

College Now Greater Cleveland

YEARS ENDED JULY 31, 2025 AND 2024

COLLEGE NOW GREATER CLEVELAND

SINGLE AUDIT REPORT

YEARS ENDED JULY 31, 2025 AND 2024

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Citrin Cooperman & Company, LLP
Certified Public Accountants

28601 Chagrin Blvd., Suite 210
Woodmere, OH 44122
T 216.831.1200 F 216.831.1842
citrincooperman.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
College Now Greater Cleveland
Cleveland, Ohio

Opinion

We have audited the accompanying financial statements of College Now Greater Cleveland, which comprise the statement of financial position as of July 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of College Now Greater Cleveland as of July 31, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 College Now Greater Cleveland 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.

Prior Period Financial Statements

The financial statements of College Now Greater Cleveland as of July 31, 2024, and for the year then ended, were audited by other auditors, whose report dated January 14, 2025, expressed an unmodified opinion on those statements.

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 College Now Greater Cleveland's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

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 and *Government 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 and *Government 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 College Now Greater Cleveland'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 College Now Greater Cleveland'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of Federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of College Now Greater Cleveland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of College Now Greater Cleveland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College Now Greater Cleveland's internal control over financial reporting and compliance.



Woodmere, Ohio
December 19, 2025

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COLLEGE NOW GREATER CLEVELAND

STATEMENTS OF FINANCIAL POSITION

JULY 31, 2025 AND 2024

| | ASSETS | |
|--|-----------------------------------|-----------------------------|
| | <u>2025</u> | <u>2024</u> |
| Current assets: | | |
| Cash and cash equivalents | \$ 14,113,780 | \$ 14,138,705 |
| Accounts receivable, net of allowance for credit losses of \$20,000 at July 31, 2025 and 2024 | 1,645,004 | 2,679,485 |
| Unconditional promises to give | 2,991,786 | 2,204,170 |
| Investments restricted for permanent endowment | 402,862 | 377,672 |
| Prepaid expenses | 244,216 | 193,206 |
| | <u>19,397,648</u> | <u>19,593,238</u> |
| Property and equipment, net | <u>704,144</u> | <u>791,644</u> |
| Other assets: | | |
| Unconditional promises to give, net of current portion and net of allowance for uncollectible receivables of \$80,000 at July 31, 2025 and July 31, 2024 | 540,942 | 655,925 |
| Investments | 3,707,623 | 3,437,500 |
| Cash and cash equivalents restricted for permanent endowment | 543,069 | 156,571 |
| Investments restricted for permanent endowment | 9,532,198 | 7,993,589 |
| Beneficial interest in perpetual trust | 268,842 | 260,786 |
| Right-of-use asset | 3,029,229 | 3,312,940 |
| Other | 1,273,154 | 1,163,200 |
| | <u>18,895,057</u> | <u>16,980,511</u> |
| Total other assets | <u>18,895,057</u> | <u>16,980,511</u> |
| Total assets | <u>\$ 38,996,849</u> | <u>\$ 37,365,393</u> |
| | LIABILITIES AND NET ASSETS | |
| Current liabilities: | | |
| Accounts payable | \$ 442,786 | \$ 480,620 |
| Scholarship awards payable | 2,813,804 | 2,612,994 |
| Accrued liabilities | 263,137 | 74,874 |
| Agency liability | 1,265,805 | 2,693,461 |
| Deferred revenue | 586,970 | 219,542 |
| Current portion of lease liability | 276,625 | 258,076 |
| | <u>5,649,127</u> | <u>6,339,567</u> |
| Long-term liability: | | |
| Lease liability, net of current portion | 2,878,304 | 3,154,929 |
| | <u>8,527,431</u> | <u>9,494,496</u> |
| Net assets: | | |
| Without donor restrictions | 7,514,825 | 6,491,118 |
| With donor restrictions | 22,954,593 | 21,379,779 |
| | <u>30,469,418</u> | <u>27,870,897</u> |
| Total liabilities and net assets | <u>\$ 38,996,849</u> | <u>\$ 37,365,393</u> |

The accompanying notes are an integral part of these financial statements.

COLLEGE NOW GREATER CLEVELAND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JULY 31, 2025

(with summarized financial information for the year ended July 31, 2024)

| | Without Donor Restrictions | With Donor Restrictions | Total | |
|---|-------------------------------|----------------------------|----------------|----------------|
| | | | 2025 | 2024 |
| SUPPORT AND REVENUE: | | | | |
| Student awards and grants raised | \$ 7,700,292 | \$ 3,848,812 | \$ 11,549,104 | \$ 9,243,708 |
| Less: Student awards and grants designated by donors for specific beneficiaries | (1,804,211) | | (1,804,211) | (1,494,473) |
| | 5,896,081 | 3,848,812 | 9,744,893 | 7,749,235 |
| Contributions | 2,366,489 | 4,436,930 | 6,803,419 | 6,138,541 |
| Government grants | 6,918,698 | | 6,918,698 | 7,692,549 |
| Contracted fee for service | 5,157,238 | | 5,157,238 | 3,570,452 |
| Fiscal agent administration | 1,445,800 | | 1,445,800 | 10,432,933 |
| Less: amounts representing fiscal agent reimbursement | (981,300) | | (981,300) | (9,998,183) |
| | 464,500 | | 464,500 | 434,750 |
| Investment return, net | 792,579 | 802,026 | 1,594,605 | 1,707,630 |
| Leased employee revenue | 8,707,499 | | 8,707,499 | |
| Other | 19,787 | | 19,787 | 34,871 |
| Net assets released from restrictions | 7,512,954 | (7,512,954) | | |
| Total support and revenue | 37,835,825 | 1,574,814 | 39,410,639 | 27,328,028 |

The accompanying notes are an integral part of these financial statements.

COLLEGE NOW GREATER CLEVELAND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

YEAR ENDED JULY 31, 2025

(with summarized financial information for the year ended July 31, 2024)

| | Without Donor Restrictions | With Donor Restrictions | Total | |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | | 2025 | 2024 |
| EXPENSES: | | | | |
| Program services: | | | | |
| Financial Aid: | | | | |
| Student awards and grants | \$ 10,516,628 | | \$ 10,516,628 | \$ 9,275,432 |
| Less: student awards and grants designated by donors for specific beneficiaries | (1,804,211) | | (1,804,211) | (1,494,473) |
| Other | 1,475,119 | | 1,475,119 | 1,342,240 |
| Advisors: | | | | |
| Student fees | 17,855 | | 17,855 | 15,025 |
| Other | 7,191,298 | | 7,191,298 | 6,224,496 |
| Adult Programs | 942,198 | | 942,198 | 851,791 |
| Retention | 1,235,816 | | 1,235,816 | 891,896 |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 971,254 | | 971,254 | 899,170 |
| AmeriCorps Programs | 1,324,064 | | 1,324,064 | 1,295,018 |
| 21st Century | 1,924,131 | | 1,924,131 | 1,885,138 |
| Upward Bound | 1,513,833 | | 1,513,833 | 1,419,758 |
| Talent Search | 844,563 | | 844,563 | 836,025 |
| Say Yes | 8,707,499 | | 8,707,499 | |
| Total program services | <u>34,860,047</u> | | <u>34,860,047</u> | <u>23,441,516</u> |
| Supporting services: | | | | |
| Fundraising | 937,734 | | 937,734 | 579,521 |
| General and administrative | 609,774 | | 609,774 | 642,803 |
| Marketing and communications | 404,563 | | 404,563 | 264,903 |
| Total supporting services | <u>1,952,071</u> | | <u>1,952,071</u> | <u>1,487,227</u> |
| Total expenses | <u>36,812,118</u> | | <u>36,812,118</u> | <u>24,928,743</u> |
| Increase in net assets | 1,023,707 | 1,574,814 | 2,598,521 | 2,399,285 |
| Net assets, beginning of year | <u>6,491,118</u> | <u>21,379,779</u> | <u>27,870,897</u> | <u>25,471,612</u> |
| Net assets, end of year | <u><u>\$ 7,514,825</u></u> | <u><u>\$ 22,954,593</u></u> | <u><u>\$ 30,469,418</u></u> | <u><u>\$ 27,870,897</u></u> |

The accompanying notes are an integral part of these financial statements.

