

The Center for Teen
Empowerment, Inc.

Financial Statements

Years Ended
June 30, 2023 and 2022



AUDIT
TAX
ADVISORY

The Center for Teen Empowerment, Inc.

Financial Statements
Years Ended June 30, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors and Audit Committee
The Center for Teen Empowerment, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of The Center for Teen Empowerment, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities, 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 Center for Teen Empowerment, Inc. as of June 30, 2023 and 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Center for Teen Empowerment, Inc. and to meet our other ethical responsibilities in accordance with the 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 audit 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.

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 Center for Teen Empowerment, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 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, 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 Center for Teen Empowerment, Inc.'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 Center for Teen Empowerment, Inc.'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.



Wakefield, Massachusetts
January 12, 2024

The Center for Teen Empowerment, Inc.

Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 602,275	\$ 347,442
Accounts receivable	39,947	245,986
Tax credit receivable	464,987	-
Promises to give, net of long-term portion	653,966	750,306
Inventories	5,595	6,411
Prepaid expenses and other current assets	34,267	44,252
Total current assets	1,801,037	1,394,397
Property and equipment, net	515,915	147,455
Finance lease right-of-use assets, net	7,649	-
Operating lease right-of-use assets, net	444,616	-
Other assets:		
Tax credit receivable, long-term	241,358	-
Deposits	4,350	4,350
Promises to give, long-term	110,000	25,000
Total assets	<u>\$ 3,124,925</u>	<u>\$ 1,571,202</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 54,611	\$ 111,941
Accrued expenses and other current liabilities	179,931	121,613
Current portion of finance lease liabilities	7,757	-
Current portion of operating lease liabilities	65,268	-
Total current liabilities	307,567	233,554
Other liabilities		
Operating lease liabilities, net of current maturities	365,925	-
Total other liabilities	365,925	-
Net assets:		
Without donor restrictions	1,643,569	857,101
With donor restrictions	807,864	480,547
Total net assets	2,451,433	1,337,648
Total liabilities and net assets	<u>\$ 3,124,925</u>	<u>\$ 1,571,202</u>

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

The Center for Teen Empowerment, Inc.

Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions and grants	\$ 2,044,437	\$ 1,251,523	\$ 3,295,960
Special events	425,973	-	425,973
Rental income	52,297	-	52,297
Consulting and publications	33,141	-	33,141
Contributed goods and services	130,519	-	130,519
Tax Credit Income	706,345	-	706,345
Miscellaneous income	21,199	-	21,199
	<u>3,413,911</u>	<u>1,251,523</u>	<u>4,665,434</u>
Total revenues, gains and other support	3,413,911	1,251,523	4,665,434
Net assets released from restrictions	<u>924,206</u>	<u>(924,206)</u>	<u>-</u>
Total revenues, support and reclassifications	<u>4,338,117</u>	<u>327,317</u>	<u>4,665,434</u>
Functional expenses:			
Program services	2,533,404	-	2,533,404
General and administrative	566,086	-	566,086
Fundraising	452,159	-	452,159
	<u>3,551,649</u>	<u>-</u>	<u>3,551,649</u>
Total expenses	3,551,649	-	3,551,649
Changes in net assets	786,468	327,317	1,113,785
Net assets, beginning of year	<u>857,101</u>	<u>480,547</u>	<u>1,337,648</u>
Net assets, end of year	<u>\$ 1,643,569</u>	<u>\$ 807,864</u>	<u>\$ 2,451,433</u>

The Center for Teen Empowerment, Inc.

Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions and grants	\$ 1,878,467	\$ 874,421	\$ 2,752,888
Special events	73,255	-	73,255
Rental income	46,780	-	46,780
Consulting and publications	170,182	-	170,182
Contributed goods and services	92,152	-	92,152
Miscellaneous income	2,670	-	2,670
	<u>2,263,506</u>	<u>874,421</u>	<u>3,137,927</u>
Total revenues, gains and other support			
	2,263,506	874,421	3,137,927
Net assets released from restrictions	<u>743,958</u>	<u>(743,958)</u>	<u>-</u>
Total revenues, support and reclassifications	<u>3,007,464</u>	<u>130,463</u>	<u>3,137,927</u>
Functional expenses:			
Program services	2,416,530	-	2,416,530
General and administrative	369,130	-	369,130
Fundraising	259,160	-	259,160
	<u>3,044,820</u>	<u>-</u>	<u>3,044,820</u>
Total expenses			
	3,044,820	-	3,044,820
Changes in net assets	(37,356)	130,463	93,107
Net assets, beginning of year	<u>894,457</u>	<u>350,084</u>	<u>1,244,541</u>
Net assets, end of year	<u>\$ 857,101</u>	<u>\$ 480,547</u>	<u>\$ 1,337,648</u>

