Financial statements of:

ACHIEVE TWIN CITIES

Years ended
June 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Achieve Twin Cities
Minneapolis, Minnesota

Opinion

We have audited the financial statements of Achieve Twin Cities, 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 accompanying financial statements present fairly, in all material respects, the financial position of Achieve Twin Cities 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Achieve Twin Cities 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 Achieve Twin Cities' ability to continue as a going concern for 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 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 Achieve Twin Cities' 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 Achieve Twin Cities' 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses excluding flow-through funds for the year ended June 30, 2023 and the schedule of functional expenses flow-through funds for the year ended June 30, 2023 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Schechter Dokken Kanter
Andrews & Selcer Ltd.

March 14, 2024
Minneapolis, MN

	2023	2022
Assets:		
Cash and cash equivalents	**$ 9,229,630**	$ 8,300,262
Accounts receivable	**350,756**	437,290
Contributions receivable, net	**3,223,726**	231,552
Other assets	**45,228**	38,950
Beneficial interest in assets held by others	**517,468**	645,636
Operating lease, right-of-use asset	**13,743**	-
Property and equipment, net	**31,665**	56,360
Total assets	**$ 13,412,216**	$ 9,710,050
Liabilities and net assets:		
Accounts payable	**$ 253,975**	$ 258,292
Accrued:		
Payroll	**-**	134,017
Vacation	**161,678**	153,035
Grants and gifts payable	**377,804**	378,923
Operating lease liability	**13,958**	-
Other liabilities	**-**	6,545
Total liabilities	**807,415**	930,812
Net assets:		
Without donor restrictions:		
Undesignated	**1,320,929**	1,106,980
Designated by the Board for operating reserve	**675,697**	675,697
Total net assets without donor restrictions	**1,996,626**	1,782,677
With donor restrictions	**10,608,175**	6,996,561
Total net assets	**12,604,801**	8,779,238
Total liabilities and net assets	**$ 13,412,216**	$ 9,710,050

ACHIEVE TWIN CITIES

	2023			2022		
	Without donor restrictions	**With donor restrictions**	**Total**	Without donor restrictions	With donor restrictions	Total
Revenue and support:						
Contributions of cash and other financial assets	**$ 475,048**	**$ 8,432,169**	**$ 8,907,217**	$ 494,877	$ 2,473,168	$ 2,968,045
Contributions of nonfinancial assets	**36,777**	**-**	**36,777**	43,000	-	43,000
Contract income	**2,727,117**	**-**	**2,727,117**	2,488,556	10,000	2,498,556
Earned income	**130,103**	**-**	**130,103**	38,660	-	38,660
Change in fair value of beneficial interest in assets held by others	**-**	**27,910**	**27,910**	-	(28,237)	(28,237)
Interest income	**55,501**	**6,479**	**61,980**	23,067	2,774	25,841
Special events, net of direct benefits to donors (2023 $51,437 and 2022 $31,597)	**116,744**	**88,600**	**205,344**	44,903	116,500	161,403
Miscellaneous	**15**	**-**	**15**	1,000	-	1,000
Total revenue and support	**3,541,305**	**8,555,158**	**12,096,463**	3,134,063	2,574,205	5,708,268
Net assets released from restrictions	**4,943,544**	**(4,943,544)**	**-**	3,132,968	(3,132,968)	-
	8,484,849	**3,611,614**	**12,096,463**	6,267,031	(558,763)	5,708,268
Expenses:						
Program services	**7,346,541**		**7,346,541**	5,210,170		5,210,170
Management and general	**631,031**		**631,031**	596,113		596,113
Fundraising	**293,328**		**293,328**	206,528		206,528
Total expenses	**8,270,900**		**8,270,900**	6,012,811		6,012,811
Change in net assets	**213,949**	**3,611,614**	**3,825,563**	254,220	(558,763)	(304,543)
Net assets, beginning	**1,782,677**	**6,996,561**	**8,779,238**	1,528,457	7,555,324	9,083,781
Net assets, ending	**$ 1,996,626**	**$ 10,608,175**	**$ 12,604,801**	$ 1,782,677	$ 6,996,561	$ 8,779,238

See notes to financial statements.

