FAMILYMEANS

(A Non-Profit Corporation)

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

MHM

INDEPENDENT AUDITORS' REPORT

Board of Directors
FamilyMeans
Stillwater, Minnesota

Opinion

We have audited the financial statements of FamilyMeans, which comprise the statements of financial position as of December 31, 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 accompanying financial statements present fairly, in all material respects, the financial position of FamilyMeans as of December 31, 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 audit 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 FamilyMeans 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 FamilyMeans' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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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 FamilyMeans' 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 FamilyMeans' 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.

Mayer Hoffman McCann P.C.

Minneapolis, Minnesota
April 24, 2024

FAMILYMEANS

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

	2023	2022
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,507,318	$ 3,823,076
Investments	3,323,781	3,027,237
Clinical accounts receivable, net of allowances	310,240	272,298
Miscellaneous receivables	47,151	96,038
Government grants receivable	96,000	134,452
Prepaid expenses	39,809	29,889
TOTAL CURRENT ASSETS	7,324,299	7,382,990
PROPERTY AND EQUIPMENT, NET	4,525,458	4,385,552
OTHER ASSETS		
Cash restricted for endowment	54,069	171,006
Operating lease right-of-use asset	45,890	70,234
Beneficial interests in community foundations	3,581,287	3,200,774
TOTAL OTHER ASSETS	3,681,246	3,442,014
TOTAL ASSETS	$ 15,531,003	$ 15,210,556
L I A B I L I T I E S		
CURRENT LIABILITIES		
Accounts payable	$ 35,166	$ 62,550
Accrued expenses	181,484	169,039
Refundable advance	3,500	-
Current portion of operating lease liability	33,050	36,309
TOTAL CURRENT LIABILITIES	253,200	267,898
OPERATING LEASE LIABILITY, LESS CURRENT PORTION	13,162	34,171
TOTAL LIABILITIES	266,362	302,069
N E T A S S E T S		
NET ASSETS		
Without donor restrictions	11,693,974	11,479,683
With donor restrictions	3,570,667	3,428,804
TOTAL NET ASSETS	15,264,641	14,908,487
TOTAL LIABILITIES AND NET ASSETS	$ 15,531,003	$ 15,210,556

FAMILYMEANS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
PUBLIC SUPPORT			
Contributions and grants	$ 1,312,474	$ 173,339	$ 1,485,813
Government grants and contracts	468,601	-	468,601
Special event revenue	118,434	-	118,434
Direct costs of special events	(27,327)	-	(27,327)
In-kind contributions	77,788	-	77,788
TOTAL PUBLIC SUPPORT	1,949,970	173,339	2,123,309
REVENUE			
Service fees	2,515,182	-	2,515,182
Investment return	370,965	-	370,965
Change in beneficial interests in community foundations	(55,149)	470,213	415,064
Other revenue	1,942	-	1,942
TOTAL REVENUE	2,832,940	470,213	3,303,153
NET ASSETS RELEASED FROM RESTRICTIONS	501,689	(501,689)	-
TOTAL PUBLIC SUPPORT AND REVENUE	5,284,599	141,863	5,426,462
EXPENSES			
PROGRAM SERVICES	4,313,505		4,313,505
SUPPORTING SERVICES			
General and administrative	489,785	-	489,785
Fundraising	267,018	-	267,018
TOTAL SUPPORTING SERVICES	756,803	-	756,803
TOTAL EXPENSES	5,070,308	-	5,070,308
CHANGE IN NET ASSETS	214,291	141,863	356,154
NET ASSETS, BEGINNING OF YEAR	11,479,683	3,428,804	14,908,487
NET ASSETS, END OF YEAR	$ 11,693,974	$ 3,570,667	$ 15,264,641

FAMILYMEANS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
PUBLIC SUPPORT			
Contributions and grants	$ 1,479,005	$ 355,501	$ 1,834,506
Government grants and contracts	580,414	-	580,414
Special event revenue	88,741	-	88,741
Direct costs of special events	(22,415)	-	(22,415)
In-kind contributions	108,466	-	108,466
TOTAL PUBLIC SUPPORT	2,234,211	355,501	2,589,712
REVENUE			
Service fees	2,209,643	-	2,209,643
Investment return (loss)	(474,563)	-	(474,563)
Change in beneficial interests in community foundations	(6,645)	(641,372)	(648,017)
Loss on disposal of property and equipment	44,465	-	44,465
Other revenue	1,588	-	1,588
TOTAL REVENUE	1,774,488	(641,372)	1,133,116
NET ASSETS RELEASED FROM RESTRICTIONS	184,824	(184,824)	-
TOTAL PUBLIC SUPPORT AND REVENUE	4,193,523	(470,695)	3,722,828
EXPENSES			
PROGRAM SERVICES	3,831,969	-	3,831,969
SUPPORTING SERVICES			
General and administrative	438,885	-	438,885
Fundraising	239,416	-	239,416
TOTAL SUPPORTING SERVICES	678,301	-	678,301
TOTAL EXPENSES	4,510,270	-	4,510,270
CHANGE IN NET ASSETS	(316,747)	(470,695)	(787,442)
NET ASSETS, BEGINNING OF YEAR,	11,796,430	3,899,499	15,695,929
NET ASSETS, END OF YEAR	$ 11,479,683	$ 3,428,804	$ 14,908,487

