



GROSSMAN YANAK & FORD LLP
Certified Public Accountants and Consultants



**Financial Statements for the Years Ended April 30, 2025 and
2024, Supplemental Schedule for the Year Ended April 30, 2025
and Independent Auditors' Report**

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements as of April 30, 2025 and 2024 and for the Years Then Ended:	
• Statements of Financial Position	4
• Statements of Activities and Changes in Net Assets	5
• Statements of Functional Expenses	7
• Statements of Cash Flows	9
• Notes to Financial Statements	10
Supplemental Schedule of Activities by Asset Class for the Year Ended April 30, 2025	18



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Storehouse for Teachers
d/b/a The Education Partnership

Opinion

We have audited the accompanying financial statements of Storehouse for Teachers d/b/a The Education Partnership (the "Organization" - a non-profit organization), which comprise the statements of financial position as of April 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of April 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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 audits.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of activities by asset class for the year ended April 30, 2025 on page 18 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 audits 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Grossman Yanak + Fors LLP

Pittsburgh, Pennsylvania
August 14, 2025

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

**STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,352,119	\$ 1,332,139
Contributions receivable	980,776	253,261
Investments	250,392	233,284
Inventory:		
School supplies to be distributed	1,401,038	1,581,860
STEAM lending library	159,693	153,594
Prepaid expenses	16,443	18,742
Property and equipment, net	<u>1,051,143</u>	<u>1,059,841</u>
TOTAL ASSETS	<u>\$ 5,211,604</u>	<u>\$ 4,632,721</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 16,418	\$ 20,184
Deferred revenue	108,285	121,225
Accrued payroll and related costs	97,992	71,843
Other liabilities	-	95,545
Loan payable	<u>183,338</u>	<u>191,582</u>
TOTAL LIABILITIES	<u>406,033</u>	<u>500,379</u>
NET ASSETS:		
Without donor restrictions	3,814,931	3,888,042
With donor restrictions	<u>990,640</u>	<u>244,300</u>
TOTAL NET ASSETS	<u>4,805,571</u>	<u>4,132,342</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,211,604</u>	<u>\$ 4,632,721</u>

See accompanying notes to the financial statements.

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED APRIL 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Gifts in-kind:			
School supplies	\$13,803,941		\$13,803,941
Fundraising and advertising	59,193		59,193
Services	44,559		44,559
Facilities	1,956		1,956
Property and equipment	7,098		7,098
Contributions:			
Foundations and trusts	939,768	\$ 565,000	1,504,768
Corporations	355,424	74,550	429,974
Individuals	148,778	4,800	153,578
Organizations and associations	55,196		55,196
Local government		15,005	15,005
Phase III support	30,845	259,280	290,125
Special events	179,240		179,240
Net investment income	17,108		17,108
Other income	<u>271,398</u>		<u>271,398</u>
Total	15,914,504	918,635	16,833,139
NET ASSETS RELEASED FROM RESTRICTION	<u>172,295</u>	<u>(172,295)</u>	<u>-</u>
TOTAL	<u>16,086,799</u>	<u>746,340</u>	<u>16,833,139</u>
FUNCTIONAL EXPENSES:			
Program services	15,714,120		15,714,120
General and administrative	186,354		186,354
Fundraising	<u>259,436</u>		<u>259,436</u>
TOTAL	<u>16,159,910</u>	<u>-</u>	<u>16,159,910</u>
INCREASE (DECREASE) IN NET ASSETS	(73,111)	746,340	673,229
NET ASSETS, BEGINNING OF YEAR	<u>3,888,042</u>	<u>244,300</u>	<u>4,132,342</u>
NET ASSETS, END OF YEAR	<u>\$ 3,814,931</u>	<u>\$ 990,640</u>	<u>\$ 4,805,571</u>

See accompanying notes to the financial statements.

