

**THE CARVER FOUNDATION OF NORWALK, INC.**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**THE CARVER FOUNDATION OF NORWALK, INC.  
FOR THE YEAR ENDED JUNE 30, 2021**

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**THE CARVER FOUNDATION OF NORWALK, INC.**

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**INDEPENDENT AUDITOR'S REPORT**



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Carver Foundation of Norwalk, Inc.

We have audited the accompanying financial statements of The Carver Foundation of Norwalk, Inc., (a non-profit organization), which comprise the statement of financial position as of June 30, 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.

### ***Management's Responsibility 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; 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT**

Continued...

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Carver Foundation of Norwalk, Inc., as of June 30, 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.

*Hope & Hernandez P.C.*

Hope & Hernandez, P.C.  
Bridgeport, Connecticut  
October 18, 2021

**THE CARVER FOUNDATION OF NORWALK, INC.**

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**FINANCIAL STATEMENTS**

**THE CARVER FOUNDATION OF NORWALK, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash	\$ 1,986,613	\$ 422,775	\$ 2,409,388
Investments	19,909	0	19,909
Program Accounts Receivable, Net	16,409	0	16,409
Contributions and Grants Receivable, Net	186,994	0	186,994
Prepaid Expenses	<u>39,103</u>	<u>0</u>	<u>39,103</u>
Total Current Assets	<u>2,249,028</u>	<u>422,775</u>	<u>2,671,803</u>
Non-Current Assets:			
Fixed Assets, net of accumulated depreciation of \$849,412	<u>1,137,544</u>	<u>1,709,385</u>	<u>2,846,929</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>3,386,572</u></b>	<b>\$ <u>2,132,160</u></b>	<b>\$ <u>5,518,732</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
Current Liabilities:			
Accounts Payable	\$ 32,154	\$ 0	\$ 32,154
Accrued Payroll	100,650	0	100,650
Deferred Revenue	215,949	0	215,949
Paycheck Protection Program Note Payable	647,319	0	647,319
Line of Credit	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>996,072</u>	<u>0</u>	<u>996,072</u>
Net Assets			
Without Donor Restrictions	2,390,500	0	2,390,500
With Donor Restrictions	<u>0</u>	<u>2,132,160</u>	<u>2,132,160</u>
Total Net Assets	<u>2,390,500</u>	<u>2,132,160</u>	<u>4,522,660</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>3,386,572</u></b>	<b>\$ <u>2,132,160</u></b>	<b>\$ <u>5,518,732</u></b>

**THE CARVER FOUNDATION OF NORWALK, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues:</b>			
Contributions	\$ 937,364	\$ 195,200	\$ 1,132,564
Fundraisers	314,619	0	314,619
Grants	3,299,995	904,799	4,204,794
Program Fees	608,627	0	608,627
Interest & Dividend Income	4,234	0	4,234
In-Kind Revenue	30,252	0	30,252
Net Assets Released From Restrictions	<u>707,999</u>	<u>(707,999)</u>	<u>0</u>
 Total Revenues	 <u>5,903,090</u>	 <u>392,000</u>	 <u>6,295,090</u>
 <b>Operating Expenses:</b>			
Program Services	4,092,978	48,896	4,141,874
Management and General	210,840	0	210,840
Fundraising/Development	<u>473,650</u>	<u>0</u>	<u>473,650</u>
 Total Expenses	 <u>4,777,468</u>	 <u>48,896</u>	 <u>4,826,364</u>
 Changes in Net Assets from Operations	 1,125,622	 343,104	 1,468,726
 <b>Non-Operating Activities:</b>			
Investment Return, Net	<u>(21,972)</u>	<u>0</u>	<u>(21,972)</u>
 Changes in Net Assets	 1,103,650	 343,104	 1,446,754
Net Assets, Beginning of Year	<u>1,286,850</u>	<u>1,789,056</u>	<u>3,075,906</u>
 Net Assets, End of Year	 <u>\$ 2,390,500</u>	 <u>\$ 2,132,160</u>	 <u>\$ 4,522,660</u>

See accompanying notes and accountant's report.



