

STUDENT ADVOCACY, INC.

FINANCIAL STATEMENTS

December 31, 2024

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Independent Auditor's Report

**The Board of Directors
Student Advocacy, Inc**

Opinion

We have audited the accompanying financial statements of Student Advocacy, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows 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 Student Advocacy, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Student Advocacy, Inc. 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 Student Advocacy, Inc.'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 Student Advocacy, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Chris / Art, CPA PC".

Mount Kisco, New York
October 21, 2025

STUDENT ADVOCACY, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 373,273	\$ 461,279
Investments (Note 5)	1,016,645	850,743
Contracts and grants receivable (Note 4)	102,883	93,845
Pledges receivable	31,736	70,260
Prepaid expenses	<u>68,248</u>	<u>45,735</u>
Total Current Assets	1,592,785	1,521,862
Fixed assets, net of accumulated depreciation (Note 6)	38,286	48,786
Operating right-of-use assets	112,033	169,276
Deposits	<u>3,708</u>	<u>3,708</u>
Total Assets	\$ <u>1,746,812</u>	\$ <u>1,743,632</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts and accrued expenses payable	\$ 25,458	\$ 32,151
Accrued wages payable	45,488	32,794
Scholarships payable (Note 10)	8,300	14,300
Operating lease liabilities, current portion (Note 7)	<u>55,506</u>	<u>59,291</u>
Total Current Liabilities	134,752	138,536
Operating lease liabilities, long-term portion (Note 7)	<u>55,234</u>	<u>108,828</u>
Total Liabilities	<u>189,986</u>	<u>247,364</u>
Net Assets:		
Without donor restrictions	1,556,826	1,470,497
With donor restrictions	<u>-</u>	<u>25,771</u>
Total Net Assets	<u>1,556,826</u>	<u>1,496,268</u>
Total Liabilities & Net Assets	\$ <u>1,746,812</u>	\$ <u>1,743,632</u>

The accompanying notes are an integral part of the financial statements.

STUDENT ADVOCACY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2024

(With Summarized Comparative Information for the Year Ended December 31, 2023)

	2024			2023
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>		
Support:				
Westchester County Youth Bureau	\$	\$ 209,994	\$ 209,994	\$ 210,006
Other government grants		94,500	94,500	96,994
OPWDD		49,344	49,344	50,482
Contributions & fundraisers	997,338		997,338	876,083
Program revenue	6,249		6,249	10,000
Donated services (Note 9)	57,852		57,852	-
Investment return	56,697		56,697	12,575
Net Assets released from restrictions:				
Satisfaction of program restrictions	<u>353,838</u>	<u>(353,838)</u>	<u>-</u>	<u>-</u>
Total Support	<u>1,471,974</u>	<u> </u>	<u>1,471,974</u>	<u>1,256,140</u>
Expenditures:				
Program expenses	991,453		991,453	790,151
Administrative expenses	193,520		193,520	234,738
Fundraising expenses	<u>226,443</u>	<u> </u>	<u>226,443</u>	<u>241,651</u>
Total Expenditures	<u>1,411,416</u>	<u> </u>	<u>1,411,416</u>	<u>1,266,540</u>
Increase (decrease) in Net Assets	60,558		60,558	(10,400)
Net Assets, beginning of year	<u>1,496,268</u>	<u> </u>	<u>1,496,268</u>	<u>1,506,668</u>
Net Assets, end of year	\$ <u>1,556,826</u>	\$ <u> </u>	\$ <u>1,556,826</u>	\$ <u>1,496,268</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