The Center for Teen Empowerment, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services							Program Total
	Somerville	Rochester	Boston	Tides Foundation	Rochester Program Expansion	Consulting & Publications	External Relations	
Expenses								
Personnel costs:								
Salaries	\$ 281,917	\$ 280,095	\$ 439,478	\$ 8,925	\$ 160,613	\$ 37,928	\$ 52,494	\$ 1,261,450
Young organizer salaries	76,685	88,325	240,593	1,557.00	-	-	-	407,160
Fringe benefits	53,836	93,968	109,634	970.00	31,678	12,388	6,387	308,861
Total personnel costs	412,438	462,388	789,705	11,452	192,291	50,316	58,881	1,977,471
Rent:								
Rent	-	19,200	23,349	-	16,200	14,521	14,521	87,791
In-kind rent	62,280	-	-	-	-	-	-	62,280
Total rent	62,280	19,200	23,349	-	16,200	14,521	14,521	150,071
Professional fees:								
Professional fees	6,750	6,750	6,750	633	-	9,938	-	30,821
Total professional fees	6,750	6,750	6,750	633	-	9,938	-	30,821
Consulting	190	2,294	7,292	19,823	20,000	-	1,616	51,215
Program activities:								
Fundraising event expenses	51	441	48	-	-	-	-	540
Program event expenses	10,366	11,431	31,803	7,291	2,301	3,106	7,483	73,781
In-kind event expenses	-	3,757	3,936	8,125	-	-	-	15,818
Total program activities	10,417	15,629	35,787	15,416	2,301	3,106	7,483	90,139
Professional development/subscriptions	8,844	10,313	30,329	-	677	5,215	1,584	56,962
Insurance	6,489	6,433	11,597	91.00	3,106	1,629	1,150	30,495
Telephone and utilities	910	4,752	18,601	-	343	215	19	24,840
Meals	5,041	4,603	11,871	95	749	778	-	23,137
Office maintenance	-	10,619	12,875	-	-	-	-	23,494
Repairs and maintenance	3,814	6,438	9,870	-	-	-	-	20,122
Depreciation	3,385	4,226	7,986	-	701	-	-	16,298
Supplies	939	4,224	8,822	-	259	-	-	14,244
Printing and copying	572	972	1,627	1,631	-	816	-	5,618
Travel	605	2,057	2,895	1,215	4	289	843	7,908
Advertising	690	-	1,201	6,076	-	-	-	7,967
Postage	27	86	1,197	-	-	-	-	1,310
Donations	-	-	-	-	-	-	500	500
Processing fees	5	124	232	-	-	-	-	361
Stipends and miscellaneous	-	165	133	-	-	-	118	416
Bank charges	15	-	-	-	-	-	-	15
Total	\$ 523,411	\$ 561,273	\$ 982,119	\$ 56,432	\$ 236,631	\$ 86,823	\$ 86,715	\$ 2,533,404

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

The Center for Teen Empowerment, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Total	General and Administrative	Fundraising		2023 Total Expenses	
			Rochester Capital Campaign	Fundraising		
Expenses						
Personnel costs:						
Salaries	\$ 1,261,450	\$ 242,358	\$ 35,601	\$ 105,792	\$ 141,393	\$ 1,645,201
Young organizer salaries	407,160	-	-	757	757	407,917
Fringe benefits	308,861	41,341	3,763	15,650	19,413	369,615
Total personnel costs	1,977,471	283,699	39,364	122,199	161,563	2,422,733
Rent:						
Rent	87,791	27,177	-	-	-	114,968
In-kind rent	62,280	-	-	-	-	62,280
Total rent	150,071	27,177	-	-	-	177,248
Professional fees:						
Professional fees	30,821	77,367	-	-	-	108,188
In-kind professional fees	-	37,034	500	-	500	37,534
Total professional fees	30,821	114,401	500	-	500	145,722
Consulting	51,215	87,365	3,100	65,353	68,453	207,033
Program activities:						
Fundraising event expenses	540	-	51,427	113,377	164,804	165,344
Program event expenses	73,781	280	455	254	709	74,770
In-kind event expenses	15,818	-	-	659	659	16,477
Total program activities	90,139	280	51,882	114,290	166,172	256,591
Professional development/subscriptions	56,962	24,422	19,638	17,219	36,857	118,241
Insurance	30,495	17,296	267	2,080	2,347	50,138
Telephone and utilities	24,840	-	1,605	118	1,723	26,563
Meals	23,137	509	29	324	353	23,999
Office maintenance	23,494	-	-	-	-	23,494
Repairs and maintenance	20,122	135	-	-	-	20,257
Depreciation	16,298	1,668	-	-	-	17,966
Supplies	14,244	56	191	1,255	1,446	15,746
Printing and copying	5,618	799	2,510	4,858	7,368	13,785
Travel	7,908	3,739	91	1,453	1,544	13,191
Advertising	7,967	933	100	2,603	2,703	11,603
Postage	1,310	1,074	405	167	572	2,956
Donations	500	1,300	-	-	-	1,800
Processing fees	361	195	470	88	558	1,114
Bank charges	15	1,038	-	-	-	1,053
Stipends and miscellaneous	416	-	-	-	-	416
Total	\$ 2,533,404	\$ 566,086	\$ 120,152	\$ 332,007	\$ 452,159	\$ 3,551,649

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

The Center for Teen Empowerment, Inc.

Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services							Program Total
	Somerville	Rochester	Boston	Tides Foundation	Rochester Expansion Program	Consulting & Publications	External Relations	
Expenses								
Personnel costs:								
Salaries	\$ 258,454	\$ 273,193	\$ 308,587	\$ -	\$ 185,600	\$ 84,617	\$ 35,777	\$ 1,146,228
Young organizer salaries	59,410	78,689	231,005	-	6,528	-	-	375,632
Fringe benefits	57,369	88,573	74,394	-	30,610	14,183	6,410	271,539
Total personnel costs	375,233	440,455	613,986	-	222,738	98,800	42,187	1,793,399
Rent:								
Rent	-	25,008	27,033	-	11,850	14,569	14,569	93,029
In-kind rent	31,140	-	-	-	-	-	-	31,140
Total rent	31,140	25,008	27,033	-	11,850	14,569	14,569	124,169
Professional fees:								
Professional fees	6,750	11,140	8,750	5,042	-	18,288	-	49,970
Total professional fees	6,750	11,140	8,750	5,042	-	18,288	-	49,970
Consulting	-	1,845	10,584	47,923	-	3,167	-	63,519
Program activities:								
Fundraising event expenses	10	8,173	-	-	-	-	-	8,183
Program event expenses	9,977	11,175	8,293	13,354	1,250	-	166	44,215
In-kind event expenses	-	6,747	15,000	3,600	-	-	-	25,347
Total program activities	9,987	26,095	23,293	16,954	1,250	-	166	77,745
Stipends and miscellaneous	46,850	6,076	12,125	-	-	-	-	65,051
Professional development/subscriptions	1,826	1,142	3,585	-	-	2,709	2,488	11,750
Donations	-	50,000	-	5,000	-	-	-	55,000
Insurance	4,653	4,659	5,161	-	2,412	1,123	1,142	19,150
Repairs and maintenance	7,766	15,277	15,568	780	-	-	-	39,391
Telephone and utilities	852	3,838	17,676	-	-	-	-	22,366
Printing and copying	340	1,231	1,385	10,359	31	1,383	-	14,729
Supplies	969	4,608	7,215	153	3,146	-	-	16,091
Depreciation	3,385	4,226	7,986	-	-	-	-	15,597
Meals	2,583	4,723	5,424	77	601	-	-	13,408
Office maintenance	-	5,465	7,866	-	-	-	-	13,331
Advertising	197	3,225	105	7,757	-	-	-	11,284
Travel	320	2,113	1,102	120	2	-	29	3,686
Postage	337	2,850	1,161	329	-	10	-	4,687
Processing fees	-	427	82	-	-	105	-	614
Bad debt	-	1,568	-	-	-	-	-	1,568
Bank charges	-	-	-	25	-	-	-	25
Total	<u>\$ 493,188</u>	<u>\$ 615,971</u>	<u>\$ 770,087</u>	<u>\$ 94,519</u>	<u>\$ 242,030</u>	<u>\$ 140,154</u>	<u>\$ 60,581</u>	<u>\$ 2,416,530</u>

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

The Center for Teen Empowerment, Inc.

Statement of Functional Expenses
Year Ended June 30, 2022

	Program Total	General and Administrative	Fundraising			2022 Total Expenses
			Rochester Capital Campaign	Fundraising	Fundraising Total	
Expenses						
Personnel costs:						
Salaries	\$ 1,146,228	\$ 173,511	\$ 18,322	\$ 122,361	\$ 140,683	\$ 1,460,422
Young organizer salaries	375,632	-	-	-	-	375,632
Fringe benefits	271,539	29,845	9,150	20,345	29,495	330,879
Total personnel costs	1,793,399	203,356	27,472	142,706	170,178	2,166,933
Rent:						
Rent	93,029	14,569	-	-	-	107,598
In-kind rent	31,140	-	-	-	-	31,140
Total rent	124,169	14,569	-	-	-	138,738
Professional fees:						
Professional fees	49,970	42,519	-	-	-	92,489
In-kind professional fees	-	6,289	29,376	-	29,376	35,665
Total professional fees	49,970	48,808	29,376	-	29,376	128,154
Consulting	63,519	16,569	1,100	-	1,100	81,188
Program activities:						
Fundraising event expenses	8,183	-	26,592	11,785	38,377	46,560
Program event expenses	44,215	963	758.00	1,458	2,216	47,394
In-kind event expenses	25,347	-	-	-	-	25,347
Total program activities	77,745	963	27,350	13,243	40,593	119,301
Stipends and miscellaneous	65,051	-	450	-	450	65,501
Professional development/subscriptions	11,750	47,588	-	4,659	4,659	63,997
Donations	55,000	-	-	-	-	55,000
Insurance	19,150	25,108	652	1,694	2,346	46,604
Repairs and maintenance	39,391	2,291	-	-	-	41,682
Telephone and utilities	22,366	-	-	-	-	22,366
Printing and copying	14,729	1,881	940	2,301	3,241	19,851
Supplies	16,091	-	2,423	671	3,094	19,185
Depreciation	15,597	1,418	-	-	-	17,015
Meals	13,408	1,098	614	42	656	15,162
Office maintenance	13,331	-	-	-	-	13,331
Advertising	11,284	899	928	-	928	13,111
Travel	3,686	1,020	804	1,165	1,969	6,675
Postage	4,687	1,044	-	28	28	5,759
Processing fees	614	1,805	542	-	542	2,961
Bad debt	1,568	-	-	-	-	1,568
Bank charges	25	713	-	-	-	738
Total	\$ 2,416,530	\$ 369,130	\$ 92,651	\$ 166,509	\$ 259,160	\$ 3,044,820

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

The Center for Teen Empowerment, Inc.

