

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Consolidated Financial Statements

June 30, 2025

## **Independent Auditors' Report**

### **To the Board of Trustees of East Harlem Tutorial Program, Inc. and Subsidiaries**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of East Harlem Tutorial Program, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of East Harlem Tutorial Program, Inc. and Subsidiaries as of June 30, 2025, and the consolidated changes in their net assets and their 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of East Harlem Tutorial Program, Inc. and Subsidiaries 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East Harlem Tutorial Program, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated 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 East Harlem Tutorial Program, Inc. and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East Harlem Tutorial Program, Inc. and Subsidiaries' 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***

We have previously audited East Harlem Tutorial Program, Inc. and Subsidiaries' 2024 consolidated financial statements and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 23, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects with the audited consolidated financial statements from which it has been derived.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position, activities and functional expenses on pages 25-27 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*PKF O'Connor Davies, LLP*

October 24, 2025

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Consolidated Statement of Financial Position  
June 30, 2025  
(with comparative amounts at June 30, 2024)

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,662,361	\$ 12,463,248
Grants receivable	116,681	57,783
Pledges Receivable		
Without donor restriction, net	549,350	638,018
Restricted for capital campaign, net	611,569	1,457,836
Other receivables	1,287,404	155,685
Receivable from related entity, net	-	497,155
Prepaid expenses and other assets	132,329	175,753
Investments	205,927	152,955
Restricted investments	11,156,942	14,926,302
Deferred rent asset	5,863,654	1,958,221
Security deposits	315,560	315,560
Right-of-use asset - Operating leases	51,372	237,132
Right-of-use asset - Financing leases	377,438	395,270
Land, building and equipment, net	101,736,311	40,461,049
Construction in progress	2,797,469	61,687,920
	<u>\$ 135,864,367</u>	<u>\$ 135,579,887</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 614,979	\$ 1,045,606
Other liabilities	2,440,154	2,587,737
Payable to related entity	125,574	-
Operating lease liability	54,621	245,810
Finance lease liability	359,757	383,263
Bonds and loans payable, net of unamortized financing costs	<u>67,321,431</u>	<u>67,260,500</u>
Total Liabilities	<u>70,916,516</u>	<u>71,522,916</u>
<b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	61,350,377	60,484,081
Designated by the board	850,000	850,000
Total Without Donor Restrictions	<u>62,200,377</u>	<u>61,334,081</u>
With Donor Restrictions		
Operations	570,875	570,134
Capital Campaign	1,526,994	1,509,523
Endowment Funds	649,605	643,233
Total With Donor Restrictions	<u>2,747,474</u>	<u>2,722,890</u>
Total Net Assets	<u>64,947,851</u>	<u>64,056,971</u>
	<u>\$ 135,864,367</u>	<u>\$ 135,579,887</u>

See notes to consolidated financial statements

# East Harlem Tutorial Program, Inc. and Subsidiaries

## Consolidated Statement of Activities Year Ended June 30, 2025 (with summarized totals for the year ended June 30, 2024)

	Without Donor Restriction			With Donor Restriction				2025 Total	2024 Total
	Undesignated	Designated by the Board	Total	Operations	Capital Campaign	Endowment Funds	Total		
<b>OPERATING REVENUES, GAINS AND SUPPORT</b>									
Contributions									
Foundations	\$ 633,600	\$ -	\$ 633,600	\$ 675,500	\$ -	\$ -	\$ 675,500	\$ 1,309,100	\$ 1,332,030
Corporations	2,025	-	2,025	-	-	-	-	2,025	442,112
Individual	281,580	-	281,580	-	17,471	-	17,471	299,051	360,250
Government grants	261,545	-	261,545	-	-	-	-	261,545	353,560
Special events	2,109,282	-	2,109,282	-	-	-	-	2,109,282	2,357,299
Management fee	3,531,935	-	3,531,935	-	-	-	-	3,531,935	3,123,047
Rental income	8,002,310	-	8,002,310	-	-	-	-	8,002,310	2,910,543
Miscellaneous	19,853	-	19,853	-	-	-	-	19,853	59,119
Net assets released from restrictions	674,759	-	674,759	(674,759)	-	-	(674,759)	-	-
Total Operating Revenues, Gains and Support	<u>15,516,889</u>	<u>-</u>	<u>15,516,889</u>	<u>741</u>	<u>17,471</u>	<u>-</u>	<u>18,212</u>	<u>15,535,101</u>	<u>10,937,960</u>
<b>OPERATING EXPENSES</b>									
Program Services									
Elementary school	2,690,146	-	2,690,146	-	-	-	-	2,690,146	1,591,777
Middle school	1,708,870	-	1,708,870	-	-	-	-	1,708,870	1,938,382
High school	2,424,703	-	2,424,703	-	-	-	-	2,424,703	2,537,887
Residency program	171,282	-	171,282	-	-	-	-	171,282	-
Total Program Services	<u>6,995,001</u>	<u>-</u>	<u>6,995,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,995,001</u>	<u>6,068,046</u>
Supporting Services									
General and administrative	5,580,830	-	5,580,830	-	-	-	-	5,580,830	2,276,660
Fundraising	984,993	-	984,993	-	-	-	-	984,993	904,105
Total Supporting Services	<u>6,565,823</u>	<u>-</u>	<u>6,565,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,565,823</u>	<u>3,180,765</u>
Total Expenses	<u>13,560,824</u>	<u>-</u>	<u>13,560,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,560,824</u>	<u>9,248,811</u>
Excess of Operating Revenues, Gains and Support Over Operating Expenses	<u>1,956,065</u>	<u>-</u>	<u>1,956,065</u>	<u>741</u>	<u>17,471</u>	<u>-</u>	<u>18,212</u>	<u>1,974,277</u>	<u>1,689,149</u>
<b>NONOPERATING CHANGES IN NET ASSETS</b>									
Government grants for affiliates	244,899	-	244,899	-	-	-	-	244,899	368,187
Replication grant to affiliate	-	-	-	-	-	-	-	-	(128,187)
Grants to affiliates (EHSA)	(3,594,899)	-	(3,594,899)	-	-	-	-	(3,594,899)	(2,240,000)
Grant from affiliates (EHCLP)	-	-	-	-	-	-	-	-	380,772
Net realized and unrealized gains on investments	1,028,417	-	1,028,417	-	-	16,236	16,236	1,044,653	51,937
Interest and dividends	1,190,954	-	1,190,954	-	-	39,268	39,268	1,230,222	203,778
Investment management fees	-	-	-	-	-	(8,272)	(8,272)	(8,272)	(7,783)
Net assets released from restrictions	40,860	-	40,860	-	-	(40,860)	(40,860)	-	-
Total Nonoperating Changes in Net Assets	<u>(1,089,769)</u>	<u>-</u>	<u>(1,089,769)</u>	<u>-</u>	<u>-</u>	<u>6,372</u>	<u>6,372</u>	<u>(1,083,397)</u>	<u>(1,371,296)</u>
Change in Net Assets	866,296	-	866,296	741	17,471	6,372	24,584	890,880	317,853
<b>NET ASSETS</b>									
Beginning of year	<u>60,484,081</u>	<u>850,000</u>	<u>61,334,081</u>	<u>570,134</u>	<u>1,509,523</u>	<u>643,233</u>	<u>2,722,890</u>	<u>64,056,971</u>	<u>63,739,118</u>
End of year	<u>\$ 61,350,377</u>	<u>\$ 850,000</u>	<u>\$ 62,200,377</u>	<u>\$ 570,875</u>	<u>\$ 1,526,994</u>	<u>\$ 649,605</u>	<u>\$ 2,747,474</u>	<u>\$ 64,947,851</u>	<u>\$ 64,056,971</u>

