

# **KENSINGTON CORRIDOR TRUST**

Financial Statements

December 31, 2024



KENSINGTON CORRIDOR TRUST  
YEAR ENDED DECEMBER 31, 2024

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# Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Kensington Corridor Trust  
Kensington, Pennsylvania

### **Opinion**

We have audited the accompanying financial statements of Kensington Corridor Trust (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 Kensington Corridor Trust 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 Kensington Corridor Trust 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 Kensington Corridor Trust'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 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 Kensington Corridor Trust'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 Kensington Corridor Trust'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 Kensington Corridor Trust's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 26, 2024. The summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material aspects, with the audited financial statements from which it has been derived.



Morey, Nee, Buck & Oswald, LLC  
Spring House, Pennsylvania  
October 22, 2025

KENSINGTON CORRIDOR TRUST  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31 2024  
WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Assets:		
Cash and cash equivalents	\$ 3,871,020	\$ 3,670,456
Due from Impact Service	8,996	8,996
Loan receivable	160,000	-
Prepaid expenses	50,000	50,984
Property, net	<u>7,172,993</u>	<u>2,329,729</u>
 Total assets	 <u>\$ 11,263,009</u>	 <u>\$ 6,060,165</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 50,076	\$ 23,346
Notes payable	10,876,000	5,600,000
Accrued payroll	20,646	13,869
Accrued interest	45,743	29,941
Security deposit	<u>6,925</u>	<u>6,775</u>
 Total liabilities	 <u>10,999,390</u>	 <u>5,673,931</u>
 Net assets:		
Without donor restrictions	(67,238)	119,859
With donor restrictions	<u>330,857</u>	<u>266,375</u>
Total net assets	<u>263,619</u>	<u>386,234</u>
 Total liabilities and net assets	 <u>\$ 11,263,009</u>	 <u>\$ 6,060,165</u>

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

KENSINGTON CORRIDOR TRUST  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	2024 <u>Totals</u>	2023 <u>Totals</u>
Support and revenue:				
Contributions	\$ 479,648	\$ 260,000	\$ 739,648	\$1,136,492
Rental income	84,773	-	84,773	26,332
Special event income	49,369	-	49,369	-
Interest income	94,273	-	94,273	14,820
Program revenue	15,767	-	15,767	3,645
Other income	700	-	700	-
Net assets released from restrictions	<u>195,518</u>	<u>(195,518)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>920,048</u>	<u>64,482</u>	<u>984,530</u>	<u>1,181,289</u>
Expenses:				
Program expenses	979,452	-	979,452	809,763
Management and general	84,877	-	84,877	68,543
Fundraising	<u>42,816</u>	<u>-</u>	<u>42,816</u>	<u>24,872</u>
Total expenses	<u>1,107,145</u>	<u>-</u>	<u>1,107,145</u>	<u>903,178</u>
Change in net assets	(187,097)	64,482	(122,615)	278,111
Net assets, beginning of year	<u>119,859</u>	<u>266,375</u>	<u>386,234</u>	<u>108,123</u>
Net assets, end of year	<u>\$ (67,238)</u>	<u>\$ 330,857</u>	<u>\$ 263,619</u>	<u>\$ 386,234</u>