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 3,825,563	$ (304,543)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	33,701	38,496
Loss on disposal of equipment	682	-
Discount on contributions receivable	139,234	-
Decrease in beneficial interest in assets held by others	128,168	258,030
Change in operating assets and liabilities:		
Accounts receivable	86,534	(88,824)
Contributions receivable	(3,131,408)	1,073,018
Other assets	(6,278)	3,073
Accounts payable	(4,317)	(148,896)
Accrued expenses	(125,374)	90,855
Operating lease, right-of-use asset and lease liability	215	
Grants and gifts payable	(1,119)	187,696
Other liabilities	(6,545)	(4,840)
Net cash provided by operating activities	939,056	1,104,065
Cash flows from investing activities, purchase of property and equipment	(9,688)	(55,515)
Change in cash and cash equivalents	929,368	1,048,550
Cash and cash equivalents, beginning of year	8,300,262	7,251,712
Cash and cash equivalents, end of year	$ 9,229,630	$ 8,300,262

ACHIEVE TWIN CITIES

	Minneapolis Public Schools foundation	Subsidies and other flow-through	Career & College initiatives	Total program services	Management and general	Fundraising	Direct benefits to donors	Total
Salaries	$ 255,295		$ 3,089,164	$ 3,344,459	$ 225,557	$ 195,692		$ 3,765,708
Employee benefits	31,612		309,987	341,599	24,183	23,140		388,922
Payroll taxes	19,307		242,479	261,786	17,391	14,417		293,594
Payroll fees and other	37		3,569	3,606	16,655	170		20,431
Total employee compensation	306,251		3,645,199	3,951,450	283,786	233,419		4,468,655
Staff:								
Development and training	500		9,242	9,742	3,170	505		13,417
Parking, mileage and travel	5		12,944	12,949	689	79		13,717
Rent	8,346		59,353	67,699	9,348	6,032		83,079
Telephone and internet	832		4,514	5,346	11,931	483		17,760
Equipment			3,607	3,607	81,045	21,399		106,051
Insurance					19,833			19,833
Licenses, fees and subscriptions			19,715	19,715	10,724	523		30,962
Printing, postage and office supplies	106		3,015	3,121	6,905	10,290		20,316
Gifts and grants	2,201,923	$ 735,000		2,936,923				2,936,923
Program:								
Materials and supplies			16,350	16,350				16,350
Student wages		192,986		192,986				192,986
Student transportation and activity fees			1,153	1,153				1,153
Meeting and other expenses			50,675	50,675				50,675
Consultants and professional fees	13,133		20,208	33,341	107,744			141,085
PR, outreach, networking and website			14,044	14,044	23,557	1,763		39,364
Event Expense			7,623	7,623		15,529	$ 51,437	74,589
In-kind expense					36,777			36,777
Other	11,093		543	11,636	11,177	2,131		24,944
	2,542,189	927,986	3,868,185	7,338,360	606,686	292,153	51,437	8,288,636
Depreciation	475		7,706	8,181	24,345	1,175		33,701
Total expenses by function	2,542,664	927,986	3,875,891	7,346,541	631,031	293,328	51,437	8,322,337
Less expenses included with revenues on the statement of activities, direct benefits to donor							(51,437)	(51,437)
Total expenses included in the expense section on the statement of activities	$ 2,542,664	$ 927,986	$ 3,875,891	$ 7,346,541	$ 631,031	$ 293,328	$ -	$ 8,270,900

See notes to financial statements.