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED APRIL 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Gifts in-kind:			
School supplies	\$12,786,600		\$12,786,600
Fundraising and advertising	100,428		100,428
Services	53,375		53,375
Facilities	1,788		1,788
Property and equipment	40,148		40,148
Contributions:			
Foundations and trusts	959,940	\$ 12,500	972,440
Corporations	344,394	47,984	392,378
Individuals	111,954	22,643	134,597
Organizations and associations	58,979	9,800	68,779
Special events	232,835		232,835
Net investment income	25,925		25,925
Other income	<u>366,725</u>		<u>366,725</u>
Total	15,083,091	92,927	15,176,018
NET ASSETS RELEASED FROM RESTRICTION	<u>359,081</u>	<u>(359,081)</u>	<u>-</u>
TOTAL	<u>15,442,172</u>	<u>(266,154)</u>	<u>15,176,018</u>
FUNCTIONAL EXPENSES:			
Program services	14,197,760		14,197,760
General and administrative	181,697		181,697
Fundraising	<u>312,526</u>		<u>312,526</u>
TOTAL	<u>14,691,983</u>	<u>-</u>	<u>14,691,983</u>
INCREASE (DECREASE) IN NET ASSETS	750,189	(266,154)	484,035
NET ASSETS, BEGINNING OF YEAR	<u>3,137,853</u>	<u>510,454</u>	<u>3,648,307</u>
NET ASSETS, END OF YEAR	<u>\$ 3,888,042</u>	<u>\$ 244,300</u>	<u>\$ 4,132,342</u>

See accompanying notes to the financial statements.

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED APRIL 30, 2025

	Program Services	General and Administrative	Fundraising	Total
School supplies distributed	\$ 14,606,128			\$ 14,606,128
In-kind advertising and fundraising	51,966		\$ 7,227	59,193
In-kind services	34,229	\$ 12,132	154	46,515
Salaries and payroll taxes	751,928	128,499	99,152	979,579
Employee benefits	30,408	5,073	4,134	39,615
Marketing and education	19,511	1,635	1,635	22,781
Phase III	17,588			17,588
Information technology	949			949
Professional fees	28,864	26,494	33,230	88,588
Supplies	5,115	284	284	5,683
Travel and entertainment	8,951	395	1,186	10,532
Fees, licenses and permits	17,943	6,970	6,971	31,884
Special events			100,594	100,594
Depreciation	60,323	2,892	2,892	66,107
Interest	9,055	268	268	9,591
Financial development	10,203			10,203
Insurance	17,910	325	325	18,560
Utilities	24,514	922	922	26,358
Telecommunications	3,539	56	53	3,648
Office	4,600	17	17	4,634
Maintenance	9,258	349	349	9,956
Real estate taxes	1,138	43	43	1,224
TOTAL	<u>\$ 15,714,120</u>	<u>\$ 186,354</u>	<u>\$ 259,436</u>	<u>\$ 16,159,910</u>

See accompanying notes to the financial statements.

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED APRIL 30, 2024

	Program Services	General and Administrative	Fundraising	Total
School supplies distributed	\$ 13,038,423			\$ 13,038,423
In-kind advertising and fundraising	91,791		\$ 8,637	100,428
In-kind services	43,109	\$ 11,974	80	55,163
Salaries and payroll taxes	774,209	124,689	119,799	1,018,697
Employee benefits	29,442	4,742	4,556	38,740
Marketing and education	14,333	1,738	2,681	18,752
Phase III	11,131			11,131
Information technology	764			764
Professional fees	44,998	24,135	34,519	103,652
Supplies	5,784	322	321	6,427
Travel and entertainment	13,712	605	1,815	16,132
Fees, licenses and permits	14,350	8,857	7,018	30,225
Special events			123,040	123,040
Depreciation	52,053	2,892	2,892	57,837
Interest	7,120	268	268	7,656
Financial development	2,337		5,428	7,765
Insurance	16,151	293	293	16,737
Utilities	17,052	642	642	18,336
Telecommunications	3,903	62	59	4,024
Office	4,830	16	16	4,862
Maintenance	11,206	422	422	12,050
Real estate taxes	1,062	40	40	1,142
TOTAL	\$ 14,197,760	\$ 181,697	\$ 312,526	\$ 14,691,983

See accompanying notes to the financial statements.