Statements of Cash Flows Years Ended June 30, 2023 and 2022

	2023	2022
Cash flow from operating activities:		
Changes in net assets	\$ 1,113,785	\$ 93,107
Adjustment to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	17,966	17,015
Amortization of right-of-use assets	24,354	-
In-kind donations for property and equipment	(14,228)	-
Increase (decrease) in cash attributable to changes in operating assets and liabilities:		
Accounts receivable	206,039	(204,939)
Tax credit receivable	(706,345)	-
Promises to give	11,340	(173,788)
Inventories	816	1,383
Prepaid expenses and other current assets	9,985	(9,425)
Deposits	-	(450)
Accounts payable	(57,330)	107,378
Accrued expenses and other current liabilities	58,318	(11,397)
Operating lease liabilities	(28,599)	-
Net cash provided by (used in) operating activities	<u>636,101</u>	<u>(181,116)</u>
Cash flows from investing activities:		
Payments on finance lease liabilities	(9,070)	-
Purchases of property and equipment	(372,198)	(86,904)
Net cash used in investing activities	<u>(381,268)</u>	<u>(86,904)</u>
Net increase (decrease) in cash	254,833	(268,020)
Cash, beginning of year	<u>347,442</u>	<u>615,462</u>
Cash, end of year	<u>\$ 602,275</u>	<u>\$ 347,442</u>

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 1 – Organization

The Center for Teen Empowerment, Inc. (the “Organization”) was founded in Boston, Massachusetts in 1992 to employ, train, and empower youth to, in collaboration with adults, create peace, equity, and justice. The Organization operates in Rochester, NY and Boston and Somerville, MA. Each year the Organization employs more than 120 youth, between the ages of 14-21, who conduct over 250 initiatives that involve more than 5,000 youth, residents, public officials, and police in efforts to build peace, tolerance, and community. The Organization also provides consulting, training and publications to help other service providers adapt its methods for use in their own programs. During the year, the Organization has continued to expand its outreach and right size its administrative supports. Toward that end, a plan for a new programmatic building in Rochester, New York was finalized, and a director of development and executive assistant was hired.

The Organization envisions a world in which youth with adults, in mutually respectful and supportive relationships, use their voices creatively to inspire, lead, and empower their communities to achieve justice and peace. The Organization employs youth to identify the most pressing issues in their communities and organize strategies to address those issues that involve a large number of their peers and community adults. These initiatives include:

Youth Peace Conferences

The Organization holds an annual youth-led event in Boston each spring, bringing together hundreds of young people to wrestle with serious issues through theater, dance, music, poetry, video, public speaking, and group discussion sessions.

Arts for Social Change

The Organization’s youth use the arts—including music, dance, video, poetry and visual arts— to present their social change ideas in a way that will be understood and embraced by their peers. In Boston, TE Studios is the Organization’s youth-run artist collaborative, producing original, professional-quality socially-conscience music and performance arts.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and include all financial activities of The Center for Teen Empowerment, Inc. Accordingly, revenues and support are recognized when earned and expenses are recognized when incurred.

Recently Adopted Accounting Pronouncements - Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842), which supersedes Topic 840, Leases. Subsequently, the FASB issued additional ASU’s which further clarify this guidance. This ASU increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on the statement of financial position and disclosures of key information about leasing arrangements.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncements – Leases (continued)

Under this new guidance, at the lease commencement date, a lessee recognizes a right-of-use asset ("ROU asset") and lease liability, which is initially measured at the present value of the future lease payments. For statement of activities purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operating lease model, lease expense is recognized on a straight-line basis over the lease term. Under the finance lease model, interest on the lease liability is recognized separately from amortization of the right-of-use asset.

The Organization adopted this new accounting standard on July 1, 2022 on a modified retrospective basis and applied the new standard to all leases. The Organization elected the package of three practical expedients which lessened the transitional burden of implementing the new guidance. Accordingly, the Organization did not reassess: 1) whether any expired or existing contracts are or contain leases; 2) the lease classification for any expired or existing leases; or 3) the initial direct costs for any existing leases. As a result, comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods. As of the transition date, there were an operating lease and a finance lease adopted, and the net ROU asset and total lease liability (current and long-term) were \$22,807, respectively.

The organization made an accounting policy election to not recognize ROU assets and lease liabilities on the statement of financial position for those leases with initial terms of one year or less and instead such lease obligations will be expensed on a straight-line basis over the lease term.

The Company determines if a contract contains a lease at inception based on the right to control the use of an identified asset and the right to obtain substantially all of the economic benefits from the use of that identified asset. The Company generally does not have access to the rate implicit in leases, therefore it utilizes the risk free rate as the discount rate.

The Organization does not have significant restrictions or covenants in its lease agreement, and residual value guarantees are generally not included within its operating lease. As of June 30, 2023, the Organization did not have any material additional operating leases that have not yet commenced.

The Organization's finance leases contain office equipment under noncancelable finance lease agreements, expiring in April 2024. The Organization's primary lease is for an office building in Roxbury, Massachusetts with an anticipated lease term of five years, expiring in April 2028. In addition, the Organization leases a building and parking area for community-building and youth work activities located at Dorchester, Massachusetts expiring through November 2026. The Organization's leases may include options to extend or terminate the leases at its discretion, as applicable. Where renewal or termination options are reasonably likely to be exercised, the Company recognizes the option as part of the ROU asset and lease liability.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncements – Leases (continued)

Assets and liabilities under finance leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the assets. The assets are depreciated over their estimated useful life and are included in property and equipment. Adoption of Topic 842 did not result in an adjustment to the statement of financial position or net assets as of June 30, 2022. Prior to July 1, 2022, the Organization's leases were reported in accordance with ASC Topic 840, Leases. Total lease payments over the term of a lease were recognized as rent expense on a straight-line basis over the lease term.

