



Financial Statements
Year ended June 30, 2023

New Rochelle Fund for Educational Excellence, Inc.

Financial Statements

Year ended June 30, 2023

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees
The New Rochelle Fund for Educational Excellence. Inc.
White Plains, New York

We have reviewed the accompanying financial statements of The New Rochelle Fund for Educational Excellence. Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, except for the effect of the matter noted in the Known Departure from Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



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* JACK N. SARDIS

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Known Departure from Accounting Principles Generally Accepted in the United States of America

A statement of cash flows for the year ended June 30, 2023, has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and statement of activities.

Sanossian, Sardis & Co, LLP

April 30, 2024

New Rochelle Fund for Educational Excellence, Inc.

Statement of Financial Position

June 30, 2023

Assets

Current assets:

Cash and cash equivalents	\$ 59,074
Marketable securities	96,137
Beneficial interest in charitable trust held by others	40,000
Prepaid expenses	1,845
Cash restricted - Programs	<u>385,605</u>

Total current assets 582,661

Property and equipment:

Equipment	11,757
Less: accumulated depreciation	<u>(11,757)</u>

Property and equipment, net -

Total assets **\$ 582,661**

See accountants' review report and notes to financial statements.

New Rochelle Fund for Educational Excellence, Inc.

Statement of Financial Position, concluded

June 30, 2023

<u>Liabilities and net assets</u>	
Current liabilities:	
Accounts payable and accrued expenses	\$ <u>733</u>
Total current liabilities	733
Other Liabilities	<u>-</u>
Total liabilities	<u>733</u>
Net assets:	
Without donor restrictions	156,323
With donor restrictions	<u>425,605</u>
Total net assets	<u>581,928</u>
Total liabilities and net assets	<u>\$ 582,661</u>

See independent accountants' review report and notes to financial statements.

New Rochelle Fund for Educational Excellence, Inc.

Statement of Activities

June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Gala income	\$ 94,583	\$ -	\$ 94,583
Contributions and General Support	36,233	-	36,233
Applerouth SAT review	-	-	-
Museum of Arts and Culture	-	-	-
Poetry Out Loud	16,025	-	16,025
Jesse Arnelle - Family Trust	-	250,000	250,000
Jesse Arnelle – Textron – Athletic scholars	100,000	-	100,000
Aaron Davis Scholarship	-	15,252	15,252
Jerry Bilik – Music Education	-	5,000	5,000
	<u>246,841</u>	<u>270,252</u>	<u>517,093</u>
Total support and revenue			
Functional expenses:			
Program expenses:			
Applerouth SAT review	9,270	-	9,270
Museum of Arts and Culture	5,260	-	5,260
Grants to schools	8,200	-	8,200
Poetry Out Loud	3,408	-	3,408
	<u>26,138</u>	<u>-</u>	<u>26,138</u>
Total program expenses	26,138	-	26,138
Fund raising expenses	36,623	-	36,623
General and administrative expenses	40,332	-	40,332
	<u>103,093</u>	<u>-</u>	<u>103,093</u>
Total functional expenses			
Change in net assets from operations	143,748	270,252	414,000
Investment and interest income	8,962	-	8,962
Increase in unrealized gain on investments	7,710	-	7,710
Net assets restricted pursuant to Board designation	(120,000)	120,000	-0-
Net assets – beginning of year	<u>115,903</u>	<u>35,353</u>	<u>151,256</u>
Net assets – end of year	<u>\$ 156,323</u>	<u>\$ 425,605</u>	<u>\$ 581,928</u>

See independent accountants' review report and notes to financial statements.

New Rochelle Fund for Educational Excellence, Inc.

