MyPath

FINANCIAL STATEMENTS

June 30, 2024

(With Comparative Totals as of June 30, 2023)

Crosby & Kaneda
Certified Public Accountants
for Nonprofit Organizations

MYPATH

Contents

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
MyPath
San Francisco, California

Opinion

We have audited the accompanying financial statements of MyPath (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows and functional expenses, 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 financial position of MyPath as of June 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 the Organization’s internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization’s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 2, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP

Alameda, California
December 17, 2024

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Statement of Financial Position
June 30, 2024
(With Comparative Totals as of June 30, 2023)

	2024	2023
Assets		
Assets		
Cash and cash equivalents	$ 1,392,431	$ 1,244,350
Government receivable	248,092	132,642
Tax credit receivable	125,526	98,205
Prepaid expenses and deposits	50,812	76,476
Property and equipment (Note 3)	78,031	74,391
Total Assets	1,894,892	1,626,064
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 106,688	$ 148,363
Deferred revenue	22,346	-
Accrued paid time off	121,818	141,115
Total Liabilities	250,852	289,478
Net Assets		
Without donor restrictions	946,543	858,340
With donor restrictions (Note 5)	697,497	478,246
Total Net Assets	1,644,040	1,336,586
Total Liabilities and Net Assets	$ 1,894,892	$ 1,626,064

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Statement of Activities
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Support and Revenue				
Support				
Foundation and corporate	$ 61,100	$ 1,347,203	$ 1,408,303	$ 830,225
Government	1,481,374		1,481,374	1,149,803
Individual	9,199		9,199	9,756
In-kind contributions (Note 6)	41,331		41,331	62,150
Total Support	1,593,004	1,347,203	2,940,207	2,051,934
Revenue				
Program service fees	5,783		5,783	5,522
Interest and other	21,188		21,188	23,387
Total Revenue	26,971	-	26,971	28,909
Employee retention tax credit	125,526		125,526	98,205
Support provided by expiring time and purpose restrictions	1,127,952	(1,127,952)	-	-
Total Support and Revenue	2,873,453	219,251	3,092,704	2,179,048
Expenses				
Program	2,199,780		2,199,780	2,603,459
Management and general	382,134		382,134	395,382
Fundraising	203,336		203,336	187,519
Total Expenses	2,785,250	-	2,785,250	3,186,360
Change in net assets	88,203	219,251	307,454	(1,007,312)
Net Assets, beginning of year	858,340	478,246	1,336,586	2,343,898
Net Assets, end of year	$ 946,543	$ 697,497	$ 1,644,040	$ 1,336,586

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Statement of Cash Flows
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 307,454	$ (1,007,312)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Depreciation	25,400	3,695
Change in assets and liabilities:		
Governments receivable	(115,450)	31,134
Tax credit receivable	(27,321)	(98,205)
Prepaid expenses and deposits	25,664	(36,466)
Accounts payable and accrued expenses	(41,675)	33,058
Deferred revenue	22,346	-
Accrued paid time off	(19,297)	21,640
Net cash provided (used) by operating activities	177,121	(1,052,456)
Cash flows from investing activities:		
Purchase of property and equipment	(29,040)	(71,619)
Net cash provided (used) by investing activities	(29,040)	(71,619)
Net change in cash and cash equivalents	148,081	(1,124,075)
Cash and cash equivalents, beginning of year	1,244,350	2,368,425
Cash and cash equivalents, end of year	$ 1,392,431	$ 1,244,350

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Statement of Functional Expenses
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Program	Management and General	Fundraising	Total 2024	Total 2023
Salaries	$ 1,244,091	$ 212,365	$ 148,227	$ 1,604,683	$ 1,909,616
Retirement contributions	26,580	4,440	-	31,020	-
Other employee benefits	131,349	22,980	16,171	170,500	158,958
Payroll taxes	95,163	15,973	11,163	122,299	143,387
Total Personnel	1,497,183	255,758	175,561	1,928,502	2,211,961
Contract services	431,648	56,445	18,180	506,273	637,363
Supplies and office expense	62,199	6,695	3,428	72,322	74,514
Information technology	83,965	4,617	3,129	91,711	52,829
Occupancy	10,337	1,459	918	12,714	31,914
Travel	19,873	3,370	671	23,914	29,057
Conferences and meetings	7,198	9,851	-	17,049	21,892
Depreciation	24,612	594	194	25,400	3,695
Interest	-	-	-	-	38
Insurance	13,778	2,014	1,255	17,047	15,981
Youth incentives	48,987	-	-	48,987	44,966
In-kind services	-	41,331	-	41,331	62,150
Total Expenses	$ 2,199,780	$ 382,134	$ 203,336	$ 2,785,250	$ 3,186,360

See Notes to the Financial Statements

NOTE 1: NATURE OF ACTIVITIES

Established as the non-profit affiliate of Mission SF Federal Credit Union in 1989, MyPath (formerly Mission SF Community Financial Center) (the Organization) became an independent non-profit organization in April 2011.

The Organization's purpose is to promote financial capability and economic mobility among low-income youth and young adults. The Organization achieves its purpose by designing, testing and scaling program models that provide youth and young adults with access to quality financial products; a working knowledge of personal finance best practices; and a social support system to develop and sustain sound financial habits.