See notes to consolidated financial statements

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

**Consolidated Statement of Functional Expenses  
For the Year Ended June 30, 2025  
(with summarized totals for the year ended June 30, 2024)**

	Program Services					Supporting Services			2025	2024
	Elementary School	Middle School	High School	Residency Program	Total	General and Administrative	Fundraising	Total	Total	Total
Salaries	\$ 1,672,209	\$ 1,114,283	\$ 1,205,457	\$ 138,541	\$ 4,130,490	\$ 298,388	\$ 572,440	\$ 870,828	\$ 5,001,318	\$ 4,744,833
Payroll taxes and fringe benefits	270,823	180,464	195,230	22,437	668,954	48,325	92,710	141,035	809,989	895,252
Student stipends	-	-	-	-	-	-	-	-	-	39,450
Professional fees	156,485	79,756	193,375	-	429,616	55,100	105,707	160,807	590,423	405,293
Rent and other building expenses	15,446	7,679	156,375	-	179,500	-	-	-	179,500	128,430
Telephone and internet	16,275	9,008	15,670	-	40,953	-	-	-	40,953	74,583
Printing/duplicating	12,690	6,387	9,235	-	28,312	6,765	12,977	19,742	48,054	32,370
Office supplies	13,396	9,379	9,899	66	32,740	-	-	-	32,740	31,035
Postage	601	318	3,676	-	4,595	256	492	748	5,343	863
Program and educational supplies	69,725	45,247	59,299	-	174,271	729	1,399	2,128	176,399	163,103
Student food, trips and support	137,471	93,825	342,632	-	573,928	-	-	-	573,928	469,014
Direct fundraising expenses	59,317	29,490	43,170	-	131,977	31,621	60,663	92,284	224,261	83,755
Transportation and travel	3,438	2,457	2,882	-	8,777	1,697	3,255	4,952	13,729	21,907
Staff and board development	107,986	53,811	74,487	10,238	246,522	42,741	81,996	124,737	371,259	234,553
Insurance	107,394	53,392	78,160	-	238,946	16,690	32,019	48,709	287,655	189,062
Repairs, maintenance and equipment leases	21,747	10,874	16,857	-	49,478	7,214	13,839	21,053	70,531	30,800
Interest, amortization and other finance fees	-	-	-	-	-	2,566,525	-	2,566,525	2,566,525	826,491
Bad debt expense	-	-	-	-	-	420,315	-	420,315	420,315	133,192
Total Expenses Before Depreciation	2,665,003	1,696,370	2,406,404	171,282	6,939,059	3,496,366	977,497	4,473,863	11,412,922	8,503,986
Depreciation	25,143	12,500	18,299	-	55,942	2,084,464	7,496	2,091,960	2,147,902	744,825
Total Expenses	<u>\$ 2,690,146</u>	<u>\$ 1,708,870</u>	<u>\$ 2,424,703</u>	<u>\$ 171,282</u>	<u>\$ 6,995,001</u>	<u>\$ 5,580,830</u>	<u>\$ 984,993</u>	<u>\$ 6,565,823</u>	<u>\$ 13,560,824</u>	<u>\$ 9,248,811</u>

See notes to consolidated financial statements

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Consolidated Statement of Cash Flows  
Year Ended June 30, 2025  
(with comparative amounts for the year ended June 30, 2024)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 890,880	\$ 317,853
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	2,147,902	744,825
Amortization of right-of-use asset operating	89,809	89,978
Amortization of right-of-use asset financing	17,832	17,831
Net realized and unrealized gain on investments	(1,044,653)	(51,937)
Deferred rent	(3,905,433)	(1,330,420)
Discount on pledges receivable	(17,471)	(34,215)
Bad debt expense	420,315	133,192
Changes in operating assets and liabilities		
Grants receivable	(58,898)	59,440
Pledges receivable without donor restriction	88,668	662,335
Capital campaign pledges receivable	443,423	428,040
Other receivables	(1,131,719)	2,125
Receivable from related entity, net	497,155	(374,603)
Prepaid expenses and other assets	43,424	(64,237)
Accounts payable and accrued expenses	(430,627)	(965,717)
Payable to related entity	125,574	-
Other liabilities	(147,583)	1,033,639
Operating lease liability	(95,239)	(88,441)
Net Cash from Operating Activities	<u>(2,066,641)</u>	<u>579,688</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of building improvements and equipment	(1,735,244)	(9,869)
Construction in progress	(2,797,469)	(20,947,216)
Purchase of investments	(84,675)	(63,655)
Proceeds from the sale of investments	4,845,716	20,599,166
Security deposits	-	14,911
Net Cash from Investing Activities	<u>228,328</u>	<u>(406,663)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deferred financing costs	60,931	6,135
Principal payments on finance lease liability	(23,505)	(23,440)
Net Cash from Financing Activities	<u>37,426</u>	<u>(17,305)</u>
Net Change in Cash and Cash Equivalents	(1,800,887)	155,720
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>12,463,248</u>	<u>12,307,528</u>
End of year	<u>\$ 10,662,361</u>	<u>\$ 12,463,248</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest, capitalized interest of \$2,155,313 and \$3,549,664	\$ 4,139,636	\$ 4,048,667
Transfer of construction in progress to buildings	56,457,662	-