FAMILYMEANS

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Program Services						Supporting Services			
	Financial Solutions	Counseling and Therapy	Employee Assistance	Caregiver and Aging	Youth Development	Total Program Expenses	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries	$ 368,121	1,342,737	8,089	403,447	217,823	$ 2,340,217	$ 295,648	$ 223,582	$ 519,230	$ 2,859,447
Payroll taxes	27,600	98,959	607	28,508	15,494	171,168	20,205	16,262	36,467	207,635
Employee benefits	30,278	144,834	1,791	52,894	31,895	261,692	38,632	17,829	56,461	318,153
Total salaries and related expenses	425,999	1,586,530	10,487	484,849	265,212	2,773,077	354,485	257,673	612,158	3,385,235
Accounting fees	-	-	-	-	-	-	49,540	-	49,540	49,540
Other contracted services	-	423,426	293	-	-	423,719	5,125	-	5,125	428,844
Advertising and promotion	326	608	2	776	33	1,745	54	720	774	2,519
Supplies	1,443	7,334	51	1,300	1,398	11,526	1,735	45	1,780	13,306
Program expenses	25,631	95,068	187	37,621	38,169	196,676	1,762	27,149	28,911	225,587
Telephone	3,415	17,097	140	3,556	3,434	27,642	4,744	240	4,984	32,626
Postage	996	5,112	41	1,049	848	8,046	1,384	-	1,384	9,430
Facilities	27,241	151,015	588	15,318	44,361	238,523	19,904	-	19,904	258,427
Printing and promotion	361	1,118	5	605	94	2,183	154	2,072	2,226	4,409
Travel and meeting	10,425	6,781		2,894	2,227	22,327	1,053	48	1,101	23,428
Staff development	2,738	16,319	26	5,149	786	25,018	891	265	1,156	26,174
Computer expenses	8,708	39,237	259	12,189	11,139	71,532	8,751	6,082	14,833	86,365
Membership and accreditation	29,124	6,652	47	3,651	975	40,449	1,590	-	1,590	42,039
In-kind services	-	-	-	-	77,788	77,788	-	-	-	77,788
Bad debt	-	72,126	-	-	-	72,126	-	-	-	72,126
Insurance	7,947	29,530	242	6,140	5,022	48,881	7,427	-	7,427	56,308
Depreciation	16,063	113,517	656	16,623	66,553	213,412	19,968	-	19,968	233,380
Miscellaneous	4,402	47,687	641	3,328	2,777	58,835	11,218	51	11,269	70,104
Total functional expenses	564,819	2,619,157	13,665	595,048	520,816	4,313,505	489,785	294,345	784,130	5,097,635
Less expenses included with revenues on the statement of activities:										
Direct costs of special events	-	-	-	-	-	-	-	(27,327)	(27,327)	(27,327)
Total expenses included in the expense section on the statement of activities	$ 564,819	$ 2,619,157	$ 13,665	$ 595,048	$ 520,816	$ 4,313,505	$ 489,785	$ 267,018	$ 756,803	$ 5,070,308