The Organization uses its evaluation systems to gather and disseminate its programmatic outcomes data, lessons and best practices to build the field and engage new partners. The Organization also trains and supports youth leaders to partner with staff to advocate for policies that increase youth access to financial capability and economic mobility supports and decrease related barriers.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. Revenue from agreements based on hourly rates is recognized over time as time is expended if the Organization expects it will have an enforceable right to payment for such amounts. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Government Funding

The Organization receives government funding on a cost reimbursement basis. Payment of amounts under such funding is conditioned on expenditure of funds on eligible costs and compliance with program terms and conditions. The Organization recognizes revenue from such government funding as related costs are incurred.

Program Service Fees

The Organization offers workshops and training sessions under contract with third parties. Amounts for workshops are billed in advance, held as deferred revenue and then recognized over the related program offerings.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of June 30, 2024, and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Accounts Receivable

Accounts receivable are unsecured non-interest-bearing trade receivables. The Organization uses historical loss information adjusted for management's expectations about current and future economic conditions and the aging of receivables relative to expected payment dates as the basis to determine expected credit losses. If amounts become uncollectible, they are charged to the valuation allowance for credit losses if any, with any excess amounts charged to expense in the period in which that determination is made. The Organization considers all accounts receivable to be fully collectible at June 30, 2024. Accordingly, no allowance for doubtful accounts was deemed necessary. The Organization expects to collect all accounts receivable within one year.

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Receivables that are expected to be collected in less than one year are reported at net realizable value. Receivables that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at June 30, 2024. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Leases

The Organization evaluates all contracts to determine if they contain a lease. For leases with terms greater than 12 months, the Organization records a right-of-use asset and lease obligation at the present value of lease payments over the term of the lease. The Organization expenses total lease costs on a straight-line basis over the related lease term. The Organization has elected to exclude leases that (a) have a lease term of 12 months or less and (b) do not contain a reasonably certain purchase option. The Organization has elected to combine non-lease components with related lease components unless non-lease components are billed separately. As the Organization's leases do not generally provide a readily determinable implicit interest rate, the Organization uses the risk-free rate commensurate with the respective terms of the leases to discount the lease payments. For the year ended 2024 short-term lease expenses for leases with terms greater than one month but less than 12 months totaled $6,668. The Organization had no material leases with terms greater than 12 months.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2024.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over $2,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment as follows:

Furniture and equipment	3-5 years
Software	3 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support function. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on a time study activity report prepared by personnel during one pay period each quarter or quarterly estimate and review of time allocation.

Office expenses occupancy, supplies, insurance, and other expenses that cannot be directly identified are charged to a shared cost pool and then allocated based on employee allocations for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred. The Organization generally does not conduct fundraising activities in conjunction with its other activities. Advertising costs are expensed as incurred. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Retirement Plan

The Organization offers a 401(k) plan to all eligible staff. Employees may contribute to the plan up to allowable limits. The Organization may make discretionary contributions to the plan based on board approval.

Recent Accounting Pronouncements (CECL)

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the probable incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses on financial instruments and other commitments to extend credit. The adoption of this update did not have a material impact on the Organization's financial statements.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of December 17, 2024, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2024	2023
Furniture and equipment	$ 30,990	$ 18,477
Software	98,559	71,619
Less accumulated depreciation	(51,518)	(15,705)
Total	$ 78,031	$ 74,391

NOTE 4: CONTINGENCIES AND UNCERTAINTIES

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

Employee Retention Tax Credit

Laws, regulations and processes concerning the Employee Retention Tax Credit established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and continue to evolve and remain subject to varying interpretations. Claims made under the CARES Act may be subject to audit and review by regulatory authorities which may include a denial of claims, and as a result a significant uncertainty exists with respect to such claims. The IRS has announced a processing suspension for certain ERTC claims. The timing of receipt of such funds is uncertain and amounts may not be available for operational use within one year of June 30, 2024.

NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of June 30:

	2024	2023
Purpose restricted	$ 297,497	$ 353,246
For future use	400,000	125,000
Total	$ 697,497	$ 478,246

NOTE 6: IN-KIND CONTRIBUTIONS

The Organization received a donation of in-kind professional services which it utilized in its organizational activities during the year ended June 30, 2024:

Restriction	Goods or services	Valuation method	Value
No further donor restriction	Legal services	$879 average per hour - estimated based on market rates for similar services	$ 41,331

NOTE 7: CONDITIONAL PROMISES TO GIVE

In addition to the activity reported on the financial statements, the Organization may receive grants with future payments subject to certain conditions and performance barriers and corresponding rights of release of funders from funding commitments. It is the Organization's policy to defer revenue recognition of conditional amounts until conditions and performance barriers have been satisfied. As of June 30, 2024, conditional grants consisted of the following:

	Award	Recognized	Remaining
Grant I	$1,000,000	$600,000	$400,000

NOTE 8: CONCENTRATIONS

Accounts Receivable

As of June 30, 2024, 42% of government receivable were from one funder.

Support and Revenue

During the year ended June 30, 2024 two funders provided approximately 32% of total support and revenue.

Concentration of Credit Risk

The Organization had deposits with two financial institutions in excess of federally insured limits of approximately $864,000 as of June 30, 2024. The Organization may be subject to credit risk or delayed fund access for amounts in excess of insured limits in the event of bank failure.

NOTE 9: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 are:

Cash and cash equivalents	$ 1,392,431
Governments receivable	248,092
Less purpose-restricted net assets	(297,497)
Total	$ 1,343,026

As part of the Organization's liquidity management plan the Organization works to maintain sufficiency funds for operational needs and holds additional funds not immediately needed in money market or savings accounts.