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

KENSINGTON CORRIDOR TRUST  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31 2024  
WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program</u> <u>Expenses</u>	<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>	<u>2024</u> <u>Totals</u>	<u>2023</u> <u>Totals</u>
Salaries	\$ 352,330	\$ 19,574	\$ 19,574	\$ 391,478	\$ 327,175
Payroll taxes	30,020	1,668	1,668	33,356	26,929
Payroll expense	6,088	338	338	6,764	2,737
Healthcare expense	15,029	835	835	16,699	5,177
Employee reimbursement	414	24	23	461	50
401(k) retirement plan	-	17,121	-	17,121	-
Insurance	91,169	5,065	5,065	101,299	46,152
Computer and software	5,459	-	-	5,459	775
Fundraising	-	-	8,378	8,378	-
Program	29,925	-	-	29,925	44,765
Marketing	9,635	-	-	9,635	4,154
Contract expenses	127,610	-	-	127,610	137,409
Interest expense	45,743	-	-	45,743	51,158
Legal and professional	65,528	28,083	-	93,611	103,306
Continuing education	120	-	-	120	411
Taxes	24,808	1,378	1,378	27,564	23,293
Utilities	31,155	-	-	31,155	10,380
Maintenance and repairs	18,017	-	-	18,017	17,940
Office supplies	20,526	-	-	20,526	8,938
Postage and shipping	3,470	-	-	3,470	304
Licenses and permits	-	-	-	-	1,569
Stipend expense	5,308	-	-	5,308	700
Dues and subscriptions	4,783	-	-	4,783	2,589
Meals and entertainment	-	-	3,989	3,989	1,356
Fees	-	1,214	-	1,214	10,818
Travel	9,749	-	-	9,749	57
Sponsorship expense	28,219	1,568	1,568	31,355	38,824
Depreciation	54,347	-	-	54,347	32,533
Board expenses	<u>-</u>	<u>8,009</u>	<u>-</u>	<u>8,009</u>	<u>3,679</u>
Total expenses	<u>\$ 979,452</u>	<u>\$ 84,877</u>	<u>\$ 42,816</u>	<u>\$ 1,107,145</u>	<u>\$ 903,178</u>

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

KENSINGTON CORRIDOR TRUST  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2024</u>	<u>2023</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ (122,615)	\$ 278,111
Adjustment to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	54,347	32,533
Due from Impact Service	-	41,004
Prepaid expenses	984	(23,461)
Accounts payable	26,730	13,735
Accrued interest	15,802	29,941
Accrued payroll liabilities	6,777	850
Security deposit	<u>150</u>	<u>2,775</u>
Net cash provided by (used in) operating activities	<u>(17,825)</u>	<u>375,488</u>
<u>Cash flows from investing activities:</u>		
Loan receivable	(160,000)	-
Properties purchased	<u>(4,897,611)</u>	<u>(1,383,766)</u>
Net cash used by investing activities	<u>(5,057,611)</u>	<u>(1,383,766)</u>
<u>Cash flows from financing activities:</u>		
Payments on notes payable	(125,000)	(290,000)
Proceeds from notes payable	<u>5,401,000</u>	<u>4,352,500</u>
Net cash provided by financing activities	<u>5,276,000</u>	<u>4,062,500</u>
Net increase in cash and cash equivalents	200,564	3,054,222
Cash and cash equivalents, beginning of year	<u>3,670,456</u>	<u>616,234</u>
Cash and cash equivalents, end of year	<u>\$ 3,871,020</u>	<u>\$ 3,670,456</u>
<u>Supplemental disclosures:</u>		
Interest paid	<u>\$ 38,147</u>	<u>\$ 21,217</u>

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

KENSINGTON CORRIDOR TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Kensington Corridor works closely with community stakeholders and residents and are developing a new model for increasing neighborhood control, and focusing on fueling the Kensington Avenue corridor as an economic engine that can drive stability and economic prosperity in the neighborhood. The Organization recognizes how critical the development of physical space is to overcoming poverty and will leverage the area's physical assets (transportation infrastructure, walkability, availability of properties) and neighborhood strengths (mobilized residents, strong neighborhood-based organization) to create lasting change .

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), and accordingly, reflect all significant receivables, payables and other liabilities.

**Cash and Cash Equivalents**

Cash, certificates of deposit and other highly liquid investments purchased with original maturities of three months or less are considered to be cash equivalents.

**Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Advertising Costs**

The Organization expenses advertising costs as they are incurred. Total advertising expense was \$9,635 for the year ended December 31, 2024, which is included in marketing expense.

**Financial Statement Preparation**

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at the Board's discretion; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time, or resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

KENSINGTON CORRIDOR TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**Comparative Financial 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year from which the summarized information was derived. The financial information shown for 2023 in the accompanying financial statements is included to provide a basis for comparison with 2024 and presents summarized totals only.

**Allocated Expenses**

The financial statements report certain categories of expenses that are attributable to their program service or a supporting function of management and general or fundraising. Those expenses include payroll costs, insurance, and other various costs. Payroll costs are allocated based on time and efforts studies of the Organization's employees. Other various costs are allocated based on estimates or actual use across each of the three classifications.

**Income Taxes**

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an Organization that is not a private foundation under Section 509(a) (2).