FAMILYMEANS

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Program Services						Supporting Services			
	Financial Solutions	Counseling and Therapy	Employee Assistance	Caregiver and Aging	Youth Development	Total Program Expenses	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries	$ 343,179	1,079,575	17,995	395,318	186,897	$ 2,022,964	$ 263,226	$ 172,588	$ 435,814	$ 2,458,778
Payroll taxes	26,185	78,916	1,348	30,163	14,260	150,872	20,109	13,168	33,277	184,149
Employee benefits	40,448	112,005	1,690	26,944	20,104	201,191	28,881	12,449	41,330	242,521
Total salaries and related expenses	409,812	1,270,496	21,033	452,425	221,261	2,375,027	312,216	198,205	510,421	2,885,448
Accounting fees	3,189	12,682	131	3,323	2,396	21,721	69,038	1,187	70,225	91,946
Other contracted services	1,925	410,444	79	2,006	1,447	415,901	1,392	709	2,101	418,002
Advertising and promotion	572	1,735	18	872	328	3,525	716	860	1,576	5,101
Supplies	1,756	11,074	69	1,921	1,782	16,602	1,191	650	1,841	18,443
Program expenses	42,006	53,674	57	18,200	42,751	156,688	5,490	23,496	28,986	185,674
Telephone	3,542	13,460	139	3,854	3,443	24,438	2,582	1,322	3,904	28,342
Postage	1,318	4,703	195	1,171	870	8,257	1,049	3,743	4,792	13,049
Facilities	32,345	134,937	781	19,804	38,213	226,080	12,262	7,028	19,290	245,370
Equipment maintenance	-	-	-	-	709	709	-	-	-	709
Printing and promotion	121	1,374	5	221	185	1,906	72	9,246	9,318	11,224
Travel and meeting	4,417	3,380	50	4,645	1,691	14,183	1,547	30	1,577	15,760
Staff development	1,145	17,908	338	5,407	1,247	26,045	3,221	266	3,487	29,532
Computer expenses	10,631	42,365	423	11,476	10,517	75,412	5,517	4,392	9,909	85,321
Membership and accreditation	14,300	16,407	15	3,986	274	34,982	1,676	347	2,023	37,005
In-kind services	-	-	-	30,678	77,788	108,466	-	-	-	108,466
Bad debt	-	5,474	-	-	-	5,474	-	-	-	5,474
Insurance	12,813	25,934	285	7,401	5,145	51,578	3,851	2,444	6,295	57,873
Depreciation	18,833	111,976	811	20,270	53,341	205,231	8,678	5,952	14,630	219,861
Miscellaneous	14,116	36,985	179	4,542	3,922	59,744	8,387	1,954	10,341	70,085
Total functional expenses	572,841	2,175,008	24,608	592,202	467,310	3,831,969	438,885	261,831	700,716	4,532,685
Less expenses included with revenues on the statement of activities:										
Direct costs of special events	-	-	-	-	-	-	-	(22,415)	(22,415)	(22,415)
Total expenses included in the expense section on the statement of activities	$ 572,841	$ 2,175,008	$ 24,608	$ 592,202	$ 467,310	$ 3,831,969	$ 438,885	$ 239,416	$ 678,301	$ 4,510,270

FAMILYMEANS

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 356,154	$ (787,442)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	233,380	219,861
Bad debt	72,126	5,474
Contributions restricted for endowment	(173,339)	(237,501)
Reinvested interest and dividend income	(114,709)	(54,771)
Change in beneficial interests in community foundations	(415,064)	648,017
Realized and unrealized (gain) loss on investments	(97,958)	534,288
(Gain) loss on disposal of property and equipment	-	(44,465)
Operating lease expense	37,714	37,521
Changes in operating assets and liabilities:		
Clinical accounts receivable	(110,068)	(37,334)
Miscellaneous receivables	48,887	(79,862)
Government grants receivable	38,452	10,377
Prepaid expenses	(9,920)	(8)
Accounts payable	(27,384)	14,072
Accrued expenses	12,445	(6,179)
Refundable advance	3,500	-
Operating lease liabilities	(37,638)	(37,275)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(183,422)	184,773
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,107,843)	(1,895)
Proceeds from sale of investments	3,023,966	1,895
Deposit in beneficial interests in community foundations	(290,449)	(107,046)
Proceeds from beneficial interests in community foundations	325,000	52,631
Insurance proceeds from property casualty loss	-	101,575
Purchase of property and equipment	(373,286)	(102,794)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(422,612)	(55,634)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	173,339	237,501
NET INCREASE (DECREASE)	(432,695)	366,640
CASH AND CASH EQUIVALENTS		
BEGINNING OF YEAR	3,994,082	3,627,442
END OF YEAR	$ 3,561,387	$ 3,994,082

(1) Summary of significant accounting policies

Organization - FamilyMeans (the Organization) is a nonprofit corporation organized under the laws of the State of Minnesota. The mission is to strengthen communities by helping individuals and families through challenges in all life stages. The Organization operates in the St. Croix Valley, Western Wisconsin, the Greater Twin Cities and Rochester area.

Description of programs - FamilyMeans raises charitable funds to ensure that programs and services are accessible. The Organization's programs are as follows:

Financial Solutions - Financial Solutions provides budget and debt counseling, financial literacy classes, debt repayment programs, and housing counseling to help people develop the skills to establish and maintain financial stability.

Counseling & Therapy – A multi-disciplinary team of mental health licensed providers and practitioners provide outpatient mental health and school based mental health services for all ages in Stillwater, Hudson, The Center for Grief & Loss in St. Paul and in numerous public schools serving the east metro and western Wisconsin. We provide individual, family, couples and/or group therapy. Presenting issues may include anxiety, depression, grief and loss, trauma, school or occupation concerns, family stress and changes, relationship/marital conflict, and other personal distress or life transitions.

Caregiving & Aging - Caregiving & Aging provides education, coaching, information and referral, support groups, and group and in-home respite to aid caregivers of children and adults with functional limitations. Caregivers receive guidance, resource connections, professional and peer support, and regular breaks that give them time to themselves. The program also engages community partners to plan and act together to create a more age-friendly community.

Youth Development - Working with varied community partners, the Organization helps young people discover interest and talents, develop their interpersonal, decision-making and other life skills, contribute back to their community and become knowledgeable about local resources and opportunities. The Landfall and Cimarron Youth Development Initiative offers intensive, sustained research-driven youth development programming in two of the under-resourced communities in the East metro area. The Organization’s free after-school and summer activities involve Landfall and Cimarron children and teens in art, science, recreation, fitness, mentoring, social support, academic support, life skills and leadership development activities.