ACHIEVE TWIN CITIES

	Minneapolis Public Schools foundation	Subsidies and other flow-through	Career & college initiatives	Total program services	Management and general	Fundraising	Direct benefits to donors	Total
Salaries	$ 255,636		$ 2,514,417	$ 2,770,053	$ 231,689	$ 135,538		$ 3,137,280
Employee benefits	24,718		244,195	268,913	22,600	15,953		307,466
Payroll taxes	18,726		186,359	205,085	16,309	9,434		230,828
Payroll fees and other	763		8,319	9,082	3,267	1,129		13,478
Total employee compensation	299,843		2,953,290	3,253,133	273,865	162,054		3,689,052
Staff:								
Development and training	232		7,126	7,358	35,639	450		43,447
Parking, mileage and travel			2,294	2,294	327	140		2,761
Rent	7,406		65,081	72,487	10,555	5,482		88,524
Telephone and internet	665		4,349	5,014	9,230	363		14,607
Equipment			2,804	2,804	83,728	19,725		106,257
Insurance					18,262			18,262
Licenses and fees			13,064	13,064	4,626	504		18,194
Printing, postage and office supplies	51		3,598	3,649	5,291	11,234		20,174
Gifts and grants	1,638,305		(500)	1,637,805				1,637,805
Program:								
Materials and supplies			4,009	4,009				4,009
Student wages		$ 105,120		105,120				105,120
Student transportation and activity fees			814	814				814
Meeting and other expenses			19,676	19,676				19,676
Consultants and professional fees			36,049	36,049	56,222			92,271
PR, outreach, networking and website			19,105	19,105	45,468	1,523		66,096
Event expense			6,700	6,700	17,459	1,189	$ 31,597	56,945
Other	10,663		1,426	12,089	7,880	1,929		21,898
	1,957,165	105,120	3,138,885	5,201,170	568,552	204,593	31,597	6,005,912
Depreciation	356		8,644	9,000	27,561	1,935		38,496
Total expenses by function	1,957,521	105,120	3,147,529	5,210,170	596,113	206,528	31,597	6,044,408
Less expenses included with revenues on the statement of activities, direct benefits to donor							(31,597)	(31,597)
Total expenses included in the expense section on the statement of activities	$ 1,957,521	$ 105,120	$ 3,147,529	$ 5,210,170	$ 596,113	$ 206,528	$ -	$ 6,012,811

See notes to financial statements.

1. Nature of business and significant accounting policies:

Nature of business and major programs:

Achieve Twin Cities Overview: Sparking success in careers, college, and life:

As one of the upper Midwest's leading career and college readiness organizations, Achieve Twin Cities rallies community support and delivers best-in-class programs to inspire and equip young people in Minneapolis and Saint Paul, Minnesota for careers, college and life. Our vision is that all students have full and equitable access to postsecondary education and career opportunities, creating a more just and vibrant community. Founded in 2002, Achieve Twin Cities has provided guidance, support and resources for over 85,000 students.

While our high schools prepare students academically, Achieve Twin Cities helps ensure that each student graduates with the resources, support and confidence they need to achieve their career and postsecondary dreams. Achieve recognizes the value in every path to personal and economic success and provides caring guidance and expertise to empower each student to pursue the best options for their career and postsecondary goals, including two- or four-year college, apprenticeships, technical training, employment and many other opportunities.

As a universal service provider, Achieve Twin Cities accomplishes this work through proven, interconnected career and college readiness services in 28 Minneapolis Public Schools (MPS) and Saint Paul Public Schools (SPPS) high schools, which are available to students from their first day of ninth grade through high school graduation. It also provides paid summer career experiences and work readiness training for Minneapolis youth through the Step Up Youth Employment Program (in partnership with the City of Minneapolis), and through its Achieve College Internships program, which connects MPS, SPPS and Step Up alumni with professional career-focused college internships.

Achieve Twin Cities also hosts public engagement events focusing on career and college readiness, workforce development, and a wide variety of other critical issues that impact young people and schools. These events are designed to both inform and engage the local community in providing resource support and advocating for students and public schools.

Achieve Twin Cities also serves as the Minneapolis Public Schools nonprofit foundation, securing major grants for key district priorities and administering school and department funds, student college scholarships and small grants for classrooms and staff.

Through the Organization's agreement with MPS, which is in effect until June 30, 2026, the two organizations are considered financially interrelated entities as a result of MPS board representation and ongoing economic interest in the net assets of Achieve Twin Cities and thus contributions the Organization receives on behalf of MPS and related expenses incurred are included in the Organization's financial statements.

Minneapolis Public Schools (MPS) Partnership:

In addition to being a strong program partner through career and college readiness services for 20 MPS high schools, Achieve Twin Cities also serves as the nonprofit foundation for MPS. In this role it assists the district in securing major grants for STEM programs, educator pathway programs and other district priorities. It also manages $5 million in private funds for MPS schools and departments, administers college scholarships for MPS graduates and awards private mini grants for district staff development and classroom projects.

