



APEX FOR YOUTH, INC.

**Financial Statements
Year Ended July 31, 2021**

APEX FOR YOUTH, INC.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

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• MAIN OFFICE
133-10 39TH AVENUE
FLUSHING, NY 11354
TEL. (718) 445-6308
FAX. (718) 445-6760

• CALIFORNIA OFFICE
440 E HUNTINGTON DR.
STE 300
ARCADIA, CA 91006
TEL. (626) 282-1630
FAX. (626) 282-9726

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Apex for Youth, Inc.

Opinion

We have audited the accompanying financial statements of the Apex for Youth, Inc. (the "Organization") which comprise the statement of financial position as of July 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Apex for Youth, Inc. as of July 31, 2021, 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 Apex for Youth, 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 these 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 the 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 Apex for Youth, 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 Apex for Youth, Inc.'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 Apex for Youth, Inc.'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 Apex for Youth, Inc.'s July 31, 2020 financial statements and we expressed an unmodified audit opinion on those financial statements in our report dated June 10, 2021. In our opinion, the summarized comparative information



presented herein as of and for the year ended July 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Weiwei & Co. LLP

Flushing, New York
June 14, 2022

APEX FOR YOUTH, INC.

STATEMENT OF FINANCIAL POSITION JULY 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

ASSETS	2021	2020
Current assets:		
Cash and cash equivalents (<i>Note 2</i>)	\$ 2,534,937	\$ 1,140,688
Pledges and grants receivable (<i>Note 2</i>)	374,850	252,192
Prepaid expenses	4,048	693
Total current assets	2,913,835	1,393,573
Property and equipment, net (<i>Notes 2 and 4</i>)	25,413	38,741
Other assets:		
Security deposits	29,705	29,705
TOTAL ASSETS	\$ 2,968,953	\$ 1,462,019
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 265,146	\$ 122,409
Paycheck protection program (<i>Note 6</i>)	314,400	341,500
Deferred revenues	-	102,163
Total current liabilities	579,546	566,072
Commitments and contingencies (<i>Notes 7 and 8</i>)		
Net assets:		
Without donor restrictions	2,043,891	785,947
With donor restrictions	345,516	110,000
TOTAL LIABILITIES AND NET ASSETS	\$ 2,968,953	\$ 1,462,019

See accompanying notes to financial statements.

APEX FOR YOUTH, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)**

	Without donor Restrictions	With donor Restrictions	Total	
			2021	2020
SUPPORT AND REVENUE:				
Government grants	\$ 369,571	-	\$ 369,571	\$ 446,521
Contributions <i>(Note 2)</i>	1,764,133	334,854	2,098,987	939,941
Special events	\$ 1,445,677	-	-	-
Direct cost of special events	<u>(333,372)</u>	1,112,305	1,112,305	331,826
Paycheck protection program	341,500	-	341,500	-
Program income	84,215	-	84,215	180,526
Other income	2,723	-	2,723	(528)
Net assets released from restrictions	99,338	(99,338)	-	-
TOTAL SUPPORT AND REVENUE	3,773,785	235,516	4,009,301	1,898,286
EXPENSES:				
Program services	2,110,810	-	2,110,810	2,173,623
Fundraising	286,770	-	286,770	293,861
General and administrative	118,261	-	118,261	124,931
TOTAL EXPENSES	2,515,841	-	2,515,841	2,592,415
CHANGE IN NET ASSETS	1,257,944	235,516	1,493,460	(694,129)
NET ASSETS - BEGINNING OF YEAR	785,947	110,000	895,947	1,590,076
NET ASSETS - END OF YEAR	\$ 2,043,891	\$ 345,516	\$ 2,389,407	\$ 895,947

See accompanying notes to financial statements.

APEX FOR YOUTH, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)**

	Program Services	Fundraising	Management and Administrative	Total	
				2021	2020
Salaries	\$ 1,106,253	\$ 158,301	\$ 57,925	\$ 1,322,479	\$ 1,305,254
Payroll taxes and fringe benefits	213,062	30,488	11,156	254,706	238,126
Occupancy	106,233	15,202	5,562	126,997	154,612
Professional fees	506,579	72,490	26,525	605,594	569,717
Supplies and office expenses	17,477	2,501	915	20,893	103,637
Telephone and communications	5,185	742	272	6,199	10,003
Insurance	13,004	1,861	681	15,546	14,604
Scholarships and program direct expenses	106,788	-	-	106,788	120,034
Dues and subscriptions	5,706	817	299	6,822	20,957
Staff development and other expenses	30,523	4,368	1,598	36,489	38,070
Total expenses before depreciation	2,110,810	286,770	104,933	2,502,513	2,575,014
Depreciation	-	-	13,328	13,328	17,401
TOTAL EXPENSES	\$ 2,110,810	\$ 286,770	\$ 118,261	\$ 2,515,841	\$ 2,592,415

See accompanying notes to financial statements.

