**YOUTHPRISE**

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For The Years Ended
December 31, 2024 and 2023

**YOUTHPRISE**
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REDPATH AND COMPANY

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Youthprise
Minneapolis, Minnesota

**Opinion**

We have audited the accompanying financial statements of Youthprise (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 Youthprise as of December 31, 2024 and 2023, 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. The audit of the financial statements as of December 31, 2023, and for the year then ended was also conducted in accordance with *Governmental Auditing Standards* issued by the Comptroller General of the United States (GAGAS). 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 Youthprise and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of 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 Youthprise'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 Responsibilities for the Audit of 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 Youthprise'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 Youthprise'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.

Redpath and Company, LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

September 17, 2025

# FINANCIAL STATEMENTS

**YOUTHPRISE**
STATEMENTS OF FINANCIAL POSITION **Statement 1**
December 31, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| Assets: | | |
| Current assets: | | |
| Cash and cash equivalents | $10,127,206 | $11,305,530 |
| Certificates of deposit | 737,534 | - |
| Contributions and grants receivable | 2,907,618 | 4,999,953 |
| Other receivables | 46,443 | 111,442 |
| Inventory | 3,383 | 5,771 |
| Prepaid expenses | 98,621 | 63,781 |
| Refundable advance, grants disbursed | 901,545 | 195,417 |
| Fiscal agency receivable | 2,758,196 | 1,136,686 |
| Total current assets | 17,580,546 | 17,818,580 |
| Security deposits | 9,775 | 9,200 |
| Long-term contributions and grants receivable, net of discount | - | 1,436,782 |
| Right-of-use asset - operating lease | 14,275 | 85,651 |
| Fixed assets, net | 6,111 | 22,989 |
| Total assets | $17,610,707 | $19,373,202 |
| Liabilities and net assets: | | |
| Current liabilities: | | |
| Accounts payable | $109,587 | ($4,647) |
| Grants payable | 560,435 | 361,180 |
| Accrued liabilities | 258,626 | 205,905 |
| Refundable advance, grants received | 907,199 | 874,626 |
| Lease liability - operating lease, current portion | 15,825 | 81,187 |
| Total current liabilities | 1,851,672 | 1,518,251 |
| Noncurrent liabilities: | | |
| Lease liability - operating lease, net of current portion | - | 13,765 |
| Total liabilities | 1,851,672 | 1,532,016 |
| Net assets: | | |
| Without donor restrictions: | | |
| Undesignated | 2,503,324 | 2,497,592 |
| Designated by the Board for working capital reserve | 1,000,000 | 1,000,000 |
| Total without donor restrictions | 3,503,324 | 3,497,592 |
| With donor restrictions | 12,255,711 | 14,343,594 |
| Total net assets | 15,759,035 | 17,841,186 |
| Total liabilities and net assets | $17,610,707 | $19,373,202 |

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

**YOUTHPRISE**
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2024 and 2023

**Statement 2**

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Support and revenues: | | | | | | |
| Contributions and grants | $3,716,939 | $3,904,636 | $7,621,575 | $1,963,404 | $15,373,335 | $17,336,739 |
| Donated goods and services | 5,600 | - | 5,600 | 10,145 | - | 10,145 |
| Contract fee for service | 155,859 | - | 155,859 | 269,851 | - | 269,851 |
| Interest income | 269,893 | - | 269,893 | 144,214 | - | 144,214 |
| Miscellaneous income | 29,206 | - | 29,206 | 34,384 | - | 34,384 |
| Net support and revenue | 4,177,497 | 3,904,636 | 8,082,133 | 2,421,998 | 15,373,335 | 17,795,333 |
| Net assets released from restriction | 5,992,519 | (5,992,519) | - | 4,979,916 | (4,979,916) | - |
| Total support and revenues | 10,170,016 | (2,087,883) | 8,082,133 | 7,401,914 | 10,393,419 | 17,795,333 |
| Expenses: | | | | | | |
| Program services | 8,414,969 | - | 8,414,969 | 5,527,833 | - | 5,527,833 |
| Supportive services: | | | | | | |
| Management and general | 1,117,026 | - | 1,117,026 | 1,231,455 | - | 1,231,455 |
| Fundraising | 632,289 | - | 632,289 | 626,000 | - | 626,000 |
| Total expenses | 10,164,284 | 0 | 10,164,284 | 7,385,288 | 0 | 7,385,288 |
| Change in net assets | 5,732 | (2,087,883) | (2,082,151) | 16,626 | 10,393,419 | 10,410,045 |
| Net assets - beginning of year | 3,497,592 | 14,343,594 | 17,841,186 | 3,480,966 | 3,950,175 | 7,431,141 |
| Net assets - end of year | $3,503,324 | $12,255,711 | $15,759,035 | $3,497,592 | $14,343,594 | $17,841,186 |