STUDENT ADVOCACY, INC.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Increase (decrease) in Net Assets	\$ 60,558	\$ (10,400)
Adjustments to reconcile increase (decrease) in Net Assets to net cash provided (used) by operating activities:		
Depreciation	10,500	10,500
Amortization of operating right-of-use assets	57,243	58,403
Donated stock	(5,263)	(15,340)
Realized and unrealized (gain) loss on investments	(5,961)	353
(Increase) decrease in contracts and grants receivable	(9,038)	(106)
(Increase) decrease in pledges receivable	38,524	(27,820)
(Increase) decrease in prepaid expenses	(22,513)	(20,607)
Increase (decrease) in accounts and accrued expenses payable	(6,693)	16,506
Increase (decrease) in accrued wages payable	12,694	2,498
Increase (decrease) in operating lease liabilities	(57,379)	(57,146)
Increase (decrease) in scholarships payable	<u>(6,000)</u>	<u>(3,000)</u>
Net cash provided (used) by operating activities	<u>66,672</u>	<u>(46,159)</u>
Cash flows from investing activities:		
Purchase of investments	(635,000)	(851,096)
Proceeds from sale of investments	<u>480,322</u>	<u>125,317</u>
Net cash provided (used) by investing activities	<u>(154,678)</u>	<u>(725,779)</u>
Net increase (decrease) in cash	(88,006)	(771,938)
Cash-beginning of year	<u>461,279</u>	<u>1,233,217</u>
Cash-end of year	\$ <u>373,273</u>	\$ <u>461,279</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ -0-	\$ -0-
Income tax	\$ -0-	\$ -0-

The accompanying notes are an integral part of the financial statements.

STUDENT ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 1 – Description of Organization:

Student Advocacy, Inc. (the “Agency”) is a New York State not-for-profit corporation serving children and families in Westchester and Putnam Counties, New York. The Agency provides counsel and legal representation on education matters for students who face barriers to academic success due to disabilities and other challenges. The Agency advocates for students to receive the services that they are legally entitled to receive at school.

Note 2 – Significant Accounting Policies:

a. Basis of Accounting

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles on the accrual basis of accounting.

b. Cash and Cash Equivalents

The Agency considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

c. Investments

Investments are classified as held for investment and are stated at fair market value. Realized and unrealized gains or losses and investment income are reflected within investment return in the statement of activities. Securities received as donations are recorded at fair market value and are generally sold immediately.

d. Net Assets

The accompanying financial statements present information regarding the financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of the Agency and may be used at the discretion of management and the board of directors. Net assets with donor restrictions are subject to stipulations imposed by donors or grantors. Some restrictions are temporary in nature; those restrictions that will be met by the passage of time or accomplishing the purpose restriction. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

STUDENT ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 2 – Significant Accounting Policies (continued):

e. Functional Expense Allocations

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of time and effort studies; and office and occupancy which are allocated on a square-footage basis.

f. Volunteers

Board members and volunteers made significant contributions of their time to the Agency. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

g. Revenue Recognition

Income from unconditional contributions is recognized when received or pledged. Contract and grant revenue is recognized when the conditions are fulfilled and when the contract and grant expenses are incurred.

Program revenue is recognized at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing services. The Agency has assessed the credit risk associated with their receivables and has estimated the expected credit losses to be immaterial, therefore no allowance for doubtful accounts has been deemed necessary.

h. Reclassifications

Certain reclassifications may have been made to some prior year account balances in order to conform to current year presentation.

i. Use of Estimates

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

STUDENT ADVOCACY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

(With Summarized Comparative Information for the Year Ended December 31, 2023)

	2024				2023
	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ 686,341	\$ 114,319	\$ 70,313	\$ 870,973	\$ 763,365
Payroll taxes & employee benefits	96,879	16,136	9,925	122,940	98,394
Fundraising events		600	118,134	118,734	150,795
Lease expense	51,543	4,691	4,691	60,925	61,955
Donated services (Note 9)	57,852			57,852	-
Bookkeeping fees		33,585		33,585	32,380
Dues & subscriptions	12,282		11,759	24,041	24,729
Insurance	20,024	1,822	1,823	23,669	25,041
Consultants-other	17,662	1,608	1,948	21,218	25,053
Office expenses	12,351	885	885	14,121	11,936
Auditing		13,205		13,205	13,079
Utilities	7,495	682	682	8,859	4,245
Miscellaneous	2,665	3,593	243	6,501	1,816
Repairs & maintenance	5,330	485	485	6,300	9,995
Telephone	4,546	414	414	5,374	6,996
Conference & workshop	5,705			5,705	13,623
Bank charges			5,024	5,024	3,991
Postage	998	91	91	1,180	662
Travel	371			371	-
Printing	287	26	26	339	2,247
Equipment rental				-	1,738
Scholarship awards				-	4,000
Depreciation	<u>9,122</u>	<u>1,378</u>		<u>10,500</u>	<u>10,500</u>
Total Expenditures	\$ <u>991,453</u>	\$ <u>193,520</u>	\$ <u>226,443</u>	\$ <u>1,411,416</u>	\$ <u>1,266,540</u>