1. Nature of business and significant accounting policies (continued):

Nature of business and major programs (continued):

Achieve Twin Cities Career & College Initiative Programs:

Career and College Readiness (CCR) Services:

At the heart of Achieve Twin Cities' work are its career and college readiness services, which are embedded in 28 Minneapolis Public Schools (MPS) and Saint Paul Public Schools (SPPS) high schools. The CCR team provides a wide range of equity-focused career and college readiness guidance and programs, working one-on-one with young people to build the kind of trusting, long-term relationships that are essential for creating post-graduation plans and career success.

Staffed by career and college readiness professionals that include licensed counselors, teachers and social workers, Achieve Twin Cities is a universal provider in both MPS and SPPS school districts, with services available to 18,000 students each year. These include personalized career exploration advising, career events with local professionals, college fairs and tours, college rep visits, assistance with FAFSA, financial aid and college applications, advice on resume writing and job interviewing, connections with internship and job opportunities, and links to other college access providers.

Achieve Twin Cities career exploration programming – fully integrated into these high school services – connects students with a wide variety of career and training opportunities that help them prepare to access family-supporting, high-demand and high-growth careers more quickly after high school. Achieve Twin Cities also brings employers into high schools to meet with students via career speaker events and takes students out into the community to participate in interactive worksite tours.

Program data shows that 95% of students who utilize Achieve Twin Cities school-based services graduate with a career pathway plan. BIPOC students who utilize these services enroll in postsecondary programs at 69% higher rates than those who do not, and lower income students enroll at 79% higher rates. That means with Achieve Twin Cities support, more students are pursuing the education and training they need for meaningful careers and financial independence.

Internship Programs:

Step Up Youth Employment Program:

Step Up prepares today's youth for tomorrow's careers by recruiting, training and placing hundreds of Minneapolis youth (ages 14-21) in paid internships each year with over 100 regional employers, from Fortune 500 companies and small businesses to public agencies and nonprofits. A partnership of the City of Minneapolis, Achieve Twin Cities, the Minnesota Department of Employment and Economic Development, and Project for Pride in Living, Step Up is one of the nation's leading youth employment programs and leverages a collective that spans 15 industries and multiple sectors.

Step Up supports historically underrepresented youth in Minneapolis who are ready to navigate the professional world. It also helps organizations diversify their workforce and build a base of young, skilled workers for the entire region. Step Up has provided over 34,000 internship experiences since 2003, yielding a competitive talent pipeline, a stronger economy and millions of dollars in wages for Step Up interns. It also collaborates with corporate, government and higher education partners to provide sector-specific trainings, networking events and industry-recognized credentials through four career pipelines in STEM, healthcare, design and financial services. Interns collectively earn over $3 million in wages each summer for themselves and their families.

1. Nature of business and significant accounting policies (continued):

Nature of business and major programs (continued):

Achieve Twin Cities Career & College Initiative Program (continued):

Internship Programs (continued):

Achieve College Internships:

Launched in 2020, the Achieve College Internships program provides career-building opportunities for college juniors who are underrepresented in Twin Cities companies and local internship programs. Participants include Step Up alums, Minneapolis and Saint Paul public school graduates, and Minnesota Private College Fund Black Men's Success Initiative scholars. Achieve Twin Cities has partnered with over 60 global businesses, local companies and community-based organizations to provide high-quality paid summer internships, mentors and professional networking for 150 students from 20 colleges and universities. The program also helps employers strengthen their recruitment and retention of talented, diverse students who want to launch their careers in the Twin Cities.

Volunteering Programs:

Each year, over 400 Twin Cities community members and employees from local companies volunteer with high school students by introducing them to new careers, education opportunities and skills through school-based career events, on-site company worksite tours, Step Up mock interviews, Achieve College Internships professional training, and other career exploration support.

School-based career exploration events connect volunteers with high school students to share their career journeys and insights on a wide range of career and training opportunities. Through in-school career speaker events and off-site worksite tours, students explore new career fields, meet local professionals, see workers in action at their companies and learn the steps they need to take toward specific fields and industries. In the 2022-23 school year, 222 individuals from 160 Twin Cities companies and organizations served as career volunteers.