**THE CARVER FOUNDATION OF NORWALK, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Program Services</b>					<b>Totals</b>	
	<b>After School Programs</b>	<b>Summer Programs</b>	<b>Community Programs</b>	<b>Total Program</b>	<b>Management and General</b>		<b>Fundraising/Development</b>
Salaries	\$ 2,210,026	\$ 351,100	\$ -	\$ 2,561,126	\$ 76,620	\$ 301,044	\$ 2,938,790
Payroll Taxes	168,883	25,587	-	194,470	26,421	19,490	240,381
Employee Benefits	130,366	24,250	-	154,616	17,183	50,914	222,713
Professional Fees	58,670	10,400	-	69,070	43,335	24,889	137,294
Supplies & Program Services	307,797	25,053	7,158	340,008	10,737	7,158	357,903
Voice & Data	9,249	3,000	-	12,249	10,610	684	23,543
Postage & Shipping	100	-	-	100	1,503	511	2,114
Occupancy	63,939	5,328	10,656	79,923	7,104	1,777	88,804
Travel	-	-	-	-	247	3	250
Meetings, Conferences & Training	-	50	-	50	1,654	274	1,978
Printing/Copying & Advertising	29,087	1,238	1,857	32,182	2,476	27,231	61,889
Stipends/Scholarships	170,550	-	-	170,550	-	-	170,550
Transportation	71,557	-	-	71,557	-	-	71,557
Insurance	94,854	19,428	-	114,282	6,000	-	120,282
Service Fees & Interest Expense	83,615	11,545	3,500	98,660	1,250	5,048	104,958
Dues, Subscriptions & Licenses	2,635	5,839	-	8,474	2,797	2,980	14,251
Bad Debt Expense	93,698	-	-	93,698	-	-	93,698
Depreciation	116,126	2,903	11,613	130,642	2,903	11,612	145,157
In-Kind Expenses	2,237	-	7,980	10,217	-	20,035	30,252
<b>TOTALS</b>	<b>\$ 3,613,389</b>	<b>\$ 485,721</b>	<b>\$ 42,764</b>	<b>\$ 4,141,874</b>	<b>\$ 210,840</b>	<b>\$ 473,650</b>	<b>\$ 4,826,364</b>

**THE CARVER FOUNDATION OF NORWALK, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

	Amount
<b><u>Operating Activities:</u></b>	
Change in Net Assets	\$ 1,446,754
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation Expense	145,157
<b><u>Change in Fund Assets and Liabilities:</u></b>	
Increase in Accounts Receivable	(15,949)
Increase in Contributions and Grants Receivable	(70,606)
Increase in Prepaid Expenses	(11,022)
Decrease in Accounts and Payroll Payable	(12,951)
Increase in Deferred Revenue	113,049
	113,049
Net Cash Provided by Operating Activities	1,594,432
<b><u>Investing Activities:</u></b>	
Purchase of Fixed Assets	(231,903)
Net Investment Activity	(7,788)
	(7,788)
Net Cash Used by Investing Activities	(239,691)
<b><u>Financing Activities:</u></b>	
Increase in Paycheck Protection Program Note Payable	49,019
	49,019
Net Cash Provided by Financing Activities	49,019
Increase in Cash	1,403,760
Cash at Beginning of Year	1,005,628
Cash at End of Year	\$ 2,409,388
<b><u>Supplementary Disclosures of Cash Flow Information:</u></b>	
Cash paid for:	
Interest	\$ -
Income Taxes	\$ -

**THE CARVER FOUNDATION OF NORWALK, INC.**

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**NOTES TO THE FINANCIAL STATEMENTS**

**THE CARVER FOUNDATION OF NORWALK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Founded in 1938 as a neighborhood community center, named the 2013 *“Nonprofit of the Year”* by the Norwalk Chamber of Commerce, Carver today is the largest provider of free after-school programs for elementary, middle and high school students in Norwalk, Connecticut. Carver’s mission is to close opportunity gaps for all vulnerable children and ensure they graduate high school on time and college-ready. To achieve its mission, Carver combines a set of key partnerships between school districts and their highly skilled educators, community organizations and parents to deliver after school, summer and community programs that consistently demonstrate striking results. Carver’s reach includes almost all Norwalk Public Schools, Carver Community Center in Norwalk and the Classical Studies Magnet Academy in Bridgeport. Carver’s vision, strategies for impact, resource development, organizational effectiveness and program activities are consistently linked to carefully evaluated student outcomes. Carver’s after school students grow faster academically than the national average in each grade. Since 2005, 100% of Carver seniors have graduated high school on time and almost all become first generation college students. Carver also offers college scholarship funds, winning basketball travel teams, a parent leadership academy, spring and fall college tours, community food drives and holiday events, and more for the benefit of the Norwalk community.

