

7. Commitments

As of June 30, 2024 and 2023, there were no non-cancellable lease agreements with terms in excess of one year.

The Organization's operations are located within the facilities of an independent school within Richmond, Virginia for which some of the students receive program benefits of the Organization. While there is no written agreement for leasing the space occupied, the Organization has made a yearly commitment of \$25,000 for fiscal 2024 and \$20,000 for fiscal 2023 to provide to the school for operating purposes. As of June 30, 2024, the Organization had paid \$12,500 of its \$25,000 commitment for fiscal year 2024.

8. Concentrations

For the year ended June 30, 2024, the Organization received 25% of its total support and revenue from two donors. For the year ended June 30, 2023, the Organization received 12% of its total support and revenue from one donor.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 (Audited) and 2023 (Reviewed)

9. Net Assets with Donor Restrictions

Net assets with donor restrictions for a specific purpose include the portions of restricted gifts and grants that had not been spent as of June 30, 2024. Certain net assets at June 30, 2023 were reclassified as donor-restricted net assets according to the presence of donor restrictions. Net assets with donor restrictions as of June 30, 2024 were restricted for the following purposes:

	Balance 7/1/2023	Receipts	Released from Restriction	Balance 6/30/2024
College support and transportation	\$ 22,266	\$ -	\$ (22,266)	\$ -
Education	30,000	-	(30,000)	-
Scholarships	5,000	47,815	-	52,815
Summer institute	-	60,000	(7,133)	52,867
STEM futures	-	61,375	(13,638)	47,737
Summer scholars	-	75,000	(41,883)	33,117
Staffing	-	150,000	(129,998)	20,002
Total	\$ 57,266	\$ 394,190	\$ (244,918)	\$ 206,538

10. Endowment

The Organization established an endowment fund in the year ended June 30, 2024. The Organization's endowment consists of one individual fund established by resources set aside by the Board of Directors to function as an endowment (referred to as Board-designated endowment funds). Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment Return Objectives, Risk Parameters and Strategies: The Organization has an investment policy specific to its Endowment Fund, which is monitored by the Finance Committee of the Board of Directors. The objective of the Endowment Fund is to seek the highest rate of return consistent with the Endowment's approved asset mix. The Finance Committee will seek to balance long-term risk and return for the Endowment portfolio by implementing an investment strategy that provides broad diversification across asset classes, geographic region, market capitalizations and investment styles. The Organization is prohibited from investing in funds that are either illiquid or which utilize leverage to enhance investment returns.

Spending Policies: The annual spending policy is up to 4% of average Endowment assets for the most recent trailing 12 quarters once the Endowment reaches a market value of \$5,000,000.

The Board of Directors has the discretion to drawdown any previously Board-designated endowment funds to fund ongoing operating or other capital needs of the Organization.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 (Audited) and 2023 (Reviewed)

10. Endowment - Continued

The change in Board-designated endowment net assets for the year ended June 30, 2024 is as follows:

Board-designated net assets, beginning of year	\$ -
Contributions	2,058,716
Investment return, net	131,364
Release of endowment assets for expenditure	-
Change in net assets	<u>2,190,080</u>
Board-designated net assets, end of year	<u>\$ 2,190,080</u>

11. Retirement Plan

The Organization started a defined-contribution retirement plan for the benefit of eligible employees in fiscal 2024. Under the Plan, the Organization matches up to 3% of compensation for all employees who contribute to the Plan. The match increases 1% annually until it reaches 6%. Employer contributions for 2024 were \$13,464.

12. Restatement

During the year ended June 30, 2024, management became aware of an overstatement of contributions in the prior year due to incorrectly recording undeposited funds. As a result, the previously issued financial statements for the year ended June 30, 2023 have been restated. The following table presents the impact of the restatement on a condensed basis for June 30, 2023.

	<u>Amount Previously Reported</u>	<u>As Restated</u>
Statement of Support and Revenue, Expenses, and Changes in Net Assets - Modified Cash Basis:		
Contributions	\$ 1,714,140	\$1,669,140
Change in net assets	584,069	539,069
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis:		
Cash	2,980,545	2,935,545
Total net assets	3,061,740	3,016,740

In addition, certain net assets at June 30, 2023 were reclassified as donor-restricted net assets according to the presence of donor restrictions. See Note 9.