COLLEGE NOW GREATER CLEVELAND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JULY 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------|
| SUPPORT AND REVENUE: | | | |
| Student awards and grants raised | \$ 6,085,093 | \$ 3,158,615 | \$ 9,243,708 |
| Less: student awards and grants designated by donors for specific beneficiaries | (1,494,473) | | (1,494,473) |
| | 4,590,620 | 3,158,615 | 7,749,235 |
| Contributions | 4,150,547 | 4,387,965 | 6,138,541 |
| Government grants | 6,458,161 | | 7,692,549 |
| Contracted fee for service | 2,404,869 | | 3,570,452 |
| Fiscal agent administration | 10,432,933 | | 10,432,933 |
| Less: amounts representing fiscal agent reimbursement | (9,998,183) | | (9,998,183) |
| | 434,750 | | 434,750 |
| Investment return, net | 816,118 | 891,512 | 1,707,630 |
| Other | 34,871 | | 34,871 |
| Net assets released from restrictions | 7,299,711 | (7,299,711) | |
| Total support and revenue | 26,189,647 | 1,138,381 | 27,328,028 |

The accompanying notes are an integral part of these financial statements.

COLLEGE NOW GREATER CLEVELAND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

YEAR ENDED JULY 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|----------------------|
| EXPENSES: | | | |
| Program services: | | | |
| Financial Aid: | | | |
| Student awards and grants | \$ 9,275,432 | | \$ 9,275,432 |
| Less: Student awards and grants designated by donors for specific beneficiaries | (1,494,473) | | (1,494,473) |
| Other | 1,342,240 | | 1,342,240 |
| Advisors: | | | |
| Student fees | 15,025 | | 15,025 |
| Other | 6,224,496 | | 6,224,496 |
| Adult Programs | 851,791 | | 851,791 |
| Retention | 891,896 | | 891,896 |
| Gaining Early Awareness and Readiness for Undergraduate Programs | 899,170 | | 899,170 |
| AmeriCorps Programs | 1,295,018 | | 1,295,018 |
| 21st Century | 1,885,138 | | 1,885,138 |
| Upward Bound | 1,419,758 | | 1,419,758 |
| Talent Search | 836,025 | | 836,025 |
| | 23,441,516 | | 23,441,516 |
| Total program services | | | |
| Supporting services: | | | |
| Fundraising | 579,521 | | 579,521 |
| General and administrative | 642,803 | | 642,803 |
| Marketing and communications | 264,903 | | 264,903 |
| | 1,487,227 | | 1,487,227 |
| Total supporting services | | | |
| Total expenses | 24,928,743 | | 24,928,743 |
| Increase in net assets | 1,260,904 | 1,138,381 | 2,399,285 |
| Net assets, beginning of year | 5,230,214 | 20,241,398 | 25,471,612 |
| Net assets, end of year | \$ 6,491,118 | \$ 21,379,779 | \$ 27,870,897 |

The accompanying notes are an integral part of these financial statements.

COLLEGE NOW GREATER CLEVELAND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JULY 31, 2025

| | Primary Services | | | | Special Services | | | | | | Supporting Services | | | TOTAL | |
|--|----------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|-------------------|--------------------|---------------------|----------------------------|------------------------------|----------------------|----------------------|
| | Financial Aid | Advisors | Adult Programs | Retention | GEAR UP | AmeriCorps Programs | 21st Century | Upward Bound | Talent Search | Say Yes | Fund Raising | General and Administrative | Marketing and Communications | 2025 | 2024 |
| Expenses: | | | | | | | | | | | | | | | |
| Student awards and grants | \$ 10,516,628 | | | | | | | | | | | | | \$ 10,516,628 | \$ 9,275,432 |
| Less: student awards designated by donors for specific beneficiaries | (1,804,211) | | | | | | | | | | | | | (1,804,211) | (1,494,473) |
| Student fees | | \$ 17,855 | | | | | | | | | | | | 17,855 | 15,025 |
| Salaries: | | | | | | | | | | | | | | | |
| Advisors | 40,446 | 1,690,440 | \$ 500 | | \$ 176,288 | \$ 871,510 | \$ 496,807 | \$ 244,140 | \$ 270,095 | | | | | 3,790,226 | 3,319,441 |
| Administration | 639,722 | 2,385,594 | 347,320 | \$ 377,847 | 302,300 | 193,031 | 501,920 | 494,040 | 224,327 | \$ 407,123 | \$ 249,572 | \$ 117,866 | | 6,240,662 | 5,702,606 |
| Support | 395,466 | 352,831 | 246,495 | 358,335 | 16,244 | 45,852 | 82,430 | 152,987 | 66,698 | 86,756 | 25,254 | 21,442 | | 1,850,790 | 1,648,994 |
| Leased employees | | | | | | | | | | 7,004,030 | | | | 7,004,030 | |
| Payroll taxes: | | | | | | | | | | | | | | | |
| CNGC | 74,601 | 307,085 | 40,204 | 52,038 | 35,497 | 83,279 | 76,653 | 63,644 | 41,378 | | | 9,920 | | 830,236 | 732,039 |
| Leased employees | | | | | | | | | | 513,992 | | | | 513,992 | |
| Employee benefits: | | | | | | | | | | | | | | | |
| CNGC | 103,515 | 608,456 | 88,429 | 88,736 | 100,698 | 54,021 | 220,016 | 181,352 | 114,188 | | | 13,846 | | 1,647,334 | 1,483,187 |
| Leased employees | | | | | | | | | | 1,189,477 | | | | 1,189,477 | |
| Equipment | 5,025 | 26,932 | 3,722 | 1,809 | 2,166 | 2,738 | 10,985 | 5,599 | 2,563 | 4,790 | 8,216 | 2,870 | | 77,415 | 73,548 |
| Telephone | 4,023 | 7,186 | 2,840 | 2,869 | 3,837 | 3,467 | 11,358 | 2,500 | 2,070 | 2,960 | 4,943 | 497 | | 48,550 | 56,061 |
| Postage | 763 | 2,897 | 2 | 2,264 | | 45 | 224 | | | 1,442 | 672 | 5 | | 8,314 | 3,951 |
| Professional fees and dues | 1,930 | 6,463 | 1,889 | 1,093 | 14,278 | 1,290 | 512 | 5,955 | 2,946 | 14,183 | 16,193 | 12,001 | | 78,733 | 59,116 |
| Accounting and legal | 9,901 | 17,850 | 5,468 | 5,956 | 7,264 | 16,089 | 26,846 | 9,295 | 6,612 | 4,455 | 5,492 | 1,261 | | 116,489 | 151,825 |
| Travel and meetings | 15,784 | 140,496 | 21,726 | 33,148 | 47,782 | 21,079 | 14,767 | 24,483 | 14,037 | 154,571 | 46,746 | 5,269 | | 539,888 | 355,408 |
| Student activities | 39,887 | 1,220,292 | 13,845 | 30,318 | 168,538 | | 292,695 | 226,627 | 57,973 | | - | 1,195 | | 2,051,370 | 1,810,599 |
| Supplies | 3,244 | 20,846 | 1,163 | 2,225 | 2,394 | 7,036 | 6,656 | 2,918 | 2,386 | 31,105 | 2,398 | 589 | | 82,960 | 37,069 |
| Consulting | 47,667 | 132,061 | 107,039 | 139,772 | 30,567 | 3,958 | 71,537 | 49,912 | 2,354 | 36,169 | 89,745 | 137,613 | | 848,394 | 526,730 |
| Bank fees | 1,650 | 106 | | | | | | | | 17,401 | 931 | | | 20,088 | 19,918 |
| Lease and utilities | 45,589 | 131,816 | 23,777 | 35,063 | 29,324 | 5,222 | 56,475 | 33,284 | 25,339 | 21,401 | 31,774 | 6,229 | | 445,293 | 437,664 |
| Community outreach | 1,108 | 19,320 | 5,846 | 27,511 | | 90 | 195 | - | 130 | 50,271 | 398 | 65,175 | | 170,044 | 132,960 |
| Information technology services | 21,759 | 37,690 | 17,638 | 53,508 | 29,726 | 6,413 | 32,596 | 12,150 | 7,625 | 5,477 | 57,035 | 4,047 | | 285,664 | 262,709 |
| Other | 8,535 | 15,250 | 5,834 | 11,237 | 4,351 | 8,944 | 21,459 | 4,947 | 3,842 | 16,828 | 18,688 | 1,112 | | 121,027 | 196,444 |
| Depreciation and amortization | 14,504 | 67,687 | 8,461 | 12,087 | | | | | | 8,461 | 6,044 | 3,626 | | 120,870 | 122,490 |
| Total expenses | \$ 10,187,536 | \$ 7,209,153 | \$ 942,198 | \$ 1,235,816 | \$ 971,254 | \$ 1,324,064 | \$ 1,924,131 | \$ 1,513,833 | \$ 844,563 | \$8,707,499 | \$ 937,734 | \$ 609,774 | \$ 404,563 | \$ 36,812,118 | \$ 24,928,743 |

