

MATRICULATE

ALL THE BEST STUDENTS TO THE BEST COLLEGES

FINANCIAL STATEMENTS

June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Matriculate, Inc.
New York, New York

Opinion

We have audited the financial statements of Matriculate, Inc., which comprise the statements of financial position as of June 30, 2024 and 2023, 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 Matriculate, Inc. as of June 30, 2024 and 2023, and the changes in its net assets 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 Matriculate, 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 Matriculate, 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 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 Matriculate, 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 Matriculate, 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.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, slightly slanted style.

Wegner CPAs, LLP
New York, New York
February 12, 2025

MATRICULATE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 1,233,193	\$ 1,196,670
Unconditional promises to give, net	4,722,000	10,439,304
Accounts receivable	-	6,284
Investments	8,389,279	6,629,486
Prepaid expenses	158,356	87,878
Total assets	\$ 14,502,828	\$ 18,359,622
LIABILITIES		
Accounts payable	\$ 84,020	\$ 138,831
Accrued expenses	95,034	123,278
Refundable advance	-	22,410
Total liabilities	179,054	284,519
NET ASSETS		
Without donor restrictions	10,060,300	7,496,070
With donor restrictions	4,263,474	10,579,033
Total net assets	14,323,774	18,075,103
Total liabilities and net assets	\$ 14,502,828	\$ 18,359,622

See accompanying notes.

MATRICULATE, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 2,811,242	\$ 35,000	\$ 2,846,242
In-kind contributions	163,659	-	163,659
Program service revenue	116,767	-	116,767
Investment return, net	228,085	77,794	305,879
Other	3,582	-	3,582
Net assets released from restrictions			
Satisfaction of purpose restrictions	3,952,794	(3,952,794)	-
Expiration of time restrictions	2,035,559	(2,035,559)	-
Total support and revenues	9,311,688	(5,875,559)	3,436,129
EXPENSES AND LOSSES			
Program services	4,436,691	-	4,436,691
Management and general	1,622,961	-	1,622,961
Fundraising	687,806	-	687,806
Total expenses	6,747,458	-	6,747,458
Loss on uncollectible promises to give	-	440,000	440,000
Total expenses and losses	6,747,458	440,000	7,187,458
Change in net assets	2,564,230	(6,315,559)	(3,751,329)
Net assets at beginning of year	7,496,070	10,579,033	18,075,103
Net assets at end of year	\$ 10,060,300	\$ 4,263,474	\$ 14,323,774

See accompanying notes.

MATRICULATE, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 2,766,355	\$ 643,100	\$ 3,409,455
In-kind contributions	227,308	-	227,308
Program service revenue	87,112	-	87,112
Investment return, net	187,118	-	187,118
Other	6,160	-	6,160
Net assets released from restrictions			
Satisfaction of purpose restrictions	3,770,544	(3,770,544)	-
Expiration of time restrictions	1,718,807	(1,718,807)	-
Total support and revenues	8,763,404	(4,846,251)	3,917,153
EXPENSES			
Program services	3,771,406	-	3,771,406
Management and general	1,623,561	-	1,623,561
Fundraising	611,815	-	611,815
Total expenses	6,006,782	-	6,006,782
Change in net assets	2,756,622	(4,846,251)	(2,089,629)
Net assets at beginning of year	4,739,448	15,425,284	20,164,732
Net assets at end of year	\$ 7,496,070	\$ 10,579,033	\$ 18,075,103

See accompanying notes.