See Note 8 for additional information regarding the Organization's leases.

Basis of Presentation

The Organization has presented its financial statements in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations. Under this guidance, the Organization is required to classify resources for reporting purposes on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories and the types of transactions affecting each category follow:

Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of revenues and related expenses associated with the core activities of the Organization.

With Donor Restrictions

Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are contributions and grants with donor-imposed restrictions and expenses which meet the restricted criteria.

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 reported amount of assets, 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. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Functional Allocations of Expenses

Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function related to the respective program and service. The remaining expenses are specifically allocated whenever practical or are allocated based on facility space utilization.

Cash

For purposes of presentation in the statement of cash flows, cash and cash equivalents are defined as cash and any highly liquid investments that have an original maturity of three months or less.

Accounts Receivable

Accounts receivable consists of amounts due from consulting contracts and pledges from individual donors. Accounts receivable are recorded at net realizable value. The Organization utilizes the reserve method to account for uncollectible accounts based upon a review of accounts receivable. It is the policy of management to review the outstanding accounts receivable at year end, as well as, past collection experience, and establish an allowance for potentially uncollectible amounts. Management has reviewed accounts receivable as of June 30, 2023 and 2022. All accounts receivable were deemed to be fully collectible and no allowance for doubtful accounts was required.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within approximately one year at net realizable value. Material unconditional promises to give expected to be collected in future periods are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization has \$110,000 long-term promise to give as of June 30, 2023. However, the effects of discounting are not material to the financial statements. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2023 and 2022 no allowance for uncollectible promises to give was deemed necessary.

Inventories

Inventories, which consist of books, are stated at the lower of cost or net realizable value; cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonable predictable costs of completion, disposal and transportation. The Organization recognizes abnormal amounts of freight and handling costs as current period costs.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Purchased fixed assets are carried at cost. Fixed assets are depreciated using the straight-line method over their estimated useful lives of 3 to 7 years. Repairs and maintenance are charged to operations. Betterments, renewals and purchases of more than \$1,000 are capitalized. Costs incurred for architectural design and changes are capitalized as incurred and will be amortized over the life of any building improvements once completed or written off in the year the planned improvement project is abandoned.

Fair Value Measurements

The Organization's policy establishes a framework for measuring fair value and expands disclosures about fair value measurements by providing a consistent definition of fair value which focuses on an exit price which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The policy also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

Level 1 – Pricing inputs are quoted prices available in active markets for identical investments as of the reporting date. The Organization does not have any instruments meeting the criteria of level 1 inputs.

Level 2 – Pricing inputs are quoted prices for similar investments, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. The Organization does not have any instruments meeting the criteria of Level 2 inputs.

Level 3 – Pricing inputs include unobservable inputs that reflect the reporting entity's own presumptions about the assumptions market participants would use in pricing the asset or liability, which are developed based on the best information available. The Organization does not have any instruments meeting the criteria of Level 3 inputs.

The Organization does not have any assets or liabilities that are recorded at fair value on a recurring basis.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Fair Value Measurements (continued)

Assets and liabilities measured at fair value on a non-recurring basis are recognized at fair value subsequent to initial recognition when they are deemed to be impaired. As of June 30, 2023 and 2022, the Organization's assets subject to measurement at fair value on a non-recurring basis are fixed assets. The carrying value of the Organization's fixed assets has not been impaired, therefore these assets are measured at cost as of June 30, 2023 and 2022.

Contributions/Support Recognition

The Organization complies with Accounting Standards Codification Topic 958-605, "Not-for-Profit Entities Revenue Recognition" (ASC 958-605), issued by the Financial Accounting Standards Board. Under these standards, contributions are recognized as revenues when they are received or unconditionally pledged.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributions are released from revenue with donor restrictions and/or net assets upon the satisfaction of donor-imposed restrictions or passage of time over the grant period, typically between 1 to 3-year periods. In addition, the Organization recognizes revenue on reimbursement-based grants as costs are incurred by the Organization and available for reimbursement in compliance with grant guidelines.

Contributed Goods and Services

The Organization receives donated office space, goods, and services. Donated office space, goods and services are valued at fair value, as well as any discount between the amount paid for and fair value of the office space, goods or services and reported in the accompanying statement of activities and changes in net assets. For the years ended June 30, 2023 and 2022, the estimated fair value of donated office space (rent), goods, advertising, accounting, legal, and architectural services accounted for as revenue amounted to \$130,519 and \$92,152, respectively. For the years ended June 30, 2023 and 2022, contributed furniture and legal services amounting to \$11,825 and \$2,403, respectively, were capitalized in the accompanying statement of financial position.

A number of unpaid volunteers, including members of the Board, have made significant contributions of their time to develop and promote the Organization. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation and such services do not meet the recognition criteria established by ASC 958-605.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Contributed Goods and Services (continued)

During the year ended June 30, 2023 and 2022, the Organization occupied office space in Somerville, Massachusetts under a tenant at-will agreement whereby the Organization received in-kind rent. In-kind rent amounted to \$62,280 and \$31,140 for the years ended June 30, 2023 and 2022, respectively, and is accounted for as in-kind revenue and in-kind rent expense.

The Organization received in-kind professional services from law firms. The related services are accounted for as contributed services revenue and legal expense included in professional fees on the accompanying statement of functional expenses. In-kind professional legal services amounted to \$39,437 and \$24,341 for the years ended June 30, 2023 and 2022, respectively.