**Accounting For Uncertainty in Income Taxes**

The preparation of the financial statements in conformity with the accrual of accounting requires the Organization to report information regarding its exposure to various tax positions taken. Management has performed their evaluation and believes there are no unrecognized tax positions that are required to be disclosed. The Organization's policy is to classify income tax related interest and penalties, if any, in interest expense and other expenses, respectively.

**Property and Equipment**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives. The Organization's capitalization policy is to capitalize amounts spent for the purchase and construction of new fixed assets or to replace old ones, or to expand and modernize long-term operating assets.

KENSINGTON CORRIDOR TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**Net Assets With and Without Donor Restrictions Revenue and Support**

Donor-restricted support is reported as an increase in net assets with donor restrictions. Contributions received in support of a special event are recognized in the period which the special event occurred. 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. Three donors comprised 76% of contributions received in the year ended December 31, 2024.

**Revenue Recognition**

The Organization generates revenue other than support from rents, special events and program revenue. Rental income from renting several of its properties out to tenants is recognized over the rental period. The exchange transaction portion of special events, such as ticket sales, is recognized in the period the event occurs. Program revenue is recognized when the related services are provided, or the performance obligations are satisfied.

**2. FISCAL SPONSORSHIP**

IF Labs entered a fiscal sponsorship with Kensington Corridor Trust on September 15, 2022, marking the onset of a collaborative effort with the stated purpose of encouraging entrepreneurship by offering multi-use spaces that support business owners and community resources, with an emphasis on and prioritization of minority-owned and low-income businesses. The Organization charges an 8% administrative fee on all income IF Labs receives and has established a restricted fund designated for IF Lab's stated purpose. The purpose-based restricted fund balance was \$0 as of December 31, 2024.

**3. LOAN RECEIVABLE**

The Organization advanced \$160,000 to an unrelated entity as a gap loan to address a temporary funding delay resulting from \$160,000 of their insurance proceeds being held by the City of Philadelphia. These funds were restricted and secured by a lien against the property due to a fire incident and the issuance of a make-safe permit. The loan will be repaid once the Organization closes the make-safe permit with the City of Philadelphia, and the insurance funds are released. No allowance for doubtful accounts has been recorded as management has determined that repayment is highly probable.

**4. CASH**

Cash and cash equivalents are comprised of the following:

Cash and cash equivalents	<u>\$ 3,871,020</u>
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KENSINGTON CORRIDOR TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**5. PROPERTY AND EQUIPMENT**

A summary of property and equipment is summarized below:

Buildings	\$ 5,364,460
Building improvements	512,715
Land	<u>1,384,371</u>
	7,261,546
Less: accumulated depreciation	<u>(88,553)</u>
	<u>\$ 7,172,993</u>

Depreciation expense for the year ended December 31, 2024 was \$53,347.

**6. NOTES PAYABLE**

A summary of notes payable is summarized below:

1. Promissory note with Patricia Kind Family Foundation, a tax-exempt private foundation, in the amount of \$100,000. The loan has a term of 180 months with a fixed stated rate of interest of 2% per annum paid annually on the anniversary date of the note. The first 60-month period is interest-only. The Organization must repay the then-outstanding principal balance in 119 equal consecutive payments of principal and interest over a 30-year amortization schedule. A final payment will then be due equal to all then-outstanding principal, accrued and unpaid interest. There are no collateral requirements associated with this loan. The outstanding balance on this note as of December 31, 2024 was \$100,000.

2. Promissory note with Patricia Kind Family Foundation, a tax-exempt private foundation, in the amount of \$250,000. The loan has a fixed stated rate of interest of 2% per annum paid annually on the anniversary date of the note. A final payment will then be due on the maturity date of the loan in November 2029 equal to all then-outstanding principal, accrued and unpaid interest. The note may be voluntarily prepaid, in whole or in part, at any time and from time to time without penalty. There are no collateral requirements associated with this loan. The outstanding balance on this note was \$250,000 as of December 31, 2024.

3. Promissory note with Nonprofit Finance Fund, a not-for-profit corporation, in the amount of \$250,000. The loan has a fixed stated rate of interest of 0% per annum. There are no collateral requirements associated with this loan. The Organization is required to pay all outstanding principal in four equal quarterly payments commencing on August 1, 2024 until May 1, 2025.

