

GREATER MINNEAPOLIS CRISIS NURSERY
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022



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**GREATER MINNEAPOLIS CRISIS NURSERY
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



INDEPENDENT AUDITORS' REPORT

Board of Directors
Greater Minneapolis Crisis Nursery
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Greater Minneapolis Crisis Nursery (a nonprofit organization), which comprise the statements 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 Greater Minneapolis Crisis Nursery 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Minneapolis Crisis Nursery 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 Greater Minneapolis Crisis Nursery's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 2, 2023

GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,775,245	\$ 1,855,481
Promises to Give, Less Allowance for Uncollectible		
Promises of \$13,020 in 2023 and \$23,691 in 2022	139,206	78,950
Government Grants Receivable	133,549	192,126
Other Receivables	7,553	34,790
Prepaid Expenses	14,152	20,622
Total Current Assets	2,069,705	2,181,969
OTHER ASSETS		
Intangible Asset	40,000	40,000
Property and Equipment, Net	1,949,836	1,906,827
Long-Term Promises to Give, Net of Current Portion	-	25,000
Total Other Assets	1,989,836	1,971,827
Total Assets	\$ 4,059,541	\$ 4,153,796
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 116,486	\$ 78,625
Accrued Expenses and Other Liabilities	163,958	127,401
Total Liabilities	280,444	206,026
NET ASSETS		
Without Donor Restrictions	3,420,825	3,611,723
With Donor Restrictions	358,272	336,047
Total Net Assets	3,779,097	3,947,770
Total Liabilities and Net Assets	\$ 4,059,541	\$ 4,153,796

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE						
Public Support:						
Contributions and Grants	\$ 2,050,171	\$ 326,744	\$ 2,376,915	\$ 2,183,145	\$ 386,214	\$ 2,569,359
United Way	-	-	-	78,744	-	78,744
Government Grants	975,646	-	975,646	941,398	-	941,398
PPP Loan Forgiveness	-	-	-	-	-	-
In-Kind Contributions	106,709	-	106,709	102,141	-	102,141
Special Events Revenues	756,215	-	756,215	560,525	-	560,525
Special Events Expenses	(179,973)	-	(179,973)	(132,010)	-	(132,010)
Total Public Support	3,708,768	326,744	4,035,512	3,733,943	386,214	4,120,157
Other Revenue	21,597	-	21,597	442	-	442
Net Assets Released from Restrictions	304,519	(304,519)	-	245,095	(245,095)	-
Total Public Support and Revenue	4,034,884	22,225	4,057,109	3,979,480	141,119	4,120,599
EXPENSES						
Program Services	3,070,824	-	3,070,824	2,309,474	-	2,309,474
Supporting Activities:						
Management and General	585,847	-	585,847	404,136	-	404,136
Fundraising	569,111	-	569,111	475,516	-	475,516
Total Supporting Activities	1,154,958	-	1,154,958	879,652	-	879,652
Total Expenses	4,225,782	-	4,225,782	3,189,126	-	3,189,126
CHANGE IN NET ASSETS	(190,898)	22,225	(168,673)	790,354	141,119	931,473
Net Assets - Beginning of Year	3,611,723	336,047	3,947,770	2,821,369	194,928	3,016,297
NET ASSETS - END OF YEAR	<u>\$ 3,420,825</u>	<u>\$ 358,272</u>	<u>\$ 3,779,097</u>	<u>\$ 3,611,723</u>	<u>\$ 336,047</u>	<u>\$ 3,947,770</u>