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

**YOUTHPRISE**
STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended December 31, 2024 and 2023

**Statement 3**

| | 2024 | | | |
|---|---|---|---|---|
| | | Supporting Services | | |
| | Program Services | Management and General | Fundraising | Total |
| Expenses: | | | | |
| Strategic investments | $5,256,120 | $ - | $25,000 | $5,281,120 |
| Salaries | 1,872,315 | 457,163 | 407,053 | 2,736,531 |
| Benefits and payroll taxes | 501,113 | 125,098 | 79,222 | 705,433 |
| Fees for services (non-employees): | | | | |
| Management | - | 90,327 | - | 90,327 |
| Legal | - | 29,985 | - | 29,985 |
| Audit | - | 49,563 | - | 49,563 |
| Administrative support | - | 41,872 | - | 41,872 |
| Research | 50,150 | - | - | 50,150 |
| Fundraising | - | - | 108,000 | 108,000 |
| Other | 587,580 | - | - | 587,580 |
| Office expenses | 29,906 | 27,332 | 1,919 | 59,157 |
| Information technology | 65,359 | 75,023 | 6,462 | 146,844 |
| Occupancy | 4,067 | 196,131 | - | 200,198 |
| Travel | 36,125 | 3,607 | 3,656 | 43,388 |
| Depreciation | 3,333 | 13,545 | - | 16,878 |
| Insurance and other expenses | 8,901 | 7,380 | 977 | 17,258 |
| Total expenses | $8,414,969 | $1,117,026 | $632,289 | $10,164,284 |

| | 2023 | | | |
|---|---|---|---|---|
| | | Supporting Services | | |
| | Program Services | Management and General | Fundraising | Total |
| Expenses: | | | | |
| Strategic investments | $2,516,387 | $13,080 | $ - | $2,529,467 |
| Salaries | 1,769,215 | 339,140 | 434,910 | 2,543,265 |
| Benefits and payroll taxes | 498,463 | 79,076 | 90,550 | 668,089 |
| Fees for services (non-employees): | | | | |
| Management | 1,717 | 217,632 | - | 219,349 |
| Legal | - | 24,349 | - | 24,349 |
| Audit | 10,700 | 41,350 | - | 52,050 |
| Administrative support | 1,320 | 157,699 | - | 159,019 |
| Research | 26,684 | - | - | 26,684 |
| Evaluation | 19,400 | - | - | 19,400 |
| Fundraising | - | - | 76,383 | 76,383 |
| Other | 492,185 | - | - | 492,185 |
| Office expenses | 40,804 | 32,869 | 1,454 | 75,127 |
| Information technology | 90,655 | 83,970 | 9,184 | 183,809 |
| Occupancy | 1,902 | 174,798 | - | 176,700 |
| Travel | 44,807 | 9,472 | 2,141 | 56,420 |
| Depreciation | 555 | 14,777 | - | 15,332 |
| Insurance and other expenses | 13,039 | 43,243 | 11,378 | 67,660 |
| Total expenses | $5,527,833 | $1,231,455 | $626,000 | $7,385,288 |

