

**BOSTON PARTNERS IN EDUCATION, INC.**  
Financial Statements  
and  
Independent Auditors' Report  
August 31, 2022



*Independent Auditors' Report*

To the Board of Directors of  
**Boston Partners in Education, Inc.**

**Opinion**

We have audited the accompanying financial statements of Boston Partners in Education, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities 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 Boston Partners in Education, Inc. as of August 31, 2022, 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 Boston Partners in Education, 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 Boston Partners in Education, 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 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 Boston Partners in Education, 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 Boston Partners in Education, 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.



*November 18, 2022*

**BOSTON PARTNERS IN EDUCATION, INC.**  
Statement of Financial Position  
August 31, 2022

**ASSETS**

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<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 279,673
Accounts receivable	27,958
Promises to give, current portion, net	<u>80,000</u>
 Total Current Assets	 <u>387,631</u>
 <b>NONCURRENT ASSETS</b>	
Promises to give, net of current portion, net	341,565
Security deposit	<u>10,227</u>
 Total Noncurrent Assets	 <u>351,792</u>
 <b>FIXED ASSETS</b>	
Equipment	87,360
Less: accumulated depreciation	<u>(60,709)</u>
 Net Fixed Assets	 <u>26,651</u>
 Total Assets	 <u>\$ 766,074</u>

**LIABILITIES AND NET ASSETS**

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<b>LONG-TERM AND TOTAL LIABILITIES</b>	
Accrued rent	<u>\$ 23,017</u>
 <b>NET ASSETS</b>	
Without donor restrictions	321,492
With donor restrictions	<u>421,565</u>
 Total Net Assets	 <u>743,057</u>
 Total Liabilities and Net Assets	 <u>\$ 766,074</u>

*See accompanying notes to financial statements.*

**BOSTON PARTNERS IN EDUCATION, INC.**

## Statement of Activities

For the Year Ended August 31, 2022

<b>CHANGE IN NET ASSETS</b>	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>TOTAL</b>
<b>SUPPORT AND REVENUE</b>			
Grants and contributions	\$ 336,967	\$ 199,202	\$ 536,169
In-kind operating support	12,662	-	12,662
Program fees	95,240	-	95,240
Gala contributions and revenue	509,724	-	509,724
Less: cost of direct benefits to donors	(102,470)	-	(102,470)
Contributions and net revenue from gala	<u>407,254</u>	<u>-</u>	<u>407,254</u>
Other income	-	-	-
Interest	<u>52</u>	<u>-</u>	<u>52</u>
Net assets released from restrictions	<u>78,969</u>	<u>(78,969)</u>	<u>-</u>
Total Support and Revenue	<u>931,144</u>	<u>120,233</u>	<u>1,051,377</u>
<b>EXPENSES</b>			
Program services:			
Accelerate	253,858	-	253,858
Aim High	231,727	-	231,727
The Big Cheese Reads	17,375	-	17,375
Motivate	102,595	-	102,595
Power Lunch	58,948	-	58,948
Independent Learning Support	<u>144,208</u>	<u>-</u>	<u>144,208</u>
Total Program Services	<u>808,711</u>	<u>-</u>	<u>808,711</u>
Supporting services:			
Management and general	122,067	-	122,067
General fundraising	173,241	-	173,241
Gala	<u>84,757</u>	<u>-</u>	<u>84,757</u>
Total Supporting Services	<u>380,065</u>	<u>-</u>	<u>380,065</u>
Total Expenses	<u>1,188,776</u>	<u>-</u>	<u>1,188,776</u>
Change in Net Assets	<u>(257,632)</u>	<u>120,233</u>	<u>(137,399)</u>
Net Assets, Beginning of Year	<u>579,124</u>	<u>301,332</u>	<u>880,456</u>
<b>Net Assets End of Year</b>	<u>\$ 321,492</u>	<u>\$ 421,565</u>	<u>\$ 743,057</u>