Employee Assistance - Companies contract with the Organization to provide services that nurture a healthy workforce and work environment. Under this benefit, employees and their family members have access to legal services and the Organization's programs for confidential help with personal matters. The program also provides training, mediation, critical incident stress debriefings and consultation to management.

(1) Summary of significant accounting policies (continued)

Income tax status - The Organization 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 Organization is a non-private foundation and contributions to the Organization qualify as a charitable tax deduction by the contributor.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of December 31, 2023 and 2022.

The Organization files form 990 in the U.S. federal jurisdiction and the States of Minnesota and Wisconsin. The Organization is generally no longer subject to examination by the Internal Revenue Service three years after the date of filing, including extensions.

Financial statement presentation - The Organization reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly net assets of the organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions – Net assets available for general use and not subject to donor-imposed restrictions. These may be used at the discretion of the Organization's management and board of directors. Designated amounts represent those revenues which the Board has set aside for a particular purpose.

- Net Assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or by actions of the Organization. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity

Going concern – Management assesses the Organization's ability to continue as a going concern and provides related disclosures in certain circumstances. Substantial doubt about an entity's ability to continue as a going concern exists when relevant conditions and events, considered in the aggregate, indicate that it is probable the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. Management has determined there is not substantial doubt about the Organization's ability to continue as a going concern.

Contributions and grants – Contributions include amounts received from United Way, foundations, individuals and corporations. The Organization recognizes contributions as revenue when they are received or unconditionally pledged.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

(1) <u>Summary of significant accounting policies</u> **(continued)**

Contributions and grants (continued) - Contributions received and net investment return (loss) are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions received with donor-imposed conditions and restrictions are reported as an increase in net assets without donor restrictions if the conditions and restrictions are met in the reporting period in which the contribution is recognized. Unconditional contributions and investment return (loss) that is restricted by the donor or by law is reported as an increase in net assets without donor restrictions if the restriction is met in the reporting period in which the contribution or the investment return (loss) is recognized. 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 statement of activities as net assets released from restrictions.

Revenue from government grant and contract agreements, which are generally considered conditional non-exchange transactions are recognized when qualifying expenditures are incurred or units of service are provided and conditions under the agreements are met.

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 Organization will record such disallowance at the time the determination is made.

Contributions of property and equipment are presented as an increase in net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as an increase in net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Revenue recognition - The Organization derives program fee revenues primarily through mental health counseling and therapy, and debt repayment program services.

<u>Mental health counseling and therapy</u>
The Organization provides outpatient mental health and school-based mental health services. The services contain a single performance obligation for the provision of counseling and therapy sessions to individuals and various groups. Revenue is recognized as the performance obligation is satisfied which is generally over time as the services are rendered.

The Organization determines the transaction price for mental health services based on standard charges for services provided to clients, reduced by contractual adjustments provided to third-party payers, and discounts and sliding fee reductions provided to uninsured clients in accordance with the Organization's policies. The Organization estimates the transaction price for clients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to mental health service revenue in the period of the change.

(1) **Summary of significant accounting policies (continued)**

Revenue recognition (continued) -

Debt repayment program services
The Organization provides debt repayment program services by assisting clients in setting up payment plan arrangements with creditors involved in the program, and facilitating payments to creditors by collecting monthly payments from the client, and remitting these payments to the appropriate creditor. The transaction price charged to the client is set at a percentage of the monthly payments, subject to a cap. These services contain a single performance obligation for the administration of the debt repayment program. The Organization acts as agent of the creditors and recognizes fee revenue over time.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents - The Organization considers cash in demand deposit accounts and temporary investments purchased with an original maturity of three months or less to be cash equivalents except those amounts designated and classified as investments cash or money market funds. The Organization maintains its cash and cash equivalents with high credit quality financial institutions. From time to time, the Organization's balances in its bank accounts exceed Federal Deposit Insurance Corporation limits. The Organization periodically evaluates the risk of exceeding insurance levels and may transfer funds as it deems appropriate. The Organization has not experienced any losses with regards to balances in excess of insured limits or as a result of other concentrations of credit risk.

Accounts receivable and credit policies - Receivables are recorded at net realizable value. Accounts receivable primarily arise from counseling services provided in fulfillment of the Organization's mission to families in the St. Croix Valley area and are due from individuals and corporations. The Organization believes historical loss information is a reasonable staring point in which to calculate the expected allowance for credit losses. 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. When all collection efforts have been exhausted, the accounts are written off against the related allowance for credit losses. The allowance for credit losses at December 31, 2023 and 2022 was $20,000 and $20,000, respectively.