APEX FOR YOUTH, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JULY 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

CASH FLOWS FROM OPERATING ACTIVITIES:	2021	2020
Change in net assets	\$ 1,493,460	\$ (694,129)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	13,328	17,401
Gain on forgiveness of paycheck protection program	(341,500)	-
Changes in operating assets and liabilities:		
Pledges and grants receivable	(122,658)	323,636
Prepaid expenses	(3,355)	52,681
Accounts payable and accrued expenses	142,737	64,729
Deferred revenues	(102,163)	18,803
Net cash from operating activities	1,079,849	(216,879)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Paycheck protection program proceeds	314,400	341,500
Net cash from financing activities	314,400	341,500
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,394,249	124,621
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,140,688	1,016,067
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,534,937	\$ 1,140,688
SUPPLEMENTAL DISCLOSURE OF ADDITIONAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See accompanying notes to financial statements.

APEX FOR YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS JULY 31, 2021

1. NATURE OF ORGANIZATION

Apex for Youth, Inc. (the “Organization”), is a not-for-profit corporation organized to provide mentoring and educational services to the inner-city immigrant youth population of New York City.

Founded under the laws of the State of New York in 1992, the Organization seeks to empower youth to be well rounded, productive members of society by helping them build their self-confidence, explore academic and career goals, develop a sense of community and service, and gain leadership skills. Through one-on-one mentoring relationships, educational programs and social services, the Organization helps youth overcome the multiple challenges and changes they face, enabling them to cultivate valuable and meaningful relationships.

The Organization solicits funds from a wide variety of sources including private foundations, businesses, government agencies and individuals. These activities can include various types of solicitations, holding of fund-raising events and other methods of donation solicitation.

The Organization’s educational programs are carried out mainly through contracts with the New York City Department of Youth and Community Development (“DYCD”).

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19), a global pandemic and recommended containment and mitigation measures worldwide. The rapid development and variants of Covid-19 precludes any prediction as to the extent of material impact of the pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The Organization is operating effectively and carrying out the normal business routines and all of the programs are on-going both virtual and in-person.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis accounting. The Organization adheres to accounting principles generally accepted in the United States of America (“U.S.GAAP”).

APEX FOR YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS JULY 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net asset presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those currently available at the discretion of management and the governing board for use in operations. Net assets with donor restrictions are those which are stipulated by donors for specific purposes or by passage of time and may include net assets to be held in perpetuity.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

As of July 31, 2021, there was \$345,516 of net assets with donor restrictions and there were \$99,338 net assets released from donor restrictions in fiscal year 2021 due to the purpose of the restriction being satisfied.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used and the specific purpose used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

In-kind donations

The Organization recognizes and records contributions of donated non-cash assets at their fair value in the period received. Contributions of donated services that require specialized skills are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. Due to Covid-19, there were no in-kind donations for the year ended July 31, 2021.

APEX FOR YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS JULY 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support without donor restrictions and revenue from special events

Special events revenue is reported net of the direct costs of donor benefits provided.

Fair value Measurements

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

- Level 1 Inputs - Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access.
- Level 2 Inputs - Inputs, other than the quoted prices in level 1, that are observable either directly or indirectly.
- Level 3 Inputs - Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The carrying values of cash and cash equivalents, pledges and grants receivable, prepaid expenses, accounts payable, accrued liabilities and payroll protection program and deferred revenues approximate their fair values due to the short maturity of these financial instruments. There were no changes in methods or assumptions during the year ended July 31, 2021.

Income tax status

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). This IRC section enables the Organization to accept donations which qualify as charitable contributions to the donor. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Accordingly, no provision for income taxes has been made in the financial statements. In addition, the Organization has no unrelated business income which could be taxable. The Organization files with the Internal Revenue Service Form 990, “Return of Organization Exempt from Income Tax” and the related State and local exempt organization returns as required.

APEX FOR YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS JULY 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status (continued)

The Organization follows the provisions of FASB ASC 740-10-25. The provisions prescribe a recognition threshold and measurement attribute for uncertain tax positions taken or expected to be taken in income tax returns. The positions are judged whether they meet the “more-likely-than-not” threshold based upon the technical merits of the positions. The Organization believes that it does not have any uncertain tax positions.

The Organization’s 2018, 2019 and 2020 tax years are open and subject to examination by the tax authorities. However, the Organization is not currently under examination nor has it been contacted by any of the tax authorities.

Use of estimates

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

Cash and cash equivalents

For the purposes of the statement of cash flows, the Organization considers all demand deposits, money market funds and other short-term liquid investments with original maturities of three months or less to be cash equivalents.