See notes to consolidated financial statements



**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**1. Organization**

As a vital East Harlem education and enrichment center, East Harlem Tutorial Program, Inc. with its subsidiaries East Harlem Center LLC (EHC) and East Harlem Scholars HS LLC (EHS), together EHTP, works with students from early childhood through adulthood to prepare students with the academic skills, strength of character, and social and emotional well-being to excel in high school and college, to lead in their communities, and to realize their best possible selves. EHTP grounds the work in core values, guiding principles and racial equity. For 61 years, EHTP has provided a safe, supportive learning environment for East Harlem youth, giving them access to educational resources, all the while providing encouragement and social support from caring adults who serve as educators, role models, and mentors. EHTP works with students from Kindergarten through College.

EHTP is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation and Use of Estimates***

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the collectability of pledges receivable and the resulting allowance and discount, and the useful lives of EHTP's long-lived assets.

***Net Asset Presentation***

EHTP reports information regarding financial position and activities according to two classes of net assets: without and with donor restrictions.

*Without donor restrictions* – consist of resources available for the general support of EHTP's operations. Net assets without donor restrictions may be used at the discretion of EHTP's management and Board of Trustees.

*With donor restrictions* – represent amounts restricted by donors to be used for specific activities or at some future date, or which require EHTP to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Income and gains earned on endowment fund investments are available to be used in the "without donor restrictions" or "with donor restrictions" net asset classes based upon stipulations imposed by the donors.

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**2. Summary of Significant Accounting Policies (continued)**

***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of East Harlem Tutorial Program, Inc. and its subsidiaries, EHC and EHS. All material intercompany accounts and transactions have been eliminated in consolidation.

***Cash and Cash Equivalents***

For purposes of the consolidated statement of cash flows, EHTP considers all highly liquid instruments purchased with a maturity of three months or less, including money market funds, to be cash equivalents, except for cash and cash equivalents held for investment purposes.

***Receivables***

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts.

Balances that are still outstanding, after management has used reasonable collection efforts, are written off through a charge to the valuation allowance and a credit to receivables.

***Fair Value Measurements***

EHTP follows US GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

***Investments and Investment Income***

Investments are stated at fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**2. Summary of Significant Accounting Policies (continued)**

***Restricted Investments***

Restricted investments relate to the Build NYC Resource Corporation Revenue Bonds proceeds in accordance with the issuers debt covenant and corpus of donor gifts received to be maintained in perpetuity.

	<u>2025</u>	<u>2024</u>
Build NYC Resource Corporation Revenue Bonds proceeds	\$ 10,406,942	\$ 14,176,302
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>750,000</u>	<u>750,000</u>
	<u>\$ 11,156,942</u>	<u>\$ 14,926,302</u>

***Contributions and Unconditional Promises to Give***

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction.

Donations of assets other than cash are recorded as support at the estimated fair value at the date of contribution. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. No such donations were received in the year ended June 30, 2025.

***Facilities Rental***

The rent revenue and expense categories in the accompanying consolidated statement of activities relate to the rental of facilities to or from outside organizations or individuals. Revenue is recorded at the same time the space is provided, and expenses are recorded when the related rental costs are incurred.

***Deferred Rent Asset***

EHTP records its subleases in accordance with US GAAP whereby all rental receipts, including fixed rent increases are recognized on a straight-line-basis as an offset to rental income. The difference between straight-line rental income and the required lease payments, as well as any unamortized lease incentives, is reflected in deferred rent asset in the accompanying consolidated statement of financial position.

***Scholarships***

Scholarships are reimbursements for eligible educational expenses incurred by EHS and are recorded when approved by management.

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**2. Summary of Significant Accounting Policies (continued)**

***Deferred Financing Costs***

All costs associated with securing long-term debt are capitalized and reflected on the consolidated statement of financial position as a direct deduction from the loans payable and amortized over the term of the loan on a method that approximates the effective interest method. EHTP reflects amortization of debt issuance costs within interest expense unless capitalized.

***Land, Building and Equipment***

Land, building and equipment are recorded at cost or if donated, at their fair value at the date of donation. Building improvements, equipment, furniture and fixtures, are depreciated using the straight-line method over the useful lives varying from three to thirty-one years. Expenditures for repair and maintenance are expensed as incurred.

***Impairment of Long-Lived Assets***

Management reviews its real estate assets for impairment whenever events or a change in circumstances indicate that the carrying value of assets held for use may not be recoverable. No indicators of impairment were present at June 30, 2025 and 2024 and no impairment losses were recorded.

***Functional Allocation of Expenses***

The consolidated financial statements report categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries are allocated on the basis of time and effort. Direct program costs such as student stipends, scholarships, educational supplies, student food and trips, and transportation are allocated directly to the programs. All other costs that are not charged directly to a program are allocated by percentage of number of employees serving and supporting each program.

***Leases***

EHTP accounts for leases under Topic 842. EHTP determines if an arrangement is a lease at inception. Operating and finance leases are included in ROU assets and lease liabilities on the accompanying consolidated statement of financial position. EHTP made the short-term lease election for leases with an initial term of less than 12 months. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating and financing lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit borrowing rate, EHTP uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend the lease and when it is reasonably certain that EHTP will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term. EHTP's lease agreements do not contain any material residual value guarantees or material restrictive covenants. EHTP's lease agreements do not contain any variable lease components.