The accompanying notes are an integral part of the financial statements.

STUDENT ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 2 – Significant Accounting Policies (continued):

j. Leases

The Agency's lease portfolio primarily consists of leases for its office space and certain office equipment under operating leases. The Agency determines if an arrangement is a lease at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Agency obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Leases with an initial term of 12 months or less are not recorded on the Statement of Financial Position; the Agency recognizes expense for these leases on a straight-line basis over the lease term. For leases with an initial term in excess of 12 months, lease right-of-use assets and lease liabilities are recognized based on the present value of the future lease payments over the committed lease term at the lease commencement date. If the Agency's leases do not provide an implicit rate, the Agency uses the risk-free rate and the information available at the lease commencement date in determining the present value of future lease payments. Most leases include one or more options to renew and the exercise of renewal options is at the Agency's sole discretion. The Agency does not include renewal options in its determination of the lease term unless the renewals are deemed to be reasonably certain at lease commencement. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. The Agency has lease agreements with lease and non-lease components, which the Agency elects to combine as one lease component for all classes of underlying assets. Non-lease components include variable costs based on actual costs incurred by the lessor related to the payment of real estate taxes, common area maintenance, and insurance. These variable payments are expensed as incurred as variable lease costs.

k. Income Tax Status

The Agency was formed under Section 402 of the Not-For-Profit Corporation Law of the State of New York and is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Agency adopted the provision pertaining to uncertain tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Agency is generally no longer subject to income tax examinations by the applicable taxing jurisdictions for periods prior to 2022.

l. Subsequent Events

Subsequent events have been evaluated through October 21, 2025 which is the date the financial statements were available to be issued.

STUDENT ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 3 – Liquidity and Availability:

The Agency is substantially supported by contributions and grants and must maintain sufficient resources to meet those responsibilities to its donors. As part of the liquidity plan, the Agency has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations that come due and invests excess cash in investments and money market accounts.

The Agency has \$1,524,507 and \$1,476,127 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash, investments and receivables for the years ended December 31, 2024 and 2023, respectively. Financial assets of \$0 and \$25,771 are subject to donor restrictions that make them unavailable for general expenditures within one year of the statement of financial position for the years ended December 31, 2024 and 2023, respectively. There were no donor restrictions for the year ended December 31, 2024.

Note 4 – Contracts and Grants Receivable:

Receivables from contracts and grants include:

	<u>2024</u>	<u>2023</u>
Westchester County Youth Bureau	\$ 52,467	\$ 46,481
Department of Probation	20,005	20,006
OPWDD	15,911	10,358
Yonkers CDBG	<u>14,500</u>	<u>17,000</u>
Total	\$ <u>102,883</u>	\$ <u>93,845</u>

Note 5 – Fair Value Measurements:

The Agency adopted the provisions pertaining to fair value measurements and disclosures which offers framework consisting of a three-tier hierarchy of inputs to be used in determining the fair market value of assets and liabilities.

The following is a summary of the fair value hierarchy of inputs: *Fair value measurements based on Level 1 inputs:* Includes quoted prices in active markets for identical assets or liabilities to which the company has access at the measurement date.