Advertising Costs

Advertising costs are generally expensed in the period incurred. Advertising expense amounted to \$11,603 and \$13,111 for the years ended June 30, 2023 and 2022, respectively, and is included on the statement of functional expenses.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is required to complete and timely file an annual information return with the Internal Revenue Service, the Commonwealth of Massachusetts and the State of New York. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Organization has either filed or extended the time to file the annual information returns and has neither received nor been notified by any federal or state taxing authorities of any matters that would need to be disclosed in the accompanying financial statements.

The Financial Accounting Standards Board (FASB) issued ASC Topic 740, "Income taxes" (ASC 740). ASC 740 clarifies the accounting for income taxes by prescribing a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined in ASC 740 as a tax position that is more likely than not to be sustained upon examination by the applicable tax authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The uncertain tax position standard must be applied to all existing tax positions upon initial adoption.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

As of June 30, 2023 and 2022, the Organization had no material unrecognized tax benefits and no adjustments to liabilities or its activities were required under ASC 740. The Organization's practice was and continues to be to recognize interest and penalty expenses related to uncertain tax positions in income tax expense, which were zero for the years ended June 30, 2023 and 2022, respectively. Typically, the Organization's three preceding tax years are subject to examination by federal and state taxing authorities. There are no tax examinations currently in process.

The Organization evaluates its uncertain tax positions using the provisions of the Accounting Standards Codification ("ASC") 450, Contingencies. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

Government Assistance

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law providing numerous tax provisions and other stimulus measures, including an employee retention credit ("ERC"), which is a refundable tax credit against certain employment taxes. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021 extended and expanded the availability of the ERC. The ERC is available through September 30, 2021 if an employer meets certain criteria. The Organization qualified for the credit during the year ended June 30, 2023, and recorded a benefit of \$706,345 in revenues, gains and other support in the Organization's statement of activities and is included in the line titled "tax credit receivable" in the Organization's statement of financial position at June 30, 2023. On September 14, 2023, the Internal Revenue Services (IRS) issued a moratorium on processing ERC claims. Subsequent to year-end \$464,987 has been received, the remaining receivable was treated as a long-term asset. At June 30, 2023, no allowance was deemed necessary.

Reclassification

Certain amounts in the 2022 financial statements have been reclassified to conform with the 2023 presentation. These reclassifications had no effect on amounts reported in the 2022 financial statements.

Subsequent Events

Management has evaluated subsequent events through January 12, 2024, the date the financial statements were available to be issued.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 3 – Promises to Give

As of June 30, 2023 and 2022, promises to give amounted to \$763,966 and \$775,306, respectively. Promises to give as of June 30, 2022 were collected in full during the year ended June 30, 2023. Of the amount pledged as of June 30, 2023, \$653,966 is considered to be collected within the next fiscal year. The long-term promise to give totaling \$110,000 and \$25,000 was not discounted since the effects of discounting are not material to the financial statements as of June 30, 2023 and 2022, respectively. No allowance for uncollectible promises to give was deemed necessary as of June 30, 2023 and 2022.

The Organization has two conditional multi-year grants with donor-imposed conditions to be met in stages. The first 5-year grant totaling \$560,000 is to be used for a program. A portion of the grant amounting to \$224,000 has been recognized as grant revenue through June 30, 2023 on this grant. The remaining \$336,000 will be recognized as revenue as the conditions stipulated in the grant agreement are met, which is expected to be in equal installments over the remaining 3 years of the grant. The second 10-year conditional grant amounted to \$350,000. Currently, \$70,000 grant revenue was recognized during the year ended June 30, 2023, and the remaining \$280,000 will be recognized as revenue as the conditions stipulated in the grant agreement are met, which is expected to be in equal installments over the remaining 8 years of the grant.

Note 4 – Property and Equipment, Net

A summary of the major components of property and equipment at June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Computer and equipment	\$ 189,059	\$ 189,059
Furniture and fixtures	40,922	22,267
Architectural costs	325,261	105,990
Leasehold improvements	153,075	4,575
Other depreciable property	<u>3,920</u>	<u>3,920</u>
	712,237	325,811
Accumulated depreciation	<u>(196,322)</u>	<u>(178,356)</u>
	<u>\$ 515,915</u>	<u>\$ 147,455</u>

Depreciation expense for the years ended June 30, 2023 and 2022 amounted to \$17,966 and \$17,015, respectively.

Note 5 – Line of Credit, Bank

The Organization has a line of credit agreement with a bank. The maximum borrowings available under the line of credit agreement are \$300,000 and secured by principally all assets of the Organization. Borrowings are due on demand and bear interest at the prime lending rate plus .75% (9.00% and 5.50% respectively as of June 30, 2023 and 2022). As of June 30, 2023 and 2022, there were no borrowings outstanding under the agreement.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 6 – Bridge Loan, Bank

The Organization has a commercial mortgage – bridge loan agreement with a bank. The maximum borrowing available under the line of credit agreement are \$1,500,000 and collateralized by 1st mortgage on the subject property along with an assignment of leases and rents, and assignment of grants and pledges. The interest rate would be fixed at closing at 3.00% above the 3-year Treasury with a floor of 6.49%. The term of the loan would be up to thirty-six months. As of June 30, 2023 and 2022, there were no borrowings outstanding under the agreement.