*See accompanying notes to financial statements.*

**BOSTON PARTNERS IN EDUCATION, INC.**  
Statement of Functional Expenses  
For the Year Ended August 31, 2022

DESCRIPTION	PROGRAMS						SUPPORT SERVICES					TOTAL
	ACCELERATE	AIM HIGH	THE BIG CHEESE READS	MOTIVATE	POWER LUNCH	INDEPENDENT LEARNING SUPPORT	MANAGEMENT AND GENERAL	GENERAL FUND-RAISING	GALA	DIRECT BENEFITS TO DONORS		
Personnel	\$ 170,358	\$ 155,028	\$ 11,659	\$ 68,024	\$ 38,735	\$ 96,679	\$ 72,276	\$ 113,882	\$ 35,417	\$ -	\$ 762,058	
Payroll taxes	14,133	12,837	973	5,653	3,179	8,061	3,708	9,283	2,963	-	60,790	
Insurance	18,253	16,576	1,285	7,380	4,150	10,176	4,299	12,204	3,819	-	78,142	
Advertising and promotion	3,288	3,279	136	1,635	1,301	2,326	33	414	141	-	12,553	
Office expense	3,346	3,158	166	1,469	559	1,804	1,943	7,308	448	-	20,201	
Information technology	1,961	2,002	617	951	929	1,109	725	967	311	-	9,572	
Occupancy	31,079	28,126	1,997	12,528	6,733	17,822	13,056	18,843	5,468	-	135,652	
Travel	1,120	1,021	77	446	255	666	465	923	276	-	5,249	
Meetings and conferences	-	-	-	-	-	-	-	2,955	24,137	-	27,092	
Cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	102,470	102,470	
Professional fees	2,098	1,832	134	862	477	1,094	18,348	1,154	503	-	26,502	
Inkind expenses	1,741	1,582	120	700	394	988	5,623	1,131	383	-	12,662	
Volunteer expenses	3,383	3,378	-	1,689	1,500	1,629	-	-	-	-	11,579	
Professional development	604	604	-	227	202	302	60	218	-	-	2,217	
Dues and subscriptions	130	130	37	65	65	65	372	287	-	-	1,151	
Bad debt	-	-	-	-	-	-	-	-	10,250	-	10,250	
Depreciation and amortization	2,364	2,174	174	966	469	1,487	1,074	1,493	641	-	10,842	
Miscellaneous expense	-	-	-	-	-	-	85	2,179	-	-	2,264	
Total expense by function	253,858	231,727	17,375	102,595	58,948	144,208	122,067	173,241	84,757	102,470	1,291,246	
Less: expenses included with revenues on the statement of activities												
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	(102,470)	(102,470)	
Total expenses included in the expense section of the statement of activities	\$ 253,858	\$ 231,727	\$ 17,375	\$ 102,595	\$ 58,948	\$ 144,208	\$ 122,067	\$ 173,241	\$ 84,757	\$ -	\$ 1,188,776	

*See accompanying notes to financial statements.*

**BOSTON PARTNERS IN EDUCATION, INC.**  
Statement of Cash Flows  
For the Year Ended August 31, 2022

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (137,399)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Bad debt	10,250
Depreciation	10,843
(Increase) decrease in operating assets:	
Accounts receivable	(21,957)
Promises to give	(87,061)
Increase (decrease) in operating liabilities:	
Accrued rent	<u>2,541</u>
Net Cash Used in Operating Activities	<u>(222,783)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of fixed assets	<u>(3,129)</u>
Net Cash Used in Investing Activities	<u>(3,129)</u>
Net Decrease in Cash and Cash Equivalents	(225,912)
<b>CASH and CASH EQUIVALENTS, beginning of year</b>	<u>505,585</u>
<b>CASH and CASH EQUIVALENTS, end of year</b>	<u><u>\$ 279,673</u></u>

*See accompanying notes to financial statements.*

# BOSTON PARTNERS IN EDUCATION, INC.

Notes to Financial Statements

August 31, 2022

## 1. ORGANIZATION AND PROGRAMS

### ORGANIZATION

Boston Partners in Education, Inc., founded in 1966, is a Massachusetts not-for-profit corporation, whose mission is to enhance the academic achievement and nurture the personal growth of Boston' public school students by providing them with focused, individualized in-school volunteer support.

### PROGRAMS

To achieve its mission Boston Partners in Education offers the following major programs:

**Accelerate** - Accelerate can assist any student in grades K-8 identified by their teacher as needing extra academic or socio-emotional support. Accelerate mentors work 1-on 1 with a student, or in small groups, during regular classroom instruction time. Accelerate is designed to help students who lack the skills, motivation or interest in ELA or math.