STUDENT ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 5 – Fair Value Measurements (continued):

Fair value measurement based on Level 2 inputs: Includes inputs other than quoted market prices that are directly or indirectly observable for the assets or liability, including quoted prices in an active market for similar assets or liabilities; quoted prices in a market that is not active for the same or similar assets or liabilities; inputs other than quoted market prices that are observable for the asset or liability. *Fair value measurements based on Level 3 inputs:* Includes unobservable inputs reflecting the assumptions that a market participant would use to price the asset or liability. The following table provides the fair value hierarchy of the Agency's financial assets as of December 31:

<u>Level 2</u>	<u>2024</u>	<u>2023</u>
Certificates of Deposit	\$ <u>1,016,645</u>	\$ <u>850,743</u>

Certificates of deposit are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

Note 6 – Fixed Assets:

Fixed assets are carried at cost, net of accumulated depreciation. These amounts do not purport to represent replacement or realized values. Depreciation is recorded using the straight-line method based on the useful lives of the assets, which is estimated to be 3-5 years. Leasehold improvements are amortized over the term of the applicable lease.

Fixed assets consisted of the following for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 169,551	\$ 169,551
Leasehold improvements	22,240	22,240
Computer equipment	<u>61,340</u>	<u>61,340</u>
Total assets	253,131	253,131
Less: Accumulated depreciation	<u>(214,845)</u>	<u>(204,345)</u>
Total fixed assets, net	\$ <u>38,286</u>	\$ <u>48,786</u>

STUDENT ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 7 – Commitments and Contingencies:

- a. Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of cash accounts in financial institutions, which from time to time exceed the federal depository insurance coverage limits.
- b. Pursuant to the Agency's contractual relationships with certain funding sources, outside agencies have the right to examine the books and records of the Agency involving transactions relating to these contracts. The accompanying financial statements made no provisions for possible disallowances. Although such possible disallowances could be substantial in amount, in the opinion of Management, any actual disallowances would be immaterial.
- c. The Agency is obligated under operating lease agreements for its administrative office and for office equipment. The components of leases for the year ended December 31, 2024 were as follows:

Operating lease expense	\$ 60,925
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Supplemental information related to operating leases:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 62,250
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ROU assets obtained in exchange for new operating lease liabilities	\$ 2,362
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Weighted-average remaining operating lease terms	1.98 years
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Weighted-average discount rate for operating leases	1.27%
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STUDENT ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 7 – Commitments and Contingencies (continued):

Future maturities of lease liabilities are as follows:

2025	\$ 57,038
2026	54,783
2027	468
2028	468
2029	<u>78</u>
Total	112,834
Less present value discount	<u>(2,094)</u>
Total lease liability	110,740
Less current portion	<u>(55,506)</u>
Long-term lease liabilities	\$ <u>55,234</u>

Note 8 – Government Support:

Westchester County Youth Bureau contributed \$209,994 and \$210,006 to the Agency for its youth development programs for the year ended December 31, 2024 and 2023, respectively. In addition, the Agency received \$94,500 and \$96,994 in other governmental grants for the years ended December 31, 2024 and 2023. The Agency's management represents that the funds were spent in compliance with the agreements and did not replace funds previously provided from another source nor contributed to any surplus.

Note 9 – In-Kind Contribution of Donated Services:

Donated services are recognized as contributions 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. The Organization received \$57,852 of pro bono legal services for providing employment advice, to review the employee handbook and to review the bylaws. The in-kind contribution of donated services was \$ -0- in 2023.

Note 10 – Scholarship Award Program:

The Agency has recorded a liability for college scholarships promised in the amount of \$8,300 and \$14,300 as of December 31, 2024 and 2023, respectively. This amount is net of scholarship forfeitures by students who did not meet enrollment and other requirements.

STUDENT ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

Note 11 – Tax Deferred Annuity Plan:

The Agency maintains a section 403(b) retirement plan in which all contributions are made by employees. The Agency does not contribute to the plan.

Note 12 – Net Assets:

Restricted support is recorded as an increase in net assets with donor restrictions. When the restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported on the *statement of activities* as net assets released from restrictions. The Agency had net assets with donor restrictions of \$25,771 for certain salaries as of December 31, 2023. There were no donor restrictions as of December 31, 2024.

Note 13 – Summarized Comparative Totals:

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 general accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2023, from which the summarized information was derived.