

COOP CAREERS, INC.

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
COOP Careers, Inc.

Opinion

We have audited the financial statements of COOP Careers, Inc. which comprise of the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of COOP Careers, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 COOP Careers, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 COOP Careers, Inc. ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

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 GAAS 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 GAAS, 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 COOP Careers, Inc. 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 COOP Careers, Inc. 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.


Crowe LLP

New York, New York
March 6, 2023

COOP CAREERS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 2,640,944	\$ 1,598,784
Investments	28,608	121,376
Contributions receivable	1,495,560	390,000
Fixed assets, net	<u>23,641</u>	<u>-</u>
Total assets	<u>\$ 4,188,753</u>	<u>\$ 2,110,160</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 111,830	\$ 64,044
Grant advance liability	<u>108,775</u>	<u>199,824</u>
Total liabilities	<u>220,605</u>	<u>263,868</u>
Net assets		
Without donor restrictions	3,058,148	990,042
With donor restrictions	<u>910,000</u>	<u>856,250</u>
Total net assets	<u>3,968,148</u>	<u>1,846,292</u>
Total liabilities and net assets	<u>\$ 4,188,753</u>	<u>\$ 2,110,160</u>

See accompanying notes to financial statements.

COOP CAREERS, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Contributions	\$ 6,185,325	\$ 2,235,000	\$ 8,420,325
In-kind gifts	1,248,599	-	1,248,599
Unrealized loss on investment	(92,768)	-	(92,768)
Other revenue	<u>35,000</u>	<u>-</u>	<u>35,000</u>
	7,376,156	2,235,000	9,611,156
 Net assets released from restrictions	 <u>2,181,250</u>	 <u>(2,181,250)</u>	 <u>-</u>
 Total public support and revenue	 <u>9,557,406</u>	 <u>53,750</u>	 <u>9,611,156</u>
 Expenses			
Program services	5,780,328	-	5,780,328
Supporting services:			
Management and general	1,362,739	-	1,362,739
Fundraising	<u>346,233</u>	<u>-</u>	<u>346,233</u>
 Total expenses	 <u>7,489,300</u>	 <u>-</u>	 <u>7,489,300</u>
 Changes in net assets	 2,068,106	 53,750	 2,121,856
 Net assets, beginning of year	 <u>990,042</u>	 <u>856,250</u>	 <u>1,846,292</u>
 Net assets, end of year	 <u>\$ 3,058,148</u>	 <u>\$ 910,000</u>	 <u>\$ 3,968,148</u>

See accompanying notes to financial statements.

COOP CAREERS, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Contributions	\$ 1,318,765	\$ 4,712,500	\$ 6,031,265
In-kind gifts	50,000	-	50,000
Unrealized gain on investment	70,872	-	70,872
Other revenue	<u>6,000</u>	<u>-</u>	<u>6,000</u>
	1,445,637	4,712,500	6,158,137
 Net assets released from restrictions	 <u>3,856,250</u>	 <u>(3,856,250)</u>	 <u>-</u>
 Total public support and revenue	 <u>5,301,887</u>	 <u>856,250</u>	 <u>6,158,137</u>
 Expenses			
Program services	3,225,928	-	3,225,928
Supporting services:			
Management and general	858,907	-	858,907
Fundraising	<u>363,309</u>	<u>-</u>	<u>363,309</u>
 Total expenses	 <u>4,448,144</u>	 <u>-</u>	 <u>4,448,144</u>
 Changes in net assets	 853,743	 856,250	 1,709,993
 Net assets, beginning of year	 <u>136,299</u>	 <u>-</u>	 <u>136,299</u>
 Net assets, end of year	 <u>\$ 990,042</u>	 <u>\$ 856,250</u>	 <u>\$ 1,846,292</u>

See accompanying notes to financial statements.

COOP CAREERS, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the years ended December 31, 2021 and 2020

	2021				
	Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 2,601,243	\$ 416,422	\$ 293,398	\$ 709,820	\$ 3,311,063
Employee benefits and payroll taxes	589,717	358,002	31,527	389,529	979,246
Professional fees	1,153,435	292,874	4,134	297,008	1,450,443
Occupancy	-	14,619	-	14,619	14,619
Travel	11,720	9,797	429	10,226	21,946
Event/workshop expenses	106,572	24,210	-	24,210	130,782
Advertising and marketing	5,520	165	-	165	5,685
Office expenses	427	6,981	315	7,296	7,723
Insurance	-	6,450	-	6,450	6,450
Fees and taxes	225	66,478	-	66,478	66,703
Equipment and maintenance	12,448	147,319	16,430	163,749	176,197
In-kind gifts	1,248,042	-	-	-	1,248,042
Other	50,979	19,422	-	19,422	70,401
Total	\$ 5,780,328	\$ 1,362,739	\$ 346,233	\$ 1,708,972	\$ 7,489,300

