

**KAREN ORGANIZATION OF MINNESOTA**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Karen Organization of Minnesota  
Roseville, Minnesota

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Karen Organization of Minnesota (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activity, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Karen Organization of Minnesota as of December 31, 2023, and the changes of its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Karen Organization of Minnesota 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 Karen Organization of Minnesota's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

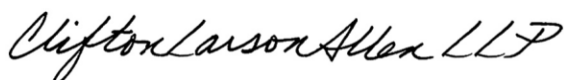
***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Karen Organization of Minnesota's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Karen Organization of Minnesota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
October 8, 2024

**KAREN ORGANIZATION OF MINNESOTA  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 556,621
Government Grants Receivable	863,673
Pledges Receivable	181,500
Prepaid Expenses	61,734
Total Current Assets	<u>1,663,528</u>

**PROPERTY AND EQUIPMENT, NET**

9,620

**RIGHT-OF-USE ASSET - OPERATING LEASE, NET**

285,154

Total Assets

\$ 1,958,302

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 227,414
Accrued Payroll and Related Liabilities	131,849
Refundable Advances	113,000
Current Portion of PPP Loan	36,680
Current Portion of Operating Lease Liability	134,050
Total Current Liabilities	<u>642,993</u>

PPP Loan, Less Current Portion

14,612

Long-Term Portion of Operating Lease Liability

152,728

Total Liabilities

810,333

**NET ASSETS**

Without Donor Restrictions	756,283
Without Donor Restrictions - Board-Designated	243,000
Total Net Assets Without Donor Restrictions	<u>999,283</u>

With Donor Restrictions

148,686

Total Net Assets

1,147,969

Total Liabilities and Net Assets

\$ 1,958,302

*See accompanying Notes to Financial Statements.*

**KAREN ORGANIZATION OF MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Government Grants	\$ 2,385,577	\$ 15,000	\$ 2,400,577
Foundation Grants	607,232	115,000	722,232
United Way	-	125,000	125,000
Fees for Services	217,125	-	217,125
Special Events Contributions, Net of Direct Donor Benefit Expenses of \$29,289	23,945	-	23,945
Contributions	23,594	-	23,594
Other Revenue	1,656	-	1,656
Interest Income	6,996	-	6,996
Net Assets Released Upon Satisfaction of Restrictions	300,484	(300,484)	-
Total Revenue and Support	<u>3,566,609</u>	<u>(45,484)</u>	<u>3,521,125</u>
<b>EXPENSES</b>			
Program Services:			
Social Services	1,056,038	-	1,056,038
Employment Services	1,185,953	-	1,185,953
Youth Services	1,000,259	-	1,000,259
Management and General	200,940	-	200,940
Fundraising	67,343	-	67,343
Total Expenses	<u>3,510,533</u>	<u>-</u>	<u>3,510,533</u>
<b>CHANGE IN NET ASSETS</b>	56,076	(45,484)	10,592
Net Assets - Beginning of Year	<u>943,207</u>	<u>194,170</u>	<u>1,137,377</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 999,283</u></u>	<u><u>\$ 148,686</u></u>	<u><u>\$ 1,147,969</u></u>

See accompanying Notes to Financial Statements.