**East Harlem Tutorial Program, Inc.  
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Notes to Consolidated Financial Statements  
June 30, 2025

**2. Summary of Significant Accounting Policies (continued)**

***Operating Measure***

EHTP has elected to present an operating measure in its consolidated statement of activities. The measure of operations includes all revenues and expenses that are an integral part of EHTP's programs and supporting activities with the exception of grants to affiliates, investment returns and Campaign for East Harlem releases from restrictions.

***Accounting for Uncertainty in Income Taxes***

EHTP recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that EHTP had no uncertain tax positions that would require financial statement recognition or disclosure. EHTP is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to fiscal 2022.

***Summarized Prior-Year Information***

The consolidated 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 US GAAP. Accordingly, such information should be read in conjunction with EHTP's consolidated financial statements as of and for the year ended June 30, 2024, from which the summarized information was derived.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is October 24, 2025.

**East Harlem Tutorial Program, Inc.  
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Notes to Consolidated Financial Statements  
June 30, 2025

**3. Liquidity and Availability of Financial Assets**

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

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 10,662,361	\$ 12,463,248
Grants receivable	116,681	57,783
Pledges receivable without donor restriction, net	549,350	638,018
Pledges receivable with donor restriction, net	611,569	1,457,836
Other receivables	1,287,404	155,685
Receivable from related entity, net	-	497,155
Investments	205,927	152,955
Investments, restricted	<u>11,156,942</u>	<u>14,926,302</u>
	<u>24,590,234</u>	<u>30,348,982</u>
Less amounts restricted for general expenditure:		
Endowment funds	(750,000)	(750,000)
Restricted investments	(10,406,942)	(14,176,302)
Other donor restrictions	(570,875)	(2,079,657)
Board designated net assets	<u>(850,000)</u>	<u>(850,000)</u>
	<u>(12,577,817)</u>	<u>(17,855,959)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 12,012,417</u>	<u>\$ 12,493,023</u>

EHTP endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. As part of EHTP's liquidity management, EHTP strives to maintain funds to cover all donor restricted non endowed funds in the checking account. Amounts appropriated for expenditure of \$40,860 were transferred from investments to the checking account during fiscal 2025. In addition, EHTP has a \$2,500,000 line of credit with a bank which can be used to finance short-term working capital needs (see note 8).

**4. Concentration of Credit Risk**

Financial instruments that potentially subject EHTP to concentrations of credit risk consist principally of cash and cash equivalents, receivables and investments. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed the FDIC and/or the SIPC limit.

EHTP has a significant concentration in its investment portfolio as 92% of the investment portfolio is held by one investment brokerage firm. The investment portfolio is diversified by type of investments and industry concentrations.

**East Harlem Tutorial Program, Inc.  
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Notes to Consolidated Financial Statements  
June 30, 2025

**4. Concentration of Credit Risk (*continued*)**

Concentrations of credit risk with respect to receivables are limited due to the large number of donors comprising EHTP's donor base. As of June 30, 2025 and 2024, EHTP had no significant concentrations of credit risk.

**5. Pledges Receivable**

At June 30, pledges receivable are due as follows:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 1,160,919	\$ 1,819,629
Due within two to five years	<u>-</u>	<u>293,696</u>
	1,160,919	2,113,325
Less: Discount to present value	<u>-</u>	<u>(17,471)</u>
	<u><u>\$ 1,160,919</u></u>	<u><u>\$ 2,095,854</u></u>

Pledges receivable at June 30, 2024 which are due after one year are reflected at present value of estimated cash flows using discount rates ranging from 4.52% to 4.71%.

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**6. Investments**

The following are the classes and major categories of investments at June 30:

	<u>2025</u>	<u>2024</u>
Level I		
Common Stocks		
Energy	\$ 26,347	\$ 28,781
Real estate	13,126	29,492
Financial	15,998	-
Technology	70,880	43,067
Consumer defense	13,295	18,470
Pharmaceuticals	21,903	51,414
Exchange Traded Funds		
Financial	262,020	241,083
Emerging markets bond	22,136	21,147
Mutual Fund		
Foreign large blend	306,323	259,722
Preferred Stocks		
Financial	30,325	29,904
Fixed-rate capital securities	-	1,472
Level II		
Corporate bonds	144,618	138,381
Government Securities		
US Treasury obligations	-	4,082,894
Total Investments at Fair Value	926,971	4,945,827
Cash and cash equivalents, at cost	10,435,632	10,133,430
Total	<u>\$ 11,362,603</u>	<u>\$ 15,079,257</u>

At June 30, 2025 and 2024 all investments measured at fair value were valued using level 1 inputs, except for the US Treasury obligations and corporate bonds which were valued using level 2 inputs as discussed in Note 2.

During the years ended June 30, 2025 and 2024, there were no transfers between input levels of the fair value hierarchy.



**East Harlem Tutorial Program, Inc.  
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Notes to Consolidated Financial Statements  
June 30, 2025

**7. Land, Building and Equipment**

Land, building and equipment consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 18,567,698	\$ 18,567,698
Building	90,062,117	26,743,932
Building improvements	205,382	760,781
Equipment, furniture and fixtures	<u>241,027</u>	<u>365,270</u>
	109,076,224	46,437,681
Less accumulated depreciation	<u>(7,339,913)</u>	<u>(5,976,632)</u>
	<u><u>\$ 101,736,311</u></u>	<u><u>\$ 40,461,049</u></u>

During 2007, EHTP purchased three lots in East Harlem from the New York City Economic Development Corporation. In 2010, EHTP purchased an additional adjoining lot. The four lots (collectively, the “Lots”) were purchased for the purpose of developing an educational facility (the “Education Facility”) to be used by EHTP for programming and to be leased to East Harlem Scholars Academy Charter School (“Scholars Academy”), a separately incorporated 501(c)(3) charter school, for one of its K-8 programs.

During the fiscal year ended June 30, 2017, the construction was completed, and the facility was placed into service and the costs are being depreciated over their estimated useful lives.