**Summary of Significant Accounting Policies**

**Basis of Presentation**

The Foundation’s financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

**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. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions can be perpetual in nature, where by the donor has stipulated that the funds be maintained in perpetuity.

**THE CARVER FOUNDATION OF NORWALK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Measure of Operations**

The statement of activities reports all changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation's ongoing programs and interest and dividends earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**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. 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.

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 are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**In-kind Contributions**

In-kind contributions represent the value of donated materials and are recorded when these contributions are both specifically identifiable and can be objectively valued in monetary terms (fair market value, as determined by management).

**Support and Revenue Recognition**

Revenues and expenses are recognized on the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

THE CARVER FOUNDATION OF NORWALK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

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NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting Policies

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These assumptions include but are not limited to the depreciable lives of long-lived assets and allocation of functional expenses. Actual results could differ from those estimates.

Revenue Recognition from Programs

Program revenue is reported at the amount that reflects the consideration to which the Foundation expects to be entitled in exchange for providing programs to its clients. Revenue is recognized as performance obligations are satisfied. Any unearned amounts for payments received in advance are included in deferred revenue.

Program accounts receivable consists of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Program Accounts Receivable	\$ 16,409	\$ 460
Allowance for Doubtful Accounts	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 16,409</u>	<u>\$ 460</u>

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

**THE CARVER FOUNDATION OF NORWALK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Continued

**Fixed Assets and Accumulated Depreciation**

Fixed assets are recorded at cost and include expenditures that naturally increase values or extend useful lives. Contributed assets are recorded at their fair market value at the date of receipt as determined by the Foundation. Depreciation is computed over the estimated useful lives of the assets, which range from 5 to 39 years, using the straight-line method for financial and tax reporting purposes. Expenditures in the nature of normal repairs and maintenance are charged to operations as incurred.

**Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and presented in detail in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Chief Executive Officer's Salary	Time and Effort
Chief Financial Officer's Salary	Time and Effort
Chief Operating Officer's Salary	Time and Effort
Executive Administrative Assistant's Salary	Time and Effort
Manager of Administration's Salary	Time and Effort
Payroll Taxes	Time and Effort
Employee Benefits	Time and Effort
Occupancy	Square Footage

**NOTE 2 - INCOME TAXES**

The Foundation operates as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Pursuant to Section 501(c)(3) of the Internal Revenue Code, the activities engaged in by the Foundation are not subject to federal or state income taxes. The tax years 2017 through 2020 remain open to examination by the Internal Revenue Service.

**THE CARVER FOUNDATION OF NORWALK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 3 - CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Foundation to concentration of credit risk consists principally of cash. The Foundation at June 30, 2021, maintained \$1,930,676 in cash balances in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Foundation has not incurred any losses in the past and it believes it is not exposed to any significant credit risk.

**NOTE 4 - AVAILABILITY AND LIQUIDITY**

The following represents the Foundation's financial assets at June 30, 2021:

Financial assets at year end:	
Cash and cash equivalents	\$ 2,409,388
Investments	19,909
Program Accounts Receivable	16,409
Contributions and grants receivable	<u>186,994</u>
Total Financial Assets	\$ 2,632,700
 Less amounts not available to be used within one year	 -0-
 Financial assets available to meet general expenditures over the next twelve months	  \$ <u>2,632,700</u>

The Foundation has a \$500,000 line of credit available to meet cash flow needs.

**NOTE 5 - PROGRAM ACCOUNTS RECEIVABLE**

Program accounts receivable and contributions and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance balances at June 30, 2021 are \$0.

**NOTE 6 - INVESTMENTS - FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. generally accepted accounting principles establish a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active



**THE CARVER FOUNDATION OF NORWALK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 6 - INVESTMENTS - FAIR VALUE MEASUREMENTS** - Continued

markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Foundation groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1            Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2            Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3            Unobservable inputs that cannot be corroborated by observable market data.

