

RISE ABOVE FOUNDATION, INC.

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022)**

RISE ABOVE FOUNDATION, INC.

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
<u>FINANCIAL STATEMENTS:</u>	
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8 - 12



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rise Above Foundation, Inc.
Northbridge, MA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rise Above Foundation, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses, 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 Organization as of June 30, 2023, 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 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 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.

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

More than Accountants

Spinelli CPA, PC

146 West Boylston Drive, Suite 302 > Worcester, MA 01606

119 Merriam Avenue, Second Floor > Leominster, MA 01453

Phone: 508-365-6522 > Fax: 508-365-6520 > www.spinellipcpa.com

Members of AICPA, MSCPA and NHSCPA

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

In performing an audit in accordance with GAAS, we:

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

Report on Summarized Comparative Information

We have previously audited Rise Above Foundation, Inc.'s June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Spinelli CPA, P.C.

Worcester, MA
December 1, 2023

RISE ABOVE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022)

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 466,074	\$ 434,915
Accounts Receivable	25,000	-
Prepaid Expenses	3,212	-
	494,286	434,915
Total Current Assets		
	494,286	434,915
TOTAL ASSETS	\$ 494,286	\$ 434,915

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 561	\$ -
Accrued Expenses	10,238	14,146
Deferred Revenue	17,973	-
	28,772	14,146
Total Current Liabilities		
	28,772	14,146
TOTAL LIABILITIES	28,772	14,146

NET ASSETS

Without Donor Restrictions	318,014	400,769
With Donor Restrictions	147,500	20,000
	465,514	420,769
Total Net Assets		
	465,514	420,769
TOTAL LIABILITIES AND NET ASSETS	\$ 494,286	\$ 434,915

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

RISE ABOVE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>	<u>Total 2022</u>
REVENUE AND OTHER SUPPORT				
Grants and Contributions	\$ 659,383	\$ 147,500	\$ 806,883	\$ 813,284
In-Kind Contribution	33,178	-	33,178	53,709
Other Income	11,890	-	11,890	-
Fundraising Income	8,276	-	8,276	-
Net Assets Released from Restrictions	20,000	(20,000)	-	-
	<u>732,727</u>	<u>127,500</u>	<u>860,227</u>	<u>866,993</u>
EXPENSES				
Program Services	692,784	-	692,784	629,281
Management and General	66,055	-	66,055	67,166
Fundraising	56,643	-	56,643	50,021
	<u>815,482</u>	<u>-</u>	<u>815,482</u>	<u>746,468</u>
CHANGE IN NET ASSETS	(82,755)	127,500	44,745	120,525
NET ASSETS, BEGINNING OF YEAR	<u>400,769</u>	<u>20,000</u>	<u>420,769</u>	<u>300,244</u>
NET ASSETS, END OF YEAR	<u>\$ 318,014</u>	<u>\$ 147,500</u>	<u>\$ 465,514</u>	<u>\$ 420,769</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

RISE ABOVE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022)

EXPENSES	Program Services	Management and General	Fundraising	Total 2023	Total 2022
Salaries and Wages	\$ 124,728	\$ 25,743	\$ 43,253	\$ 193,724	\$ 169,892
Payroll Taxes and Other Benefits	12,375	5,061	3,840	21,276	14,836
Total Salaries and Related Expenses	137,103	30,804	47,093	215,000	184,728
Direct Program Costs	519,741	-	-	519,741	454,457
In-Kind Expenses	33,178	-	-	33,178	53,709
Professional Fees	-	17,013	-	17,013	19,746
Fundraising	-	-	8,955	8,955	5,686
Office Supplies	681	6,783	595	8,059	18,197
Travel, Training and Meetings	115	4,437	-	4,552	2,688
Payment Processing Fees	-	3,156	-	3,156	-
Insurance	-	2,092	-	2,092	1,769
Printing and Postage	-	1,672	-	1,672	1,252
Outreach	1,466	98	-	1,564	4,236
Dues and Subscriptions	500	-	-	500	-
TOTAL EXPENSES	\$ 692,784	\$ 66,055	\$ 56,643	\$ 815,482	\$ 746,468

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

RISE ABOVE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 44,745	\$ 120,525
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
(Increase) Decrease in Assets:		
Accounts Receivable	(25,000)	6,832
Prepaid Expenses	(3,212)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	561	-
Accrued Expenses	(3,908)	4,896
Deferred Revenue	17,973	-
	31,159	132,253
NET CHANGE IN CASH	31,159	132,253
CASH, BEGINNING OF YEAR	434,915	302,662
CASH, END OF YEAR	\$ 466,074	\$ 434,915

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

RISE ABOVE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Activities - Rise Above Foundation Inc. (the Organization), is a Massachusetts nonprofit organization formed in 2009. The Organization's goal is to provide foster care children from across Massachusetts with access to enriching activities, opportunities, and experiences. The Organization responds to the growing need to give youth in foster care opportunities that provide them a sense of normalcy, provide comfort, and build self-esteem.

Adoption of New Accounting Standard - On September 17, 2020, the FASB issued Accounting Standards Update ("ASU") 2020-07 Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU is intended to increase transparency in reporting gifts-in-kind in the Organization's financial statements. This standard was adopted by the Organization effective July 1, 2022. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

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

Accounts Receivable - Accounts receivable consists of unpaid grants receivable. The Organization considers these receivables to be fully collectible; accordingly, no allowance for uncollectible accounts is recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

Deferred Revenue - Deferred Revenue consists primarily of grants and contributions for subsequent year received prior to year they are earned.

