

**Together For Good
845 Summit Avenue
St. Paul, MN 55105**

**FINANCIAL STATEMENTS
December 31, 2022 and December 31, 2023**

TOGETHER FOR GOOD

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**To the Board of Directors
Together for Good
St. Paul, Minnesota**

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Together for Good, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and December 31, 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 Together for Good as of December 31, 2022 and December 31, 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. 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 Together for Good, 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 Together for Good'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 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, including omissions, 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 Together for Good'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 Together for Good'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.

Freeman; Bonnuma, PLLC

May 6, 2024

Together for Good
Statements of Financial Position
As of December 31, 2022 and 2023

	2022	2023
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 1,855,695	\$ 1,934,379
Total Current Assets	1,855,695	1,934,379
 <u>FURNITURE AND EQUIPMENT</u>		
Furniture and Equipment	9,573	9,573
Less: Accumulated Depreciation	684	2,051
Net Furniture and Equipment	8,889	7,522
 <u>OTHER ASSETS</u>		
Right of Use Lease Asset	31,734	-
Total Other Assets	31,734	-
Total Assets	1,896,318	1,941,901
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	-	2,800
Right of Use Lease Liability	31,734	-
Total Liabilities	31,734	2,800
 <u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u>		
Net Assets Without Donor Restrictions	1,864,584	1,939,101
Total Net Assets Without Donor Restrictions	1,864,584	1,939,101
Total Liabilities and Net Assets	1,896,318	1,941,901

See Notes to the Financial Statements

Together for Good
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2022 and 2023

	2022	2023
<u>Change in Net Assets Without Donor Restrictions</u>		
Support and Revenue		
Contributions	\$ 1,850,217	\$ 1,285,778
Employee Retention Credit Grant Revenue	48,246	-
Interest Revenue	3,327	3,302
Fundraising Revenue (Net of \$93,300 and \$83,843 of direct fundraising expense for 2022 and 2023, respectively)	125,842	125,481
Total Support and Revenue	2,027,632	1,414,561
Operating Expenses		
Program Expenses	883,431	842,792
Management and General	197,139	278,136
Fundraising Expenses	103,602	219,116
Total Operating Expenses	1,184,172	1,340,044
Total Change in Net Assets Without Donor Restrictions	843,460	74,517
Net Assets Without Donor Restrictions-Beginning of the Year	1,021,124	1,864,584
Net Assets Without Donor Restrictions-End of the Year	1,864,584	1,939,101

See Notes to the Financial Statements

Together for Good
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Programs	Management and General	Fundraising	Total
Personnel	\$ 727,715	\$ 56,407	\$ 61,567	\$ 845,689
Fundraising Event Expenses	-	-	93,300	93,300
Advertising	-	-	35,186	35,186
Program Assistance	43,926	-	-	43,926
Professional Services	-	113,362	-	113,362
Travel Expenses	4,057	8,920	-	12,977
Professional Development	2,471	-	-	2,471
Insurance	11,948	11,948	-	23,896
Rent Expense	34,200	1,900	1,900	38,000
Depreciation Expense	615	69	-	684
Office Expense	58,499	4,533	4,949	67,981
Total Functional Expenses	<u>883,431</u>	<u>197,139</u>	<u>196,902</u>	<u>1,277,472</u>
Less: Expenses Netted Against Fundraising Revenues on the Statement of Activities	<u>-</u>	<u>-</u>	<u>93,300</u>	<u>93,300</u>
Total Operating Expenses	<u><u>883,431</u></u>	<u><u>197,139</u></u>	<u><u>103,602</u></u>	<u><u>1,184,172</u></u>