MATRICULATE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2024 and 2023

	2024			
	Program Services	Management and General	Fundraising	Total Expenses
Personnel	\$ 3,034,026	\$ 789,004	\$ 581,950	\$ 4,404,980
Donated legal services	-	150,472	-	150,472
Professional fees	265,401	606,032	23,682	895,115
College student support	327,729	-	-	327,729
Occupancy and utilities	88,585	17,794	21,608	127,987
Office expenses	236,858	11,184	5,167	253,209
Travel and lodging	188,220	23,512	26,560	238,292
Participant meals	74,976	10,184	1,857	87,017
Software and technology	213,812	13,342	25,237	252,391
Insurance	7,084	1,437	1,745	10,266
Total expenses	\$ 4,436,691	\$ 1,622,961	\$ 687,806	\$ 6,747,458
	2023			
	Program Services	Management and General	Fundraising	Total Expenses
Personnel	\$ 2,630,488	\$ 887,299	\$ 513,873	\$ 4,031,660
Donated legal services	-	227,308	-	227,308
Professional fees	189,927	367,835	69,975	627,737
College student support	287,523	-	-	287,523
Occupancy and utilities	51,519	25,421	7,490	84,430
Office expenses	288,680	6,150	3,801	298,631
Travel and lodging	123,960	16,531	13,278	153,769
Participant meals	64,852	13,094	146	78,092
Software and technology	127,254	77,602	1,996	206,852
Insurance	7,203	2,321	1,256	10,780
Total expenses	\$ 3,771,406	\$ 1,623,561	\$ 611,815	\$ 6,006,782

See accompanying notes.

MATRICULATE, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,751,329)	\$ (2,089,629)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Loss on uncollectible promises to give	440,000	-
Net change in discount on long term promises to give	-	6,900
Unrealized/realized gain on investments	(116,427)	(102,261)
(Increase) decrease in assets		
Unconditional promises to give	5,277,304	1,540,562
Accounts receivable	6,284	(6,284)
Prepaid expenses	(70,478)	(2,400)
Increase (decrease) in liabilities		
Accounts payable	(54,811)	30,542
Accrued expenses	(28,244)	95,644
Refundable advance	(22,410)	22,410
	<u>1,679,889</u>	<u>(504,516)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(13,701,697)	(7,507,481)
Proceeds from sales of investments	12,197,366	3,498,953
Interest and dividends reinvested	(139,035)	(33,782)
	<u>(1,643,366)</u>	<u>(4,042,310)</u>
Net change in cash	36,523	(4,546,826)
Cash and cash equivalents at beginning of year	<u>1,196,670</u>	<u>5,743,496</u>
Cash and cash equivalents at end of year	<u>\$ 1,233,193</u>	<u>\$ 1,196,670</u>

See accompanying notes.

MATRICULATE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Matriculate, Inc. is a nonprofit public charity incorporated in 2015. Matriculate's mission is to empower high-achieving, low-income high school students to make the leap to our best colleges and universities. Matriculate's vision is that one day all the best students in America will have access to the best colleges, regardless of their socio-economic status or background, which will give them a unique opportunity to change the trajectory of their own lives and the lives of their families. Matriculate is primarily funded by individuals, foundations, and corporations.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized as revenue only when the conditions on which they depend are substantially met and the promises become unconditional. Promises to give receivable in more than one year are reported at the present value of their net realizable value using the risk adjusted discount rate applicable to the years in which the promises to give are to be received.

Cash and Cash Equivalents

Cash represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash.

Accounts Receivable

Accounts receivable represent amounts due from college partnerships. Matriculate uses historical loss information based on the aging of accounts receivable as the basis to determine expected credit losses. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

Investments

Matriculate reports investments in U.S. government securities at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Fair values of U.S. government securities are determined using a market approach on yields currently available on comparable securities of issuers with similar credit ratings, which are Level 2 fair value measurements.

Contributions

Contributions received are recorded as increases in net assets with or without donor restrictions depending on the existence of any donor 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 statements of activities as net assets released from restrictions.

MATRICULATE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program service revenue

Matriculate provides training to college undergraduate students advising high-achieving low-income high school students navigating the college application and admissions process. Certain partner colleges contractually underwrite certain costs of training these undergraduate advisors. Revenue from such contracts is recognized over the length of the associated college academic year.

Accounts receivable from such contracts were as follows at June 30, 2024 and 2023:

	2024	2023
Beginning of year	\$ 6,284	\$ -
End of year	-	6,284

Matriculate did not have any significant acquisition or financing arrangements related to these contracts.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, occupancy and utilities, and insurance, which are allocated on the basis of estimates of time and effort. All other expenses are directly charged based upon the types of services performed and expenses incurred. Matriculate accomplishes its primary exempt purpose through the following program services and supporting activities:

Program services—Matriculate trains talented college students at top institutions to connect remotely with high-achieving, low-income high school students, providing the information, guidance, and support that these high school students need to navigate the college application process.