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

**YOUTHPRISE**
STATEMENTS OF CASH FLOWS **Statement 4**
For The Years Ended December 31, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| Cash flows from operating activities: | | |
| Change in net assets | ($2,082,151) | $10,410,045 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 16,878 | 15,332 |
| Noncash operating lease expense | (8,326) | (6,071) |
| Accrued interest on certificates of deposit | (17,534) | - |
| Changes in assets and liabilities: | | |
| (Increase) decrease in contributions and grants receivable | 3,529,117 | (4,727,065) |
| (Increase) decrease in other receivables | 64,999 | (66,902) |
| (Increase) decrease in inventory | 2,388 | 2,189 |
| (Increase) decrease in prepaid expenses | (34,840) | (24,283) |
| (Increase) decrease in refundable advance, grants disbursed | (706,128) | (152,053) |
| (Increase) decrease in fiscal agency receivable | (1,621,510) | (52,491) |
| Increase (decrease) in accounts payable | 114,234 | (32,337) |
| Increase (decrease) in grants payable | 199,255 | (58,554) |
| Increase (decrease) in accrued liabilities | 52,721 | (11,944) |
| Increase (decrease) in refundable advance, grants received | 32,573 | 191,504 |
| Net cash provided (used) by operating activities | (458,324) | 5,487,370 |
| Cash flows from investing activities: | | |
| Purchases of certificates of deposit | (720,000) | - |
| Purchase of property and equipment | - | (9,999) |
| Net cash used by investing activities | (720,000) | (9,999) |
| Net increase (decrease) in cash and cash equivalents | (1,178,324) | 5,477,371 |
| Cash and cash equivalents - beginning of year | 11,305,530 | 5,828,159 |
| Cash and cash equivalents - end of year | $10,127,206 | $11,305,530 |

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

## Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. NATURE OF ACTIVITIES

Youthprise (the Organization) is a Minnesota not-for-profit 501(c)(3) corporation established in 2010 by The McKnight Foundation. Youthprise is a youth-centered philanthropic organization that invests in the future of Minnesota by investing in youth. Our mission is to increase equity with and for Minnesota's Indigenous, low-income, and racially diverse youth. We envision a Minnesota where outcomes for youth are no longer predictable by race, geography, or socioeconomic status. We strategically combine funding, capacity building, policy advocacy, and research, and authentically engage young people in our governance and operations.

Building Power through Learning and Leadership: We invest in learning opportunities that build knowledge, power, and agency among our youth; we support and amplify youth as leaders by building networks, developmental opportunities, and shifting policy/laws. Youthprise promotes the learning, leadership, and social-emotional development of youth. Programs and initiatives supported in this area expose youth to arts and culture, enrichment activities, technical assistance, and youth leadership opportunities. We seek to shift how programs interact with youth and support programs that engage youth in leadership and governance, a practice we model at Youthprise. We embed young people across all areas of our organization, and we have a goal of 50% representation of youth on our Board of Directors. In 2024, Youthprise supported organizations and activities that center young people in decisions impacting them through training and technical assistance, as well as financial investment. Among our activities in this area was an investment in a cross-state initiative to co-design afterschool systems in six locations across the country. In 2024, Youthprise invested $1.2 million in Learning and Leadership grants and strategic investments.

Advancing Ownership & Wealth through Economic Opportunity: Youthprise creates opportunities for economic prosperity by supporting programs and initiatives that build workforce skills, promote youth entrepreneurship, and expose youth to career pathways. Youthprise works with stakeholders across sectors to equip young people with the economic tools to thrive. In 2024, Youthprise awarded grants to community partners through our Opportunity Reboot program and other initiatives that work to connect young people with career pathways in high-demand industries; provide wraparound support such as mentoring and referrals for basic needs; and opportunities to earn industry-recognized credentials in areas and disciplines such as OSHA 10, NCCER Core Crafts in construction, Certified Nursing Assistant, and Personal Care Assistant. In 2024, Youthprise invested nearly $2.7 million in Economic Opportunity grants and strategic investments.