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Supporting Activities				Total
	Program Services	Management and General	Fundraising	Total Supporting Activities	
Salaries	\$ 1,924,027	\$ 368,946	\$ 356,813	\$ 725,759	\$ 2,649,786
Benefits	143,237	28,847	25,647	54,494	197,731
Payroll Taxes	229,632	60,489	52,372	112,861	342,493
Total Salaries and Related	<u>2,296,896</u>	<u>458,282</u>	<u>434,832</u>	<u>893,114</u>	<u>3,190,010</u>
Contract Services	194,865	45,103	25,101	70,204	265,069
Child Care and Parent Program General Expense	109,128	9,723	15,220	24,943	134,071
Medical Supplies and Assessments	8,277	-	-	-	8,277
Event Expenses	-	-	179,973	179,973	179,973
Food Service	89,194	-	-	-	89,194
Occupancy	64,516	10,101	2,886	12,987	77,503
Repairs and Maintenance	50,103	11,064	2,255	13,319	63,422
Printing and Publications	7,663	2,847	16,853	19,700	27,363
Professional Fees	66,438	4,099	11,176	15,275	81,713
Insurance	33,699	7,873	4,936	12,809	46,508
Staff Education and Development	22,541	6,452	1,124	7,576	30,117
Public Relations	-	-	37,033	37,033	37,033
Office Supplies and Expenses	4,057	410	490	900	4,957
Postage and Shipping	308	660	8,973	9,633	9,941
Travel	4,499	160	86	246	4,745
Bad Debt Expense	-	7,955	341	8,296	8,296
Other Expenses	604	179	89	268	872
Total Expenses Before Depreciation and Amortization	<u>2,952,788</u>	<u>564,908</u>	<u>741,368</u>	<u>1,306,276</u>	<u>4,259,064</u>
Depreciation and Amortization	118,036	20,939	7,716	28,655	146,691
Total	<u>3,070,824</u>	<u>585,847</u>	<u>749,084</u>	<u>1,334,931</u>	<u>4,405,755</u>
Expenses Netted Against Revenues	<u>-</u>	<u>-</u>	<u>(179,973)</u>	<u>(179,973)</u>	<u>(179,973)</u>
Total Expenses by Function	<u>\$ 3,070,824</u>	<u>\$ 585,847</u>	<u>\$ 569,111</u>	<u>\$ 1,154,958</u>	<u>\$ 4,225,782</u>

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Supporting Activities				Total
	Program Services	Management and General	Fundraising	Total Supporting Activities	
Salaries	\$ 1,439,094	\$ 277,660	\$ 297,833	\$ 575,493	\$ 2,014,587
Benefits	105,515	12,231	20,599	32,830	138,345
Payroll Taxes	246,873	9,805	51,020	60,825	307,698
Total Salaries and Related	1,791,482	299,696	369,452	669,148	2,460,630
Contract Services	86,391	21,870	16,049	37,919	124,310
Child Care and Parent Program General Expense	61,646	9,904	27,316	37,220	98,866
Medical Supplies and Assessments	2,763	-	-	-	2,763
Event Expenses	-	-	132,010	132,010	132,010
Food Service	36,119	-	-	-	36,119
Occupancy	50,411	9,921	2,732	12,653	63,064
Repairs and Maintenance	47,869	7,405	2,265	9,670	57,539
Printing and Publications	4,453	1,193	20,332	21,525	25,978
Professional Fees	68,386	12,835	8,190	21,025	89,411
Insurance	23,518	15,950	3,203	19,153	42,671
Staff Education and Development	9,698	5,853	1,748	7,601	17,299
Public Relations	-	-	7,408	7,408	7,408
Office Supplies and Expenses	2,704	2,252	249	2,501	5,205
Postage and Shipping	231	(1,370)	6,842	5,472	5,703
Travel	1,785	217	95	312	2,097
Other Expenses	1,865	206	970	1,176	3,041
Total Expenses Before Depreciation and Amortization	2,189,321	385,932	598,861	984,793	3,174,114
Depreciation and Amortization	120,153	18,204	8,665	26,869	147,022
Total	2,309,474	404,136	607,526	1,011,662	3,321,136
Expenses Netted Against Revenues		-	(132,010)	(132,010)	(132,010)
Total Expenses by Function	\$ 2,309,474	\$ 404,136	\$ 475,516	\$ 879,652	\$ 3,189,126

