

THE OYATE GROUP, INC.

**Financial Statements
for year ended
DECEMBER 31, 2022**

THE OYATE GROUP, INC.

TABLE OF CONTENTS

<u>Financial Section</u>	<u>Page No.</u>
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses-.....	6
Notes to Financial Statements.....	7-10

Certified Public Accountants

Lucas, Tucker & Co.

105 STEVENS AVENUE, SUITE 505, MOUNT VERNON, NY 10550-2686 (914) 699-6000 FAX (914) 667-1428

Independent Auditors' Report

To the Board of Directors of
The Oyate Group, Inc.
New York, New York

Opinion

We have audited the financial statements of The Oyate Group, Inc, which comprise the statements of financial position as of December 31, 2022, and the related statements activities and changes in net assets and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Oyate Group, Inc., as of December 31, 2022, and the related statement of activities and changes in 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Oyate Group, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance 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 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 Oyate Group, Inc's ability to continue as a going concern for the period of January 1, 2023 through December 31, 2023.

Auditor's Responsibilities for the audit of the financial statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Oyate Group, Inc's internal control. According 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 Oyate Group, Inc's ability to continue as a going concern for a reasonable period of time.

We are require 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.

Lucas, Tucker & Company

Mount Vernon
May 19 , 2023

THE OYATE GROUP, INC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

Assets

Current Assets

Cash and cash equivalents (Note 5)	\$ 366,757
Property, Plant and Equipment-net (Note 6)	78,960

Total Assets	\$ 445,717
--------------	------------

Liabilities and Net Assets

Liabilities

Accounts Payable and Accrued Expenses	\$ 14,891
---------------------------------------	-----------

Total Liabilities	14,891
--------------------------	--------

Net Assets

Without Donor Restrictions	430,826
----------------------------	---------

Total Net Assets	430,826
------------------	---------

Total Liabilities and Net Assets	\$ 445,717
----------------------------------	------------

The attached notes and auditor's report are an integral part of these financial statements.

THE OYATE GROUP, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2022</u>
<u>REVENUES:</u>			
Donations	\$ 1,040,520	\$ -	\$ 1,040,520
Other Revenue	10,000		10,000
Net assets released from restriction	-	-	
	<hr/>	<hr/>	<hr/>
Total Public Support and Revenue	1,050,520	-	1,050,520
<u>EXPENSES:</u>			
Program Services (Note 7)	1,716,720		1,716,720
Management and General (Note 7)	211,429		211,429
	<hr/>	<hr/>	<hr/>
Total Expenses	1,928,149	-	1,928,149
Change in Net Assets	(877,629)	-	(877,629)
Net Assets at Beginning of Year	1,308,455	-	1,308,455
	<hr/>	<hr/>	<hr/>
Net Assets at End of Year	<u>\$ 430,826</u>	<u>\$ -</u>	<u>\$ 430,826</u>

The attached notes and auditor's report are an integral part of these financial statements.

THE OYATE GROUP, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>
Cash Flows from Operating Activities	
Change in Net assets	\$ (877,629)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Accounts receivable	
Depreciation	20,916
Accounts payable and accrued expenses	7,163
Total adjustments	<u>28,079</u>
Net cash provided/(used for) operating activities	<u>(849,550)</u>
Cash flows from investing activities:	
Purchase of property, plant and equipmer	(77,458)
Net cash flows provided/(used) by investing activities	<u>(77,458)</u>
Cash flows from financing activities:	
Proceeds from loans to employees	
Net cash flows provided by financing activities	<u>-</u>
Increase/Decrease in Cash	(927,008)
Cash at beginning of year	<u>1,293,765</u>
Cash at end of year	<u><u>\$ 366,757</u></u>
Supplemental Information :	
Interest Paid	\$ -

The attached notes and auditor's report are an integral part of these financial statements

THE OYATE GROUP, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Programs Services</u>	<u>Management and General</u>	<u>Total Expenses 2022</u>
Salaries	\$ 404,110	\$ 71,314	\$ 475,424
Payroll Taxes	27,312	4,820	32,132
Employee Benefits	41,522	7,327	48,849
Direct Assistance-Organizations	100,445		100,445
Direct Assistance-Scholarships	35,000		35,000
Direct Assistance-Gift Cards	234,385		234,385
Direct Assistance-Meals	80,929		80,929
Special Events	67,463		67,463
Advertising	170	30	200
Professional Fees-Accounting	52,848	9,326	62,174
Professional Fees-Legal	93,047	16,420	109,467
Professional Fees-Consultants	186,043	32,831	218,874
Professional Fees-Other	198,151	34,968	233,119
Office Expense	3,601	635	4,236
Software & Hardware	5,626	993	6,619
Subscriptions	1,957	345	2,302
Liability Insurance	22,331	3,941	26,272
Travel	8,456	1,492	9,948
Conferences	7,418	1,309	8,727
Rent	96,912	17,102	114,014
Repair & Maintenance	4,964	876	5,840
Utilities	6,401	1,130	7,531
Program Expenses	403	-	403
Supplies and materials	17,430	3,076	20,506
Bank Charges	2,018	356	2,374
Depreciation	17,779	3,137	20,916
	<hr/>	<hr/>	<hr/>
Total expenses	\$ 1,716,720	\$ 211,429	\$ 1,928,149