Promoting Healing through Health and Safety: Youthprise supports programs and initiatives that promote the health and safety of young people. We champion work that promotes the healing of our youth and their right to health and safety. In addition to meeting basic food needs through our Nutrition Program, we work with community-based organizations to link healthy lifestyles with good nutrition. We take a holistic approach to health and safety and advance intervention strategies that prevent the criminalization of youth, which can pose a threat to public safety. In 2024, Youthprise supported over 40 Nutrition sites across the Twin Cities metro region, distributing 210,262 meals and snacks to school-age children and youth. Additionally, we supported 25 Twin Cities-based organizations through a cohort-based grantmaking and technical assistance initiative focused on non-clinical mental health support for youth. In 2024, Youthprise invested approximately $1.6 million in grants and strategic investments.

## B. BASIS OF PRESENTATION

The financial statements of the Organization have been prepared on the accrual basis of accounting and are presented in accordance with the FASB Accounting Standards Codification (ASC) 958, 'Not-for-profit Entities'. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets with donor restrictions represent contributions to the Organization whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for specific purposes by the Organization itself does not constitute a basis for reclassifying them as net assets with donor restrictions.

## C. ACCOUNTING 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 related disclosures. Accordingly, actual results could differ from those estimates.

## D. CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At times, bank balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) limit. The Organization has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

## E. CERTIFICATES OF DEPOSIT

Certificates of deposit are recorded at cost which approximates fair market value. Certificates of deposit would potentially subject the Organization to concentration of credit risk for balances held at financial institutions above $250,000 not insured by the FDIC. The Organization uses financial institutions that are part of the Certificate of Deposit Account Registry Service (CDARS) network. Through the CDARS network this allows certificates of deposit with balances over $250,000 to be certified by the FDIC and reduces the concentration of credit risk.

## F. INVENTORY

The Organization has inventory comprised of program-related Chromebooks held for distribution to program recipients, which are recorded at cost.

## G. REFUNDABLE ADVANCES, GRANTS DISBURSED

Grant amounts distributed before grantee incurs qualifying expenditure are reported as refundable advances, grants disbursed, in the statements of financial position. Cost reimbursable grants of $901,545 and $195,417 have not been recognized as strategic investment expenses as of December 31, 2024 and 2023, respectively, because qualifying expenditures have not yet been incurred by grantees.

## H. FISCAL AGENCY ACTIVITY

The Organization had fiscal agent agreements with one grantor in 2024 and two grantors in 2023 to oversee solicitation, funding, and monitoring of services provided to grantees. The grantors determine the direction for services funded, amounts funded, target populations to be served, and provide overall oversight of the program. The Organization provides administration of grants, including conducting a competitive grant process for the disbursement of funds, and then executes and oversees the grant agreements. The Organization administered fiscal agent grant awards of $4,039,518 and $5,270,920 for the years ended December 31, 2024 and 2023, respectively. The portion of the funds received by the Organization for its administration of grants is treated as a contract fee for service revenue once performance obligations are fulfilled. The Organization charged administrative expenses totaling $73,785 and $140,101 for the years ended December 31, 2024 and 2023, respectively. The remainder of the assets held by the Organization, to be distributed to grantees through the competitive grant process, are recorded at fair value. A related liability for future payments to be made to grantees are recorded at fair value. In subsequent years, the liability for future payments is reduced by the actual payments made to the grantees. Fiscal agency receivables were $2,758,196 and $1,136,686 as of December 31, 2024 and 2023, respectively. Assets held in cash and fiscal agency obligation liabilities were $0 as of December 31, 2024 and 2023.