The accompanying notes are an integral part of these financial statements.

COLLEGE NOW GREATER CLEVELAND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JULY 31, 2024

| | Primary Services | | | | Special Services | | | | | Supporting Services | | | Total |
|--|---------------------|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|-------------------|---------------------|----------------------------|------------------------------|----------------------|
| | Financial Aid | Advisors | Adult Programs | Retention | GEAR UP | AmeriCorps Programs | 21st Century | Upward Bound | Talent Search | Fund Raising | General and Administrative | Marketing and Communications | |
| Expenses: | | | | | | | | | | | | | |
| Student awards and grants | \$ 9,275,432 | | | | | | | | | | | | \$ 9,275,432 |
| Less: student awards designated by donors for specific beneficiaries | (1,494,473) | | | | | | | | | | | | (1,494,473) |
| Student fees | | \$ 15,025 | | | | | | | | | | | 15,025 |
| Salaries: | | | | | | | | | | | | | |
| Advisors | 72,908 | 1,421,811 | \$ 201 | | \$ 194,289 | \$ 718,980 | \$ 421,766 | \$ 241,553 | \$ 247,933 | | | | 3,319,441 |
| Administration | 561,228 | 2,224,434 | 316,902 | \$ 253,469 | 271,206 | 264,880 | 530,733 | 461,581 | 247,628 | \$ 349,016 | \$ 127,245 | \$ 94,284 | 5,702,606 |
| Support | 376,949 | 261,323 | 212,718 | 295,408 | 33,329 | 79,860 | 117,340 | 98,882 | 50,060 | 76,254 | 25,920 | 20,951 | 1,648,994 |
| Payroll taxes | 70,069 | 258,108 | 36,147 | 39,689 | 35,290 | 78,612 | 74,497 | 56,048 | 40,094 | 25,449 | 9,097 | 8,939 | 732,039 |
| Employee benefits | 92,223 | 508,556 | 70,970 | 60,390 | 101,511 | 70,847 | 217,764 | 163,378 | 111,034 | 40,057 | 36,093 | 10,364 | 1,483,187 |
| Equipment | 4,006 | 23,041 | 1,484 | 4,045 | 5,038 | 2,775 | 5,517 | 6,192 | 2,645 | 3,818 | 13,815 | 1,172 | 73,548 |
| Telephone | 4,760 | 21,057 | 2,188 | 3,451 | 3,603 | 3,471 | 4,812 | 3,430 | 2,899 | 2,296 | 3,788 | 306 | 56,061 |
| Postage | 998 | 371 | 528 | 146 | | 29 | 96 | | | 1,071 | 710 | 2 | 3,951 |
| Professional fees and dues | 2,212 | 1,836 | 1,848 | 2,680 | | 995 | 5,040 | 4,323 | 3,495 | 11,239 | 14,950 | 10,498 | 59,116 |
| Accounting and legal | 9,992 | 42,975 | 5,525 | 6,802 | 6,402 | 19,519 | 12,384 | 6,353 | 5,325 | 4,523 | 30,763 | 1,262 | 151,825 |
| Travel and meetings | 19,399 | 113,746 | 17,190 | 35,815 | 37,619 | 14,635 | 11,625 | 33,338 | 8,517 | 20,724 | 41,446 | 1,354 | 355,408 |
| Student activities | 19,425 | 940,114 | 28,194 | 24,648 | 120,079 | | 318,751 | 270,109 | 84,950 | | 65 | 4,264 | 1,810,599 |
| Supplies | 1,591 | 22,280 | 663 | 1,091 | 2,389 | 3,856 | 1,696 | 782 | 644 | 1,124 | 622 | 331 | 37,069 |
| Consulting | 29,330 | 90,268 | 103,528 | 43,836 | 40,744 | | 85,553 | 44,504 | 3,083 | | 73,531 | 12,353 | 526,730 |
| Bank fees | 279 | 34 | | | | | | | | 7,022 | 12,583 | | 19,918 |
| Lease and utilities | 39,273 | 169,168 | 17,946 | 25,177 | 17,575 | 15,285 | 54,500 | 16,803 | 16,784 | 18,340 | 39,307 | 7,506 | 437,664 |
| Community outreach | 301 | 8,046 | 9,051 | 22,136 | 226 | 694 | 469 | 416 | 1,440 | 5,076 | 536 | 84,569 | 132,960 |
| Information technology services | 19,859 | 50,701 | 16,954 | 57,043 | 27,189 | 12,892 | 16,832 | 9,287 | 6,487 | 4,750 | 36,278 | 4,437 | 262,709 |
| Other | 9,882 | 27,803 | 3,351 | 11,642 | 2,681 | 7,688 | 5,763 | 2,779 | 3,007 | 4,208 | 116,805 | 835 | 196,444 |
| Depreciation and amortization | 7,556 | 38,824 | 6,403 | 4,428 | | | | | | 4,554 | 59,249 | 1,476 | 122,490 |
| Total expenses | \$ 9,123,199 | \$ 6,239,521 | \$ 851,791 | \$ 891,896 | \$ 899,170 | \$ 1,295,018 | \$ 1,885,138 | \$ 1,419,758 | \$ 836,025 | \$ 579,521 | \$ 642,803 | \$ 264,903 | \$ 24,928,743 |

The accompanying notes are an integral part of these financial statements.