	2020				
	Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 1,783,951	\$ 334,940	\$ 275,466	\$ 610,406	\$ 2,394,357
Employee benefits and payroll taxes	388,014	68,609	59,263	127,872	515,886
Professional fees	729,195	276,930	-	276,930	1,006,125
Occupancy	101,803	18,925	8,262	27,187	128,990
Travel	29,766	6,105	952	7,057	36,823
Event/workshop expenses	67,568	47,761	89	47,850	115,418
Advertising and marketing	6,056	6,808	1,712	8,520	14,576
Office expenses	5,561	2,429	731	3,160	8,721
Insurance	-	22,139	-	22,139	22,139
Fees and taxes	13,747	2,729	2,124	4,853	18,600
Equipment and maintenance	95,311	17,896	14,710	32,606	127,917
In-kind gifts	-	50,000	-	50,000	50,000
Other	4,956	3,636	-	3,636	8,592
Total	\$ 3,225,928	\$ 858,907	\$ 363,309	\$ 1,222,216	\$ 4,448,144

See accompanying notes to financial statements.

COOP CAREERS, INC.
 STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 2,121,856	\$ 1,709,993
Adjustment to reconcile change in net assets to net cash flows provided by operating activities		
Contribution of investments	-	(50,504)
Unrealized loss (gain) on investments	92,768	(70,872)
Depreciation	5,910	-
Changes in assets and liabilities		
Contributions receivable	(1,105,560)	(390,000)
Accounts payable and accrued expenses	47,786	37,024
Grant advance liability	(91,049)	199,824
Net cash provided by operating activities	<u>1,071,711</u>	<u>1,435,465</u>
Cash flows from investing activities		
Purchase fixed assets	<u>(29,551)</u>	-
Net cash used in investing activities	<u>(29,551)</u>	-
Net change in cash	1,042,160	1,435,465
Cash - beginning of year	<u>1,598,784</u>	<u>163,319</u>
Cash - end of year	<u>\$ 2,640,944</u>	<u>\$ 1,598,784</u>
Supplemental disclosures of cash flow information		
In-kind gifts	\$ 1,248,042	\$ 50,000

See accompanying notes to financial statements.

COOP CAREERS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - ORGANIZATION

COOP Careers, Inc. (the "Organization") is a not-for-profit organization that connects underrepresented college grads to each other and to meaningful careers in tech, media, and design. In turn, the organization helps local companies find and hire excellent candidates who reflect the diversity of their city.

The Organization's support comes primarily from individual, corporate and foundation donor contributions.

COOP Careers, Inc. has been notified by the Internal Revenue Service that they are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. They have not been determined to be a private foundation as defined in Section 509(a).

The Board of Directors of Cooperate, Inc., a registered 501(c)(3), approved a plan of dissolution ("the Plan") on October 1, 2019. The dissolution was filed by Cooperate, Inc. with the State of New York in May 2021. Under the Plan, all remaining assets of Cooperate, Inc. after dissolution were contributed to Coop Careers Inc.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements for COOP Careers, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). GAAP requires, among other things, that the financial statements report the changes in and total of each net asset classes, based upon donor restrictions, as applicable. Net assets are classified as without donor restrictions or with donor restrictions as described below:

Without Donor Restrictions Net Assets: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing in primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

With Donor Restrictions Net Assets: 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 COOP Careers, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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.

The Organization had no donor restrictions of a permanent nature as of December 31, 2021 and 2020.

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 revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements: Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an "exit" price) in the principal or most advantageous market for asset or liability between market participants on the measurement date.

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COOP CAREERS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization determines fair value of financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than quoted prices in active markets or in markets not considered to be active.
- Level 3: Unobservable inputs that are supported by little or no market activity. Fair value measurement for these financial instruments requires significant management judgment or estimation.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Investments in stocks, exchange-traded funds, and mutual funds are valued using market prices from active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Closed-end funds are valued using readily available sources for comparable instruments (Level 2).

Cash: Cash is defined as cash in demand deposit accounts. The Organization maintains amounts on deposit with two financial institutions, which may, at times, exceed federally insured limits. However, the Organization periodically evaluates the creditworthiness of that institution and the Organization has not experienced any losses on such deposits.

Concentration of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist of cash accounts which are placed with financial institutions that management deems to be creditworthy. At year end, balances were not more than insured amounts and the Organization has not experienced any losses on such deposits.

Investments: The Organization's investments as of December 31, 2021 and 2020, consist of stock, and are carried at fair value. The investments are classified as Level 1 investments within the fair value hierarchy as of December 31, 2021 and 2020. Investment gains (losses) are included in unrealized gain (losses) on investment in the accompanying statements of activities.