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (168,673)	\$ 931,473
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	146,691	147,022
Changes in Assets and Liabilities:		
Promises to Give	(35,256)	(67,850)
Government Grants Receivable	85,814	(19,868)
Other Receivables and Prepaid Expenses	6,470	(5,786)
Intangible Asset	-	(40,000)
Accounts Payable	37,861	27,997
Accrued Expenses and Other Liabilities	36,557	(140,751)
Net Cash Provided by Operating Activities	109,464	832,237
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(189,700)	(66,525)
Proceeds from Sale of Property and Equipment	-	1,154
Net Cash Used by Investing Activities	(189,700)	(65,371)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(80,236)	766,866
Cash and Cash Equivalents - Beginning of Year	1,855,481	1,088,615
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,775,243	\$ 1,855,481

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Greater Minneapolis Crisis Nursery (the Nursery) was incorporated under the Minnesota Nonprofit Corporation Act in 1981. In September 1983, GMCN was determined to be a nonprofit 501(c)(3) organization and was also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

The Nursery's mission is to assist in the prevention of child abuse and neglect and create strong, healthy families. The Crisis Nursery provides free, voluntary services 24 hours a day, 365 days a year to families in crisis with young children at risk of abuse or neglect. The families that the Nursery serves are primarily low-income families of which 91% are of color or those identifying as Native or Hispanic, and of those, 61% have annual incomes of \$10,000 or less.

The core program at the Nursery is a residential shelter open 24 hours/365 days per year for at-risk children whose parents are in crisis. Children newborn through age six may stay for up to three nights at a time for 30 nights per year, and parents set developmentally appropriate goals for children during their stay.

The Family Services program offers a 24-hour hotline for parents in crisis through which our Family Advocates provide strength-based crisis de-escalation services and emotional support, community resource connections, and arrange transportation for child placement if needed. The Home Visiting program offers our families a chance to receive home-visiting services if they experience several barriers to stability or could benefit from more intensive support. Our Home Visitors meet weekly with families for up to two years to stabilize crises, meet basic needs, and promote stability through empowerment and validating client strengths.

Rounding off our services is the Adult Mental Health Services program which offers parents that we serve in-home mental health services if they are referred from Family Services or Home Visiting. Our licensed, master's-level clinicians assist parents with anxiety, depression, post-traumatic stress disorder, substance abuse disorders, and other diagnoses related to their own childhood trauma.

The Crisis Nursery's continuum of care programs yield positive results year after year. In the past year, 96% of parents/guardians report the Crisis Nursery helped them alleviate their crisis.

Income Taxes

The Nursery is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Nursery is a nonprivate foundation and contributions to the Nursery qualify as a charitable tax deduction by the contributor. The Nursery's tax returns are subject to review and examination by federal, state, and local authorities.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Nursery has adopted the provisions for accounting for uncertainty in income taxes. This prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of accounting for uncertainty in income taxes had no impact on the Nursery's financial statements.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Nursery considers all cash and other highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Financial Statement Presentation

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

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

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Government Grants

Governmental grant funds are recorded when reimbursements are requested. All governmental grant funds are received on a reimbursement basis.

Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Nursery will record such disallowance at the time the final assessment is made.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Promises to give represent amounts committed by donors that have not been received by the Nursery. The Nursery determines and establishes an allowance for estimated uncollectible promises to give (contributions receivable).

Unconditional promises to give due within the next 12 months from the statements of financial position date are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-adjusted interest rates as of fiscal year-end (i.e., are discounted). Amortization of the discount is included in contributions revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

In-Kind Contributions

Contributions of noncash assets (materials and equipment) are recorded at their fair values in the period received. Contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

Investments

The Nursery receives contributions of equity securities from donors on occasion. It is the policy of the Nursery to sell these equity securities as soon as is reasonably possible. Any equity holdings at year-end are in the process of being sold or are restricted in some way. The Nursery held \$-0- of investments at June 30, 2023 and 2022.