An allowance for billing adjustments is computed based upon the Organization's historical percentage of contractual adjustments to clinical fee third-party revenue and is applied to the outstanding accounts receivable due from third-party payers. At December 31, 2023 and 2022, the allowance for billing adjustments was $34,000 and $34,000, respectively.

Promises to give receivable - 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 Organization. The Organization uses the allowance method to determine uncollectible promises to give (receivable).

(1) **Summary of significant accounting policies (continued)**

Promises to give receivable (continued) - Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their estimated future cash flows, discounted using risk-adjusted interest rates applicable to the years in which the promises are to be received.

Investments - Investments, including beneficial interests in assets held at community foundations, are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for discussion of fair value measurements.

Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Purchases and sales of investments are reflected on a trade-date basis. Realized gains or losses on sales of investments are based on the cost of specifically identified investments. Changes in unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend dates.

Property and equipment - The Organization capitalizes all expenditures of property and equipment with a useful life of greater than one year, and a cost in excess of $5,000. Property and equipment are recorded at cost or in the case of contributed property at the fair market value at the date of contribution. Depreciation is computed using the straight-line method over estimated useful lives of four to ten years for furniture and equipment, fifteen years for land improvements, and thirty to forty-five years for buildings. 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. The cost of maintenance and repairs is charged to income as incurred, whereas significant improvements are capitalized. For the years ended December 31, 2023 and 2022, depreciation expense amounted to $233,000 and $220,000, respectively.

Functional allocation of expenses - The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative, fundraising and program direct costs are all allocated directly to the appropriate cost center. General agency expenses, including IT and facility costs are allocated across all programs based on program FTEs. Staff salaries and benefits are allocated based on time and effort. General and administrative, and fundraising costs include direct and allocated expenses, as well as salaries and fringe benefits for the President, Development Director, Finance Director, Development and Marketing Coordinator and HR.

Donated services and other in-kind contributions - Contributions of donated nonfinancial assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

(1) **Summary of significant accounting policies (continued)**

Impairment of long-lived assets – The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the assets. If these assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Management does not believe impairment indicators are present at December 31, 2023 and 2022.

Fair value measurement definition and hierarchy – US GAAP defines fair value and establishes a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is broken down into three levels of inputs that market participants would use in valuing the asset or liability, which can be summarized as follows:

- Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Quoted prices for similar assets or liabilities.
- Level 3 - Valuation based on inputs that are unobservable, therefore requiring management's own assumptions about the assumptions that market participants would use in pricing an asset or liability

Leases – The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the Organization's balance sheets. The Organization has no finance leases. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit rate, it uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are comprised of building operating costs and real estate taxes are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The Organization has elected to apply the short-term lease exemption to all classes of underlying assets. Short term lease costs were immaterial for the years ended December 31, 2023 and 2022.

(1) **Summary of significant accounting policies (continued)**

Accounting pronouncement recently adopted - In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements.

Subsequent events policy - Subsequent events have been evaluated through April 24, 2024, which is the date the financial statements were available to be issued.

(2) **Risks and uncertainties**

The Organization is exposed to various known and unknown risks and uncertainties. Risks include internal and external events and conditions (e.g., pandemics, international conflicts, labor market and supply chain disruption, government mandates and policies, volatile financial markets, etc.) which could impact the operations of the organization. It is at least reasonably possible that changes could occur in the near term and that such changes could materially affect the results of operations or the Organization's financial position.

(3) Liquidity and availability

The Organization regularly monitors funds available for day-to-day program operations. Our goal is to annually raise enough funds from fundraising efforts and program revenue to cover our operating costs without spending pre-existing cash. However, should the need arise, the following financial assets would be available for operations within one year of the statement of financial position date.

	2023	2022
Financial Assets at Year End:		
Cash and cash equivalents	$ 3,507,318	$ 3,823,076
Investments	3,323,781	3,027,237
Endowments - beneficial interests in community foundations	3,581,287	3,200,774
Cash restricted for endowment	54,069	171,006
Clinical accounts receivable	364,081	326,139
Miscellaneous receivables	47,151	96,038
Government grants receivable	96,000	134,452
Total financial assets	10,973,687	10,778,722
Less amounts not available for expenditure within one year:		
Board designated net assets	(3,795,333)	(3,495,343)
Donor restricted and board designated endowment	(3,606,356)	(3,318,780)
Allowances for clinical accounts receivable	(53,841)	(53,841)
Financial assets not available for use within one year	(7,455,530)	(6,867,964)
Financial assets available to meet general operating expenses within one year	$ 3,518,157	$ 3,910,758

Endowment funds consist of donor-restricted endowments and board-designated endowments. Income from donor-restricted endowments that is restricted for specific purposes is not available for general expenditure. Annual endowment spending rate distributions are available for general expenditures. Certain cash and cash equivalents in a money market and investments make up the total board-designated reserve. By policy, the board-designated reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, unanticipated loss in funding, or uninsured losses. For these purposes, funds could be made available. In addition to the financial assets listed above, FamilyMeans has a $200,000 line of credit available to meet cash flow needs, if necessary.