Statement of Functional Expenses

June 30, 2023

	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>	
SAT review	-	9,270	-	9,270	
Museum of Arts and Culture	-	5,260	-	5,260	
Grants to Schools	-	8,200	-	8,200	
Poetry Out Loud	-	3,408	-	3,408	
Jared Bergman	-	-	500	500	
Gala expense	-	-	32,996	32,996	
Pancake breakfast	-	-	1,127	1,127	
Aaron Davis scholarship	-	-	2,000	2,000	
Payroll Expense	-	-	-	18,675	18,675
Payroll Taxes	-	-	-	1,899	1,899
Meetings and Seminars	-	-	-	638	638
Office, Printing and Postage	-	-	-	1,975	1,975
Insurance	-	-	-	3,594	3,594
Computer Expense	-	-	-	2,071	2,071
Professional fees	-	-	-	11,480	11,480
Total expenses	\$ 26,138	\$ 36,623	\$ 40,332	\$ 103,093	

See independent accountants' review report and notes to financial statements.

New Rochelle Fund for Educational Excellence, Inc.

Notes to Financial Statements

June 30, 2023

(1) *Summary of significant accounting policies*

The Organization

The New Rochelle Fund For Educational Excellence, Inc. (hereafter referred to as the “Fund”), was created under the City School District of New Rochelle (District) to support the school system through advancing equity, excellence and inspiring all public school students. The Fund engages the broader New Rochelle community to develop, fund, and implement high-quality educational and enrichment programming that enhances the school experience and helps students thrive and succeed along their educational journey through the following areas:

Grants

The Fund’s grants supplement the District’s instructional programs by providing a wide range of enrichment opportunities, or subsidizing a program or project that might not otherwise happen or reach the ideal scale.

SAT/ACT test preparation

The Fund has arranged for all eligible District juniors to access opportunities for college test preparation and tutoring at a reduced cost from third-party providers.

Museum of Arts & Culture

The Fund supports this entity’s goal to provide an in-District authentic museum experience for all District students.

Poetry Out Loud

The Fund supports and promotes this annual celebration of original poetry from students of the elementary and middle schools in the District.

Basis of accounting

The financial statements of the Fund have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned and expenses are recognized when incurred.

See independent accountants’ review report.

New Rochelle Fund for Educational Excellence, Inc.

Notes to Financial Statements, continued

June 30, 2023

(1) *Summary of significant accounting policies, continued*

Cash and cash equivalents

Cash and cash equivalents consist of cash in interest and non-interest bearing depository accounts. The Fund considers all highly liquid investments with maturities of three months or less, which are neither held for nor restricted by donors, to be cash and cash equivalents.

Concentrations of credit risk

The Fund maintains their cash accounts on deposit at various local banks. The cash balances exceeded the available Federal Deposit Insurance Corporation (FDIC) insurance limits by \$188,030 as of June 30, 2023.

Donations

All contributions received by the Fund are considered available without donor restrictions, unless specifically restricted by the donor or subject to other legal restrictions. The Fund's policy is to report contributions with donor-imposed restrictions that are satisfied in the same fiscal year that the contributions are received as *without donor restrictions*.

Property and equipment

Property and equipment are recorded at their respective cost. The cost of significant improvements and new purchases are capitalized, while expenditures for repairs and maintenance are charged to operations in the period incurred.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donor or acquired assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation and amortization is provided for on the straight-line basis over the estimated useful lives of the assets at the time of acquisition of the respective asset. These estimated lives are between 10 and 39 years.

See independent accountants' review report.

New Rochelle Fund for Educational Excellence, Inc.

Notes to Financial Statements, continued

June 30, 2023

(1) *Summary of significant accounting policies, continued*

Net asset presentation

Without donor restrictions

Net assets, without donor restrictions, consist of resources available for use in the Fund's operations which have not been restricted by a donor, the School District's Board of Trustees or other legal restrictions. When net assets without donor restrictions are Board designated, net assets are reclassified from net assets without donor restrictions to net assets with donor restrictions in the statement of activities. The Fund's Board of Directors designated, from net assets without donor restrictions, a total of \$20,000 for a Virtual Reality Program at the high school and \$100,000 for programming to advance district-wide participation in athletics and related activities.