Note 7 – Financial Assets and Liquidity Resources

Financial assets consist of cash, receivables and promises to give expected to be collected within one year of the statement of financial position. General expenditures consist of operating expenses, investment expenses, and capital expenditures not financed with debt.

As of June 30, 2023 and 2022, financial assets available within one year for general expenditure were as follows:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end	\$ 1,871,175	\$ 1,368,734
Less those unavailable for general expenditures within one year, due to:		
Long term tax credit receivable	(241,358)	-
Long term promises to give	(110,000)	(25,000)
Donor-restricted assets related to time or purpose restrictions	<u>(807,864)</u>	<u>(480,547)</u>
Total financial assets available within one year	<u>\$ 711,953</u>	<u>\$ 863,187</u>

Note 8 – Commitments and Contingent Liabilities

Finance Lease

The Organization leased an office equipment under a noncancelable finance lease agreement, expiring in April 2024. The amounts recognized as a right-of-use asset and lease liability related to the finance lease agreement are included in the accompanying statement of financial position. As of June 30, 2023, the right-of-use asset and lease liability related to the finance lease were as follows:

	<u>2023</u>
Finance lease right-of-use asset	<u>\$ 7,649</u>
Finance lease liability:	
Current portion of finance lease liability	<u>\$ 7,757</u>
Total finance lease liability	<u>\$ 7,757</u>

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 8 – Commitments and Contingent Liabilities (continued)

Finance Lease (continued)

The amounts recognized as rent expense on the statement of activities for finance lease for the year ending June 30, 2023 were as follows:

	<u>2023</u>
Rent expense:	
Right-of-use asset lease	\$ 9,178
Total rent expense	<u>\$ 9,178</u>

Supplemental cash flow information for the year ending June 30, 2023, was as follows:

	<u>2023</u>
Finance right of use assets obtained in exchange for new lease obligations	<u>\$ 16,827</u>
Cash paid for amounts included in the measurement of finance lease liabilities	<u>\$ 9,408</u>
Weighted average remaining lease term	0.83 years
Weighted average discount rate	2.84%

The future minimum payments due under the finance lease agreement as of June 30, 2023 are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 7,840
Total payments	7,840
Less: effects of discounting	83
	<u>\$ 7,757</u>

Operating Lease

In May 2023, the Organization leased an office building in Roxbury, Massachusetts under an operating lease agreement expected to expire in April 2028. The Organization also leases a building and parking area in Dorchester, Massachusetts that is expected to expire in November 2026.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 8 – Commitments and Contingent Liabilities (continued)

Operating Lease (continued)

The amounts recognized as a right-of-use asset and lease liability related to the operating lease agreements are included in the accompanying statement of financial position. As of June 30, 2023, the right-of-use asset and lease liability related to the operating leases were as follows:

	<u>2023</u>
Operating lease right-of-use asset	<u>\$ 444,616</u>
Operating lease liability:	
Current portion of operating lease liability	\$ 65,268
Long-term portion of operating lease liability	<u>365,925</u>
Total operating lease liability	<u>\$ 431,193</u>

The amount recognized as rent expense on the statement of activities for operating leases for the year ending June 30, 2023 were as follows:

	<u>2023</u>
Rent expense:	
Right-of-use asset lease	\$ 15,176
Total rent expense	<u>\$ 15,176</u>

Supplemental cash flow information for the year ending June 30, 2023 was as follows:

Operating right of use assets obtained in exchange for new lease obligations	<u>\$ 452,292</u>
Cash paid for amounts included in the measurement of operating lease liabilities	<u>\$ 8,940</u>
Weighted average remaining lease term	4.82 years
Weighted average discount rate	3.63%

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 8 – Commitments and Contingent Liabilities (continued)

Operating Lease (continued)

The future minimum payments due under the operating lease agreements as of June 30, 2023 are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 77,190
2025	96,728
2026	101,494
2027	105,652
2028	91,160
Total payments	472,224
Less: effects of discounting	41,031
	<u>\$ 431,193</u>

Month-to-month Basis Leases

The Organization had a long-term lease agreement for office space in Roxbury, Massachusetts expired on October 31, 2021. This lease was extended on a month-to-month basis and ended in May 2023 when the Organization moved to a new office building. Rent expense for the years ended June 30, 2023 and 2022 amounted to approximately \$55,000 and \$71,000, respectively.

The Organization has two tenant-at-will agreements for its two office spaces in Rochester, New York. The agreements have a base monthly rent of \$1,600 and \$1,350, respectively. Rent expense for each of the years ended June 30, 2023 and 2022 amounted to \$35,400 and \$36,858, respectively.

Real Estate, Sublease Agreement

The Organization has a tenant-at-will agreement for a sublease arrangement for office space located at its Roxbury, Massachusetts location. The total payments received including adjustments for real estate taxes, insurance, and common area maintenance charges totaled approximately \$40,000 and \$35,000 for each of the years ended June 30, 2023 and 2022, respectively, and is included in the accompanying statement of activities.

License Fee Agreement

In addition to the sublease agreement, the Organization has a separate agreement to share in a license fee arrangement with its tenant and an unrelated party. The license fee agreement requires monthly payments of \$1,000 and is automatically renewed in twelve (12) month periods until a written notification terminating the agreement is received. For each of the years ended June 30, 2023 and 2022, the payment made to the Organization under the license fee arrangement amounted to \$12,000 and is included in the accompanying statement of activities.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 9 – Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and accounts receivable and promises to give. The Organization maintains its cash in several bank deposit and investment accounts. The investment accounts are not federally insured and the bank balances at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risks on cash and cash equivalents.