Management and general—Includes the activities necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities, obtain consultation to ensure compliance with federal and state public charity requirements, and perform other administrative and general functions.

Fundraising—Provides the structure and operational support necessary to encourage and secure private financial support from individuals, foundations, and others.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

MATRICULATE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-kind Contributions

Donated services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by Matriculate.

Leases

Matriculate does not recognize short-term leases in the statements of financial position. For these leases, Matriculate recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. Matriculate also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, Matriculate uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Date of Management's Review

Management has evaluated subsequent events through February 12, 2025, the date which the financial statements were available to be issued.

Income Tax Status

Matriculate, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Matriculate, inc. qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Reclassifications

Certain prior year balances have been reclassified for consistency with the current year presentation.

NOTE 2 - CONCENTRATIONS

Matriculate maintains its cash balances in one financial institution located in New York, New York. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2024 and 2023, Matriculate's uninsured cash balances totaled approximately \$926,000 and \$920,000, respectively.

During the year ended June 30, 2024, Matriculate received 56% of contributions revenue from one donor and 90% of its promises to give were derived from one donor. During the year ended June 30, 2023, Matriculate received 72% of its contributions revenue from two donors and 79% of its promises to give were derived from one donor.

MATRICULATE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 3 - RETIREMENT PLAN

Matriculate offers a 401(k) retirement plan for all eligible employees. Employees are eligible to participate after one year of employment. Matriculate provides a discretionary match of up to 3% of an employee's annual salary for those eligible employees who contributed to its plan in the previous calendar year. Matriculate contributed \$53,014 and \$83,409 to the plan during the years ended June 30, 2024 and 2023, respectively.

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

	2024	2023
Receivable in less than one year	\$ 4,722,000	\$ 5,198,604
Receivable in more than one year	-	5,478,334
	4,722,000	10,676,938
Unconditional promises to give	4,722,000	10,676,938
Discounts to net present value	-	(237,634)
	4,722,000	10,439,304
Unconditional promises to give, net	\$ 4,722,000	\$ 10,439,304

In 2023 promises to give due in more than one year were discounted at effective rates between 4.71% and 3.92%.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2024	2023
Program activities	\$ 3,788,475	\$ 7,663,474
Restricted for subsequent period activities	474,999	2,915,559
	4,263,474	10,579,033
Net assets with donor restrictions	\$ 4,263,474	\$ 10,579,033

MATRICULATE, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 6 - IN-KIND CONTRIBUTIONS

In-kind contributions recognized within the accompanying statements of activities include pro bono legal services and donated goods and other services. For the years ended June 30, 2024 and 2023, Matriculate received \$150,472 and \$227,308 of pro bono legal services and are recorded as management and general expenses on the accompanying statements of functional expenses. Unless otherwise noted, the donated services and donated goods did not have donor-imposed restrictions. The donated legal services are recorded at the estimated fair market value of hourly rates charged.

NOTE 7 - LEASES

During 2023, Matriculate began leasing space on a month-to-month basis at \$4,650 per month. Rent expense for the years ended June 30, 2024 and 2023 were \$57,782 and \$37,167, respectively.

NOTE 8 - LIQUIDITY AND AVAILABILITY

The following represents Matriculate's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general expenditures within one year because of contractual or donor-imposed restrictions.

	2024	2023
Cash and cash equivalents	\$ 1,233,193	\$ 1,196,670
Unconditional promises to give, net	4,722,000	10,439,304
Accounts receivable	-	6,284
Investments	8,389,279	6,629,486
Financial assets at year-end	14,344,472	18,271,744
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor imposed restrictions		
Restricted with time and purpose restrictions	(4,263,474)	(10,579,033)
Add back amounts available within one year	474,999	1,754,859
Financial assets available to meet cash needs for general expenditures within one year	\$ 10,555,997	\$ 9,447,570

Matriculate has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As a not-for-profit, donor-funded organization, Matriculate regularly receives contributions from donors that are available to meet annual cash needs for general operating expenditures.