**Aim High** - Aim High supports students in grades 9-12 who have small gaps in skills and knowledge, and just need that extra push to find success. Aim High mentors work 1-on-1 or with a small group of students in humanities or STEM subjects. Aim High helps students build confidence and resilience and prepare for their future aspirations.

**The Big Cheese Reads** -The Big Cheese Reads connects business and community leaders with middle school students in order to emphasize the important link between literacy and career success. Since its inception, more than 250 corporate and community leaders have gone into the classroom to support the initiative.

**Motivate** - Motivate is designed for early childhood development needs, serving children in grades PreK-2. Motivate mentors work with the whole class of students, helping to run academic activities and smooth transition time. In classrooms with high student to teacher ratios, full of young children with diverse needs, having a Motivate mentor in the classroom helps teachers better differentiate instruction.

**Power Lunch** - Power Lunch sparks enthusiasm for reading in kindergarten through third graders by matching students with volunteer reading mentors from participating corporations in the Boston area. Each reading mentor serves as a role model and friend, providing guidance in school and career choices while encouraging an enthusiasm for books and reading.

**Independent Learning Support** – In Independent Learning Support mentors are connected with BPS students in grades 2-12 who have self-identified or been identified by their families as benefiting from extra, focused academic support. ILS matches meet virtually for one hour per week for the duration of the school year. A silent volunteer proctor attends and monitors all sessions to ensure safety and security.



# BOSTON PARTNERS IN EDUCATION, INC.

Notes to Financial Statements (Continued)

August 31, 2022

## 1. ORGANIZATION AND PROGRAMS (Continued)

Boston Partners in Education's operations are primarily funded by foundation and corporate grants, and contributions from the general public.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

Boston Partners in Education prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

### NET ASSETS CLASSIFICATION

Net assets of Boston Partners in Education are classified into two categories. The classifications are related to the existence or absence of donor-imposed restrictions as follows:

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

*Net Assets With Donor Restrictions* - Net assets whose use is limited by either donor-imposed time restrictions or purpose restrictions or net assets that must be maintained in perpetuity.

### GRANTS AND CONTRIBUTIONS

Grants and contributions are recognized when a donor makes a promise to give to Boston Partners in Education that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Grants and contributions received in connection with a conditional promise to give are recorded as a refundable advance (a liability) until the donor conditions have been met or explicitly waived.

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the grants and contributions are recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

### CASH EQUIVALENTS

Boston Partners in Education considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

## **BOSTON PARTNERS IN EDUCATION, INC.**

Notes to Financial Statements (Continued)

August 31, 2022

### **2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### REVENUE RECOGNITION

Program fees are recognized as performance obligations are met. Advance payments of program fees are recorded as deferred revenue until earned.

#### ACCOUNTS RECEIVABLE

Accounts receivable are presented net of the allowance for doubtful accounts. Boston Partners in Education's periodic evaluation of the adequacy of the allowance is based on its past loss experience. At August 31, 2022, all outstanding accounts were fully collectible.

#### FIXED ASSETS

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 fixed assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Boston Partners in Education reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Boston Partners in Education reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Purchased fixed assets are carried at cost. Fixed assets are depreciated using the straight-line method over their estimated useful lives. Repairs and maintenance are charged to operations. Betterments, renewals, and purchases of more than \$1,000 are capitalized.

Depreciation expense for the year ended August 31, 2022 was \$10,843.

#### IN-KIND DONATIONS

Boston Partners in Education receives in-kind donations in support of its operations. Donated materials and services are recorded at fair value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated are recorded as contributions in the financial statements. Donated services such as fundraising, clerical assistance or other volunteer efforts not requiring specialized skills are not recorded in the financial statements.