The finance committee of the Nursery has the primary responsibility for directing and monitoring the investment of the Nursery's funds in accordance with the Nursery's investment policy for any investments that are held during the year.

Investment earnings available for distribution are recorded in net assets without donor restrictions on the statements of financial position. If restrictions on investment earnings are fulfilled in the same period in which the earnings are received, the Nursery reports the earnings as without donor restrictions.

Property and Equipment

The Nursery capitalizes all expenditures for property and equipment with a useful life of three or more years, and a cost in excess of \$1,000. Buildings and equipment are recorded at cost, or in the case of contributed property and equipment, at the estimated fair value at the date of donation. If donors stipulate how long the asset must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Expenditures for renewals and improvements are capitalized while repairs and maintenance costs are charged to expense as incurred. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation of building and components is computed on the straight-line method over estimated useful lives of 5 to 30 years. Depreciation of equipment is computed on the straight-line method over estimated useful lives of 3 to 10 years.

Leases

The Nursery determines if an arrangement is a lease at inception. Leases are reported on the statements of financial position as a right-of-use (ROU) asset and lease liability. ROU assets represent the Nursery's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Nursery will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Nursery has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statements of financial position. The Nursery had no material lease agreements at June 30, 2023 or 2022.

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 amounts of assets and 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. Actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing programs and services has been summarized on a functional basis. Accordingly, salaries and benefits have been allocated between program and the supporting services benefited based on management's best estimates of such amounts and the ratio of each program's personnel costs. Occupancy and facilities expenses, including depreciation, telephone, repairs and maintenance, insurance are allocated based on usable square footage. Other joint costs (including dues, licenses, and fees) are allocated on a basis determined to be appropriate to the particular costs. All other costs are directly charged to the program for which the work has been done or is allocated based on management's best estimates.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Nursery adopted the requirement of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. There was no impact on the Nursery's financial position and change in net assets as a result of the adoption of this accounting standard.

Subsequent Events

In preparing these financial statements, the Nursery has evaluated events and transactions for potential recognition or disclosure through October 2, 2023, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 1,775,245	\$ 1,855,481
Pledges Receivable	139,206	78,950
Accounts Receivable	<u>141,102</u>	<u>226,916</u>
Liquid Financial Assets Available to Meet General Expenditures Within One Year	2,055,553	2,161,347
Less: Those Unavailable for General Expenditures Within One Year, Due to Donor-Imposed Time or Purpose Restrictions	<u>(358,272)</u>	<u>(336,047)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,697,281</u>	<u>\$ 1,825,300</u>

The Nursery's board of directors meets annually to review and approve the annual budget. The Nursery has a \$250,000 line of credit (see Note 5) available to meet cash flow needs.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 3 PROMISES TO GIVE

The details of promises to give receivables as of June 30 are as follows:

	2023	2022
Receivable in:		
Less than One Year	\$ 152,226	\$ 102,641
One to Five Years	-	25,000
Total	152,226	127,641
Allowance for Doubtful Collections	(13,020)	(23,691)
Total Promises to Give Receivable	139,206	103,950
Less: Current Portion	139,206	78,950
Total Noncurrent Portion	\$ -	\$ 25,000

The discount rate used in calculating the present value of long-term pledges for the years ended June 30, 2023 and 2022 was 5%.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment components at June 30 are as follows:

	2023	2022
Land	\$ 70,991	\$ 70,991
Building	3,401,288	3,234,410
Equipment:	253,398	230,577
Total Property and Equipment	3,725,677	3,535,978
Less: Accumulated Depreciation	1,775,841	1,629,151
Property and Equipment, Net	\$ 1,949,836	\$ 1,906,827

NOTE 5 LINE OF CREDIT

The Nursery had a \$250,000 line of credit at both June 30, 2023 and 2022. Interest on the line of credit for years ended June 30, 2023 and 2022 was a variable rate which equaled 9.0% and 3.25% for the years ended June 30, 2023 and 2022, respectively. Payments of interest only are due each month on any outstanding balance.