## I. RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES

CONTRIBUTIONS AND GRANTS

Contributions and grants receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions and grants receivable that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using the prime lending rate applicable to the year in which the promise is received. Management provides for uncollectible amounts through an allowance for bad debts based on its assessment of the current status of individual account balances that are still outstanding. Once a receivable balance is determined to be uncollectible, the receivable balance is written off through a charge to the provision for bad debts. There was no allowance for uncollectible accounts as of December 31, 2024 and 2023. Conditional contributions and grants receivable are not included as support until such time as the conditions are substantially met.

CONTRACT FEE FOR SERVICE

Contract fee for service receivables are stated at the amount management expects to collect from outstanding balances. Management reviews the status of the receivables and charges off all accounts which are determined to be uncollectible. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. Accordingly, no allowance for credit losses was deemed necessary at December 31, 2024 and 2023.

## J. REVENUE AND REVENUE RECOGNITION

CONTRIBUTIONS AND GRANTS

The Organization recognizes contributions and grants at fair value when cash or an unconditional promise to give is received. Conditional promises to give, that is, those with measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met (Note 11).

All contributions with donor stipulations that limit their use are reported as restricted revenue when received. For net assets with donor restrictions, when the time or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of net assets as released from restriction. Funding sources may, at their discretion, amend the grant amounts. Reimbursements for expenses or return of funds, or both, may be requested as a result of noncompliance with terms of grants. The Organization records such amendments, reimbursements, and returns of funds as an adjustment to revenue in the year of the amendment.

CONTRACT FEE FOR SERVICE

Contract fee for service revenues are exchange transactions recognized in accordance with ASU 606, upon completion the performance obligations specified in the underlying contract. Revenue is reported at the estimated transaction price, which includes an indirect cost charge for administration, or the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing services. The Organization determines the transaction price based on standard charges for services provided. At contract inception, the Organization assesses the services promised to identify the performance obligations. The performance obligations are considered satisfied once all performance obligations are met.

## K. DONATED GOODS AND SERVICES

Donations of goods are recorded at the estimated fair value on the date received. Contributed services, which require special skill and the Organization would have paid for if not donated, are recorded at their estimated fair value when the services are rendered.

## L. FIXED ASSETS

Fixed assets are stated at cost if purchased by the Organization or at the fair value of the asset at the date of the gift if received by donation. The Organization uses a capitalization threshold of $5,000. Maintenance and repairs of property and equipment are charged to operations, and major renewals are capitalized. Donations of property and equipment are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Depreciation is provided using the straight-line method over estimated useful lives as follows:

| | |
|---|---|
| Leasehold improvements | 7 years |
| Furniture | 7 years |
| Equipment and software | 3 - 7 years |

## M. INCOME TAXES

The Organization is exempt from federal income taxes as a publicly supported organization under Section 501(c)(3) of the Internal Revenue Code. Contributions made to the organization are tax deductible.

A tax expense or benefit from an uncertain income tax position (including tax-exempt status) may be recognized only when it is more likely than not that the position will be sustained upon examination by taxing authorities. Management believes the Organization has no uncertain income tax positions that would result in an accrual, expense, or benefit under the more likely than not standard.

**N. FUNCTIONAL EXPENSES**

The costs of providing programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization maintains a Cost Allocation Plan in conformity with the Office of Management and Budget (OMB) Part 200 for Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. In compliance with these requirements, the Organization classifies expenses into three pools: 1) direct, 2) intermediate indirect, or 3) indirect for facilities and administration (F&A).

Costs that can be identified specifically with one or more projects (cost objectives) are charged directly to the respective project. Costs that are not readily identifiable with one or more projects, but that benefit one or more projects of the organization are assigned to the intermediate indirect cost pool, and allocated across applicable projects on a non-financial base. The Organization has determined that the base which provides the most equitable distribution of intermediate indirect costs is employee hours as reported on electronic timesheets in the two payroll periods that most closely fall within the calendar month. For grant reporting only, costs assigned to indirect F&A are allocated across all programs using a 10% de minimis rate.

**O. RECLASSIFICATION**

Certain reclassifications have been made to the December 31, 2023 presentation to provide comparability to the December 31, 2024 presentation. Total net assets and total changes in net assets are unchanged due to these reclassifications.