COLLEGE NOW GREATER CLEVELAND

STATEMENTS OF CASH FLOWS

YEARS ENDED JULY 31, 2025 AND 2024

| | 2025 | 2024 |
|--|----------------------|----------------------|
| Cash flows from operating activities: | | |
| Increase in net assets | \$ 2,598,521 | \$ 2,399,285 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 120,870 | 122,490 |
| Non cash lease expense | 283,711 | 273,723 |
| Net realized and unrealized gains on investments | (902,377) | (1,002,906) |
| Contributions restricted for permanent endowment | (1,149,744) | (49,038) |
| Beneficial interest in perpetual trusts | (8,056) | (19,288) |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in operating assets: | | |
| Unconditional promises to give | (783,208) | 704,282 |
| Accounts receivable | 1,034,481 | 89,453 |
| Prepaid expenses | (51,010) | 64,110 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (37,834) | (21,603) |
| Scholarship awards payable | 200,810 | 36,881 |
| Accrued liabilities | 188,263 | (154,191) |
| Agency liability | (1,427,656) | (925,818) |
| Deferred revenue | 367,428 | (28,063) |
| Lease liability | (258,076) | (240,409) |
| Net cash provided by operating activities | 176,123 | 1,248,908 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (33,370) | (116,887) |
| Proceeds from sale of investments | 1,716,677 | 2,215,170 |
| Purchases of investments | (2,648,222) | (2,557,023) |
| Increase in other assets | (109,954) | (105,941) |
| Net cash used in investing activities | (1,074,869) | (564,681) |
| Cash flows from financing activities: | | |
| Receipts from contributions restricted for permanent endowment | 1,260,319 | 159,813 |
| Net cash provided by financing activities | 1,260,319 | 159,813 |
| Net increase in cash and cash equivalents | 361,573 | 844,040 |
| Cash and cash equivalents, unrestricted and restricted for permanent endowment, beginning | 14,295,276 | 13,451,236 |
| Cash and cash equivalents, unrestricted and restricted for permanent endowment, ending | \$ 14,656,849 | \$ 14,295,276 |

The accompanying notes are an integral part of these financial statements.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JULY 31, 2025 AND 2024

1. Description of organization and summary of significant accounting policies:

Nature of activities:

College Now Greater Cleveland's ("College Now" or the "Organization") mission is to increase access and completion of higher education by providing integrated college and career advising, financial aid counseling, scholarships and retention programs that empower student success – strengthening the region's talent pipeline and economic prosperity.

The Organization extends this impact by sharing our decades of expertise through strategic partnerships with school districts, higher education institutions and community-based organizations to drive meaningful regional progress. All College Now programs and services are free of charge to participants.

College Now serves more than 42,000 individuals each year in 10 Northeast Ohio counties, and awards more than \$9.6 million in scholarships to approximately 3,400 students. Since 1967, College Now has served thousands of individuals and has provided more than \$121 million in scholarship support, furthering educational attainment and opportunity throughout the region.

Basis of presentation:

The financial statement presentation follows the recommendations of accounting principles generally accepted in the United States ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions:

Net assets without donor restrictions include net assets available for use in general operations and not subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, net assets for general expenditures and board designated endowment.

Net assets with donor restrictions:

Net assets with donor restrictions include net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time. Also included in this category are net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Student awards and grants raised:

The Organization recognizes student awards and grants raised as a contribution when the Organization has an unconditional right to the assets contributed. Student awards and grants raised are considered to be available to pay scholarship awards as restricted by donors.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

1. Description of organization and summary of significant accounting policies:

Student awards and grants raised (continued):

Student awards and grants raised where the beneficiary has been specified by the donor or the determination of the beneficiary is under the control of another third party are treated as agency transactions and are not reported as revenue or student awards and grants expense. Recognizing that designated scholarships (agency transactions) are a significant element of activities, they are included in student awards and grants raised and deducted from that amount to calculate net student awards and grants raised revenue. Total amounts of student awards and grants raised under these agreements during the years ended July 31, 2025 and 2024, was \$874,985 and \$1,838,423, respectively. Of these amounts received during the fiscal years ended July 31, 2025 and 2024, \$1,804,211 and \$1,494,473, respectively, have been awarded to identified recipients.

Agency liability represents payments the Organization received from its donor in advance of awarding student awards and grants to identified recipients. Agency liability relating to student awards and grants raised are as follows:

| | <u>July 31, 2025</u> | <u>July 31, 2024</u> | <u>August 1, 2023</u> |
|------------------|----------------------|----------------------|-----------------------|
| Agency liability | <u>\$ 1,192,686</u> | <u>\$ 2,121,912</u> | <u>\$ 1,777,962</u> |

Contributions and unconditional promises to give:

The Organization recognizes unconditional contributions when cash, securities, promises to give or notification of beneficial interest or other assets is received or promised without condition. If there is a performance obligation to be met or other barrier and a right of return, the contributions are not recognized until the conditions on which they depend have been met.

Contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Contributions whose restrictions are met in the same reporting period are classified as net assets without donor restrictions.

Awards to the Organization from private foundations are recorded as contributions when the value received by the foundation is incidental to the potential public benefit. Contributions that are conditioned upon services to be provided (and where uncertainty exists as to the likelihood of meeting the conditions) are not recorded as revenue until the conditions are met. The Organization records these awards as contribution revenue when the conditions are met.

Unconditional promises to give are recognized as revenue or support in the period the promise is received. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at their present value using an appropriate discount rate commensurate with the risks involved. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

In evaluating the collectability of unconditional promises to give, the Organization considers a number of factors, including the age of the promises, changes in collection patterns, terms of the pledge and general industry conditions. An allowance for uncollectible receivables is recorded based upon a consideration of the likelihood that amounts will not be collected in full. As specific promises are deemed uncollectible, they are written off against the allowance for uncollectible receivables. An allowance for uncollectible receivables of \$80,000 in 2025 and 2024 is included in unconditional promises to give, net of current portion.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

1. Description of organization and summary of significant accounting policies (continued):

Government grants:

Awards to the Organization from governmental entities are recorded as government grants. The Organization receives grants from the United States Department of Education; the Ohio Department of Education; the Corporation for National and Community Service; the Ohio Department of Higher Education and the Ohio Department of Health and Human Services. Compliance with terms and conditions specified in the grant and contract agreements are subject to audit by the grantor and contract agencies. Revenue is recorded when performance obligations are met under the governmental contract agreement.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue as an increase in net assets without donor restrictions when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Receivables related to government grants where expenditures have been incurred but have yet to be reimbursed by government entities are included in accounts receivable. At July 31, 2025 and 2024, receivables due from government entities totaled \$842,620 and \$2,362,870, respectively. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization had no deferred revenue under cost-reimbursable grants at July 31, 2025 or 2024. An allowance for uncollectible government grants is recorded based upon a consideration of the likelihood that accounts will not be collected in full. The Organization management is of the opinion that an allowance for uncollectible government grants is not necessary at July 31, 2025 and 2024.

Contracted fee for service:

Contracted fee for service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for services provided. These amounts are due from schools for various services and entities for administrative fees for certain scholarship funds managed by the Organization on their behalf where the Organization is considered an agent (see "Fiscal agent administration"). Generally, the Organization bills contracted fees once services are substantially complete. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. The Organization's contracted services primarily represent services that are bundled and treated as a single performance obligation satisfied over time as services are provided. The Organization measures the performance obligation on a monthly basis as the services are provided.

Since all of the performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization determines the transaction price based on contractually agreed-upon amounts or rates. The Organization assesses collectability on all accounts prior to providing services.

The Organization recognizes revenue in the statements of activities and changes in net assets and accounts receivable on the statements of financial position when the services have been provided. Since the Organization has performed its obligations under the contracts, it has unconditional rights to the consideration and, therefore, records billed amounts as accounts receivable.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

1. Description of organization and summary of significant accounting policies (continued):

Contracted fee for service (continued):

Deferred revenue represents payments the Organization received from its customers in advance of providing services under the contracts. Contracted fee for service revenue accounts receivable and deferred revenue are as follows:

| | <u>July 31, 2025</u> | <u>July 31, 2024</u> | <u>August 1, 2023</u> |
|--------------------------|----------------------|----------------------|-----------------------|
| Accounts receivable, net | \$ 547,746 | \$ 114,995 | \$ 250,504 |
| Deferred revenue | \$ 586,970 | \$ 219,542 | \$ 247,605 |

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segments have remained constant since the Organization's inception.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. The total amount of write-offs was immaterial to the financial statements as a whole for the year ended July 31, 2025 and 2024. The total amount of allowance for credit losses was \$20,000 at July 31, 2025 and 2024.