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net Assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restrictions ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

At June 30, 2023 and 2022, there were net assets with and without donor restrictions.

RISE ABOVE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summarized Financial Information - The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Revenue Recognition - The Organization reports gifts of cash or other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Contributions received with donor-imposed conditions and restrictions that are satisfied in the same period are included as without donor restrictions in the accompanying statements of activities and changes in net assets.

Contributions, Gifts, and Grants - Contributions received are recorded as revenue and other support with or without donor restrictions depending on the existence and nature of any donor restrictions. Contributions may include gifts of cash or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Contribution of assets other than cash are recorded at their fair value on the date of the gift. Restricted gifts or promises to give are reported as net assets with restrictions in the period received and are then reclassified to net assets without restrictions upon satisfaction of the donor restrictions.

Contributed Goods and Services - The Organization maintains a policy whereby the value of the donated goods and services which create or enhance nonfinancial assets; require a specialized skill; and/or which would have otherwise been purchased by the Organization are recognized as revenue on the Statement of Activities and are either listed as expenses on the Statement of Functional Expenses or capitalized assets on the Statement of Financial Position.

Functional Allocation of Expenses - The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Expenses allocated by time usage are *Salaries and Wages, Payroll Taxes and Other Employee Benefits*.

Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

General and Administrative - includes all activities related to the Organization's internal management and accounting program services.

Fundraising - includes all activities related to maintaining event information, costs of events, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

RISE ABOVE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status - The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Therefore, no provision has been made for federal or state income taxes in the accompanying financial statements. There are no unrecognized tax benefits and tax returns remain subject to examination by major tax jurisdictions for the standard three year statute of limitations.

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 certain reported amounts and disclosures. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Accordingly, actual results could differ from those estimates and assumptions.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the balance sheet date, consists of the following:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash	\$ 466,074	\$ 434,915
Accounts Receivable	25,000	-
	<hr/>	<hr/>
Available Within One Year	491,074	434,915
Less: Net Assets with Donor Restrictions	147,500	20,000
	<hr/>	<hr/>
Total Financial Assets Available Within One Year	<u>\$ 343,574</u>	<u>\$ 414,915</u>

The Organization has a policy to structure its financial assets to be available as its obligations become due, which consist primary of cash to meet at least five months of normal operating expenses.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	<u>2023</u>	<u>2022</u>
Accounts Receivable, Beginning of the Year	\$ -	\$ 6,832
Subsequent Receipts included in Accounts Receivable, Beginning of the year	-	(6,832)
Increase in Accounts Receivable due to timing of receipts During the period	25,000	-
	<hr/>	<hr/>
Accounts Receivable, End of Year	<u>\$ 25,000</u>	<u>\$ -</u>

RISE ABOVE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 - DEFERRED REVENUE

Deferred revenue consists of the following:

	<u>2023</u>	<u>2022</u>
Deferred revenue, Beginning of the Year	\$ -	\$ -
Revenue Recognized that was included in Deferred Revenue Beginning of the year	-	-
Increase in Deferred Revenue due to Cash Received During the period	17,973	-
	<u>17,973</u>	<u>-</u>
Deferred Revenue, End of Year	<u>\$ 17,973</u>	<u>\$ -</u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions consists of:

	<u>2023</u>	<u>2022</u>
<u>Contributions with Purpose or Time Restrictions</u>		
Geographic - Specific Towns	\$ 147,500	\$ -
Time Restricted	-	20,000
	<u>147,500</u>	<u>20,000</u>
	<u>\$ 147,500</u>	<u>\$ 20,000</u>

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2023 and 2022 by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by the donors. Net assets released were donated by the following:

	<u>2023</u>	<u>2022</u>
<u>Net Assets Released from Restrictions</u>		
Time Restricted	\$ 20,000	\$ 112,400
	<u>20,000</u>	<u>112,400</u>
	<u>\$ 20,000</u>	<u>\$ 112,400</u>

NOTE 7 - IN-KIND CONTRIBUTION

For the years ended June 30, 2023 and 2022, included in the accompanying statements of activities is \$33,178 and \$53,709 of in-kind contributions, of which \$33,178 and \$53,709 have been charged to expense and \$0 have been capitalized.

In-Kind Contributions Revenue consist of:

	<u>2023</u>	<u>2022</u>
Care Packages	\$ 19,022	\$ 15,859
Youth Activities	8,077	6,150
Launch Box for Youth	3,550	7,150
Start Above Project for Youth	2,529	2,863
Playground	-	21,687
	<u>33,178</u>	<u>53,709</u>
	<u>\$ 33,178</u>	<u>\$ 53,709</u>

RISE ABOVE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 - RETIREMENT PLAN

The Organization maintains a defined contribution 401(k) plan covering all of its employees without age or service requirements. The Plan does not allow employer contributions at this time. Participants can elect to contribute a percentage of their compensation not to exceed the maximum allowed under the Internal Revenue Code.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The Organization depends on grants and contributions for its revenues. The ability of certain of the Organization's grantors and contributors to continue giving amounts comparable with prior years may be dependent upon overall economic conditions. While management believes the funding sources will continue in the future, the extent to which programs can be continued is dependent on the above factors.

NOTE 10 - RECLASSIFICATION

Certain reclassifications were made to prior year balances to conform to current year presentation with no effect on previously reported net assets.

NOTE 11 - SUBSEQUENT EVENTS

The Organization has evaluated the financial statement impact of subsequent events occurring through December 1, 2023, the date the financial statements were available to be issued. As a result of this evaluation, no other events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.