(4) Promises to give

Conditional promises to give are not recognized as revenue or as a receivable until such amounts become unconditional.

Conditional promises to give at December 31, 2023 and 2022 consist of promises to:

	2023	2022
Provide school based mental health services for youth in Minnesota	$ 367,000	$ 50,000
Provide respite services, coaching, counseling, and education for caregivers	223,000	265,000
Total	$ 590,000	$ 315,000

(5) Property and equipment

A summary of property and equipment is as follows:

	2023	2022
Land	$ 791,704	$ 791,704
Land improvements	145,517	74,509
Buildings and improvements	5,137,292	5,137,292
Leasehold improvements	86,975	86,975
Furniture and equipment	1,390,711	1,183,687
Total property and equipment	7,552,199	7,274,167
Less accumulated depreciation	(3,026,741)	(2,888,615)
Net property and equipment	$ 4,525,458	$ 4,385,552

(6) Beneficial interests in community foundations

The Organization made irrevocable transfers to the St. Paul & Minnesota Foundation and to the St. Croix Valley Foundation (the Foundations), which established designated funds. Pursuant to the terms of the agreements establishing these funds, assets contributed to the Foundations are held as separate, long-term funds designated for the benefit of the Organization. The Organization granted the Foundations variance power over the funds in that the Foundations have the rights to modify the terms of the fund agreements if in the judgement of the Boards of the Foundations such a modification would become necessary. Under the agreements, the Foundations are to make distributions from the funds to the Organization in accordance with its spending policy. The Organization has recorded its shares of the beneficial interests in the St. Paul & Minnesota Foundation and in the St. Croix Valley Foundation based on the market value of the fund assets which were $3,581,000 and $3,201,000 as of December 31, 2023 and 2022, respectively. The Organization received distributions from the Foundations of approximately $325,000 and $53,000 for the years ended December 31, 2023 and 2022, respectively. See Note 10 for additional information on these funds.

(7) Fair value measurements

Fair values of assets measured on a recurring basis at December 31, 2023 and 2022 are as follows:

	Fair value measurements at reporting date using			
	Fair Value	Level 1	Level 2	Level 3
2023				
Mutual funds - equity	$ 1,354,065	$ 1,354,065	$ -	$ -
Mutual funds - fixed income	1,687,063	1,687,063	-	-
Money market	282,653	282,653	-	-
Total investments	3,323,781	3,323,781	-	-
Beneficial interests in community foundations	3,581,287	-	-	3,581,287
Total assets measured at fair value	$ 6,905,068	$ 3,323,781	$ -	$ 3,581,287

	Fair value measurements at reporting date using			
	Fair Value	Level 1	Level 2	Level 3
2022				
U.S. common stock	$ 2,868,398	$ 2,868,398	$ -	$ -
U.S. corporate bonds	95,065	95,065	-	-
Money market	63,774	63,774	-	-
Total investments	3,027,237	3,027,237	-	-
Beneficial interests in community foundations	3,200,774	-	-	3,200,774
Total assets measured at fair value	$ 6,228,011	$ 3,027,237	$ -	$ 3,200,774

Following is a description of the valuation methodologies used for assets measured at fair value. All assets have been valued using a market approach. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Common stock and corporate bonds: Valued at closing price reported on the active market on which the individual securities are traded.

Mutual funds and money market: Valued at the net asset value (NAV) of shares held by the Organization at year end.

Beneficial interests in community foundations: Valued based on fair value of the assets held by the community foundations.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(7) Fair value measurements (continued)

The following table presents a reconciliation of the statement of financial position amounts for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2023 and 2022.

	Beneficial interests in community foundations
Balance, December 31, 2021	$ 3,794,376
Change in beneficial interests in community foundations	(648,017)
Deposits	107,046
Distributions	(52,631)
Balance, December 31, 2022	3,200,774
Change in beneficial interests in community foundations	415,064
Deposits	290,449
Distributions	(325,000)
Balance, December 31, 2023	$ 3,581,287
The amount of total gains (losses) for the period included in change in net assets attributable to assets measured at fair value still held at December 31, 2023	$ 415,064

(8) Client deposit account

The Organization acts in a fiduciary capacity as custodian of client funds entrusted to them. These funds are kept separately and are segregated from operating account funds. Client funds are deposited in a separate client deposit account in a federally insured financial institution. At December 31, 2023 and 2022 the Organization held client funds of $10,000 and $10,000 respectively.