Each spring, over 100 community volunteers participate in the annual **Step Up Mock Interviews**, interviewing and coaching Step Up youth participants one-on-one in preparation for their summer internship interviews. The mock interviews are part of Step Up work readiness training, which each intern must complete before they are matched with their summer employer. In 2023, 148 volunteers participated in these mock interviews.

Local business professionals also volunteer with **Achieve College Internships** participants through our "Job Winner" events. This past year, 39 talent acquisition professionals shared their career and industry insights with college interns, followed by one-on-one mock job interviews to help them practice and get feedback on their interview and presentation skills in preparation for future job interviews.

In addition to these volunteer opportunities, employees from Achieve Twin Cities partner companies also volunteer their time with Step Up and Achieve College Internships participants as **work readiness trainers, career exposure event leaders and financial literacy and career skills event facilitators**.

1. Nature of business and significant accounting policies (continued):

Nature of business and major programs (continued):

Public Engagement Events:

Achieve Twin Cities also hosts public events that inform and spark conversations on a wide range of issues impacting our students and public schools and connect our local community with opportunities to support and advocate for young people.

Launched in 2012, **Achieve Twin Cities EDTalks** features compelling short talks and conversations with cutting-edge educators, youth advocates, journalists, artists, researchers, policymakers and others on a wide range of equity-focused issues that impact our young people and public education. Based on the TEDTalks model, EDTalks raises public awareness of critical topics and strengthens community engagement and advocacy for our young people and public schools. EDTalks events are livestreamed, and its videos and podcasts are available on the Achieve Twin Cities website and YouTube channel.

In partnership with Minneapolis Public Schools (MPS), the annual **Principal Partner Day** matches Twin Cities business, philanthropy, media and civic leaders one-on-one with MPS principals for a half-day of job shadowing at their schools. Participants get a rare behind-the-scenes experience at an MPS school, see their principal in action and interact with staff and students. Following their school experience, they gather with other event participants to share insights and explore next steps in response to what they've seen and heard that day.

Achieve101 and **Lunchbreak with Achieve Twin Cities** provide opportunities for community members to hear from our career and college readiness (CCR) staff experts, visit our school-based centers and explore CCR and youth workforce issues. Participants hear from Achieve program leaders and other partners in this work, meet young people who utilize our services, and find out how they can support students as internships employers, volunteers, donors and community partners.

Basis of presentation:

Net assets, revenues, gains and losses are classified based on 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-) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

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. There were no donor-imposed restrictions that were perpetual in nature as of June 30, 2023 and 2022.

1. Nature of business and significant accounting policies (continued):

Concentration of credit risk:

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist primarily of cash deposits. The Organization maintains cash accounts at financial institutions where at times the cash balances exceed the federally insured limit of $250,000. The Organization has not experienced any loss associated with the practice.

Concentrations of contributions and contributions receivable:

The Organization had a concentration of one donor constituting 63% and 11% of contributions of cash and other financial assets for the years ended June 30, 2023 and 2022, respectively. Contributions receivable from two and three organizations constituted 94% and 76% of the contribution receivable balance at June 30, 2023 and 2022, respectively.

Concentrations of contract income and accounts receivable:

The Organization had a concentration of three contractors constituting 94% and 93% of contract income for the years ended June 30, 2023 and 2022, respectively. The Organization also had a concentration of two contractors constituting 92% and 86% of accounts receivable for the years ended June 30, 2023 and 2022, respectively.

Cash and cash equivalents:

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and cash equivalents consist of bank deposits and money market accounts.

Accounts receivable:

The Organization recognizes receivables at net realizable value. Accordingly, the Organization provides for bad debts using the allowance method, which is based on management judgment considering historical information. An allowance is provided for accounts when a significant pattern of uncollectability has occurred. Services are sold on an unsecured basis. When all collection efforts have been exhausted, the accounts are written off against the allowance. With respect to accounts receivable at June 30, 2023 and 2022, there were no material balances that were deemed uncollectible, therefore, no reserve for uncollectible accounts was considered necessary at either year end.