Fiscal agent administration and leased employee agreement:

During the year ended July 31, 2024, the Organization acted as a fiscal agent on behalf of another organization for a fee providing the administrative, human resources and information technology functions of their employees, including the administration and processing of payroll. Recognizing that fiscal agent administration (agency transactions) was significant for the Organization, amounts representing fiscal agent reimbursement for all salaries and related expenses have been included in fiscal agent administration revenue and deducted from that amount to calculate net fiscal agent administration revenue. The total gross amount of fiscal agent administration and fees was \$1,445,800 and \$10,432,933 for the years ended July 31, 2025 and 2024, respectively, which has been reduced by \$981,300 and \$9,998,183 for amounts representing reimbursement under the fiscal agent agreement.

Effective August 1, 2024, the Organization continued to provide fiscal agent services for certain items, however, the fiscal agent relationship with respect to payroll administration was ended and replaced by a leased employee arrangement. The Organization is responsible for payroll administration, benefits and compliance, which the partner agency retains day-to-day supervision of the leased employees. This agreement is classified as a service contract recorded as leased employee revenue in the statement of activities and changes in net assets, and related expenses are recorded as leased employees expense in the statement of functional expenses as incurred. For the year ended July 31, 2025, expenses incurred under this agreement totaled \$8,707,499. The initial term of the contract is one year, automatically renewing annually unless terminated by either party with 90 days' notice.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

1. Description of Organization and summary of significant accounting policies (continued):

Fiscal agent administration and leased employee agreement (continued):

Agency liability represents the payments the Organization received from another organization in advance of providing services under its contract. Fiscal agent administration accounts receivable and deferred revenue are as follows:

| | <u>July 31, 2025</u> | <u>July 31, 2024</u> | <u>August 1, 2023</u> |
|--------------------------|----------------------|----------------------|-----------------------|
| Accounts receivable, net | \$ 254,638 | \$ 201,620 | \$ 612,681 |
| Agency liability | \$ 73,119 | \$ 571,549 | \$ 1,841,317 |

Beneficial interests in perpetual trust:

Beneficial interests in perpetual trust are resources held and administered, at the direction of the resource provider, by an outside trustee for the benefit of the Organization. These trusts are irrevocable, and the accounts are reported at estimated fair value of the assets in the trust with changes in value included in the statement of activities and changes in net assets.

Trusts and wills:

The Organization, from time to time, is named as a beneficiary in certain conditional revocable wills and trusts. The Organization does not hold the rights to the underlying assets of these wills and trusts and, accordingly, does not record their value in the statements of financial position and statements of activities and changes in net assets.

Donated property, equipment, and software materials and services:

Donations of property, equipment, and software are recorded as support at their estimated fair value at the date of donation. No amounts have been reflected in the financial statements for donated services since the criteria for recognition of such volunteer effort under U.S. GAAP has not been satisfied.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Organization considers unrestricted or short-term temporarily restricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the statements of cash flows.

At July 31, 2025 and periodically throughout the year, the Organization maintained balances in their accounts in excess of federally insured limits. These accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The balance in excess of FDIC insured limits totaled approximately \$5,838,000 at July 31, 2025, and \$6,882,000 at July 31, 2024. Additionally, included in cash and cash equivalents at July 31, 2025 and 2024, are money market funds of approximately \$8,641,000 and \$7,281,000, respectively, which are not covered by FDIC insurance and are subject to market risk. The Organization does not expect to incur any losses resulting from cash held in the financial institution.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

1. **Description of Organization and summary of significant accounting policies (continued):**

Investments:

In accordance with U.S. GAAP, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Investment income or loss (including gains and losses on investments, interest, dividends, and net of related investment expenses) is included in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Additionally, the Organization maintains alternative investments within its portfolio. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. The Organization reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. Alternative investments include off-shore investments in hedge funds and private equity funds. These financial instruments, which involve varying degrees of off-balance sheet risk, may result in loss due to changes in the market.

Property and equipment:

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. The Organization depreciates such items over their estimated useful lives on a straight-line basis. Leasehold improvements are amortized over the lease term or the service lives of the improvements, whichever is shorter. Office furniture and equipment and computer equipment and software are depreciated over three to 10 years.

Lease accounting:

The Organization, as lessee, recognizes right-of-use assets and lease obligations in the Organization's statement of financial position. As of the commencement date of a lease, a lease liability and corresponding right-of-use asset is recorded on the Organization's statement of financial position at the present value of future minimum lease payments for operating leases. In accordance with ASC 842 for private companies and nonprofit organizations, the Organization elected the practical expedient which allows it to use a risk-free rate to discount future lease payments. The Organization elected the short-term lease exception policy which permits leases with an initial term of twelve months or less to be recognized as lease expense as incurred. Additionally, any leases determined by management to be inconsequential are expensed when paid.

The Organization applies judgement in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The classification criteria is based on whether the lease has a purchase option or a transfer of ownership at the end of the lease. Additionally, the lease classification criteria is based on estimates of the fair value of the leased asset, minimum lease payments, effective costs of funds, economic life of the asset, and certain other terms in the lease agreements.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

1. **Description of Organization and summary of significant accounting policies (continued):**

Lease accounting (continued):

The Organization determines the lease term as the non-cancellable term of the lease, which may include options to extend the lease when it is reasonably certain that the Organization will exercise that option. The lease term is used in determining the classification between operating lease and finance lease, calculating the lease liability and determining the risk-free rate.

The Organization elected the practical expedient not to separate lease and non-lease components for all of its leases. The Organization also elected the short-term practical expedient for all leases that qualify. As a result, the Organization will not recognize right-of-use assets or liabilities for short-term leases that qualify for the short-term practical expedient, but instead will recognize the lease payments as lease expense on a straight-line basis over the lease term.

For operating leases, the Organization recognizes lease expense on a straight-line basis based on payments for minimum lease payments due over the life of the lease plus any variable lease payments.

Other assets:

The Organization offers an executive benefit plan for certain executive employees. Under U.S. GAAP, contributions under this type of arrangement are treated as a loan receivable and are not expensed by the Organization. The Organization will be repaid all contributions plus accrued interest upon the death of the executive. The Organization classifies these contributions as a long-term loan receivable, which are included in other assets on the statement of financial position. The balance of the loan receivable was \$1,273,154 and \$1,163,200 as of July 31, 2025 and 2024, respectively.

Income taxes:

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, consequently, is not subject to federal income taxes on related income. In addition, the Internal Revenue Service has determined that the Organization is not a private foundation within the meaning of Section 509(a) of the Code.

Organization management is required to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of July 31, 2025 and 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or asset or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

1. Description of organization and summary of significant accounting policies (continued):

Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount 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.

Reclassifications:

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation.

Classification of expenses:

Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries are charged directly based on the hours worked for specific grants, contracts or other activities of the Organization such as administrative operations, fundraising or providing services to clients. Employee benefits are allocated based upon a percentage of total wages and their inclusion by function. Expenses such as telephone, postage, travel and meetings, supplies, printing, professional fees, student activities and fees are charged specifically to the department or program these costs are supporting if identifiable. Other costs such as lease and utilities, information technology services and various general and administrative costs are allocated based on the ratio of each program or department's salary expense to total salary expense.