The Organization received approximately 7% and 18% of its total support from the Commonwealth under various contracts during the years ended June 30, 2023 and 2022, respectively. Promises to give includes \$215,500 and \$183,700 payable from the Commonwealth as of June 30, 2023 and 2022, respectively. These promises to give balances account for approximately 28% and 24% of total promises to give as of June 30, 2023 and 2022, respectively.

Note 10 – Donor imposed restricted net assets

A summary of activity of donor imposed restricted net assets as of June 30, 2023 is as follows:

	<u>Beginning of Year</u>	<u>Grants and Contributions</u>	<u>Appropriated for Expenditure</u>	<u>End of Year</u>
a) Rochester expansion	\$ 3,334	\$ 112,000	\$ (115,334)	\$ -
b) General operations with time restriction	254,333	282,970	(374,803)	162,500
c) Rochester program	109,963	8,000	(117,963)	-
d) Boston program	112,917	705,087	(316,106)	501,898
e) Boston office	-	143,466	-	143,466
Total	<u>\$ 480,547</u>	<u>\$ 1,251,523</u>	<u>\$ (924,206)</u>	<u>\$ 807,864</u>

A summary of activity of donor imposed restricted net assets as of June 30, 2022 is as follows:

	<u>Beginning of Year</u>	<u>Grants and Contributions</u>	<u>Appropriated for Expenditure</u>	<u>End of Year</u>
a) Rochester expansion	\$ 189,334	\$ 162,000	\$ (348,000)	\$ 3,334
b) General operations with time restriction	40,000	273,640	(59,307)	254,333
c) Rochester program	35,000	198,896	(123,933)	109,963
d) Boston program	85,750	239,885	(212,718)	112,917
Total	<u>\$ 350,084</u>	<u>\$ 874,421</u>	<u>\$ (743,958)</u>	<u>\$ 480,547</u>

As of June 30, 2023 and 2022, none of the net assets with donor restrictions were used for unrestricted purposes prior to fulfilling the donor restrictions.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements Years Ended June 30, 2023 and 2022

Note 11 – Donated Assets

During the fiscal years ended June 30, 2023 and 2022, the Organization received various noncash service and good donation as follows:

Nonfinancial Asset	2023	2022	Usage in Program/Activities	Fair Value Techniques
Advertising	\$ 8,125	\$ -	Program for Exhibit 10	Estimated based on current rates provided by various advertisers
Advertising	800	-	Fundraising	Estimated based on current rates provided by various advertisers
Advertising	-	3,600	Tides Foundation Program	Estimated based on current rates provided by various advertisers.
Advertising	-	1,560	Rochester Capital Campaign	Estimated based on current rates provided by various advertisers.
Fundraising event goods and services	4,595	7,960	Fundraising	Estimated based on current rates of services provided by various information technology company.
Information technology services	3,457	6,747	Rochester Program	Estimated based on current rates of goods and services provided by various providers.
Legal Services	37,034	4,485	General and Administrative	Estimated based on current rates of legal services provided by law firm.
Legal Services	-	19,856	Rochester Capital Campaign	Estimated based on current rates of legal services provided by law firm.
Legal Services	2,403	-	Capitalized Legal Work for Rochester Building Project	Estimated based on current rates of legal services provided by law firm.
Rent	62,280	31,140	Somerville Program	Comparable commercial rent in proximity to location.
Furnitures and Fixtures	11,825	-	Capitalized donated furniture	Estimated based on current rates of furniture provided by various providers
Software	-	1,804	General and Administrative	Estimate based on sale price provided by major software company.
Video Editing Service	-	15,000	Boston Program	Estimated based on current rates of video services provided by video editors.
	<u>\$ 130,519</u>	<u>\$ 92,152</u>		

Note 12 – Employee Benefit Plans

Professional Employer Organization

During November 2021, the Organization joined a Professional Employer Organization (PEO), to manage their payroll, payroll taxes and employee benefits including retirement. The PEO bills the Organization monthly, based on payroll, payroll taxes and employee benefit usage.

Flexible Benefits Plan

The Organization had a cafeteria plan under Section 125 of the Internal Revenue Service Code. The benefits offered to employees of the Organization through salary reduction were medical and dental reimbursement. In November 2021 this was rolled into a PEO plan.

Retirement Plan

The Organization maintained a retirement plan under Section 403(b) of the Internal Revenue Code. The plan allowed eligible employees to defer a portion of their annual compensation up to the maximum permitted under the Internal Revenue Code and allowed the Organization to make discretionary contributions under the plan. No contributions were made during the years ended June 30, 2023 and 2022. In November 2021, this plan was rolled into a PEO Plan.

The Center for Teen Empowerment, Inc.

Notes to Financial Statements
Years Ended June 30, 2023 and 2022

Note 13 – Allocation of Joint Costs

During the years ended June 30, 2023 and 2022, the Organization incurred joint costs totaling \$92,542 and \$77,745, respectively, for direct expenses incurred at fundraising events that included the dissemination of mission-based programming and materials, as well as, fundraising appeals. Of those costs, no expenses were allocated to fundraising during the years ended June 30, 2023 and 2022, and \$92,542 and \$77,745, respectively, were allocated to program services.