The Organization has the option to prepay without penalty once in any calendar month in whole or in part, in an amount no less than \$10,000. The outstanding balance on this note as of December 31, 2024 was \$125,000.

KENSINGTON CORRIDOR TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**6. NOTES PAYABLE, continued**

4. Promissory note with Spring Point Partners, a limited liability company, in the amount of \$1,000,000. The loan has a term of 10 years, with a stated fixed interest rate of 2% per annum. Interest shall accrue on the aggregate outstanding principal amount of the loan during the accrued interest period. During the period following the expiration of the accrued interest period and ending on the seventh anniversary of the closing date, the Organization shall make quarterly payments of current interest on the aggregate outstanding principal amount of the loan.

Following the interest only period, the Organization will be required to make 35 consecutive monthly payments of principal and interest over a 30-year amortization schedule. A final 36<sup>th</sup> payment will be due including the remaining outstanding aggregate principal and unpaid interest. The Organization has the option to prepay all or any portion of the loan, without a penalty, provided they provide written notice to the lender of its election to prepay.

The collateral for this loan includes all of the Organization's assets, whether currently owned or acquired in the future, and all proceeds and products thereof, subject to certain exceptions for Permitted Liens. The security interest is intended to be a first-priority, perfected lien, enforceable against the Organization and third parties. The Organization must notify the Lender of any commercial tort claims exceeding \$50,000 and grant a security interest in such claims. The outstanding balance on this note as of December 31, 2024 was \$1,000,000.

5. Promissory note with Barra Foundation Inc., a tax-exempt private foundation, in the amount of \$1,000,000. The loan has a term of 10 years with a stated fixed interest rate of 1% per annum. On the second anniversary of closing, the Organization will make interest-only payments for 60 consecutive months. On the first day of the calendar month immediately following the final interest-only payment, the Organization is required to make monthly payments of principal and interest. The entire outstanding principal of each tranche, along with any unpaid interest, will be due on the last day of the calendar month of the 10<sup>th</sup> anniversary of closing. There are no collateral requirements associated with this loan. The outstanding balance on this note as of December 31, 2024 was \$1,000,000.

6. Promissory note with an unrelated individual, in the amount of up to \$250,000. The loan has a term of 15 years, with a stated fixed interest rate of 1% per annum. The Organization will make interest-only payments for the first 60 consecutive months. On the first day of the calendar month immediately following the final interest-only payment, the Organization is required to make monthly payments of principal and interest for 119 consecutive months following a 30-year amortization schedule. The entire outstanding principal along with any unpaid interest will be due on the 120<sup>th</sup> month. There are no collateral requirements associated with this loan. The outstanding balance on this note as of December 31, 2024 was \$250,000.

KENSINGTON CORRIDOR TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**6. NOTES PAYABLE, continued**

7. Line of credit agreement with ImpactAssets, Inc., a tax-exempt private foundation, in the amount of up to \$3,000,000. The agreement has a term of 10 years, with a stated fixed interest rate of 1% per annum. The Organization may request advances until the date of maturity; each advance must be for a minimum of \$250,000. The Organization will make interest-only payments beginning the 25<sup>th</sup> month after the closing date. The principal consists of the aggregate of unpaid advances, which is due in full on the 10<sup>th</sup> anniversary of closing. The line of credit may be voluntarily prepaid, in whole or in part, at any time and from time to time without penalty. There are no collateral requirements associated with this line of credit. The outstanding balance on this line of credit as of December 31, 2024 was \$3,000,000.

8. Promissory note with Community Credit Lab, a nonprofit corporation, in the amount of \$500,000. The loan has a term of 10 years, with a stated fixed interest rate of 2% per annum. Interest began accruing on the closing date, with the entire outstanding principal and any accrued interest due on the 10<sup>th</sup> anniversary. The Organization may prepay this note at any time without penalty. There are no collateral requirements associated with this loan. The outstanding balance on this note as of December 31, 2024 was \$500,000.

9. Promissory note with ImpactAssets, Inc., a tax-exempt private foundation, in the amount of \$500,000. The loan has a term of 4 years, with a stated fixed interest rate of 0% per annum. The entire outstanding principal is due on the 4<sup>th</sup> anniversary of closing in November 2027. The Organization may prepay this note at any time without penalty. There are no collateral requirements associated with this loan. The outstanding balance on this note as of December 31, 2024 was \$500,000.