2. Cash and cash equivalents:

Cash and cash equivalents consisted of the following at July 31:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|----------------------|
| Cash and cash equivalents | \$ 14,113,780 | \$ 14,138,705 |
| Cash and cash equivalents restricted for permanent endowment | <u>543,069</u> | <u>156,571</u> |
| | <u>\$ 14,656,849</u> | <u>\$ 14,295,276</u> |

3. Property and equipment, net:

Property and equipment consists of the following at July 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Leasehold improvements | \$ 85,045 | \$ 85,045 |
| Office furniture and equipment | 590,838 | 557,468 |
| Computer equipment and software | <u>696,235</u> | <u>696,235</u> |
| | 1,372,118 | 1,338,748 |
| Accumulated depreciation and amortization | <u>(667,974)</u> | <u>(547,104)</u> |
| Net property and equipment | <u>\$ 704,144</u> | <u>\$ 791,644</u> |

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

4. Leases:

The Organization leases its office facility under a non-cancelable operating lease. The lease calls for scheduled increases with monthly payments ranging from \$30,996 to \$38,538 through April 2034. The lease also requires additional payments for utilities, which are treated as variable lease payments.

The lease cost and right-of-use asset under an operating lease consisted of the following at July 31, 2025 and 2024:

| | 2025 | 2024 |
|---|--------------|--------------|
| Operating lease cost: | | |
| Operating lease cost | \$ 414,593 | \$ 414,593 |
| Short-term lease cost | 1,200 | 1,200 |
| Variable lease cost | 29,500 | 21,871 |
| Total operating lease cost | \$ 445,293 | \$ 437,664 |
| Right-of-use asset under operating lease: | | |
| Operating lease | \$ 3,888,726 | \$ 3,888,726 |
| Less accumulated amortization | 859,497 | 575,786 |
| | \$ 3,029,229 | \$ 3,312,940 |
| Cash paid for amounts included in the measurement of liabilities: | | |
| Operating cash flows | \$ 388,959 | 381,278 |
| Weighted average remaining lease term | 8.7 years | 9.7 years |
| Weighted average discount rate | 2.64% | 2.64% |

Future minimum lease payments under operating lease as of July 31, 2025 are as follows:

| | |
|--|--------------|
| 2026 | \$ 396,793 |
| 2027 | 404,680 |
| 2028 | 412,772 |
| 2029 | 421,071 |
| 2030 | 429,555 |
| Thereafter | 1,687,364 |
| Total minimum lease payments | 3,752,235 |
| Less imputed interest | 597,306 |
| Present value of future lease payments | 3,154,929 |
| Less current maturities of lease obligations | 276,625 |
| Long-term lease obligations | \$ 2,878,304 |

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

5. Unconditional promises to give:

Unconditional promises to give are primarily made by foundations, corporations, and individuals. Promises to give to be received after July 31, 2025 and 2024 are discounted at rates varying from .12% to 5.06% and .12% to 5.06%, respectively, based upon the time that the promise to give was made. Unconditional promises to give consisted of the following at July 31:

| | 2025 | 2024 |
|---|---------------------|---------------------|
| With and without donor restrictions – available for operating expenses | <u>\$ 3,532,728</u> | <u>\$ 2,860,095</u> |

Unconditional promises to give are to be received by the Organization as follows:

| | 2025 | 2024 |
|--|---------------------|---------------------|
| Receivable in less than one year | \$ 2,991,786 | \$ 2,204,170 |
| Receivable in one to five years | <u>658,919</u> | <u>776,775</u> |
| | 3,650,705 | 2,980,945 |
| Less discounts to net present value | 37,977 | 40,850 |
| Less allowance for uncollectible receivables | <u>80,000</u> | <u>80,000</u> |
| Net unconditional promises to give | <u>\$ 3,532,728</u> | <u>\$ 2,860,095</u> |

Approximately 62% of the gross amount of unconditional promises to give was due from three donors at July 31, 2025 and 77% was due from four donors at July 31, 2024.

6. Fair value:

FASB ASC 820, *Fair Value Measurements and Disclosure* establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

6. Fair value (continued):

The following table represents the financial instruments carried at fair value as of July 31, 2025, by the valuation hierarchy set forth by U.S. GAAP:

| | Fair Value at July 31, 2025 | Level 1 | Level 2 | Level 3 |
|---|-----------------------------------|---------------|---------|------------|
| Mutual funds: | | | | |
| Domestic equity funds | \$ 5,093,461 | \$ 5,093,461 | | |
| International equity funds | 3,422,486 | 3,422,486 | | |
| Bond funds | 3,814,056 | 3,814,056 | | |
| Total mutual funds | 12,330,003 | 12,330,003 | | |
| Beneficial interest in perpetual trust | 268,842 | | | 268,842 |
| Net assets in the fair value hierarchy | 12,598,845 | \$ 12,330,003 | \$ | \$ 268,842 |
| Investments reported at net asset value (A) | 1,312,680 | | | |
| | <u>\$ 13,911,525</u> | | | |

The following table represents the financial instruments carried at fair value as of July 31, 2024, by the valuation hierarchy set forth by U.S. GAAP:

| | Fair Value at July 31, 2024 | Level 1 | Level 2 | Level 3 |
|---|-----------------------------------|---------------|---------|------------|
| Mutual funds: | | | | |
| Domestic equity funds | \$ 4,356,106 | \$ 4,356,106 | | |
| International equity funds | 2,773,069 | 2,773,069 | | |
| Bond funds | 3,305,890 | 3,305,890 | | |
| Total mutual funds | 10,435,065 | 10,435,065 | | |
| Beneficial interest in perpetual trust | 260,786 | | | 260,786 |
| Net assets in the fair value hierarchy | 10,695,851 | \$ 10,435,065 | \$ | \$ 260,786 |
| Investments reported at net asset value (A) | 1,373,696 | | | |
| | <u>\$ 12,069,547</u> | | | |

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

6. Fair value (continued):

(A) In accordance with Subtopic 820-10, alternative investments that are measured at net asset value (“NAV”) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The following is a description of the Organization’s valuation methodologies for assets and liabilities measured at fair value. Fair value for Level 1 is based upon quoted market prices for identical assets.

Fair value for beneficial interest in trusts (Level 3) is based on the Organization’s percentage of fair value of the assets contributed to the trust which the Organization believes approximates the present value of the expected future cash flow.

Alternative investments include investments in hedge funds and limited partnerships. The detail of the alternative investment funds are as follows:

| | 2025 | 2024 |
|---|--------------|--------------|
| Hedge funds: | | |
| Hirtle Callaghan Total Return Offshore Fund | \$ 37,301 | \$ 72,473 |
| Limited partnerships: | | |
| Hirtle Callaghan Private Equity VI Offshore Fund | | 64,659 |
| Hirtle Callaghan Private Equity VII Offshore Fund | | 89,872 |
| Hirtle Callaghan Private Equity XII Offshore Fund | 766,272 | 792,476 |
| Hirtle Callaghan Private Equity 2020 Fund | 509,107 | 354,216 |
| | 1,275,379 | 1,301,223 |
| | \$ 1,312,680 | \$ 1,373,696 |

Alternate investments include investments in hedge funds. The funds will invest substantially all of its assets in underlying funds that are generally not registered as investment companies under the 1940 Act and, therefore, the funds will not have the benefit of various protections provided under the 1940 Act with respect to an investment in those underlying funds. The underlying funds may engage in speculative investment strategies and practices, such as the use of leverage, short sales, and derivatives transactions, which can increase the risk of investment loss. The funds provide limited liquidity, and units in the funds are not transferable. In determining the value of these investments, the funds’ management uses a variety of reference data and assumptions, including estimates of existing market conditions and risks, and independent third-party valuation firm reviews. The estimated value may differ from the values that would have been used had a ready market for the securities existed, and the difference could be material.