The attached notes and auditor's report are an integral part of these financial statements

THE OYATE GROUP, INC.
Notes to Financial Statements
December 31, 2022

Note 1 – Nature of organization

The Oyate Group, Inc is a New York State not-for-profit organization which was established to provide a variety of services to members of the community. The origin of the word “Oyate,” meaning “people,” is derived from the Dakota language. The mission of the Oyate Group is to serve “the people.” The organization is dedicated to alleviating poverty through a three-prong strategy: first is to educate and inform, the second is to provide resources and services, and the last is to create sustainable and holistic structures to empower our underdeveloped communities all across New York City.

Note 2 – Summary of significant accounting policies

Net assets

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions can be spent at the discretion of the organization.

Net assets with donor restrictions: Net assets that are subject to donor-imposed restrictions would consist of revenues that are restricted for a specific purpose or relate to future periods.

Cash equivalents

The Oyate Group, Inc, considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Oyate Group, Inc records investments (if they exist) at fair value in the statements of financial position. The fair value of the investments is based on publicly quoted prices. The cost of investments sold is determined on an average cost basis. Interest, dividends, realized and unrealized gains and losses are included in the statements of activities.

Fair value measurements

For assets measured at fair value on a recurring basis as of December 31, 2022 accounting standards require quantitative disclosures about the fair value measurements separately for each major class of assets.

THE OYATE GROUP, INC.
Notes to Financial Statements
December 31, 2022

Note 2 – Summary of significant accounting policies (continued)

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting programs benefited .

Concentration of credit risk

The Oyate Group's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The organization places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, its cash and cash equivalents were in excess of the FDIC insurance limit; however, the organization has not experienced any losses in these accounts to date. The Oyate Group, Inc receivables consist primarily of revenues from donations and believes that no significant concentration of credit risk exists with respect to its cash and cash equivalents and accounts receivable.

Property and equipment

Property and equipment are recorded at cost. The organization capitalizes property and equipment expenditures for items above a nominal amount with a useful life greater than one year. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Subsequent events

The Oyate Group has evaluated events and transactions for potential recognition or disclosure through May 19, 2023, which is the date the financial statements were available to be issued .

THE OYATE GROUP, INC.

Notes to Financial Statements

December 31, 2022

Note 4 – Tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, The Oyate Group, Inc. has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation within the meaning of Section 509(a)(2) of the Code. As of December 31, 2022, no amounts were recognized for uncertain income.

Note 5 - Cash

The total cash of \$ 366,757 is held in a checking account at Citibank, which is covered by FDIC insurance up to the maximum allowed by law (currently \$250,000 per depositor in each bank). At December 31, 2022, cash in bank fully insured by the FDIC was \$250,000 and the amount uninsured was \$ 116,757.

Note 6-Property, Plant and Equipment

Property, Plant and Equipment consists of the following;

Furniture, Fixture	77,458
Computer Equipment	<u>29,573</u>
	107,031
Accumulated Depreciation	(<u>28,071</u>)
Net	<u>\$ 78,960</u>

Note 7-Functional Expenses

Expenses are classified as “Program Expenses” or “ Management and General Expenses.” “Program Expenses include all expenses grouped as “Expenditures-Direct” .” Management and General Expenses consist of “Expenditures-Indirect” and “General

THE OYATE GROUP, INC.
Notes to Financial Statements
December 31, 2022

Note 8 – Availability and Liquidity of Resources and Financial Assets

New reporting requirements call for qualitative and quantitative information on how The Oyate Group, Inc manages its liquid available resources and risks associated with those resources and the availability of financial assets to meet its cash needs for the payment of general expenditures for the next year.

The following reflects The Oyate Group Inc,'s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual restrictions and amounts due after one year of the balance sheet date. Amounts not available include assets that are long term in nature or already designated for use such as prepaid expenses and fixed assets.

Financial assets available to meet cash needs for general expenditures within one year	
Cash and Cash equivalents	\$ 366,757
Accounts receivable	<u>- 0-</u>
	366,757
Current Liabilities	<u>14,891</u>
	<u>\$ 351,866</u>

The Organization is substantially supported by grants received from various entities and individuals . As part of The Oyate Group, Inc'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.