Opening and closing balances for accounts receivable arising from contracts with customers include the following as of:

	June 30, 2023	June 30, 2022	July 1, 2022
Accounts receivable, trade, net	**$ 350,756**	$ 437,290	$ 348,466

1. Nature of business and significant accounting policies (continued):

Contributions receivable and contributions:

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires or is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions through net assets released from restrictions. A conditional promise to give includes a measurable performance or other barrier, and a right of return of funds if the condition is not met. A conditional contribution is recorded as revenue and/or receivable when the conditions on which they depend are substantially met or explicitly waived by the donor, that is, when the conditional contribution becomes unconditional.

Contributions that are expected to be collected within one year are recorded at their net realizable value. Grants and promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise to give is received. Amortization of the discount is included in contributions. Conditional promises to give are not included as support until such time as the conditions are substantially met. Contributions receivable are considered collectible and therefore there is no allowance for doubtful accounts.

Contract and earned income:

Government grants and contracts are generally considered exchange transactions and recorded as revenues, specifically contract and earned income, when the related costs are incurred. Amounts received prior to the cost being incurred are recorded as refundable advances. Amounts expended but not yet reimbursed have been recorded as accounts receivable. Management believes the Organization is not exposed to significant credit risk related to accounts receivable. Expenditures under government grants and contracts are subject to review by the granting authority. If, as a result of such a review, expenditures are determined to be unallowable, the disallowance will be recorded at the time the assessment for refund is made.

Beneficial interest in assets held by others:

The Organization has established a charitable fund at The Minneapolis Foundation (TMF). The charitable fund is invested in TMF’s long-term growth strategy fund, and the Organization is the named beneficiary. The Organization has granted variance power to TMF, which allows TMF to modify any condition or restriction on its distributions for any specified charitable purposes or to any specified organization if, in the sole judgment of TMF’s Board of Directors, such restrictions or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Additional contributions from the Organization or donors can be made to the charitable fund; however, TMF has authority to accept contributions to the Fund from others. Annual distributions are based on TMF’s distribution formula and are directed at the recommendation of the Organization. The fund is held and invested by TMF for the Organization’s benefit and is reported at the fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

1. Nature of business and significant accounting policies (continued):

Beneficial interest in assets held by others (continued):

Additionally, various donors and the former MPS Foundation have established several other charitable funds held at TMF where TMF has been granted variance power and MPS is the named beneficiary. The Organization, as MPS's strategic nonprofit partner, makes recommendations to TMF with respect to the distributions of these scholarships, teacher awards and special education funds. Since MPS is the named beneficiary of these funds, they are not recorded in the Organization's financial statements. These funds total $1,467,934 and $1,465,555 as of June 30, 2023 and 2022, respectively.

Adoption of new lease standard:

As of July 1, 2022, the Organization adopted ASU 2016-12 – Leases (topic 842) under the modified retrospective approach and has chosen the transition method of not adjusting comparative periods. Under this standard, the Organization determines if an arrangement is a lease at inception.

The Organization leases a building. This qualifies as an operating lease and is included in the operating lease right-of-use ("ROU") assets and operating lease liabilities in its statement of financial position (see Note 6). Operating lease ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at the commencement date. The Organization uses the ten-year U.S Treasury Note rate respective to the life of the lease based on the information available at commencement date in determining the present value of lease payments. Operating lease ROU assets are reduced by lease incentives received. The Organization has adopted other accounting policy elections related to this standard including election of not recognizing ROU assets and lease liabilities arising from short-term leases for any class of underlying assets.

Property and equipment:

Property and equipment are carried at cost, with the exception of donated equipment which is recorded at fair market value at date of gift. Depreciation of property and equipment is provided for on a straight-line basis over their estimated useful lives. The cost of maintenance and repairs is charged to expense as incurred; significant renewals or betterments are capitalized.

Functional allocation of expenses:

Expenses which are related to a specific program or supporting service are charged directly to that service. Salaries, rent, and related expenses are allocated based on employee estimates of their dedicated time to each program. These estimates are reviewed by appropriate supervisors, then used by management when creating the functional allocation.

Fair value measurements:

The Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument in its entirety.

1. Nature of business and significant accounting policies (continued):

Fair value measurements (continued):

The three levels of the fair value hierarchy under GAAP guidance are described below.