(9) Net assets

The net assets are summarized as follows as of December 31, 2023:

Detail of Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Undesignated	$ 3,308,494	$ -	$ 3,308,494
Net investment in property and equipment	4,525,458	-	4,525,458
Designated by the board for:			
Operating reserve	3,795,333	-	3,795,333
Quasi-endowment	64,689	-	64,689
Endowment funds restricted in perpetuity:			
Restricted for facilities and equipment	-	1,655,047	1,655,047
Available for general operating purposes	-	1,915,620	1,915,620
	$ 11,693,974	$ 3,570,667	$ 15,264,641

The net assets are summarized as follows as of December 31, 2022:

Detail of Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Undesignated	$ 3,537,811	$ -	$ 3,537,811
Net investment in property and equipment	4,385,552	-	4,385,552
Designated by the board for:			
Operating reserve	3,495,343	-	3,495,343
Quasi-endowment	60,977	-	60,977
Restricted for specific purposes:			
School programs	-	1,500	1,500
Mental health	-	2,500	2,500
Youth development - Cimarron	-	30,000	30,000
Youth development - Landfall	-	30,000	30,000
Financial solutions		54,000	54,000
Endowment funds restricted in perpetuity:			
Restricted for facilities and equipment	-	1,724,919	1,724,919
Available for general operating purposes	-	1,585,885	1,585,885
	$ 11,479,683	$ 3,428,804	$ 14,908,487

(9) Net assets (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, by the occurrence of the passage of time, or by the occurrence of other events specified by donors. Net assets released from restrictions for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Purpose restriction accomplished:		
School programs	$ 115,500	$ 91,193
Mental Health	2,500	-
Youth development-Cimarron	-	13,000
Marketing	-	28,000
Time restrictions expired:		
Release of appropriated endowment returns without purpose restrictions	58,689	52,631
Release of appropriated endowment returns with purpose restrictions	325,000	-
Total restrictions accomplished	$ 501,689	$ 184,824

(10) Endowments

The Organization has established three funds, which are held as a beneficial interest in assets at the St. Paul & Minnesota Foundation and the St. Croix Valley Foundation. In certain circumstances FamilyMeans has the opportunity to withdraw some or all of the interests from the Foundations. These funds are a means of safeguarding valuable services for families and maintaining capital resources owned by the agency. A long-term fund at the St. Paul & Minnesota Foundation, and the long-term agency fund at the St. Croix Valley Foundation help support programs and can have a stabilizing effect on the somewhat unpredictable funding streams available to family service organizations. The long-term facility fund at the St. Croix Valley Foundation generates funds to be used to repair, replace, upgrade, build or purchase facilities and equipment. This fund will not be used to pay for annual operational expenses related to facilities.

An endowment is one way the Board of Directors and the community insure the Organization's capacity to serve families far into the future. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of relevant law - The Board of Directors of the Organization has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, as applicable. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

(10) Endowments (continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Endowment composition and changes in endowment net assets

Endowment net asset composition by type of fund as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 2,296,230	$ 2,296,230
Accumulated investment gains-subject to appropriation under UPMIFA	-	1,274,437	1,274,437
Board-designated endowment funds	64,689	-	64,689
Total endowment net assets	$ 64,689	$ 3,570,667	$ 3,635,356

Endowment net asset composition by type of fund as of December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 2,122,891	$ 2,122,891
Accumulated investment gains-subject to appropriation under UPMIFA	-	1,187,913	1,187,913
Board-designated endowment funds	60,976	-	60,976
Total endowment net assets	$ 60,976	$ 3,310,804	$ 3,371,780

(10) Endowments (continued)

Changes in endowment net assets for the fiscal year ended December 31, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 60,977	$ 3,310,803	$ 3,371,780
Investment return (loss)	3,712	411,352	415,064
Contributions	-	173,512	173,512
Appropriation of endowment assets for expenditure	-	(325,000)	(325,000)
Endowment net assets, end of year	$ 64,689	$ 3,570,667	$ 3,635,356

Changes in endowment net assets for the fiscal year ended December 31, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 67,622	$ 3,767,306	$ 3,834,928
Investment return (loss)	(6,645)	(641,372)	(648,017)
Contributions		237,500	237,500
Appropriation of endowment assets for expenditure	-	(52,631)	(52,631)
Endowment net assets, end of year	$ 60,977	$ 3,310,803	$ 3,371,780

Endowment funds with deficits - From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such underwater endowments as of December 31, 2023 and 2022.

Return objectives, risk parameters and strategies - The trustees of the beneficial interests, the St. Croix Valley Foundation and the St. Paul & Minnesota Foundation, have the sole discretion as to the investment and reinvestment of the assets of the Funds. The primary investment objective of these accounts is capital preservation.

Spending policy and how the return objectives relate to spending policy - The long term fund at the St. Paul & Minnesota Foundation provides annual grants to FamilyMeans which help to support programs. Each year the agency anticipates a minimum payout of 3% to 5% over the three year trailing average balance of the endowment funds.

(10) Endowments (continued)

Spending policy and how the return objectives relate to spending (continued) - The building endowment at the St. Croix Valley Foundation also allows for annual grants to the agency. These funds are restricted for long term care and maintenance of the facility. The amount of the distribution available is 4.5% of the average value of the fund balance over the previous 16 quarters, however, larger distributions can be requested. Grants available but not appropriated for expenditure at December 31, 2023 and 2022 were $0 and $87,000, respectively.