**KAREN ORGANIZATION OF MINNESOTA  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

	Social Services	Employment Services	Youth Services	Total Program Services	Management and General	Fundraising	Total
Payroll and Related:							
Payroll	\$ 651,007	\$ 707,485	\$ 302,222	\$ 1,660,714	\$ 104,962	\$ 45,664	\$ 1,811,340
Employee Benefits	52,080	56,199	24,258	132,537	8,398	3,285	144,220
Payroll Taxes	54,456	58,900	25,320	138,676	8,393	3,700	150,769
Total Payroll and Related	757,543	822,584	351,800	1,931,927	121,753	52,649	2,106,329
Consortium Lead Payments	143,253	43,712	466,342	653,307	-	-	653,307
Client Support	19,853	199,472	19,786	239,111	-	-	239,111
Staff Travel	5,856	5,309	2,635	13,800	235	18	14,053
Staff Development	1,953	6,198	60,812	68,963	3,159	135	72,257
Professional Fees and Consultants	19,417	5,513	29,854	54,784	8,628	8,848	72,260
Accounting and Audit	-	-	-	-	31,812	-	31,812
Advertising	441	1,428	234	2,103	375	727	3,205
Office and Event Supplies	10,327	8,574	19,564	38,465	1,426	62	39,953
Postage and Shipping	409	411	191	1,011	53	20	1,084
Repairs	333	3,112	606	4,051	633	-	4,684
Depreciation	-	-	-	-	5,631	-	5,631
Rental	55,249	43,744	20,807	119,800	6,714	2,092	128,606
Telephone	6,705	8,250	8,301	23,256	561	289	24,106
Insurance	14,274	14,537	6,777	35,588	2,074	540	38,202
Computer and Support	14,903	17,873	10,278	43,054	1,238	1,212	45,504
Copying and Printing	2,487	3,494	1,522	7,503	417	86	8,006
Interest	-	-	-	-	653	-	653
Dues	367	1,161	202	1,730	218	18	1,966
Event Entertainment	1,330	-	400	1,730	4,376	29,710	35,816
Miscellaneous	1,339	581	148	2,068	10,984	226	13,278
Total Expenses, Before Direct Donor Benefits	1,056,039	1,185,953	1,000,259	3,242,251	200,940	96,632	3,539,823
Less: Direct Donor Benefits	-	-	-	-	-	(29,289)	(29,289)
Total Expenses	<u>\$ 1,056,039</u>	<u>\$ 1,185,953</u>	<u>\$ 1,000,259</u>	<u>\$ 3,242,251</u>	<u>\$ 200,940</u>	<u>\$ 67,343</u>	<u>\$ 3,510,534</u>

See accompanying Notes to Financial Statements.

**KAREN ORGANIZATION OF MINNESOTA  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 10,592
Adjustments to Reconcile the Change in Net Assets to Net	
Cash Used by Operating Activities:	
Depreciation	5,631
Changes in Operating Assets and Liabilities:	
Government Grants Receivable	(13,210)
Pledges Receivable	(173,625)
Prepaid Expenses	(44,145)
Accounts Payable	(34,292)
Grants Payable	(28,789)
Accrued Expenses, Payroll, and Related Liabilities	13,872
Deferred Revenue	50,614
Lease Liabilities	1,624
Net Cash Used by Operating Activities	<u>(211,728)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments on PPP Loan	<u>(36,316)</u>
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**NET DECREASE IN CASH**

(248,044)

Cash - Beginning of Year

804,665

**CASH - END OF YEAR**

\$ 556,621

**SUPPLEMENTAL INFORMATION**

Cash Paid for Interest Expense	<u><u>\$ 650</u></u>
Right-of-Use Asset Acquired in Exchange for Operating Lease Liabilities	<u><u>\$ 300,866</u></u>

*See accompanying Notes to Financial Statements.*



**KAREN ORGANIZATION OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 ORGANIZATION**

Karen Organization of Minnesota (KOM) is a nonprofit corporation organized under the laws of the state of Minnesota. The mission of KOM is to build on the strengths of refugee and immigrant communities and remove barriers to achieving economic, social, and cultural wellbeing. KOM achieves this by assisting refugees to settle, integrate, and become self-sufficient; fostering cultural knowledge and understanding; and strengthening organizational capacity and effectiveness to meet the needs of the community.

KOM's main program services include the following:

*Social Services* – KOM connects refugees with a variety of social services to help them meet their basic needs and integrate into the community, including public assistance, health insurance, healthcare, housing, immigration services, and services for elders and caregivers. KOM coordinates a Weaving Circle for Karen textile weavers to practice their craft and teach classes to Karen youth. KOM also offers community health education on numerous topics and provides case management for Karen/Karenni youth with behavioral health problems and their families.

*Employment Services and Financial Empowerment* – KOM helps refugees who have been in the U.S. for less than 5 years find and maintain employment in Minnesota. KOM also helps refugees, immigrants, and other low-income workers advance their careers by providing vocational training, career counseling, and financial coaching.

*Youth Services* – KOM offers academic coaching for refugee youth who have been in the U.S. for under 5 years and after-school and summer programs for Karen/Karenni youth with a focus on socio-emotional learning, cultural heritage, and post-secondary exploration.