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; and Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

Income taxes:

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. It is the policy of the Organization to assess any uncertain tax provisions and, if necessary, record a tax asset or liability, and the related income tax expense, for any uncertain tax provisions. The Organization's tax returns are subject to review and examination by federal and state authorities. Management has evaluated the Organization's tax positions and determined that there are no positions which are considered uncertain.

Reclassifications:

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between period presented. The reclassifications had no impact on previously reported net assets.

Use of estimates:

The timely 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. Actual results could differ from those estimates.

Subsequent events:

The Organization has evaluated the effects subsequent events would have on the financial statements through March 14, 2024, which is the date of the financial statements were available for issuance.

2. Liquidity and availability:

The following represents the Organization's financial assets at June 30:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	**$ 9,229,630**	$ 8,300,262
Accounts receivable	**350,756**	437,290
Contributions receivable, net	**3,223,726**	231,552
Total financial assets	**12,804,112**	8,969,104
Less amounts not available to be used within one year:		
Net assets with donor restrictions	**10,608,175**	6,996,561
Less net assets with purpose restrictions to be met in less than a year	**(4,162,875)**	(3,658,183)
Designated net assets by the board	**675,697**	675,697
	7,120,997	4,014,075
Financial assets available to meet general expenditures over the next twelve months	**$ 5,683,115**	$ 4,955,029

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $1,475,000). As part of the Organization's liquidity plan, the Organization invests cash in excess of daily requirements in money market funds. The Board of Directors of the Organization has designated $675,697 of unrestricted net assets as a general operating reserve as of June 30, 2023 and 2022.

3. Contributions receivable:

Unconditional contributions receivable are estimated to be collected as follows at June 30:

	2023	2022
Gross contributions receivable		
Collectible within one year	**$ 1,688,190**	$ 231,552
Collectible in one to five years	**1,674,770**	-
Total gross contributions receivable	**3,362,960**	231,552
Less discount to net present value at 4.25%	**(139,234)**	-
Total contributions receivable, net	**$ 3,223,726**	$ 231,552

4. Beneficial interest in assets held by others and fair value measurements:

Fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30 are as follows:

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Beneficial interest in assets held by others - TMF Investment Pool			**$ 517,468**	**$ 517,468**

	2022			
	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by others – TMF Investment Pool			$ 645,636	$ 645,636

The following is a description of the valuation methodologies used for Level 3 financial assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022:

Beneficial interest in assets held by others – includes the expected future distributions the Organization expects to receive from TMF where the fair value of these assets held by TMF is based on the fair value of the TMF Investment Pool as reported by TMF. These funds are not redeemable by the Organization and thus are included in level 3 of the fair value hierarchy.

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the years ended June 30, 2023 and 2022:

	Beneficial interest in assets held by others
Balance, July 1, 2021	$ 903,666
Change in fair value	(28,237)
Administrative fees*	(8,393)
Distributions	(221,400)
Balance, June 30, 2022	645,636
Change in fair value	**27,910**
Administrative fees*	**(7,578)**
Distributions	**(148,500)**
Balance, June 30, 2023	**$ 517,468**

*Included in program services expenses.

5. Property and equipment:

Property and equipment consist of the following as of June 30:

	2023	2022
Tenant improvements	**$ 33,864**	$ 33,864
Equipment	**148,013**	144,969
Furniture	**5,400**	5,400
	187,277	184,233
Less accumulated depreciation	**155,612**	127,873
	$ 31,665	$ 56,360

6. Operating Leases and Commitments:

Operating lease:

The Organization rented office space under an operating lease agreement that expired in September 2023. In addition to the minimum rent, the Organization was also obligated to pay its share of operating costs. The future lease liability for the year ending June 30, 2024 for this office space was $13,958.

In 2023 and 2022 rent expense and related costs were $83,079 and $88,524, respectively.

The weighted-average remaining lease term is 3 months for the operating lease as of June 30, 2023. The weighted-average discount rate is 2.84% for the operating lease as of June 30, 2023.

Operating lease commitment:

The Organization entered into a lease after year end for an office space under an operating lease agreement that expires February 2029 with one five-year renewal option. See the schedule below for future lease commitments.