10. Promissory note with ImpactAssets, Inc., a tax-exempt private foundation, in the total amount of \$1,500,000. The loan has a term of 6 years, the outstanding principal on this note is due on the 6<sup>th</sup> anniversary of closing in November 2029. The Organization may prepay this note at any time without penalty. There are no collateral requirements associated with this loan. The total outstanding balance on this note as of December 31, 2024 was \$1,500,000.

11. Promissory note with unrelated individuals, joint tenants with right of survivorship, in the amount of \$50,000. The loan has a term of 4 years, with a stated fixed interest rate of 2% per annum. The entire outstanding principal is due on the 4<sup>th</sup> anniversary of closing in April 2029. There are no collateral requirements associated with this loan. The outstanding balance on this note as of December 31, 2024 was \$50,000.

12. Promissory note with World Education Services, Inc., in the amount of \$500,000. The loan has a term of 10 years, with a stated fixed interest rate of 2% per annum. There are no collateral requirements associated with this loan. The entire outstanding principal is due on the 10<sup>th</sup> anniversary of closing in January 2034. The outstanding balance on this note as of December 31, 2024 was \$500,000.

KENSINGTON CORRIDOR TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

**6. NOTES PAYABLE, continued**

13. Promissory notes with 26 individuals signed through Chordata Capital, a third party, in the total amount of \$2,101,000. The entire loan balance has a term of 10 years, with a stated fixed interest rate of 0% per annum. Each promissory note has an amount ranging between \$25,000 to \$500,000. Chordata Capital is not the note holder, but instead each individual. The entire outstanding principal is due on the 10<sup>th</sup> anniversary of closing between July to November 2034. There are no collateral requirements associated with this loan. The outstanding balance on this note as of December 31, 2024 was \$2,101,000.

Maturities on long-term debt at December 31, 2024 are as follows:

<u>Years ending December 31:</u>	
2025	\$ 125,000
2026	-
2027	500,000
2028	-
2029	1,750,000
Thereafter	<u>8,501,000</u>
	<u>\$ 10,876,000</u>

Interest expense capitalized for the year ended December 31, 2024 was \$8,206.

**7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's financial assets available within one year of the statement of financial position for general expenditures are as follows:

Cash	\$ 3,871,020
Loan receivable	160,000
Less: donor restrictions	<u>(330,857)</u>
	<u>\$ 3,700,163</u>

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from revenue items.

KENSINGTON CORRIDOR TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024

**8. NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2024, net assets with donor restrictions were comprised of:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Releases</u>	Ending <u>Balance</u>
Purpose restrictions:				
IF labs grant	\$ 16,375	\$ -	\$ (16,375)	\$ -
Halloran construction grant	250,000	-	-	250,000
Elevated Stoop project	-	200,000	(169,143)	30,857
Leader’s wellness grant	-	10,000	(10,000)	-
The Assembly of Black Possibilities 2025	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total net assets with donor restrictions:	<u>\$ 266,375</u>	<u>\$260,000</u>	<u>\$(195,518)</u>	<u>\$330,857</u>

**9. CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS**

The Organization maintains all cash balances in a financial institution located in New York. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There are times throughout the year when the Organization’s cash balances exceed the insured amount. However, the Organization utilizes the banks Insured Cash Sweep (ICS) service to access FDIC protection on large balances.

The Organization has not incurred any losses due to its cash balance exceeding insured amounts and believes they are not exposed to any significant credit risk.

**10. RETIREMENT PLAN**

The Organization has a 401(k) retirement plan in which the executive director is eligible to participate. Each calendar year, the Organization makes matching contributions equal to the employee’s contributions, not to exceed 6% of the employee’s compensation. The Organization contributed \$17,121 for the year ended December 31, 2024.

**11. DATE OF MANAGEMENT REVIEW**

Management has evaluated subsequent events and transactions through October 22, 2025, which is the date on which the financial statements were available to be issued.

On April 25, 2025, the Organization bought a property located on Kensington Avenue, Philadelphia, Pennsylvania in the amount of \$75,000. This was a cash purchase.