With donor restrictions

Net assets, with donor restrictions, represent the net assets subject to donor imposed restrictions. Utilization or expenditure of the Fund's assets for the School District or its students can only be authorized by the Fund's Board of Directors. When restricted contributions are utilized for the Fund's operating activities, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Arnelle Family Trust	\$ 250,000
Martin Silver Fund	35,353
Aaron Davis Fund	15,252
Jerry Bilik – Music education	5,000
Board Designated – Textron - Athletic programming	100,000
Board Designated – Virtual Reality Program	<u>20,000</u>
Total net assets with restrictions	<u>\$ 425,605</u>

Functional expenses

Operating expenses directly identifiable with a functional area are charged to that area and, where expenses affect more than one area, they are allocated on the basis of ratios determined by management.

Income taxes

The Fund is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and applicable state law and, accordingly, is not subject to federal or state income taxes. The Fund is a publicly supported organization.

See independent accountants' review report.

New Rochelle Fund for Educational Excellence, Inc.

Notes to Financial Statements, continued

June 30, 2023

(1) ***Summary of significant accounting policies, concluded***

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Fund's management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates.

In-kind contributions and occupancy

The Fund records the fair value of donated assets, supplies and occupancy when those gifts are received. During the year ended June 30, 2023, the value of in-kind contributions meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Measure of operations

The *Statement of Activities* reports all changes in nets assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Fund's primary function and other income. Non-operating activities are limited to resources that generate return from investments and other activities.

(2) ***Beneficial Interest in Charitable Trust Held by Others***

On September 22, 2022, the Fund received notice it was named as a beneficiary of the Textron - Director's Charitable Award Program, which is administered by an independent trustee. This trust was created independently by its donor, Mr. H. Jesse Arnelle, and is administered by outside agents designated by the donor. Therefore, the Fund has neither possession nor control over the assets of the trust.

At the date the Fund received notice of a beneficial interest, this one-time contribution, in the amount of \$100,000, without donor restrictions, was recorded in the statement of activities. The Fund's Board of Directors subsequently designated the full amount for programs to build pathways to advance district-wide participation in athletics and related activities. Accordingly, net assets were reclassified from nets assets without donor restrictions to net assets with donor restrictions in the statement of activities.

As of June 30, 2023, the Fund has received \$60,000 towards this award. Accordingly, a beneficial interest in charitable trust held by others, in the amount of \$40,000, was recorded in the statement of financial position. The remaining balance will be awarded in two annual installments of \$20,000 each in 2024 and 2025.

See independent accountants' review report.

New Rochelle Fund for Educational Excellence, Inc.

Notes to Financial Statements, continued

June 30, 2023

(3) Availability and Liquidity

The Fund has adopted the new accounting pronouncement, ASU 2016-14, Not-For-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-For Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Fund has adjusted the presentation of these statements accordingly.

The following represents the Fund's financial assets as of June 30, 2023:

	<u>2023</u>
Financial assets at year end:	
Cash and cash equivalents	\$ 59,074
Marketable securities	96,137
Beneficial Interest in Charitable Trust Held by Others	40,000
Prepaid expenses	1,845
Cash restricted – Programs	<u>385,605</u>
Total financial assets	582,661
Less amounts not available to be used within one year:	
Total net assets with donor restrictions	<u>425,605</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 157,056</u>

(4) Revenue and Revenue Recognition

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Fund recognizes special events revenue equal to the fair value of the benefits to the donors when the special event takes place. The Fund recognizes the contribution element of the special event revenue immediately, unless there is a right of return if the special event does not take place.

The Fund recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. There were no such conditional promises at June 30, 2023.

See independent accountants' review report.

New Rochelle Fund for Educational Excellence, Inc.

Notes to Financial Statements, concluded

June 30, 2023

(5) Advertising

The Fund expenses advertising costs as incurred. Advertising expense totaled \$-0- for the year ended June 30, 2023.

(6) Fair value measurements

Generally accepted accounting principles establish a fair value measurement hierarchy that prioritizes the inputs to valuation techniques. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Fund uses the highest priority valuation technique available to measure fair value of its assets and liabilities.

(7) Subsequent events

Management has evaluated subsequent events through April 30, 2024, the date the financial statements were available to be issued and has not identified any items requiring disclosure.

See independent accountants' review report.