The fair value of these hedge funds have been estimated by the funds’ management using the estimated NAV of the investments. In using NAV, certain attributes of the investment that may impact the fair value of the investment are not considered in measuring fair value. The estimated NAV may differ from the values that would have been used had a ready market for the securities existed, and the difference could be material.

The private equity funds have no unfunded commitments at July 31, 2025 and have been fully redeemed. The Organization expects to receive the remaining distributions during fiscal year end July 31, 2026.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

6. Fair value (continued):

No adjustments were made to the NAV provided by the investment manager or administrator of the funds. Adjustment to the NAV provided by the investment manager or administrator of the funds would be considered if the practical expedient NAV was not as of the funds' measurement date; it was probable that the funds would be sold at a value materially different than the reported expedient NAV; or it was determined in accordance with the funds' valuation procedures that the funds are not being reported at fair value.

The following table is a reconciliation of the beginning and ending balances, separately for each major category of assets and liabilities, measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended July 31, 2025 and 2024:

| | 2025 | 2024 |
|---|------------|------------|
| Beneficial interest in perpetual trust: | | |
| Beginning balance | \$ 260,786 | \$ 241,498 |
| Increase in beneficial interest (B) | 8,056 | 19,288 |
| Ending balance | \$ 268,842 | \$ 260,786 |

(B) These amounts represent total increases in value for the period included in changes in net assets with donor restrictions attributable to the change in values relating to beneficial interest in perpetual trusts still held at July 31, 2025 and 2024.

7. Investments:

Investments are presented in the financial statements at market value as follows:

| | 2025 | 2024 |
|---|---------------|---------------|
| Without donor restrictions – available for operating expenses | \$ 3,707,623 | \$ 3,437,500 |
| With donor restrictions- for permanent endowment | 9,935,060 | 8,371,261 |
| | \$ 13,642,683 | \$ 11,808,761 |

Investments consisted of the following at July 31:

| | 2025 | | 2024 | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| | Cost | Market | Cost | Market |
| Fixed income funds, capital trust | \$ 3,764,370 | \$ 3,814,056 | \$ 3,242,568 | \$ 3,305,890 |
| Equity funds | 6,735,443 | 8,515,947 | 5,982,220 | 7,129,175 |
| Alternative investment funds: | | | | |
| Private equity funds | 847,863 | 1,275,379 | 755,246 | 1,301,223 |
| Hedge funds | 0 | 37,301 | 20,073 | 72,473 |
| | \$ 11,347,676 | \$ 13,642,683 | \$ 10,000,107 | \$ 11,808,761 |

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

7. Investments (continued):

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could have a material effect on the Organization's statements of financial position, activities and changes in net assets, and cash flows.

8. Net assets with donor restrictions:

Net assets with donor-imposed restrictions are restricted for the following purposes or periods at July 31:

| | 2025 | 2024 |
|---|----------------------|----------------------|
| Subject to expenditure for specified purpose: | | |
| Financial aid | \$ 8,534,618 | \$ 8,047,571 |
| Advisors | 3,590,106 | 3,698,341 |
| Adult Programs | 215,000 | 203,351 |
| General and administration | 120,000 | 224,196 |
| Retention | 156,859 | 596,796 |
| | <u>12,616,583</u> | <u>12,770,255</u> |
| Subject to the passage of time: | | |
| Beneficial interest in perpetual trusts | 268,842 | 260,786 |
| Assets held in perpetuity for: | | |
| Permanently restricted endowment fund | 10,069,168 | 8,348,738 |
| | <u>10,338,010</u> | <u>8,609,524</u> |
| | <u>\$ 22,954,593</u> | <u>\$ 21,379,779</u> |

Net assets released from net assets with donor restrictions during fiscal years are as follows:

| | 2025 | 2024 |
|--------------------------------------|---------------------|---------------------|
| Satisfaction of purpose restriction: | | |
| Financial aid | \$ 3,837,807 | \$ 3,785,546 |
| Advisors | 2,784,933 | 2,953,975 |
| Adult Programs | 172,750 | 131,264 |
| General and administration | 224,193 | 279,919 |
| Retention | 493,271 | 149,007 |
| | <u>\$ 7,512,954</u> | <u>\$ 7,299,711</u> |

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

9. Endowment:

Endowment net asset composition by type of fund as of July 31, 2025 and 2024:

| | <u>2025</u> | <u>2024</u> |
|--|----------------------|---------------------|
| Endowment funds with donor restrictions | \$ 10,069,168 | \$ 8,348,738 |
| Endowment funds without donor restrictions | <u>121,531</u> | <u>25,000</u> |
| Total funds | <u>\$ 10,190,699</u> | <u>\$ 8,373,738</u> |

Changes in endowment net assets for the year ended July 31, 2025:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|----------------------|
| Endowment net assets, beginning of year | \$ 25,000 | \$ 8,348,738 | \$ 8,373,738 |
| Investment return: | | | |
| Investment income, net | | 203,025 | 203,025 |
| Realized and unrealized losses on investments, net | | <u>599,001</u> | <u>599,001</u> |
| Total investment return | | <u>802,026</u> | <u>802,026</u> |
| Appropriation for expenditure | | (416,690) | (416,690) |
| Transfer | 96,531 | 74,775 | 171,306 |
| Contributions | | <u>1,260,319</u> | <u>1,260,319</u> |
| Total change in endowment funds | <u>96,531</u> | <u>918,404</u> | <u>1,014,935</u> |
| Endowment net assets, end of year | <u>\$ 121,531</u> | <u>\$ 10,069,168</u> | <u>\$ 10,190,699</u> |

Changes in endowment net assets for the year ended July 31, 2024:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|----------------|
| Endowment net assets, beginning of year | \$ 25,000 | \$ 7,727,357 | \$ 7,752,357 |
| Investment return: | | | |
| Investment income, net | | 197,167 | 197,167 |
| Realized and unrealized losses on investments, net | | <u>694,345</u> | <u>694,345</u> |
| Total investment return | | <u>891,512</u> | <u>891,512</u> |

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

9. Endowment (continued):

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|-----------------------------------|---------------------------------------|------------------------------------|--------------|
| Appropriation for expenditure | | (381,092) | (381,092) |
| Transfer | | (48,852) | (48,852) |
| Contributions | | 159,813 | 159,813 |
| Total change in endowment funds | | (270,131) | (270,131) |
| Endowment net assets, end of year | \$ 25,000 | \$ 8,348,738 | \$ 8,373,738 |

The income from endowment assets held in perpetuity may be used to primarily support financial aid activities of the Organization. In accordance with U.S. GAAP, the endowment assets have been recorded at historic dollar value and unrealized gains and losses on the underlying investments have been reflected as an increase or decrease to net assets without donor restrictions.

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level the donor requires the Organization to retain as a fund of perpetual duration. At July 31, 2025, the endowment had an original value of \$10,041,690, a current value of \$10,190,699, and a surplus of \$149,009. At July 31, 2024, the endowment had an original value of \$8,781,370, a current value of \$8,379,761, and a deficit of \$401,609. These deficiencies as of July 31, 2024 resulted from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

The Organization has a policy of appropriating for distribution each year a percentage as approved by the Finance Committee of its endowment fund's average fair value over the prior 12 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at a level to meet the annual distribution plus cost of inflation. The Organization has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. The Organization's Finance Committee appropriated for expenditure \$381,092 from underwater endowment funds during the year ended July 31, 2024, which represents 5% of the 12-quarter moving average.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

9. Endowment (continued):

The Organization's Board has interpreted the State of Ohio's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies as restricted, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. General economic conditions
2. The possible effect of inflation or deflation
3. The expected tax consequences, if any, of investment decisions or strategies
4. The role that each investment or course of action plays within the overall investment portfolio of the fund
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The need of the Organization and of the fund to make distributions and preserve capital
8. An asset's special relationship or special value, if any, to the charitable purposes of the Organization

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Organization's Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of various market indices based on type of investments while assuming a moderate level of investment risk. Actual returns in any given year may vary from these indices.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

10. Board designated fund:

The Board of Directors has established a board designated fund. The purpose of the board designated fund is to help ensure the long-term financial stability of the Organization and position it to respond to varying economic conditions and changes affecting the Organization's financial position and the ability of the Organization to continuously carry out its mission. Additionally, the board designated fund may be used for one-time, nonrecurring expenses that will build long-term capacity, such as investment in infrastructure. The board designated fund will be funded annually with surplus unrestricted operating funds.