On August 30, 2018, EHTP purchased four lots in East Harlem from the Archdiocese of New York. These four lots (the “New Lots”) were purchased for the purpose of developing and constructing a high school (the “High School”), to be leased to Scholars Academy. Construction of the High School began during the year ended June 30, 2021. The construction of the High School was completed in July 2024 and placed into service on August 21, 2024. The costs are being depreciated over their estimated useful lives. The lease with Scholars Academy commenced on September 1, 2024.

**8. Long Term Debt**

***Build NYC Resource Corporation Revenue Bonds – East Harlem Scholars Academy Charter School Project, Series 2022 (Social Bonds)***

On December 15, 2022, EHTP/Scholars Academy closed on a \$71.22 million revenue bond transaction issued through Build NYC Resource Corporation. The tax-exempt bonds were issued to 1) refinance outstanding loans from Goldman Sachs Bank USA and BankUnited, N.A., 2) fund remaining construction costs of the High School Project, and 3) fund related transaction costs including a deposit to a debt service reserve fund. Interest on the portion of the Bonds allocable to the High School Project has been capitalized through June 30, 2025.

**East Harlem Tutorial Program, Inc.  
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Notes to Consolidated Financial Statements  
June 30, 2025

**8. Long Term Debt (continued)**

The bond includes the following components with the last maturity due on June 1, 2062.

Bond Component	Par Value	Price	Coupon Rate
Term Bond 2032	\$ 4,475,000	\$ 100.00	5.00%
Term Bond 2042	11,495,000	101.51	5.75%
Term Bond 2052	20,095,000	100.00	5.75%
Term Bond 2062	<u>35,155,000</u>	97.71	5.75%
Total Loans Payable	71,220,000		
Unamortized financing costs	(3,267,094)		
Issuance discount	<u>(631,475)</u>		
	<u>\$ 67,321,431</u>		

The bond transaction refinanced both 2050 Second Avenue and the new High School property. This resulted in a lower overall debt service burden for EHTP across both properties and eliminated the short and medium refinancing risk from both properties.

***Credit Facility (Line of Credit)***

On September 13, 2018, EHTP entered into a line of credit agreement with JPMorgan Chase Bank, N.A. which has been renewed several times. The line of credit currently has a limit of \$2,500,000 and a variable rate of SOFR plus 4.105%. The line of credit matures on May 20, 2026. There were no drawdowns during the fiscal years ended June 30, 2025 and 2024.

**9. Pension Plan**

EHTP maintains a 403(b) defined contribution pension plan for its employees. The plan is funded through individual insurance contracts. The plan provides for a match of employee contributions of up to 3.5% of employee's salary paid on a monthly basis. Pension plan expense for the years ended June 30, 2025 and June 30, 2024 was \$70,649 and \$66,239.

**10. Related Entity Transactions**

***East Harlem Scholars Academy***

In 2011, Scholars Academy was granted a charter by The University of the State of New York ("SUNY") and as stipulated in the bylaws of Scholars Academy, at least 51% and no more than 60% of Scholars Academy's Board of Directors may also be EHTP board members thus resulting in common control. In 2013, SUNY authorized East Harlem Scholars Academy II, ("Scholars Academy II") a public charter school operating under the same education corporation. Both Scholars Academies share personnel, administrative, and other support under a cost sharing agreement with EHTP. Shared operating costs are allocated to each Scholars Academy based on employee hours spent. The total amount of the cost sharing agreement for the years ended June 30, 2025 and 2024 was \$3,531,935 and \$3,123,047, which is included in Management Fees in the accompanying consolidated statement of activities.

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**10. Related Entity Transactions (continued)**

EHTP also pays certain expenses on behalf of the Scholars Academies which are subsequently reimbursed. The total amount of these reimbursed expenses for the years ended June 30, 2025 and 2024 was \$676,001 and \$930,958.

For the years ended June 30, 2025 and 2024, EHTP's board of trustees approved grants to Scholars Academy totaling \$3,594,899 and \$2,240,000. At June 30, 2025 and 2024, grants payable to Scholars Academy amounted to \$50,218 and \$72,594 and are netted with payables to related entities on the accompanying consolidated statement of financial position. Net balance due (to)/from Scholars Academy at June 30, 2025 and 2024 totaled \$(125,574) and \$497,155.

During 2016, Scholars Academy contributed a grant of \$200,000 for the construction of the education facility (see note 7). The grant was recorded as deferred rent and was being amortized through June 30, 2022. This amount was included in ROU asset with the adoption of leases under Topic 842 during the year ended June 30, 2023.

**11. Board Designated Net Assets Without Donor Restriction**

Board designated net assets without donor restriction consisted of the following at June 30, 2025 and 2024:

Future Fund	\$ 250,000
Reserve	600,000
	<u>\$ 850,000</u>

The Board of Trustees has designated net assets without donor restriction as follows:

*Future Fund:*

This designation's purpose is to accumulate dollars for future EHTP programs.

*Reserve:*

This designation's purpose is to provide a cash reserve for EHTP programs.

**12. Net Assets With Donor Restrictions**

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

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Campaign for East Harlem	\$ 1,526,994	\$ 1,509,523
Ilma F. Kern Foundation endowment funds	649,605	643,233
Program activities	218,802	354,101
OST Fund	352,073	216,033
Total Net Assets with Donor Restrictions	<u>\$ 2,747,474</u>	<u>\$ 2,722,890</u>

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**12. Net Assets With Donor Restrictions (*continued*)**

Net assets with donor restrictions are to be used as follows:

*Campaign for East Harlem:*

These funds are restricted by the donors to finance the costs of the educational facility land and building construction as well as for college scholars and operating reserve.

*OST Fund:*

These funds are designated to support after school programs.

*Program Activities:*

This designation's purpose is to provide support for academic work with at risk students in East Harlem.

*Gladys Brooks Scholarship Fund:*

These funds are restricted by the donor to support EHTP's summer programs.

*Helen Webber Book Fund:*

These funds are restricted by the donors for the purpose of acquiring a children's library.