## Note 2 LIQUIDITY AND AVAILABILITY

At December 31, 2024, the Organization has $2,373,645 of financial assets available within one year to meet cash needs for general expenditure consisting of cash, cash equivalents of $235,050, certificates of deposit of $737,534, contributions and grants receivable of $1,354,618 and other receivables of $46,443. $11,455,156 of the financial assets are subject to donor, time or other contracted restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

At December 31, 2023, the Organization had $4,294,698 of financial assets available within one year to meet cash needs for general expenditure consisting of cash and cash equivalents of $1,059,012, contributions and grants receivable of $3,124,244 and other receivables of $111,442. $13,559,009 of the financial assets are subject to donor, time or other contracted restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

At December 31, 2024 and 2023, the Organization has board designated net assets of $1,000,000 for a working capital reserve. This amount has not been excluded from financial assets available within one year to meet cash needs for general expenditure as the board could undesignate these net assets if needed.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 60 days of operating expenses.

## Note 3 CONTRIBUTIONS AND GRANTS RECEIVABLE

Collection of contributions and grants receivable at December 31 is expected as follows:

| | 2024 | 2023 |
|---|---|---|
| Amounts due in: | | |
| Less than one year | $2,907,618 | $4,999,953 |
| One to five years | - | 1,500,000 |
| Less: Present value discount | - | (63,218) |
| Total contributions and grants receivable | $2,907,618 | $6,436,735 |

A discount rate of 0% and approximately 4.2% was used as of December 31, 2024 and 2023, respectively. As of December 31, 2024, approximately 52% of contributions receivable was from one grantor. As of December 31, 2023, approximately 69% of contributions receivable was from two grantors.

## Note 4 FIXED ASSETS

Fixed assets at December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Leasehold improvements | $35,398 | $35,398 |
| Furniture | 180,362 | 180,362 |
| Equipment and software | 214,266 | 214,266 |
| Total | 430,026 | 430,026 |
| Less: Accumulated depreciation | (423,915) | (407,037) |
| Net fixed assets | $6,111 | $22,989 |

## Note 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31 consist of the following:

| | 2024 | 2023 |
|---|---|---|
| Restricted for purpose: | | |
| Program and administration support | $5,508,357 | $5,804,542 |
| Cultural wellness and healing for urban youth of color | 2,262,345 | 3,000,000 |
| Afterschool infrastructure youth voice | 1,070,984 | 1,681,796 |
| Opportunity youth network | 623,038 | 190,910 |
| Opportunity reboot | 460,071 | 768,318 |
| Nutrition program | 368,307 | 369,051 |
| Closing the gaps cohort | 205,827 | - |
| Youth innovation | 327,782 | - |
| Northfield youth | 112,538 | - |
| Youth entrepreneurs | 89,006 | - |
| Everybody's in | 44,088 | 49,205 |
| Minnesota afterschool advance | - | 311,648 |
| Youth participatory action research | - | 19,495 |
| Other | 64,479 | 1,364,045 |
| Total restricted for purpose | 11,136,822 | 13,559,010 |
| Restricted for time | 1,118,889 | 784,584 |
| Total net assets with donor restrictions | $12,255,711 | $14,343,594 |

Some net assets restricted for purpose are also restricted for time.

## Note 6 DONATED GOODS AND SERVICES

Donated goods are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. No donated goods or services were reported as contributions with donor restrictions in 2024. Donated goods and services are recorded as contributions in the accompanying statements at their estimated fair market values at the date of receipt, based on the estimated US wholesale prices of identical or similar products or services using pricing data under a 'like-kind' methodology considering the goods or services condition and utility for use at the time of the contribution. The Organization received $5,600 and $10,145 of donated goods for 2024 and 2023, respectively. Donated goods were used as Spread Joy Gifts to Youthprise's Minnesota Afterschool Advance families and towards Nutrition program.