Year ending June 30	Amount
2024	$ 12,790
2025	39,215
2026	40,344
2027	41,472
2028	42,601
Thereafter	29,059
	$ 205,481

7. Retirement plan:

The Organization sponsors a defined contribution retirement plan, which is a 403(b). Employees with one or more years of service are eligible for a discretionary employer matching contribution. The Organization made employer matching contributions of $63,206 and $49,639 for the years ended June 30, 2023 and 2022, respectively.

8. Net assets with donor restrictions:

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose or period:		
ATC – College Internships	**$ -**	$ -
ATC – Step Up Program	**-**	103,784
ATC – Career & College Readiness Centers	**3,142,355**	1,146,318
ATC – All Program Initiatives	**1,079,166**	1,077,378
ATC – General Operating	**87,600**	116,500
District Partners – Other Strategic Initiatives	**3,668,090**	2,046,537
MPS – Scholarships & Special Awards	**700,377**	789,618
MPS – School Funds	**1,930,587**	1,716,426
Total net assets with donor restrictions	**$ 10,608,175**	$ 6,996,561

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time specified by the donors for the years ended June 30:

	2023	2022
Purpose/time fulfilled:		
ATC – College Internships	**$ 13,500**	$ 31,500
ATC – Step Up Program	**147,784**	139,638
ATC – Career & College Readiness Centers	**1,265,545**	949,350
ATC – All Program Initiatives	**368,342**	163,718
ATC – General Operating	**116,500**	97,000
District Partners – Other Strategic Initiatives	**2,026,856**	725,833
MPS – Scholarships & Special Awards	**351,092**	650,992
MPS – School Funds	**653,925**	374,937
Total net assets released from restrictions	**$ 4,943,544**	$ 3,132,968

ACHIEVE TWIN CITIES

YEAR ENDED JUNE 30, 2023

	Minneapolis Public Schools Foundation	Career & college initiatives	Total program services	Management and general	Fundraising	Total
Salaries	$ 255,295	$ 3,089,164	$ 3,344,459	$ 225,557	$ 195,692	$ 3,765,708
Employee benefits	31,612	309,987	341,599	24,183	23,140	388,922
Payroll taxes	19,307	242,479	261,786	17,391	14,417	293,594
Payroll fees and other	37	3,569	3,606	16,655	170	20,431
Total employee compensation	306,251	3,645,199	3,951,450	283,786	233,419	4,468,655
Staff:						
Development and training	500	9,242	9,742	3,170	505	13,417
Parking, mileage and travel	5	12,944	12,949	689	79	13,717
Rent	8,346	59,353	67,699	9,348	6,032	83,079
Telephone and internet	832	4,514	5,346	11,931	483	17,760
Equipment	-	3,607	3,607	81,045	21,399	106,051
Insurance	-	-	-	19,833	-	19,833
Licenses, fees and subscriptions	-	19,715	19,715	10,724	523	30,962
Printing, postage and office supplies	106	3,015	3,121	6,905	10,290	20,316
Program:						
Materials and supplies	-	16,350	16,350	-	-	16,350
Student transportation and activity fees	-	1,153	1,153	-	-	1,153
Meeting and other expenses	-	50,675	50,675	-	-	50,675
Consultants and professional fees	13,133	20,208	33,341	107,744	-	141,085
PR, outreach, networking and website	-	14,044	14,044	23,557	1,763	39,364
Event Expense	-	7,623	7,623	-	15,529	23,152
In-kind expense	-	-	-	36,777	-	36,777
Other	(1)	543	542	11,177	2,131	13,850
	329,172	3,868,185	4,197,357	606,686	292,153	5,096,196
Depreciation	475	7,706	8,181	24,345	1,175	33,701
Total	$ 329,647	$ 3,875,891	$ 4,205,538	$ 631,031	$ 293,328	$ 5,129,897

ACHIEVE TWIN CITIES

	Minneapolis Public Schools Foundation	Subsidies & other flow-through	Total
Gifts and grants	$ 2,201,923	$ 735,000	$ 2,936,923
Program student wages	-	192,986	192,986
Other	11,094	-	11,094
Total	$ 2,213,017	$ 927,986	$ 3,141,003