Net assets with donor restrictions were released from restriction for the following purposes for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Campaign for East Harlem	\$ -	\$ 223,454
Operations	336,000	426,880
Time restrictions	122,828	85,325
Ilma F. Kern Foundation endowment funds	40,860	76,156
OST Fund	<u>215,931</u>	<u>399,934</u>
	<u>\$ 715,619</u>	<u>\$ 1,211,749</u>

**13. Endowment Funds**

The endowment consists of the Ilma F. Kern Foundation Endowment Fund. The endowment provides annual funding for specific activities.

EHTP maintains various funds whose purpose is to provide long-term support for its programs. In classifying such funds for financial statement purposes as either net assets with or without donor restriction, the Board of Trustees looks to the explicit directions of the donor where applicable and provisions of the laws of State of New York.

**East Harlem Tutorial Program, Inc.  
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Notes to Consolidated Financial Statements  
June 30, 2025

**13. Endowment Funds (continued)**

***Interpretation of Relevant Law***

The Board of Trustees of EHTP has interpreted New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary and except in those cases where the law allows appropriation for spending of the original gift amounts. As a result of this interpretation, the Board of Trustees classifies as net assets with donor restriction (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of investment returns to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The accumulations of net investment returns are classified as net assets with donor restriction until they are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA.

***Investment Strategy***

The endowment funds are invested in accordance with the parameters set forth by the finance committee with the objective of achieving conservative returns with minimal risk exposure. To reduce the risk of wide swings in market value from year-to-year, and the risk of incurring large losses because of concentrated positions, the endowment is invested in various asset classes, namely marketable equities, mutual funds, fixed income and cash.

As of June 30, 2025 and 2024, EHTP had the following endowment net asset composition by type of fund:

	<u>2025</u>	<u>2024</u>
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 750,000	\$ 750,000
Accumulated investment (losses)	<u>(100,395)</u>	<u>(106,767)</u>
	<u>\$ 649,605</u>	<u>\$ 643,233</u>

***Spend Rate Policy***

The objective for donor-restricted endowment funds is to preserve the capital base. Investment earnings are to be used for their donor restricted purposes where applicable.

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**13. Endowment Funds (continued)**

***Spend Rate Policy (continued)***

The following is a reconciliation of the investment activity in the endowment funds for the years ended June 30, 2025 and 2024:

	Without Donor Restriction	With Donor Restriction	Total
Balance, July 1, 2024	\$ -	\$ 643,233	\$ 643,233
Investment income	-	39,268	39,268
Investment advisory fees	-	(8,272)	(8,272)
Realized/unrealized gains	-	16,236	16,236
Appropriation for expenditures	-	(40,860)	(40,860)
Balance, June 30, 2025	<u>\$ -</u>	<u>\$ 649,605</u>	<u>\$ 649,605</u>
Balance, July 1, 2023	\$ -	\$ 652,858	\$ 652,858
Investment income	-	41,169	41,169
Investment advisory fees	-	(7,783)	(7,783)
Realized/unrealized gains	-	33,145	33,145
Appropriation for expenditures	-	(76,156)	(76,156)
Balance, June 30, 2024	<u>\$ -</u>	<u>\$ 643,233</u>	<u>\$ 643,233</u>

From time to time, the fair value of assets associated with endowment funds may fall below the level that the donor or NYPMIFA requires EHTP to retain as a fund of perpetual duration. Deficiencies of this nature exist in the donor-restricted endowment funds, which have an original gift value of \$750,000, a current fair value of \$649,605, and a deficiency of \$100,395 as of June 30, 2025.

These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

**14. Commitments and Contingencies**

***Lease Commitments***

EHTP has operating and financing leases for certain office space and equipment. EHTP assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the consolidated statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

**East Harlem Tutorial Program, Inc.  
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Notes to Consolidated Financial Statements  
June 30, 2025

**14. Commitments and Contingencies (continued)**

***Lease Commitments (continued)***

EHTP occupies program space at 2053 Second Avenue under an operating lease that expired July 17, 2024 and was not extended. EHTP also occupies office space at 2035 Second Avenue under an operating lease that was scheduled to expire in May 2022. On July 1, 2021, the lease for the office space was amended and extended for an additional 5 years with annual price escalations. On January 15, 2025, an amendment was made to terminate the lease effective January 15, 2026. Rental expense for operating leases for the years ended June 30, 2025 and 2024 was \$96,202 and \$98,450.

EHTP leases photocopiers and other equipment under operating lease agreements which provide for minimum annual rentals through fiscal 2024. Rent expense for equipment for the years ended June 30, 2025 and 2024 was \$0 and \$19,169.

Minimum future rental payments under non-cancelable operating leases with remaining terms in excess of one year for fiscal years ending June 30, are payable as follows:

	<u>Operating</u>	<u>Finance</u>
2026	\$ 54,995	\$ 25,500
2027	-	25,500
2028	-	25,500
2029	-	25,500
2030	-	25,500
Thereafter	-	427,068
Total Future Minimum Lease Payment	54,995	554,568
Less imputed interest	(374)	(194,811)
Total Lease Liability	<u>\$ 54,621</u>	<u>\$ 359,757</u>
	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term:		
Operating lease	1 year	4 years
Finance lease	22 years	23 years
Weighted average Discount rate:		
Operating lease	2.96%	2.96%
Finance lease	3.32%	3.32%

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

Notes to Consolidated Financial Statements  
June 30, 2025

**14. Commitments and Contingencies (continued)**

***Lease Commitments (continued)***

ROU under lease agreements at June 30, consists of the following:

2025		
	<u>Operating</u>	<u>Finance</u>
Right of use asset	\$ 141,181	\$ 395,270
Less accumulated amortization	<u>(89,809)</u>	<u>(17,832)</u>
	<u><u>\$ 51,372</u></u>	<u><u>\$ 377,438</u></u>
2024		
	<u>Operating</u>	<u>Finance</u>
Right of use asset	\$ 327,110	\$ 413,101
Less accumulated amortization	<u>(89,978)</u>	<u>(17,831)</u>
	<u><u>\$ 237,132</u></u>	<u><u>\$ 395,270</u></u>

Cash paid for operating leases for the years ended June 30, 2025 and 2024 totaled \$99,821 and \$96,913. Interest and principal paid for finance leases for the year ended June 30, 2025 totaled \$23,505 and \$1,995. Interest and principal paid for finance leases for the year ended June 30, 2024 totaled \$23,440 and \$1,160. Rental expense for finance leases for the years ended June 30, 2025 and 2024 was \$17,832 and 17,832.