The Foundation's investments are reported at fair value in the accompanying statement of financial position at June 30, 2021 as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>Level 1</u>
Cash & Cash Equivalents	\$ 2,509	\$ 2,509
Equities	<u>17,400</u>	<u>17,400</u>
	<u>\$ 19,909</u>	<u>\$ 19,909</u>

The class of assets shown are the class of assets reported by the investment advisor.

**THE CARVER FOUNDATION OF NORWALK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 7 - FIXED ASSETS**

Below is a summary of fixed assets at June 30, 2021:

**Without Donor Restrictions**

Building Improvements	\$ 1,413,021
Furniture and Fixtures	8,459
Vehicles	147,341
Machinery and Equipment	<u>145,280</u>
Sub-Total Depreciable Assets	1,714,101
Less: Accumulated Depreciation	<u>( 651,787)</u>
Net Book Value of Depreciable Assets	1,062,314
Construction Work In Process	70,230
Land	<u>5,000</u>
TOTAL	<u>\$ 1,137,544</u>

**With Donor Restrictions**

Building	\$ 1,907,010
Less: Accumulated Depreciation	<u>( 197,625)</u>
TOTAL	<u>\$ 1,709,385</u>

On June 22, 2017, the City of Norwalk gifted the building located at 7 Academy Street to The Carver Foundation of Norwalk. The gift is classified as With Donor Restrictions. If the Foundation ceases using the building as a neighborhood community center, ownership of the building reverts back to the City of Norwalk.

**NOTE 8 - DEFERRED REVENUE**

During the year ended June 30, 2021, the Foundation received fees and grants for programs to be run subsequent to year end. These fees and grants have been deferred and will be recognized as revenue in the year earned.

**NOTE 9 - LINE OF CREDIT**

The Foundation has a \$500,000 line of credit with Patriot National Bank, secured by a first security interest on Carver's business assets. Interest on the outstanding balance is payable monthly at a 3.75% annual interest rate. The credit line expires March 1, 2022. As of June 30, 2021, the credit line balance outstanding is \$0.

**THE CARVER FOUNDATION OF NORWALK, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 10 – PAYCHECK PROTECTION PROGRAM NOTE PAYABLE**

On February 3, 2021, the Foundation received \$647,319 in Paycheck Protection Program (PPP) funds from the First County Bank. The note bore interest at 1% and was repayable in 24 equal monthly payments. Repayment of the note was to begin 10 months (May 5, 2022) after the end of the 24 week covered program period (July 24, 2021). Under the parameters of the PPP program, the Foundation applied for loan forgiveness by submitting documentation to First County Bank supporting that the loan proceeds were used in accordance with PPP's allowable expense categories. The loan was subsequently forgiven on July 26, 2021 and converted to grant proceeds.

**NOTE 11 – NET ASSETS**

Net assets with donor restrictions are as follows for the year ended June 30, 2021:

Specific Purpose	
Completion of Technical Center	\$ 30,775
Construction of Teen Center	342,000
Support for the 2021-2022 Freshman Success Summer High School Academy	50,000
Use Building as a Community Center	<u>1,709,385</u>
Total	\$ 2,132,160

**NOTE 12 - EMPLOYEE BENEFITS**

Deferred Compensation Plan - The Foundation maintains a 457(b)(7) plan open to all full time employees. The Foundation makes no contributions to the plan which is administered through the Vanguard Group.

**NOTE 13 - OPERATING LEASES**

The Foundation entered into a 42 month lease for a postage machine on June 7, 2010. The lease expired December 7, 2013 and has continued on a month-to-month basis at a rate of \$188 per quarter.

The Foundation entered into a 48 month operating lease for a copier in June, 2020 with monthly lease payments of \$985.

**THE CARVER FOUNDATION OF NORWALK, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 13 - OPERATING LEASES** - Continued

Minimum lease payments are as follows:

2022	\$ 11,820
2023	11,820
2024	10,835
2025	-0-
2026	<u>-0-</u>
	\$ <u>34,475</u>

**NOTE 14 – SUBSEQUENT EVENTS**

**Date of Management Evaluation** - Management has evaluated subsequent events through October 18, 2021, the date on which the financial statements were available to be issued.

Management has identified the following significant subsequent events requiring disclosure:

The Foundation's Paycheck Protection Program Note Payable in the amount of \$647,319 was forgiven and converted to grant revenue on July 26, 2021. The Foundation is in the planning phase of an estimated \$2,800,000 rehabilitation of its facility, including the construction of a teen center.