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED APRIL 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 673,229	\$ 484,035
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Non-cash inventory movement, net	802,187	251,823
Depreciation	66,107	57,837
Donated property and equipment	(7,098)	(40,148)
Unrealized gains on investments	(13,189)	(22,738)
(Increase) decrease in:		
Contributions receivable	(727,515)	151,525
Prepaid expenses	2,299	(329)
Inventory due to cash purchases	(627,464)	(739,856)
Increase (decrease) in:		
Accounts payable	(3,766)	4,548
Deferred revenue	(12,940)	104,525
Accrued payroll and related costs	26,149	24,137
Other liabilities	(95,545)	95,545
Contributions restricted for long-term investment	<u>(195,000)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(112,546)</u>	<u>370,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(3,919)	(3,187)
Purchases of property and equipment	<u>(50,311)</u>	<u>(2,612)</u>
Net cash used in investing activities	<u>(54,230)</u>	<u>(5,799)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term investment	195,000	-
Repayment of loan payable	<u>(8,244)</u>	<u>(8,809)</u>
Net cash provided by (used in) financing activities	<u>186,756</u>	<u>(8,809)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,980	356,296
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,332,139</u>	<u>975,843</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,352,119</u>	<u>\$ 1,332,139</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 9,591</u>	<u>\$ 7,656</u>

See accompanying notes to the financial statements.

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND PURPOSE

Storehouse for Teachers d/b/a The Education Partnership (the "Organization"), located in Pittsburgh, Pennsylvania, provides school supplies for students and their teachers in under-resourced schools in Southwestern Pennsylvania.

The Organization's approach is pragmatic and results-driven, as exemplified by the Organization's core program as well as a number of newer programs designed in cooperation with corporations, associations and other non-profit organizations. The core program, the Teacher Resource Center, provides school and classroom supplies at no cost to eligible schools in the Organization's eight-county service area.

The fundamental criterion for eligibility is that a school must demonstrate that at least 70% of the student body qualifies for the National School Lunch Program. Schools are chosen annually through an application process. The Organization is committed to utilizing a fair and unbiased process when choosing partners annually for the Teacher Resource Center. Teachers from participating schools may come to the Teacher Resource Center during the school year to secure supplies for themselves and their students from a wide array of materials. In-school distributions of materials to students and teachers are also held during the school year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when they are earned, support is recognized when it is promised and expenses are recorded when they are incurred.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue, support and expenses during the reporting periods. Actual results could differ from those estimates.

Financial Statement Presentation - The Organization is required 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 are the net assets that are not restricted by donor-imposed restrictions. Net assets with donor restrictions are 1) subject to donor stipulations that either expire by the passage of time or can be fulfilled and removed by

actions of the Organization pursuant to those stipulations, or 2) subject to donor stipulations requiring that they be invested in perpetuity.

Net assets without donor restrictions that are undesignated were \$3,223,520 and \$3,407,042 at April 30, 2025 and 2024, respectively. Net assets without donor restrictions that are Board designated were \$591,411 and \$481,000 at April 30, 2025 and 2024, respectively. These funds consist of investments and certain cash equivalents and can only be withdrawn upon Board approval.

Net assets with donor restrictions at April 30, 2025 and 2024 consist of contributions restricted in the following ways:

	<u>2025</u>	<u>2024</u>
Operations of subsequent fiscal year(s)	\$ 590,000	\$ 12,500
Warehouse expansion	259,280	-
Adopt-A-School program	110,729	169,240
Sustainability initiatives	24,411	32,201
STEAM program	<u>6,220</u>	<u>30,359</u>
Total	<u>\$ 990,640</u>	<u>\$ 244,300</u>

The Organization does not have any net assets with donor restrictions requiring that they be invested in perpetuity.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains cash and cash equivalents at financial institutions which may at times exceed federally insured limits and which may at times exceed statement of financial position amounts due to outstanding checks.

Contributions Receivable - The expected annual receipts from contributions receivable at April 30, 2025 are as follows:

2026	\$ 816,001
2027	<u>164,775</u>
Total	<u>\$ 980,776</u>

Multi-year contributions receivable are not discounted due to the insignificance of the effect thereof.