During the fiscal year ended June 30, 2015, an agreement to lease the land and buildings located at 2040-2050 Second Avenue, New York, NY was executed between Scholars Academy and EHC. The lease has a term of 30 years commencing on September 1, 2016. Future minimum lease amounts to be received are as follows:

	<u>Total</u>
2026	\$ 1,676,352
2027	1,726,643
2028	1,778,442
2029	1,831,796
2030	1,886,750
Thereafter	<u>102,031,340</u>
	<u><u>\$ 110,931,323</u></u>



**East Harlem Tutorial Program, Inc.  
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Notes to Consolidated Financial Statements  
June 30, 2025

**14. Commitments and Contingencies (continued)**

***Lease Commitments (continued)***

EHTP entered into an agreement with Scholars Academy to lease an additional portion of its space located at 2040-2050 Second Avenue, New York, NY. The lease has a term of 30 years commencing on September 1, 2016. Future minimum lease amounts to be received are as follows:

2026	\$ 25,500
2027	25,500
2028	25,500
2029	25,500
2030	25,500
Thereafter	<u>427,068</u>
	<u><u>\$ 554,568</u></u>

During the fiscal year ended June 30, 2025, an agreement to lease the land and buildings located at 342-346 East 104<sup>th</sup> Street, New York, NY was executed between Scholars Academy and EHS. The lease has a term of 38 years commencing on September 1, 2024. Future minimum lease amounts to be received are as follows:

2026	\$ 2,890,260
2027	3,334,212
2028	3,679,536
2029	3,789,924
2030	3,903,624
Thereafter	<u>211,099,332</u>
	<u><u>\$228,696,888</u></u>

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**East Harlem Tutorial Program, Inc.  
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Supplementary Information

June 30, 2025

**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

**Consolidating Schedule of Financial Position  
June 30, 2025**

	East Harlem Tutorial Program, Inc.	East Harlem Center LLC	East Harlem Scholars HS LLC	Eliminating Entries	Consolidated Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,661,610	\$ 568	\$ 183	\$ -	\$ 10,662,361
Grants receivable	116,681	-	-	-	116,681
Pledges Receivable					
Without donor restriction, net	549,350	-	-	-	549,350
Restricted for capital campaign, net	611,569	-	-	-	611,569
Other receivables	33,155,261	542,509	740,805	(33,151,171)	1,287,404
Receivable from related entity, net	4,103,862	6,499,390	-	(10,603,252)	-
Prepaid expenses and other assets	132,329	-	-	-	132,329
Investments	205,927	-	-	-	205,927
Restricted investments	750,000	610,668	9,796,274	-	11,156,942
Deferred rent asset	-	3,241,237	2,622,417	-	5,863,654
Security deposits	15,560	-	300,000	-	315,560
Right-of-use asset - Operating leases	51,372	-	-	-	51,372
Right-of-use asset - Financing leases	377,438	-	-	-	377,438
Land, building and equipment, net	200,231	24,429,854	77,106,226	-	101,736,311
Construction in progress	-	-	2,797,469	-	2,797,469
	<u>\$ 50,931,190</u>	<u>\$ 35,324,226</u>	<u>\$ 93,363,374</u>	<u>\$ (43,754,423)</u>	<u>\$ 135,864,367</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 538,715	\$ 76,264	\$ -	\$ -	\$ 614,979
Other liabilities	84,791	-	2,355,363	-	2,440,154
Payable to related entity	5,403,943	9,096,913	29,379,141	(43,754,423)	125,574
Operating lease liability	54,621	-	-	-	54,621
Finance lease liability	359,757	-	-	-	359,757
Bonds and loans payable, net of unamortized financing costs	-	9,028,977	58,292,454	-	67,321,431
Total Liabilities	<u>6,441,827</u>	<u>18,202,154</u>	<u>90,026,958</u>	<u>(43,754,423)</u>	<u>70,916,516</u>
<b>Net Assets</b>					
<b>Without Donor Restrictions</b>					
Undesignated	40,891,889	17,122,072	3,336,416	-	61,350,377
Designated by the board	850,000	-	-	-	850,000
Total Without Donor Restrictions	<u>41,741,889</u>	<u>17,122,072</u>	<u>3,336,416</u>	<u>-</u>	<u>62,200,377</u>
<b>With Donor Restrictions</b>					
Operations	570,875	-	-	-	570,875
Capital Campaign	1,526,994	-	-	-	1,526,994
Endowment Fund	649,605	-	-	-	649,605
Total With Donor Restrictions	<u>2,747,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,747,474</u>
Total Net Assets	<u>44,489,363</u>	<u>17,122,072</u>	<u>3,336,416</u>	<u>-</u>	<u>64,947,851</u>
	<u>\$ 50,931,190</u>	<u>\$ 35,324,226</u>	<u>\$ 93,363,374</u>	<u>\$ (43,754,423)</u>	<u>\$ 135,864,367</u>

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# East Harlem Tutorial Program, Inc. and Subsidiaries