The Board of Directors authorized the Organization's Finance Committee the responsibility for authorizing spending from the board designated fund. At July 31, 2025 and 2024, the balance in the board designated fund was \$2,318,651 and \$2,062,009, respectively, after surplus of unrestricted operating funds and approved expenditures.

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

11. Retirement plan:

The Organization administers a 401(k) retirement plan for all eligible employees. The Organization is required to match up to a maximum of 5% of employee contributions. Matching contributions are immediately vested. For the years ended July 31, 2025 and 2024, the Organization's aggregate contributions were \$664,361 and \$663,973, respectively, which has been reduced by \$277,774 under the fiscal agent agreement in 2024.

12. General and professional liability insurance:

The Organization has an agreement with a multi-provider risk retention group for its general and professional liability insurance. The risk retention group insurance coverage is an occurrence-based policy. The policy includes a reimbursement provision of \$1,000,000 per each claim and \$3,000,000 in aggregate claims per the term of the policy. Additionally, the Organization maintains Privacy and Security Liability insurance with limits of \$1,000,000. This includes a sublimit of \$1,000,000 for Network Security/Event Response and Recovery. Based on internal and external evaluations of the merits of the individual claims, analysis of claim history and the estimated reserves assigned by the Organization's third-party risk manager, Organization management has determined an accrual is not necessary at July 31, 2025 and 2024.

13. Liquidity and availability:

The Organization's financial assets available within one year of the statements of financial position as of July 31, 2025 and 2024 for general expenditures are as follows:

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 14,113,780 | \$ 14,138,705 |
| Accounts receivable | 1,645,004 | 2,679,485 |
| Unconditional promises to give | 2,991,786 | 2,204,170 |
| Investments | <u>3,707,623</u> | <u>3,437,500</u> |
| | 22,458,193 | 22,459,860 |
| Less: | | |
| Net assets with donor restrictions, current | 12,616,583 | 12,770,255 |
| Board designated fund | <u>2,318,651</u> | <u>2,062,009</u> |
| | <u>\$ 7,522,959</u> | <u>\$ 7,627,596</u> |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of unanticipated liquidity needs, the Organization has a board designated fund totaling \$2,318,651 and \$2,062,009 at July 31, 2025 and 2024, respectively (Note 10).

COLLEGE NOW GREATER CLEVELAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JULY 31, 2025 AND 2024

14. Subsequent events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 19, 2025, the date the Organization's financial statements were available to be issued.

Effective September 30, 2025, the Organization was notified that funding for the GEAR UP program operated under certain multi-year pass-through grants and partner contracts was cancelled by the U.S. federal government. The loss in revenue impacting the Organization is approximately \$3.4 million on an annual basis. Management is actively pursuing alternative funding sources and implementing cost-saving measures to mitigate the financial impact of this loss. The reduction in federal funding is not anticipated to have a material impact on the Organization's operations and financial position in the upcoming fiscal year.

COLLEGE NOW GREATER CLEVELAND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JULY 31, 2025

| <u>Federal Grantor/Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> |
|---|--|---|-----------------------------|
| Corporation for National and Community Service: Pass-Through Ohio Commission on Service and Volunteerism: Americorps State and National | 94.006 | 31-1334820 | \$ <u>759,493</u> |
| Corporation for National and Community Service: Americorps Volunteer Generation Fund | 94.021 | | <u>265,995</u> |
| U.S. Department of Education (TRIO Cluster): TRIO Talent Search | 84.044 | | 839,595 |
| TRIO Upward Bound | 84.047 | | 1,503,778 |
| TRIO Educational Opportunity Centers | 84.066 | | <u>464,083</u> |
| Subtotal | | | <u>2,807,456</u> |
| Pass-Through Ohio Department of Education: 21 st Century Community Learning Centers | 84.287 | 31-1334820 | <u>1,607,595</u> |
| Pass-Through Ohio Department of Higher Education: Gaining Early Awareness and Readiness For Undergraduate Programs | 84.334 | 34-6002163 | <u>967,135</u> |
| Pass-Through Ohio Department of Education: American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP-ESSER) | 84.425U | 34-1334820 | <u>194,488</u> |
| U.S. Department of Health and Human Services: Pass-Through Ohio Department of Jobs and Family Services (ODJFS): Temporary Assistance for Needy Families | 93.558 | | <u>4,500,000</u> |
| | | | <u>\$ 11,102,162</u> |

COLLEGE NOW GREATER CLEVELAND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JULY 31, 2025

COLLEGE NOW GREATER CLEVELAND NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JULY 31, 2025

Note A – Basis of presentation:

The accompanying schedule of expenditures of Federal awards includes the Federal award activity of College Now Greater Cleveland and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of College Now Greater Cleveland, it is not intended to and does not present the financial position, changes in net assets, or cash flows of College Now Greater Cleveland.

Note B – Summary of significant accounting policies:

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) College Now Greater Cleveland has not elected to use the 10% de minimis indirect cost rate as allowed under the *Uniform Guidance*, except when required by the granting agency.

**Independent Auditor’s Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
College Now Greater Cleveland
Cleveland, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of College Now Greater Cleveland, which comprise the statement of financial position as of July 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered College Now Greater Cleveland’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of College Now Greater Cleveland’s internal control. Accordingly, we do not express an opinion on the effectiveness of College Now Greater Cleveland’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether College Now Greater Cleveland’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of College Now Greater Cleveland's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College Now Greater Cleveland's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Woodmere, Ohio
December 19, 2025

**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the *Uniform Guidance***

Board of Directors
College Now Greater Cleveland
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited College Now Greater Cleveland's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of College Now Greater Cleveland's major Federal programs for the year ended July 31, 2025. College Now Greater Cleveland's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, College Now Greater Cleveland complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended July 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of College Now Greater Cleveland and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major Federal program. Our audit does not provide a legal determination of College Now Greater Cleveland's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to College Now Greater Cleveland's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on College Now Greater Cleveland's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about College Now Greater Cleveland's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 College Now Greater Cleveland's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of College Now Greater Cleveland's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of College Now Greater Cleveland's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Woodmere, Ohio
December 19, 2025

COLLEGE NOW GREATER CLEVELAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JULY 31, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

- ◆ Material weakness(es) identified? _____ Yes X No
- ◆ Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Award

Internal control over major programs:

- ◆ Material weakness(es) identified? _____ Yes X No
- ◆ Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor’s report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ Yes X No

Identification of major programs:

AL Number

Name of Federal Program or Cluster

Trio Cluster

84.044
84.047
84.066

TRIO Talent Search
TRIO Upward Bound
TRIO Educational Opportunity Centers

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

- ◆ Auditee qualified as low-risk auditee? X Yes _____ No

COLLEGE NOW GREATER CLEVELAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JULY 31, 2025

Section II – Financial Statement Findings

No findings were noted.

Section III – Federal Award Findings and Questioned Costs

No findings were noted.