Primary support comes from federal and state grants, foundation grants, contributions, and fees for service.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Statement Presentation**

Revenues and support are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

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

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other actions 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.

**KAREN ORGANIZATION OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

KOM considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**Government Grants Receivable**

Government grants are accounted for as contributions and are recorded as a receivable when they become unconditional. Management has determined an allowance is not necessary because the balance is considered fully collectible.

**Pledges Receivable**

Contributions are recognized when the donor makes an unconditional promise to give to KOM. Unconditional promises to give cash and other assets to KOM are reported at fair value at the date the promise is received, less an allowance for promises estimated to be uncollectible.

**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 the estimated useful lives. The cost of maintenance and repairs is charged to income as incurred; significant renewals or betterments with a value greater than or equal to \$5,000 and a useful life of greater than one year are capitalized.

KOM reports gifts of property and equipment as increases in net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, KOM reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**KAREN ORGANIZATION OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government Grants**

Federal and state grants are accounted for as contributions. The grants are cost reimbursable which are conditional upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when KOM has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Expenditures under government grants 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.

**Foundation Grants and Contributions**

Foundation grants and contributions are considered available for use without donor restriction use unless specifically restricted by the donor. Contributions received are recorded as increases in net assets without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions. When a specific time restriction ends or a purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized.

**United Way Revenue Recognition**

Funding commitments from the Greater Twin Cities United Way are accounted for as contributions in the year the United Way board approves the funding.

**In-kind Contributions**

Donated space or materials are recorded as contributions at their estimated fair market value in the period received. Donated services are recorded as contributions at their estimated fair value only if the services create or enhance a nonfinancial asset or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

KOM regularly receives donated services from many volunteers. However, no amounts have been recognized for these services because they do not meet the criteria described above.

**Fees For Services**

Fees for services are recorded as revenue when the services are performed. Fees received before services are performed are recorded as deferred revenue.

**KAREN ORGANIZATION OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Sponsorships and Event Revenue-Earned**

Sponsorship and earned event revenue collected in advance of the related event are deferred and recognized in the period when the event takes place. Registrations are refundable if the event is cancelled.

**Functional Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Payroll, employee benefits, and payroll taxes are allocated using staff salaries. The remaining expenses are allocated using management's best estimates for staff time by function.

**Leases**

KOM assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position.

ROU assets represent KOM's right to use an underlying asset for the lease term, and lease liabilities represent KOM's obligation to make lease payments. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. KOM uses the implicit rate when it is readily determinable. When the leases do not provide an implicit rate, to determine the present value of lease payments, management uses the risk-free rate at lease commencement.

All of the KOM's leases are operating leases. Lease expense is recognized for these leases on a straight-line basis over the lease term. KOM's lease terms may include options to extend or terminate the lease when it is reasonably certain that KOM will exercise the option.

**Income Taxes**

KOM is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to the extent it has taxable income from activities that are not related to its exempt purpose. Management believes KOM did not have any unrelated business income in 2023. Management believes KOM has appropriate support for any tax positions taken, and accordingly, does not have any uncertain tax positions that are material to the financial statements.

**KAREN ORGANIZATION OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 LIQUIDITY AND AVAILABILITY**

KOM regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. On a monthly basis, KOM performs a calculation of available cash and cash equivalents on hand, grants receivable, and contributions receivable which is compared to one-fourth of budgeted annual operating expenses, less noncash items and unusual or one-time expenses. Although not adopted as a formal policy, the board's goal is to maintain 90-days of financial assets on hand. In addition, the board annually adopts a balanced budget that it regularly monitors.

As more fully described in Note 5, KOM also has a committed line of credit in the amount of \$100,000, which it could draw upon in the event of an unanticipated liquidity need.

Financial assets available for general expenditure, within one year of December 31, 2023, comprise the following:

Cash	\$ 556,621
Government Grants Receivable	863,673
Pledges Receivable	181,500
Total	<u><u>\$ 1,601,794</u></u>

In 2023, KOM's board designated \$243,000 as an operating reserve at a level that would cover at least two months of general expenditures.

For purposes of analyzing resources available to meet general expenditures over the next year, KOM considers all expenditures related to its ongoing activities to be general expenditures.