The Organization considers all contributions receivable to be collectible at April 30, 2025 and 2024; accordingly, no allowance for uncollectible contributions receivable is reflected on the statements of financial position.

Investments - Investments are reflected at fair value in the statements of financial position. Realized gains and losses and unrealized appreciation or depreciation of investments are reflected in the statements of activities and changes in net assets using the specific identification method.

Investments are subject to various risks such as interest rate, market and credit risks. It is at least reasonably possible that changes in values of investment securities will occur in the near-term.

Availability of Financial Assets - The Organization's financial assets available for general expenditures within one year of the statements of financial position at April 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,352,119	\$ 1,332,139
Contributions receivable	816,001	222,161
Investments	<u>250,392</u>	<u>233,284</u>
Total	<u>2,418,512</u>	<u>1,787,584</u>
Less those unavailable for general expenditures within one year:		
Subject to donor restrictions - purpose, exclusive of amounts reported in noncurrent contributions receivable	(380,865)	(200,700)
Subject to board designation	<u>(591,411)</u>	<u>(481,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,446,236</u>	<u>\$ 1,105,884</u>

The Organization's usual policy related to managing assets is to fund operational costs, liabilities and other obligations as they come due.

Although the Organization does not intend to utilize its board designated net assets for general expenditures, such net assets could be made available if necessary. The Organization's investments are generally available for withdrawal, though the sale or redemption of fixed income securities prior to maturity may result in a substantial gain or loss, and early withdrawal penalties may apply. Furthermore, the Organization has a line of credit agreement with maximum borrowings of \$50,000 that could provide additional liquidity.

Inventory - Inventory consists primarily of school supplies to be distributed, of which the majority has been donated. The Organization routinely reviews its inventory to ensure items on hand will be able to be distributed. At April 30, 2025 and 2024, the Organization considers substantially all of its inventory to be distributable; accordingly, no inventory reserve is reflected on the statements of financial position. Additional information regarding the valuation of inventory and gifts in-kind is disclosed below.

Inventory also includes a STEAM lending library which is available for teachers to borrow for a specified period. No accounting entries are recorded upon the lending of these items since they are subsequently returned to the Organization. However, the Organization still estimates and tracks the benefit provided to teachers by this lending activity. The estimated value of such benefit was \$16,000 and \$107,000 for the years ended April 30, 2025 and 2024, respectively. The year-over-year decrease is primarily due to a change in the Organization's methodology for estimating the value of the rentals during the year ended April 30, 2025. When items in the STEAM lending library are retired, inventory is relieved and an expense is recorded.

Property and Equipment - Property and equipment are stated at cost or, for donated property and equipment, at estimated fair value at the date of donation. Maintenance and repairs are charged to expense when incurred. Fixed asset purchases and improvements which have a cost of \$1,500 or more and a useful life greater than one year are capitalized. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Building and building improvements	5 to 39 years
Furniture and equipment	5 years
Vehicles	5 years
Computers and equipment	3 to 5 years

Long-Lived Assets - Long-lived assets are evaluated periodically in relation to the operating performance of the underlying assets. Adjustments are made if the sum of expected future discounted cash flows is less than book value.

Other Liabilities - Other liabilities at April 30, 2024 represent cash received from a donor which was required to be utilized by the Organization to purchase inventory for a specific program or returned to the donor. The Organization considered such to represent a conditional promise to give and therefore recorded a liability upon receiving the funds. The funds were utilized according to the donor's stipulations during the year ended April 30, 2025.

Gifts In-Kind - The Organization regularly receives unrestricted donations of new or used school supplies. The school supplies are utilized (that is, distributed to students and teachers) in the Organization's core and other programs or, in limited circumstances, donated to other organizations. School supplies distributed were \$14,606,128 and \$13,038,423 for the years ended April 30, 2025 and 2024, respectively.

Donations of new school supplies are valued at 85% of average retail value, whereas donations of used school supplies are valued at 50% of average retail value. Retail value is developed by calculating the average retail price from three to six merchants. Furthermore, the Organization records a gain when it purchases school supplies at wholesale and subsequently revalues them to 85% of average retail value. For the

years ended April 30, 2025 and 2024, gifts in-kind included gains on purchased inventory of \$2,077,863 and \$1,736,708, respectively.

