

# Financial Statements

Elevate Youth, Inc.  
(a nonprofit organization)  
Year Ended December 31, 2021



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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Elevate Youth, Inc.  
Boston, Massachusetts

We have reviewed the accompanying financial statements of Elevate Youth, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Elevate Youth, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Harris CPAs*

Meridian, Idaho  
August 10, 2022



**ELEVATE YOUTH, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2021**

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**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 235,344
Other receivables	<u>1,522</u>

Total Current Assets 236,866

**Equipment, net**

9,869

Total Assets \$ 246,735

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Current portion of long-term debt	\$ 4,147
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**Long-Term Debt**, net of current portion

1,253

Total Liabilities 5,400

**Net Assets**

Without donor restrictions	<u>241,335</u>
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Total Liabilities and Net Assets \$ 246,735

See accompanying notes and independent accountants' review report.

**ELEVATE YOUTH, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2021**

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	<b><u>Without Donor Restrictions</u></b>
<b>Revenues and Other Support</b>	
Grants	\$ 69,300
Contributions	211,790
Special events	4,251
Other income	<u>8,449</u>
Total Revenue and Other Support	293,790
<b>Expenses</b>	
Program services	133,370
Supporting services	
Management	110,267
Fundraising	<u>35,344</u>
Total Supporting Services	<u>145,611</u>
Total Expenses	<u>278,981</u>
Change in Net Assets	14,809
<b>Net Assets</b>	
Beginning of Year	<u>226,526</u>
End of Year	<u><u>\$ 241,335</u></u>

See accompanying notes and independent accountants' review report.

**ELEVATE YOUTH, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2021**

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	<u>Program</u>	<u>Support Services</u>		<u>Total</u>
		<u>Management</u>	<u>Fundraising</u>	
Payroll and payroll costs	\$ 88,718	\$ 62,103	\$ 26,616	\$ 177,437
Insurance		26,999		26,999
Program activity costs	25,706			25,706
Rent		11,250		11,250
Fundraising			8,728	8,728
Depreciation	4,387			4,387
Food	4,629			4,629
Transportation	3,600	9		3,609
Staff development	3,020			3,020
Phone/Internet		1,978		1,978
Marketing		1,084		1,084
Other expenses	<u>3,310</u>	<u>6,844</u>		<u>10,154</u>
Total Expenses	<u>\$ 133,370</u>	<u>\$ 110,267</u>	<u>\$ 35,344</u>	<u>\$ 278,981</u>

See accompanying notes and independent accountants' review report.

**ELEVATE YOUTH, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2021**

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**Cash Flow From Operating Activities**

Change in net assets	\$	14,809
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense		4,387
Changes in operating assets and liabilities		
Other receivables		<u>(1,522)</u>
Net Cash Provided (Used) by Operating Activities		17,674

**Cash Flow From Financing Activities**

Repayment of long-term debt		<u>(4,740)</u>
Net Change in Cash and Cash Equivalents		12,934

**Cash and Cash Equivalents**

Beginning of Year		<u>222,410</u>
End of Year	\$	<u>235,344</u>

See accompanying notes and independent accountants' review report.

# **ELEVATE YOUTH, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **Note A – Summary of Significant Accounting Policies**

#### *Nature of Organization*

Elevate Youth, Inc., (the Organization) is a Massachusetts nonprofit corporation. The specific purpose of the organization is to empower youth from underserved neighborhoods through regular outdoor experiences with the support of positive adult role models. Elevate Youth, Inc. was started in 2017 with the goal of mentoring the youth and partnering with existing youth organizations.

#### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### *Basis of Presentation*

The Organization reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

#### *Cash and Cash Equivalents*

The Organization considers all short-term investments purchased with maturity of three months or less to be cash equivalents.

#### *Concentration of Credit Risk and Income*

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and investments. Accounts at these financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2021 the Organization's cash balance was fully insured.

## **ELEVATE YOUTH, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note A – Summary of Significant Accounting Policies (Continued)**

##### *Fair Value*

The Organization uses fair value reporting for financial assets and liabilities. A hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established, prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

##### *Functional Allocation of Expenses*

The costs of providing the program have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. 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 are salaries and wages, benefits and payroll taxes which are allocated based on the time spent by each employee on each respective program or supporting function. Depreciation, maintenance and improvements, and loan interest are one-hundred percent allocated to the programs. General and administrative expenses include any overhead costs incurred for the overall support and direction of the Organization.

##### *Income Taxes*

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

##### *Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of that position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2021. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2018.

**ELEVATE YOUTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A – Summary of Significant Accounting Policies (Continued)**

*Presentation of Certain Taxes*

The Organization collects various taxes from customers and remits these amounts to applicable taxing authorities. The Organization’s accounting policy is to exclude these taxes from income and program expenses.

*Subsequent Events*

The Organization has evaluated subsequent events through August 10, 2022 which is the date the financial statements were available to be issued.

**Note B – Liquidity and Availability of Resources**

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 235,344
Other receivables	<u>1,522</u>
Total financial assets available within one year	<u>\$ 236,866</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. At December 31, 2021, all net assets were without donor restrictions.

**Note C – Equipment**

At December 31, 2021, equipment consisted of the following:

Vehicle	\$ 21,933
Less accumulated depreciation	<u>12,064</u>
Equipment, net	<u>\$ 9,869</u>

**ELEVATE YOUTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note D – Long-Term Debt**

At December 31, 2021, long-term debt consisted of the following:

Loan payable to bank, secured by the Organization’s real and personal property. Payable in monthly installments of \$398, including interest at 4.99%. Matures in February 2023.	\$ 5,400
Less current portion	<u>4,147</u>
	<u>\$ 1,253</u>

Maturities of long-term debt as of December 31, 2021 are as follows:

2022	\$ 4,147
2023	<u>1,253</u>
	<u>\$ 5,400</u>

Cash paid for interest during the year ended December 31, 2021 was \$601.

**Note E – Operating Lease**

The Organization rents one interior three-person office at a nonprofit center under an operating lease. The current lease rate is \$750 per month through March 2023. The Organization is entitled to use the shared facilities and copier. Rent expense for the year ended December 31, 2021 from the operating lease totaled \$11,250. The total future lease commitment for 2022 is \$9,000 and \$2,250 for 2023.

**ELEVATE YOUTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note F – Paycheck Protection Program Loan**

During the year ended December 31, 2021, the Organization received a Paycheck Protection Program Loan in the amount of \$8,063 issued by Rockland Trust Company. The Paycheck Protection Program is a major relief component of the CARES Act which states that if the borrower spends the funds received on qualified expenses, then the amount is eligible to be 100% forgiven and the loan amount that is forgiven is tax free. The AICPA has determined that for non-profit organizations, because of the loan forgiveness component of the Paycheck Protection Program Loan, the amount of the loan can be treated as a conditional contribution. Revenue from conditional contributions and grants is recognized once the conditions are substantially met or explicitly waved. As of December 31, 2021, all conditions for loan forgiveness set forth by the Small Business Administration had been substantially met by the Organization and the entirety of the loan was recognized as revenue from government grants on the Statement of Activities. This Paycheck Protection Program Loan was forgiven in July of 2021.