As of June 30, 2023 and 2022, the Nursery had no outstanding balances on the line of credit. The current line of credit matures in March 2025.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2023	2022
Future Periods	\$ 270,137	\$ 223,430
Purpose-Restricted	88,135	112,617
Total	<u>\$ 358,272</u>	<u>\$ 336,047</u>

Releases from Restriction

Net assets released from restrictions for the years ended June 30 are as follows:

	2023	2022
Expiration of Time Restrictions	\$ 229,519	\$ 236,514
Satisfaction of Purpose Restrictions	75,000	8,581
Total	<u>\$ 304,519</u>	<u>\$ 245,095</u>

NOTE 7 CONTRIBUTIONS AND GRANTS REVENUE

Contributions and grants to the Nursery for the years ended June 30 are classified as follows:

	2023	2022
Foundations	\$ 575,018	\$ 671,250
Corporations	276,619	552,691
Churches and Community Groups	120,628	83,848
Individuals	1,404,650	1,261,570
Total Contributions and Grants	<u>\$ 2,376,915</u>	<u>\$ 2,569,359</u>

NOTE 8 IN-KIND CONTRIBUTIONS

The Nursery records in-kind contributions of food and supplies at estimated fair market value at date of donation. Donated professional fees are recorded at the respective fair values of the services received. The donated intangible asset related to software code was valued using a specialist's valuation report.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 8 IN-KIND CONTRIBUTIONS (CONTINUED)

In-kind contributions for the years ended June 30 include the following:

	<u>2023</u>	<u>2022</u>
Supplies Child Care and Parent Program (Program Services)	\$ 30,931	\$ 34,589
Food (Program Services)	37,796	11,119
Professional Fees (Program and Management and General)	21,169	15,974
Intangible Asset - Software Code	-	40,000
Medical Assessments (Program Services)	6,187	459
Event Expenses (Fundraising)	10,626	-
Total In-Kind Contributions	<u>\$ 106,709</u>	<u>\$ 102,141</u>

The Nursery receives significant amounts of donated services from a substantial number of unpaid volunteers who assist in the Nursery's programs, fundraising and special projects. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort have not been satisfied. The estimated fair market value of these services for the years ended June 30, 2023 and 2022 was \$186,086 and \$126,156, respectively.

NOTE 9 SIGNIFICANT CONCENTRATIONS

Approximately 71% of the employees of the Nursery are subject to a collective bargaining agreement with the Federation of Social Justice Advocates. The agreement expires on June 30, 2025.

Approximately 68% of pledges receivable were from two donors for the year ended June 30, 2022.

The majority of governmental revenues are from one agency. Governmental revenues from that agency were approximately 83% and 81% of total revenue for the years ended June 30, 2023 and 2022, respectively.

NOTE 10 RELATED PARTY TRANSACTIONS

Contribution revenues from members of the board of directors totaled \$116,781 and \$163,784 for the years ended June 30, 2023 and 2022, respectively.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 11 EMPLOYEE RETIREMENT PLAN

On January 1, 2021, the Nursery changed from a SIMPLE IRA Retirement Plan to a 403(b) Retirement Plan. Employees who are .75 FTE to 1.0 FTE and have been employed for one year qualify for a dollar-for-dollar match up to 3% of wages. The 403(b) plan gives staff the option to make adjustments to their contributions throughout the year. Payout of the match, upon termination, is based on a Vesting Schedule designed to retain staffing. The total contributions for the fiscal years ended June 30, 2023 and 2022 were \$34,472 and \$34,284 respectively.



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