Volunteer Hours - The Organization is assisted by many volunteers who perform a variety of tasks. Volunteers provided 9,739 and 12,830 hours of service during the years ended April 30, 2025 and 2024, respectively. As these services neither create nor enhance a nonfinancial asset, nor require specialized skills, their value is not recognized in the financial statements.

Contributions - Contributions are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Restricted contributions with restrictions that are met in the same reporting period are reported as contributions without donor restrictions.

Phase III Support - Phase III support relates to contributions from various funders for the Organization's warehouse expansion project, which is in the preliminary stage.

Revenue Recognition - The Organization's sole source of revenue from exchange transactions is the portion of special event proceeds that is commensurate with the fair value of the benefit received by the donor. Special event revenue is recognized at a point in time, when the event is held, and is deferred if received prior to the event. Deferred revenue at April 30, 2025 and 2024 primarily relates to sponsorship proceeds received in advance of the Organization's golf outing.

Other Income - Other income primarily relates to funds provided to the Organization by other organizations to purchase school supplies for charitable purposes. A commensurate amount is expensed by the Organization in conjunction with these transactions, principally to school supplies distributed.

Concentration - Two product donors provided 22% and 39% of the Organization's revenue and support for the years ended April 30, 2025 and 2024, respectively.

Functional Allocation of Expenses - Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated primarily include salaries, payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort, and occupancy-related costs, which are allocated on the basis of square footage.

In-Kind Fundraising and Advertising Expense - In-kind fundraising and advertising expense for the years ended April 30, 2025 and 2024 primarily relates to donated billboard advertising for program events.

Income Tax Status - The Internal Revenue Service has recognized the Organization as a tax exempt public charity under Section 501(c)(3) of the Internal Revenue Code. Management believes that there is no

liability related to uncertain tax positions at April 30, 2025 and 2024. The Organization is no longer subject to tax examinations by tax authorities for years before 2022.

Subsequent Events - The Organization has analyzed subsequent events for recognition and disclosure purposes through August 14, 2025, the date the financial statements were available to be issued.

3. INVESTMENTS

Investments consist of the following at April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 2,770	\$ 4,111
Equity exchange-traded products	121,526	108,474
Mutual funds	12,338	11,363
Fixed income exchange-traded products	59,133	-
Corporate bonds maturing between April 2025 and October 2025	28,513	57,247
Certificates of deposit maturing between March 2025 and September 2025	<u>26,112</u>	<u>52,089</u>
Total	<u>\$ 250,392</u>	<u>\$ 233,284</u>

Net investment income consisted of the following for the years ended April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest, dividends and capital gains	\$ 5,396	\$ 4,425
Unrealized gains	13,189	22,738
Fees	<u>(1,477)</u>	<u>(1,238)</u>
Net investment income	<u>\$ 17,108</u>	<u>\$ 25,925</u>

4. FAIR VALUE

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

- Level 3 - Unobservable inputs that reflect the reporting entity's own assumptions.

The asset's or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for assets measured at fair value:

Exchange-Traded Products and Mutual Funds: Valued using quoted prices in an active market (Level 1 inputs).

Corporate Bonds and Certificates of Deposit: Valued using a discounted cash flow approach (Level 2 inputs).

Inventory: As disclosed in Note 2, new school supplies are valued at 85% of average retail value, and used school supplies are valued at 50% of average retail value (Level 3 inputs).