Contributions and Contributions Receivable: Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions received with specific donor restrictions are recorded in the class of net assets with donor restrictions. All other contributions are recorded as without donor restrictions. When the stipulations from contributions with donor restrictions have been met in the year of donation, they are reported as without donor restrictions.

Contributions due within one year are reported a net realizable value. Contributions receivable as of December 31, 2021 and 2020 was \$ 1,495,560 and \$390,000, respectively, and were all due within one year.

In September 2018, the Organization received an agreement for a conditional promise to give (the "Gift") in the amount of \$30,000,000 over a five-year period ending in 2023. The purpose of the Gift is to support underrepresented college grads to match them with meaningful careers.

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COOP CAREERS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions: The Organization receives various forms of in-kind contributions including various services and other nonfinancial assets. In-kind contributions are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Functional Allocation of Expenses: The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the program and supporting services based principally on specific identification and employee time allocations.

Tax Exempt Status: The Organization is a not-for-profit corporation and has been recognized by the Internal Revenue Service to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

GAAP prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits or liabilities will be recognized only if the tax position would "more-likely-than-not" be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit or liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit or liability will be recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at December 31, 2021 and does not expect this to change in the next 12 months.

The Organization would recognize interest and penalties related to uncertain tax positions in interest and income tax expense, respectively. The Organization does not have amounts accrued for interest or penalties as of December 31, 2021 and 2020.

Subsequent Events: The Organization has performed an analysis of the activities and transactions subsequent to December 31, 2021 to determine the need for any adjustments to or disclosure within these financial statements for the year ended December 31, 2021. Management has performed their analysis through March 6, 2023, which was the date the financial statements were available to be issued.

Reclassifications: Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements. The reclassifications have no effect on changes in net assets.

NOTE 3 - COMMITMENTS

In July 2019, the Organization entered into two non-cancelable lease agreements for office space in New York, New York and San Francisco, California. Both leases terminated in July 2020. In 2021, the Organization entered into a short term month to month lease, which terminated within the year. Rent expense for the years ended December 31, 2021 and 2020 was \$14,619 and \$128,990, respectively. As of December 31, 2021, there were no future minimum payments under non-cancelable lease agreements.

(Continued)

COOP CAREERS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 4 - WITH DONOR RESTRICTIONS NET ASSETS

Net assets with donor restrictions were for the following programmatic uses at December 31:

	<u>2021</u>	<u>2020</u>
New York region	\$ 300,000	\$ 150,000
Los Angeles region	55,000	-
Bay Area region	150,000	-
Silicon Valley region	150,000	-
Wellness program	5,000	-
Digital Apprenticeship Program	250,000	-
Time Restricted	-	706,250
	<u>\$ 910,000</u>	<u>\$ 856,250</u>

Net assets released due to satisfaction of time or purpose restrictions in the years ended December 31, were as follows:

	<u>2021</u>	<u>2020</u>
New York region	\$ 450,000	\$ 550,000
Los Angeles region	250,000	-
Bay Area region	400,000	-
Silicon Valley region	100,000	-
Project based learning	250,000	-
Wellness program	-	-
Digital Apprenticeship Program	25,000	-
Time Restricted	706,250	3,306,250
	<u>\$ 2,181,250</u>	<u>\$ 3,856,250</u>

(Continued)

COOP CAREERS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 5 - LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure, that is, without donor restrictions limiting their use, as of December 31 comprise:

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,640,944	\$ 1,598,784
Investments	28,608	121,376
Contributions receivable	<u>1,495,560</u>	<u>390,000</u>
Less amounts not available for general expenditures within one year:		
Amounts restricted for grant expenses	<u>(910,000)</u>	<u>(856,250)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,255,112</u>	<u>\$ 1,253,910</u>

As part of the Organization's liquidity management, the Organization invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 6 - SMALL BUSINESS ADMINISTRATION LOAN

In April 2020, the Organization obtained a Paycheck Protection Program ("PPP") Loan under a program offered by the United States Small Business Administration ("SBA") in the amount of \$199,824. The Organization is accounting for the PPP Loan as a conditional contribution under ASC 958-605. The proceeds are recorded as a grant advance liability on the statement of financial position at December 31, 2020, as the Organization has not yet satisfied the forgiveness conditions imposed by the SBA. In order to obtain loan forgiveness from the SBA, the Organization must spend the PPP proceeds on allowable expenses and maintain certain required levels of employee retention over an 8 or 24-week period. During the year ended December 31, 2021, the Organization made payments totaling \$92,768 towards the PPP loan. In April 2022, the SBA granted full forgiveness of the loan and refunded any amounts paid towards principal and interest in 2022.