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2023:

	Amount	Depreciation Lives Years
Property and Equipment	\$ 75,569	<u>5</u>
Less: Accumulated Depreciation	(65,949)	
Total	<u><u>\$ 9,620</u></u>	

**KAREN ORGANIZATION OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 LINE OF CREDIT**

KOM maintains a line of credit in the amount of \$100,000, with interest at the prime rate plus 1.00%. The effective rate at December 31, 2023 was 9.5%. The line of credit matured September 8, 2023, and was renewed through September 23, 2024. The line of credit is collateralized by equipment. There were no outstanding balances on the line of credit as of December 31, 2023. Subsequent to year end, the line of credit was renewed through September 22, 2025 with an interest rate of 8%.

**NOTE 6 PAYCHECK PROTECTION PROGRAM LOAN**

KOM has a note payable to Bremer Bank in the original amount of \$202,500 with interest at 1.0%. The note was funded through the Paycheck Protection Program (PPP), a program developed by the Federal government in response to the COVID-19 pandemic. Principal and interest of \$73,150 was forgiven in August 2021. The remaining balance of \$130,273 is payable in monthly installments of \$3,085 beginning November 7, 2021 through May 7, 2025 (the maturity date), and is unsecured.

Maturities of the PPP loan are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 36,680
2025	14,612
Total	<u>\$ 51,292</u>

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at December 31, 2023 are restricted for the following:

Subject to Purpose Restrictions:

Weaving	\$ 11,337
Elders Program	20,000
Civic Engagement	24,849
Health and Wellness	30,000

Subject to Time Restrictions:

General Operations	62,500
Total	<u>\$ 148,686</u>

Restrictions are classified above according to their main restriction. Some of the restrictions have components of both time and purpose restrictions.

**KAREN ORGANIZATION OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets with donor restrictions were released from restriction for the following purposes during the year ended December 31, 2023:

Purpose Restrictions:	
Capacity Building Learning	\$ 56,747
Chemical Dependency	17,143
Homeownership Education	39,530
Weaving	3,663
Elders Program	15,000
Civic Engagement	40,151
Health and Wellness	3,250
Time Restrictions	125,000
Total	<u>\$ 300,484</u>

**NOTE 8 LEASES**

KOM leases space for its offices in Roseville, Minnesota. The original leases for the office space were effective in 2018 and were amended again in 2023 to extend the lease term through February 28, 2026. This amended lease requires monthly payments beginning in December 2023 of \$10,058 and escalate through the lease term.

The weighted average remaining lease term at December 31, 2023 for operating leases are 2.1 years and the weighted average discount rates used in the calculations are 5.55%.

Total lease costs for the year ended December 31, 2023 are as follows:

	Amount
Operating Lease Cost	<u>\$ 113,945</u>

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2023:

	Amount
2024	\$ 136,098
2025	144,976
2026	<u>24,356</u>
Undiscounted Cash Flows	305,430
Less: Imputed Interest	<u>(18,652)</u>
Total Present Value of Operating Lease Liabilities	<u>\$ 286,778</u>
Current Portion of Lease Liabilities	\$ 134,050
Long-Term Portion of Lease Liabilities	<u>152,728</u>
Total	<u>\$ 286,778</u>

**KAREN ORGANIZATION OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 9 CONCENTRATIONS**

KOM maintains its cash in one bank. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times throughout the year, the cash balances held exceeded the FDIC coverage. KOM believes it is not exposed to any significant credit risk on its accounts.

KOM received approximately 35% of its revenue and support in 2023 from the United States Department of Health and Human Services, passed through the state of Minnesota and local agencies.

**NOTE 10 COMMITTED GRANTS AND CONTRACTS**

**Government Grants**

KOM has conditional promises to give totaling \$2,287,647 at December 31, 2023, which consists of government grants with remaining commitments that are conditional upon incurring eligible expenditures or performing certain services. Conditional promises to give are recognized in the financial statements when conditions have been met. The remaining contributions are expected to be recognized in 2024.

**United Way**

KOM has received funding commitments from the United Way for programs. This funding is contingent upon the United Way raising the funds and annual approval by the United Way board and will be recorded when approved. The United Way has conditionally pledged \$62,500 for 2024.

**NOTE 11 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 8, 2024, the date which the financial statements were available for issue.