Revenue Recognition

The Organization follows Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, “Revenue from Contracts with Customers.” This Standard, along with its related amendments, requires companies to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization follows FASB issued ASU No. 2014-09 (Topic 606), “Revenue from Contracts with Customers.” Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the contracts. As the government is not receiving a benefit as a result of these transactions, the grants and contracts are considered to be contributions to the Organization.

APEX FOR YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS JULY 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pledges and government grants receivable

The Organization records pledges receivable and contribution revenue based on pledges received. On a periodic basis, the Organization evaluates pledges receivable balances and makes collection efforts for items 90 days or older. Pledges receivable are written off when all reasonable collection efforts have been exhausted. The Organization considers the pledges receivable at July 31, 2021 to be fully collectible and there were no write offs during 2021. The Organization records grants receivable and revenues based on the budget approved and services provided. Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the contracts. To the extent amounts received exceed amounts spent, the Organization records deferred revenues.

Property, equipment and depreciation

Property and equipment are recorded at cost, or if donated, at the approximate fair value at the date of donation. Items with a value of \$5,000 or more with estimated useful lives of more than one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, principally five years.

Periodically, management reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is measured by comparing the carrying value of the asset to the sum of the expected future cash flows (undiscounted and without interest charges) resulting from the use of the asset and its eventual disposition. The Organization did not have any impairment of assets during the year ended July 31, 2021.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The Statements of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization. The expenses are allocated include rent – operating and supported housing and depreciation which are allocated on a square footage basis. Salaries, payroll taxes and fringe benefits, professional fees and insurance are allocated on the basis of estimates and efforts.

APEX FOR YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS JULY 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative financial information

The financial statements include certain prior-year summarized comparative information. With respect to the statements of activities and functional expenses, the prior year information is presented in total and not by the net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended July 31, 2020, from which the summarized information was derived.

3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts, which at times, may exceed the FDIC insured limits of \$250,000 per financial institution. At July 31, 2021, the cash balance in excess of FDIC insured limits was approximately \$1,800,000. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk related to these cash accounts.

4. PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

Furniture and fixtures	\$ 59,705
Equipment	57,041
	<hr/> 116,746
Less: accumulated depreciation	(91,333)
	<hr/> \$ 25,413

Depreciation expense for the year ended July 31, 2021 was \$13,328.

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NOTES TO FINANCIAL STATEMENTS JULY 31, 2021

5. RETIREMENT PLAN

The Organization sponsors a defined contribution 401(k) plan. The plan covers substantially all full-time employees who meet certain age and service requirements. Under the terms of the plan, contributions are made under Section 413 of the Internal Revenue Code and are invested at the discretion of the plan participants in an investment portfolio comprised of various funds. The Organization may make an annual discretionary contribution to the plan. No discretionary contribution was made for the year ended July 31, 2021.

6. PAYROLL PROTECTION PROGRAM

On May 9, 2020, the Organization received loan proceeds in the amount of \$341,500 under the Paycheck Protection Program (“PPP”) for the first draw of PPP Loan. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying business. The PPP loan and its accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities and maintains its payroll levels. The unforgiven portion of the loan, if any, is payable over six years at an interest rate of 1%. The Organization submitted loan forgiveness application and subsequently received the Small Business Administration (“SBA”) forgiveness of the full amount on September 7, 2021. The second draw of PPP loan in the amount of \$314,400 had been disbursed and as of July 31, 2021, the PPP loan had a balance of \$314,400.

7. LEASES COMMITMENTS

In June 2018, Organization entered into a lease agreement for office space located at 120 Walker Street on an annual basis with an unrelated third party for three years. Occupancy expense for the year ended July 31, 2021 was \$124,405. The minimum rental payments for the year ending July 31, 2022 is \$133,673.

8. CONTINGENCIES

Government-supported programs are subject to audit by the applicable granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when the audits occur. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying financial statements. Management is of the opinion that disallowances, if any, will not be material to the accompanying financial statements.

APEX FOR YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS JULY 31, 2021

9. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of July 31, 2021 reduced by amounts not available for general use within one year, due to contractual or donor-imposed restrictions:

Cash and cash equivalents	\$ 2,534,937
Pledges and grants receivable	374,850
<hr/>	
Total financial assets	2,909,787
Less: amounts not available to be used within one year:	-
<hr/>	
Financial assets available to meet general expenditures over the next twelve months	\$ 2,909,787
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As part of the Organization's strategy, management structures its financial assets, consisting of cash and cash equivalents and pledges and grants receivable to be available for its general expenditures and liabilities coming due within one year. The Organization receives cash flow from various government and corporation and individual contributions to fund its programs and activities.

10. SUBSEQUENT EVENTS

The Organization has performed subsequent events procedures through June 14, 2022, which is the date the financial statements were available to be issued and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.