## BOSTON PARTNERS IN EDUCATION, INC.

Notes to Financial Statements (Continued)

August 31, 2022

### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### INCOME TAXES

Boston Partners in Education is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws. Unrelated business income, of which there was none for the years ended August 31, 2022 would be subject to Federal and state income taxes.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and reported in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following expenses are allocated:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel	Time and effort
Payroll taxes	Salaries
Insurance	Salaries
Office expense	Salaries
Information technology	Salaries
Occupancy	Salaries
Depreciation and amortization	Salaries

#### ESTIMATES

The preparation of financial statements in accordance with U.S. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 3. PROMISES TO GIVE

At August 31, 2022 unconditional promises to give were due as follows:

Less than one year	\$ 80,000
One to five years	218,021
More than five years	<u>141,181</u>
Total unconditional promises	439,202
Less discount to net present value	<u>17,637</u>
Net unconditional promises	<u>\$ 421,565</u>

## BOSTON PARTNERS IN EDUCATION, INC.

Notes to Financial Statements (Continued)

August 31, 2022

### 4. NET ASSETS WITH DONOR RESTRICTIONS

At August 31, 2022, net assets with donor restrictions were time restricted for general operations.

### 5. IN-KIND DONATIONS

Boston Partners in Education receives donated materials and services in support of its programmatic and administrative functions. In-kind donations reported in the financial statements for the year ended August 31, 2022, were as follows:

Software licenses	\$ 7,776
Electrical services	2,885
Chromebooks	<u>2,000</u>
Total	<u>\$ 12,661</u>

During 2022, Boston Partners in Education received donated website development services. The value of the donation could not be determined. Therefore, it is not recorded in the financial statements. Donated services such as Big Cheese Readers and other volunteer efforts not requiring specialized skills are not recorded in the financial statements.

### 6. LEASE COMMITMENT

During 2020, Boston Partners in Education entered into a seven year noncancelable office lease agreement. The lease provides for periodically escalating minimum monthly rental payments from \$10,227 to \$11,688, plus annual additional rent for real estate taxes and operating costs.

Rent expense is recognized on a straight-line basis over the life of the leases with the differences between the cash paid and the straight-line expense being recorded as accrued rent. Rent expense under this lease totaled \$129,892 for the year ended August 31, 2022. Accrued rent was \$23,011 at August 31, 2022.

Minimum rental payments due over the remaining term of the lease are as follows:

2023	\$ 130,062
2024	133,045
2025	136,117
2026	139,039
2027	<u>58,440</u>
Total	<u>\$ 596,703</u>

**BOSTON PARTNERS IN EDUCATION, INC.**

Notes to Financial Statements (Continued)

August 31, 2022

**7. RELATED PARTY TRANSACTIONS**

Board members donated \$143,830 to Boston Partners in Education for the year ended August 31, 2022.

**8. LINE OF CREDIT**

At August 31, 2022, Boston Partners in Education had an unused \$50,000 revolving line-of-credit agreement with TD Bank that expires on February 22, 2023. Any outstanding balance on the line will incur interest at the bank's prime rate plus .50%.

**9. COMPENSATED ABSCENCES**

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. Boston Partners in Education's policy is to recognize these costs when actually paid.

**10. AVAILABILITY AND LIQUIDITY**

The following represents Boston Partners in Education's financial assets that are available to meet general expenses over the next 12 months:

Financial assets at year end:	
Cash and cash equivalents	\$ 279,673
Promises to give, net	<u>421,565</u>
Total financial assets	<u>701,238</u>
Less amounts not available for use within one year:	
Promises to give, non current, net	<u>341,565</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 359,673</u>

Boston Partners in Education's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, Boston Partners in Education can draw upon its \$50,000 line of credit, which was unused at August 31, 2022.

**BOSTON PARTNERS IN EDUCATION, INC.**

Notes to Financial Statements (Continued)

August 31, 2022

**11. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

CREDIT RISK

Boston Partners in Education maintains cash balances at one financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At August 31, 2022, the uninsured balance was \$30,273. Boston Partners in Education has not experienced any loss in accounts and believes it is not exposed to any significant credit risk on its cash balances.

SUPPORT AND REVENUE

Grants and contributions from one source represented 19% of Boston Partners in Education's total support and revenue for the year ended August 31, 2022, and outstanding promises from two donors represented 100% of the outstanding promises to give.

**12. SUBSEQUENT EVENTS**

Boston Partners in Education has evaluated subsequent events through November 18, 2022, which is the date the financial statements were available to be issued.