## Consolidating Schedule of Activities Year Ended June 30, 2025

	East Harlem Tutorial Program, Inc.				East Harlem Center LLC	East Harlem Scholars HS LLC	
	With Donor Restriction						
	Without Donor Restriction	Operations and Capital Campaign	Endowment Funds	Total	Without Donor Restriction	Without Donor Restriction	Consolidated Total
<b>OPERATING REVENUES, GAINS AND SUPPORT</b>							
Contributions							
Foundations	\$ 633,600	\$ 675,500	\$ -	\$ 1,309,100	\$ -	\$ -	\$ 1,309,100
Corporations	2,025	-	-	2,025	-	-	2,025
Individual	281,580	17,471	-	299,051	-	-	299,051
Government grants	261,545	-	-	261,545	-	-	261,545
Special events	2,109,282	-	-	2,109,282	-	-	2,109,282
Management fee	3,531,935	-	-	3,531,935	-	-	3,531,935
Rental income	-	-	-	-	2,910,543	5,091,767	8,002,310
Miscellaneous	19,853	-	-	19,853	-	-	19,853
Net assets released from restrictions	674,759	(674,759)	-	-	-	-	-
Total Operating Revenues, Gains and Support	7,514,579	18,212	-	7,532,791	2,910,543	5,091,767	15,535,101
<b>OPERATING EXPENSES</b>							
Program Services							
Elementary school	2,690,146	-	-	2,690,146	-	-	2,690,146
Middle school	1,708,870	-	-	1,708,870	-	-	1,708,870
High school	2,424,703	-	-	2,424,703	-	-	2,424,703
Residency program	171,282	-	-	171,282	-	-	171,282
Total Program Services	6,995,001	-	-	6,995,001	-	-	6,995,001
Supporting Services							
General and administrative	1,023,830	-	-	1,023,830	971,414	3,585,586	5,580,830
Fundraising	984,993	-	-	984,993	-	-	984,993
Total Supporting Services	2,008,823	-	-	2,008,823	971,414	3,585,586	6,565,823
Total Expenses	9,003,824	-	-	9,003,824	971,414	3,585,586	13,560,824
Excess (Deficiency) of Operating Revenues, Gains and Support Over Operating Expenses	(1,489,245)	18,212	-	(1,471,033)	1,939,129	1,506,181	1,974,277
<b>NONOPERATING CHANGES IN NET ASSETS</b>							
Government grants for affiliates	244,899	-	-	244,899	-	-	244,899
Grants to affiliates	(3,594,899)	-	-	(3,594,899)	-	-	(3,594,899)
Net realized and unrealized gains on investments	46,600	-	16,236	62,836	-	981,817	1,044,653
Interest and dividends	304,960	-	39,268	344,228	-	885,994	1,230,222
Investment management fees	-	-	(8,272)	(8,272)	-	-	(8,272)
Net assets released from restrictions	40,860	-	(40,860)	-	-	-	-
Total Nonoperating Changes in Net Assets	(2,957,580)	-	6,372	(2,951,208)	-	1,867,811	(1,083,397)
Change in Net Assets	(4,446,825)	18,212	6,372	(4,422,241)	1,939,129	3,373,992	890,880
<b>NET ASSETS</b>							
Beginning of year	46,188,714	2,079,657	643,233	48,911,604	15,182,943	(37,576)	64,056,971
End of year	\$ 41,741,889	\$ 2,097,869	\$ 649,605	\$ 44,489,363	\$ 17,122,072	\$ 3,336,416	\$ 64,947,851

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**East Harlem Tutorial Program, Inc.  
and Subsidiaries**

**Consolidating Schedule of Functional Expenses  
Year Ended June 30, 2025**

	East Harlem Tutorial Program, Inc.								East Harlem Center LLC	East Harlem Scholars HS LLC	
	Program Services					Supporting Services			Supporting Services	Supporting Services	
	Elementary School	Middle School	High School	Residency Program	Total	General and Administrative	Fundraising	Total	General and Administrative		Total
Salaries	\$ 1,672,209	\$ 1,114,283	\$ 1,205,457	\$ 138,541	\$ 4,130,490	\$ 298,388	\$ 572,440	\$ 870,828	\$ -	\$ -	\$ 5,001,318
Payroll taxes and fringe benefits	270,823	180,464	195,230	22,437	668,954	48,325	92,710	141,035	-	-	809,989
Professional fees	156,485	79,756	193,375	-	429,616	55,100	105,707	160,807	-	-	590,423
Rent and other building expenses	15,446	7,679	156,375	-	179,500	-	-	-	-	-	179,500
Telephone and internet	16,275	9,008	15,670	-	40,953	-	-	-	-	-	40,953
Printing/duplicating	12,690	6,387	9,235	-	28,312	6,765	12,977	19,742	-	-	48,054
Office supplies	13,396	9,379	9,899	66	32,740	-	-	-	-	-	32,740
Postage	601	318	3,676	-	4,595	256	492	748	-	-	5,343
Program and educational supplies	69,725	45,247	59,299	-	174,271	729	1,399	2,128	-	-	176,399
Student food, trips and support	137,471	93,825	342,632	-	573,928	-	-	-	-	-	573,928
Direct fundraising expenses	59,317	29,490	43,170	-	131,977	31,621	60,663	92,284	-	-	224,261
Transportation and travel	3,438	2,457	2,882	-	8,777	1,697	3,255	4,952	-	-	13,729
Staff and board development	107,986	53,811	74,487	10,238	246,522	42,741	81,996	124,737	-	-	371,259
Insurance	107,394	53,392	78,160	-	238,946	16,690	32,019	48,709	-	-	287,655
Repairs, maintenance and equipment leases	21,747	10,874	16,857	-	49,478	7,214	13,839	21,053	-	-	70,531
Interest, amortization and other finance fees	-	-	-	-	-	90,081	-	90,081	302,814	2,173,630	2,566,525
Bad debt expense	-	-	-	-	-	420,315	-	420,315	-	-	420,315
Total Expenses Before Depreciation	2,665,003	1,696,370	2,406,404	171,282	6,939,059	1,019,922	977,497	1,997,419	302,814	2,173,630	11,412,922
Depreciation	25,143	12,500	18,299	-	55,942	3,908	7,496	11,404	668,600	1,411,956	2,147,902
Total Expenses	<u>\$ 2,690,146</u>	<u>\$ 1,708,870</u>	<u>\$ 2,424,703</u>	<u>\$ 171,282</u>	<u>\$ 6,995,001</u>	<u>\$ 1,023,830</u>	<u>\$ 984,993</u>	<u>\$ 2,008,823</u>	<u>\$ 971,414</u>	<u>\$ 3,585,586</u>	<u>\$ 13,560,824</u>

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