Together for Good
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Programs	Management and General	Fundraising	Total
Personnel	\$ 638,812	\$ 205,960	\$ 171,312	\$ 1,016,084
Fundraising Event Expenses	-	-	83,843	83,843
Advertising	-	-	46,064	46,064
Program Assistance	27,450	-	-	27,450
Professional Services	-	57,831	-	57,831
Travel Expenses	30,257	-	-	30,257
Professional Development	13,052	-	-	13,052
Insurance	12,468	12,468	-	24,936
Rent Expense	31,320	1,740	1,740	34,800
Depreciation Expense	1,231	137	-	1,368
Office Expense	88,202	-	-	88,202
Total Functional Expenses	<u>842,792</u>	<u>278,136</u>	<u>302,959</u>	<u>1,423,887</u>
Less: Expenses Netted Against Fundraising Revenues on the Statement of Activities	<u>-</u>	<u>-</u>	<u>83,843</u>	<u>83,843</u>
Total Operating Expenses	<u><u>842,792</u></u>	<u><u>278,136</u></u>	<u><u>219,116</u></u>	<u><u>1,340,044</u></u>

See Notes to the Financial Statements

Together for Good
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2023

	2022	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 843,460	\$ 74,517
Items that are not a Source or Use of Cash:		
Depreciation	684	1,367
Changes in Current Assets and Liabilities:		
(Increase) Decrease in Employee Retention Credit Receivable	74,749	-
Increase (Decrease) in Accounts Payable	<u>(5,086)</u>	<u>2,800</u>
CASH FLOWS-OPERATING ACTIVITIES	<u>913,807</u>	<u>78,684</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Furniture and Equipment	(9,573)	-
Refund of Earnest Money Deposit	<u>10,000</u>	<u>-</u>
CASH FLOWS-INVESTING ACTIVITIES	<u>427</u>	<u>-</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	914,234	78,684
Cash and Cash Equivalents - Beginning of Year	<u>941,461</u>	<u>1,855,695</u>
Cash and Cash Equivalents - End of Year	<u><u>1,855,695</u></u>	<u><u>1,934,379</u></u>
<u>NON-CASH INVESTING AND FINANCING ACTIVITIES</u>		

The Organization recorded and right-of-use asset and related operating lease liability in the amount of \$31,734 at December 31, 2022. The amount was adjusted to zero during 2023 since the lease was paid in full by the end of 2023.

Together for Good
Notes to Financial Statements
December 31, 2022 and December 31, 2023

1. NATURE OF ORGANIZATION

Together for Good (the Organization) is a not-for-profit organization incorporated on June 15, 1994 under the laws of the State of Minnesota for the purpose of creating pathways for area churches to come alongside vulnerable children and families in Christ-centered ministry. The organization is registered as a 501(c)(3) non-profit organization. The Organization operates in the Twin Cities area, Rochester, Minnesota and Iowa. During the year ended December 31, 2023, the Organization opened an office in the Waco, Texas area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting following principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables and other liabilities.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements 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 receipts, disbursements, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Tax Status

Together for Good is a not-for-profit Organization exempt from federal income taxes on all related income under Section 501(c)(3) of the Internal Revenue Code. The Organization files a 990 informational return.

Any adverse change in the tax laws or any adverse change in the Organization's tax status as a tax-exempt organization could affect contributors who are currently entitled to deduct their contributions to the Organization from gross income. Any such change, in turn, could adversely affect the level of contributions to the Organization and the ability of the Organization to meet its obligations.

Accounting standards prescribe 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. Management has evaluated for uncertain tax positions and to date has expressed that there are no uncertain tax positions.

Subsequent Events

The Organization has evaluated subsequent events through May 6, 2024, which is the date the financial statements were available to be issued.

Together for Good
Notes to Financial Statements
December 31, 2022 and December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Furniture and Equipment

The Organization's furniture and equipment are recorded at cost. The Organization capitalizes additions for expenditures with useful lives of greater than one year. The Organization is depreciating the furniture and equipment over their seven-year estimated useful lives on the straight-line method.

Cash and Cash Equivalents

Cash and cash equivalents include cash, monies in banks and highly liquid debt instruments with maturities of three months or less at time of purchase.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. During the years ended December 31, 2022 and December 31, 2023 there were no donations received that had donor-imposed restrictions.