## Note 7 REVENUE CONCENTRATIONS

The Organization received 40% of contribution and grant revenue from one foundation and two governmental entities for 2024. The Organization received 57% of contribution and grant revenue from two foundations for 2023.

## Note 8 RETIREMENT PLAN

The Organization sponsors a retirement plan for all employees pursuant to section 403(b) of the Internal Revenue Code. Retirement expense was $122,056 and $124,628 for 2024 and 2023, respectively.

## Note 9 STRATEGIC INVESTMENTS

During 2024 and 2023, the Board of Directors approved $5,281,120 and $2,529,467 in contracts, leveraging matching grants, challenge grants, and field-building efforts to provide technical assistance (excluding fiscal agency activity described in Note 1.H.). These contracts, leverage matching grants and challenge grants are recognized as the services are provided, or the conditions of the leverage matching grants or challenge grants are met.

## Note 10 LEASED FACILITIES AND EQUIPMENT

The Organization maintains a lease agreement for its administrative and program office, covering the period from November 15, 2017 through February 28, 2025. The lease is recorded in the Organization's assets and liabilities for its right-of-use of the asset for the lease term. Leased office expenses are straight-lined over the life of the lease.

The lease includes base rent and variable additional rent for taxes and operating costs. The Organization has two options to extend the lease for five years each. These options are not recognized as part of the Organization's lease-related assets and liabilities. The operating lease liability was determined using a present value rate of 2.28% based on comparable U.S. Treasury bond rates.

The remaining minimum future lease payments for the operating lease base rent is $15,825 for 2025.

A telephone system is also rented on a month-to-month basis. Total 2024 and 2023 rent and equipment lease expenses were $200,198 and $176,700, respectively.

## Note 11 CONDITIONAL GRANTS

Conditional grants are recognized as revenue as the conditions are met. Conditional grants awarded to the Organization at December 31 are as follows:

- A five-year conditional grant of $2,000,000 was awarded in 2019. As of December 31, 2024 and 2023, approximately $669,000 and $319,000 of cumulative grant revenue has been recognized, respectively. Revenue will be recognized as the Organization incurs qualifying expenditures and required reports are submitted in accordance with the grant agreement. The grant ended in 2024, therefore no further grant revenue will be recognized.

## Note 12 COMMITMENTS AND CONTINGENCIES

GRANT COMPLIANCE AUDITS

The continuation of funding from federal and other sources is contingent upon availability of funds and project performance. The funds are awarded annually based either upon receipt and approval of a program application or upon completion of a performance review. In addition, expenditures made under federal grants are subject to review and audit by the grantor agencies. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowances at the time the final assessment is made.

A recent monitoring visit by the Minnesota Department of Employment and Economic Development (MN DEED) identified approximately $214,000 in unsubstantiated payments made by a subgrantee. It is not expected that the subgrantee will provide adequate substantiation for these expenditures, and MN DEED has communicated its intent to seek repayment for the unsubstantiated claims. Management is currently in discussions with MN DEED regarding whether the Organization or the subgrantee will ultimately be responsible for the repayment. In addition, MN DEED has indicated that it is seeking repayment of administrative costs in excess of 10% of the final substantiated expenditures, which total approximately $110,000.

Management has assessed the likelihood of the Organization being held liable for these repayments as less than probable. Accordingly, no liability has been recorded as of December 31, 2024. Should it later be determined that the Organization is required to refund any amounts, a liability will be recognized at that time. The Organization would then also pursue reimbursement from the subgrantee.

PAYCHECK PROTECTION PROGRAM LOAN

The Organization entered into an unsecured loan agreement on April 17, 2020 for $308,900, pursuant to the Paycheck Protection Program. The Organization recognized the full amount as revenue in fiscal year 2021, upon receiving notification of full forgiveness by the SBA, which occurred on April 26, 2021. Loan forgiveness is subject to a six-year audit period.

## Note 13 SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 17, 2025, the date that the report was available to be issued.