The following table presents changes in the Organization's inventory for the years ended April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Inventory, beginning of year	\$ 1,735,454	\$ 1,247,421
Donated	11,726,078	11,049,892
Purchased	627,464	739,856
Gain (see Note 2)	2,077,863	1,736,708
Distributed	<u>(14,606,128)</u>	<u>(13,038,423)</u>
Inventory, end of year	<u>\$ 1,560,731</u>	<u>\$ 1,735,454</u>

There have been no changes in the methodologies used at April 30, 2025 and 2024. While the Organization believes its valuation methods are appropriate, the use of different methodologies or assumptions to determine the fair value of its inventory could result in a significantly different fair value measurement.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at April 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 50,463	\$ 50,463
Building and building improvements	1,353,224	1,333,032
Furniture and equipment	140,521	131,861
Vehicles	79,584	56,026
Computers and equipment	<u>38,594</u>	<u>38,594</u>
Total	1,662,386	1,609,976
Less accumulated depreciation	<u>611,243</u>	<u>550,135</u>
Property and equipment, net	<u>\$ 1,051,143</u>	<u>\$ 1,059,841</u>

6. DEBT

Loan Payable

Through October 2024, the Organization's loan agreement required monthly payments of \$1,372, including principal and interest at 4%. In November 2024, the interest rate was adjusted to a rate based on the Five Year Treasury Rate plus 2.5%, or 6.81%. Monthly payments will be made until maturity in March 2040, when all remaining principal and interest are due. Should interest rate increases occur between November 2024 and March 2040, the lender may do one or more of the following: 1) increase payments to ensure repayment by March 2040, 2) increase payments to cover accruing interest, 3) increase the number of payments, or 4) continue the payments at the same amount and increase the final payment.

The loan is secured by the Organization's building, adjacent property and business assets.

Maturities of the loan payable subsequent to April 30, 2025 are estimated as follows:

2026	\$ 7,294
2027	7,814
2028	8,341
2029	8,966
2030	9,605
Thereafter	<u>141,318</u>
Total	<u>\$ 183,338</u>

In July 2025, upon Board approval, the Organization made an additional principal payment of \$100,000 on the loan payable using Board designated funds.

Line of Credit

The Organization has a line of credit with maximum borrowings of \$50,000. Interest is payable at the prime rate plus 1%; the prime rate was 7.5% and 8.5% at April 30, 2025 and 2024, respectively. The line is secured by the Organization's building, adjacent property and business assets. There were no outstanding borrowings at April 30, 2025 or 2024.

7. RETIREMENT PLAN

The Organization sponsors a 401(k) savings plan (the "Plan") covering all eligible employees. The Plan provides that eligible employees may contribute a minimum of 1% and maximum of 90% of their eligible earnings to the Plan. The Plan also permits the Organization to make discretionary matching contributions. For the years ended April 30, 2025 and 2024, the Organization matched 100% of employee contributions up to 4% of compensation, resulting in employer match expense of \$24,113 and \$25,756, respectively.

STOREHOUSE FOR TEACHERS D/B/A THE EDUCATION PARTNERSHIP

SUPPLEMENTAL SCHEDULE OF ACTIVITIES BY ASSET CLASS FOR THE YEAR ENDED APRIL 30, 2025

	Net Assets Without Donor Restrictions			Net Assets With Donor Restrictions
	Cash and Other	Inventory	Total	
REVENUE AND SUPPORT:				
Gifts in-kind	\$ 112,806	\$ 13,803,941	\$ 13,916,747	
Contributions	1,499,166		1,499,166	\$ 659,355
Special events	179,240		179,240	
Phase III support	30,845		30,845	259,280
Net investment income	17,108		17,108	
Other income	271,398		271,398	
Net assets released from restriction	<u>172,295</u>		<u>172,295</u>	<u>(172,295)</u>
TOTAL	<u>2,282,858</u>	<u>13,803,941</u>	<u>16,086,799</u>	<u>746,340</u>
EXPENSES:				
School supplies distributed		14,606,128	14,606,128	
In-kind advertising and fundraising	59,193		59,193	
In-kind services	46,515		46,515	
Salaries, payroll taxes and benefits	1,019,194		1,019,194	
Professional fees	88,588		88,588	
Special events	100,594		100,594	
Depreciation	66,107		66,107	
Other operating expenses	<u>173,591</u>		<u>173,591</u>	
TOTAL	<u>1,553,782</u>	<u>14,606,128</u>	<u>16,159,910</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 729,076</u>	<u>\$ (802,187)</u>	<u>\$ (73,111)</u>	<u>\$ 746,340</u>