Contribution income is recorded when cash is received or when ownership of donated assets is transferred. Unconditional pledges are recorded in the statement of financial position when the organization is notified of the pledge, and allowances are provided for amounts estimated as uncollectible. Faith Pledges are not considered unconditional and therefore are not recorded on the Organization's financial statements. At December 31, 2022 and December 31, 2023, there were no outstanding irrevocable pledges recorded on the Organization's financial statements. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Together for Good
Notes to Financial Statements
December 31, 2022 and December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial Statement Presentation-(Continued)

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as contributions with donor restrictions. Amounts received with restrictions that are satisfied in the same period are recorded as donations without donor restriction.

In-kind contributions are recorded at fair value at the time of the gift. There were no in-kind contributions during the year-ended December 31, 2022 and December 31, 2023. No amounts have been recorded by the Organization as contributed services received since they do not meet the criteria for financial statement reporting.

Functional Allocation of Expenses

The costs of providing various program services and supporting activities of the Organization have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Insurance	Time and Effort
Office Expenses	Time and Effort
Payroll, Taxes and Benefits	Time and Effort

Recently adopted accounting standards

In the year ended December 31, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period December 31, 2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized right-of-use assets of \$31,734 and lease liabilities totaling \$31,734 in its statement of financial position as of December 31, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2022. The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated Statement of Financial Position.

Together for Good
Notes to Financial Statements
December 31, 2022 and December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Recently adopted accounting standards

ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization incremental borrowing rates to determine the discount rate. These rates are derived by reference to the secured debt yields that the Organization would receive to finance the lease transaction or needed to borrow the amount of the undiscounted future payments over the term of the lease.

The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less), or leases that are considered to be immaterial. Instead, the payments of those leases are reported as lease expense on a straight-line basis over the lease term.

3. CONCENTRATIONS OF CREDIT RISK

The Organization maintains all of its cash in one commercial bank. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor per bank. Balances in excess of FDIC limits are uninsured. The cash balance at the bank was in excess of FDIC limits during the year and at the end of the year ended December 31, 2022 and December 31, 2023. Total cash held in the bank was approximately \$1,860,000 on December 31, 2022 and \$1,605,000 at December 31, 2023.

4. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are as follows:

	December 31,	
	2022	2023
Cash and Cash Equivalents	<u>\$ 1,855,695</u>	<u>\$ 1,934,379</u>
Total Financial Assets	1,855,695	1,934,379
Less: Net Assets With Donor Restrictions	-	-
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>1,855,695</u>	<u>1,934,379</u>

The Organization operates with a balanced budget and anticipates collecting sufficient support to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash and shows positive cash generated by operations for the year ended December 31, 2022 and 2023.

Together for Good
Notes to Financial Statements
December 31, 2022 and December 31, 2023

5. EMPLOYEE RETENTION CREDIT

During the years ended December 31, 2021 and December 31, 2022, the Organization was eligible and received the Employee Retention Credit (ERC) under the CARES Act. The Organization had applied for a \$74,749 refund based on its payroll in the first two quarters of 2021. The Organization received an additional ERC of \$48,246 during the year ended December 31, 2022.

6. OFFICE LEASE

The Organization leases office space at its headquarters in St. Paul. The lease is a two-year lease that began September 30, 2022. The lease required two annual lease payments of \$30,000 for the first year and \$33,000 for the second year. Lease expense under the agreements totaled \$30,000 for the year ended December 31, 2022 and \$33,000 for the year ended December 31, 2023.

Right-of-Use Assets	<u>\$31,734</u>
Right-of-Use Lease Liability	<u>\$31,734</u>
<u>Required Lease Payments For</u>	
<u>Years Ended December 31,</u>	
2023	\$33,000
2024	-
2025	-
2026	-
2027	-
Thereafter	-
Total Future Undiscounted	
Lease Payments	33,000
Less: Present Value Discount	<u>1,266</u>
Total Lease Liability	<u>31,734</u>

The weighted average of the interest rate used was 4%.

The lease expires in September of 2024. The entire second year of the lease was paid during the fiscal year ended December 31, 2023. The remaining right of use asset and lease liability is adjusted to zero during the fiscal year ended December 31, 2023.

7. EARNEST MONEY DEPOSIT

The Organization had \$10,000 of refundable deposit money to purchase land on which to build an office building. The agreement was cancelled during 2022, and the funds were returned to the Organization.