The agency fund at the St. Croix Valley Foundation allows for annual grants to the agency. SCVF’s fiscal year runs July 1 through June 30. At the beginning of each fiscal year, an Available to Grant (ATG) amount is calculated for each fund, which is the amount the endowment can spend or grant during that fiscal year. The percentage available for granting is reviewed by SCVF’s finance & investment committee and board of directors each year, and the current rate is 4.5% of the average balance of the most recent trailing 16 quarters (average quarterly balance for prior 16 quarters times 4.5%). This amount is available for granting any time during the Organization’s fiscal year. Therefore, FamilyMeans can request all or a portion of the ATG, at any time during the fiscal year.

(11) In-kind contributions

Amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. These services, plus other in-kind contributions to the Organization for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Rent - Cimarron	$ 67,788	$ 67,788
Rent - Landfall building	10,000	10,000
Services-caregiver support and social services programs	-	30,678
Total	$ 77,788	$ 108,466

The Organization’s policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value determined by the type of asset.

Several volunteers with specific skills have donated their time to the Organization. The volunteers provided services for the caregiver support and social services programs. Also, the Organization receives space at no cost in two locations that are used to conduct youth development programming. The value for donated services and rent have been recorded based on current market rates. In addition, the Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization’s programs and fund-raising activities but which do not meet the criteria for financial statement recognition.

(12) Pension plan

The Organization has a defined contribution plan covering substantially all of its employees. The Organization contributes 3% of the participant's compensation. Contributions to the plan and plan expenses for the years ended December 31, 2023 and 2022 were $47,000 and $56,000, respectively.

(13) Leases

The Organization leases office space in western Wisconsin and southwest Minnesota. Required monthly lease payments range from $400 to $1,900 with lease terms ending from September 2024 to July 2025. In addition, the Organization leases office equipment with lease terms ending at various times through July 2027. There are one-year options to renew certain office equipment leases, which was not considered when assessing the value of the right-of-use assets because the Organization is not reasonably certain that it will exercise its options to renew those leases.

The Organization entered into a land lease in Washington County, Minnesota providing for the construction and operation of a youth center owned by the Organization. The required annual lease payment is $1. The Organization is responsible for all premiums for property and liability insurance, and property taxes covering the leased premises. The lease is for a term of 30 years ending in June 2043 with options to renew the term for three consecutive periods of five years each.

The components of operating lease expense are as follows:

	Years Ended December 31, 2023	Years Ended December 31, 2022
Operating lease costs	$ 38,000	$ 48,000
Variable lease costs	-	2,000
Short-term lease costs	9,000	9,000
Total operating lease costs	$ 47,000	$ 59,000
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 38,358	$ 38,080
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 13,370	$ 12,503
Weighted average remaining lease term (years): Operating leases	1.75	1.95
Weighted average discount rate: Operating leases	1.99%	0.99%

(13) Leases (continued)

Future minimum lease payments for the Organization's operating leases for the years ending December 31 are as follows:

Years Ending December 31,	Amount
2024	$ 33,000
2025	8,000
2026	4,000
2027	2,000
Total future operating lease payments	47,000
Less imputed interest	(1,000)
Total operating lease liability	46,000
Less current portion	(33,000)
Noncurrent portion	$ 13,000

(14) St. Croix Valley Foundation Net Asset Fund

The St. Croix Valley Foundation (SCVF) Net Asset Fund was established by donors for the benefit of FamilyMeans. The fair value of this fund is approximately $214,000 and $192,000 at December 31, 2023 and 2022, respectively. These funds are not included in the financial statements of the Organization. The original contributions to these funds will be preserved in perpetuity. In accordance with the wishes of the donors, it is the intention that a portion of the investment return of these funds are to be paid annually to the Organization and the remaining investment return is to be reinvested in the funds. The SCVF will make distributions to the Organization out of the funds' income in accordance with SCVF's spending policy. SCVF has variance power over the fund. The Organization uses the distributions for general operating purposes. There were no distributions from this fund for the years ended December 31, 2023 and 2022, respectively.

(15) Related party transactions

The Organization purchases insurance coverage from a company that is majority-owned by a family member of a director on the Organization's board of directors. During the fiscal years ended December 31, 2023 and 2022, the Organization paid the insurance agency $6,000 and $7,000, respectively, for insurance coverage. The Organization also has investments held through a bank in which its board treasurer is the CFO. During the fiscal year ended December 31, 2023, advisor fees paid to the bank totaled $5,000.

(16) Supplemental disclosure of cash flow information

A reconciliation of cash and cash equivalents – unrestricted and restricted within the statement of financial position that reconciles to the total of the same amounts shown in the statement of cash flows as of December 31, 2023 and 2022, is as follows:

	2023	2022
Components of cash and cash equivalents:		
Cash and cash equivalents	$ 3,507,318	$ 3,823,076
Cash restricted for endowment	54,069	171,006
	$ 3,561,387	$ 3,994,082